



The Bank's Accounts:

Financial Statements
and Other Documents
for Fiscal 2017

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

II. Financial Statements

III. Schedule for the Financial Statements

IV. Expenses

On May 29, 2018, the Bank of Japan released the "Financial Statements for the 133rd Fiscal Year" (partially available in English), which contains the Bank's financial statements (the inventory of property, balance sheet, and statement of income) for the 133rd fiscal year, i.e., fiscal 2017 (April 1, 2017–March 31, 2018), and the schedule for the financial statements for fiscal 2017.

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 2017 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 2017 shows that total assets increased by 7.8 percent (38,196.3 billion yen) from the previous fiscal year-end to 528,285.6 billion yen, mainly due to an increase in holdings of Japanese government securities (JGSs).¹ Total liabilities increased by 7.8 percent (37,912.8 billion yen) from the previous fiscal year-end to 524,336.3 billion yen, mainly due to an increase in current deposits (Table 1).

Detailed developments in the Bank's balance sheet in fiscal 2017 are as follows.

Looking at assets at the fiscal year-end, holdings of JGSs increased by 7.3 percent (30,614.6 billion yen) from the previous fiscal year-end to 448,326.1 billion yen, with the Bank proceeding with its purchases of these assets. Loans and bills discounted increased by 1,747.3 billion yen from the previous fiscal year-end to 46,411.9 billion yen, due to an increase in the amount of loans provided through the Loan Support Program.² Pecuinary trusts (index-linked exchange-traded funds held as trust property) increased by 5,999.4 billion yen from the previous fiscal year-end to 18,934.8 billion yen, with the Bank proceeding with its purchases of these assets.

Turning to liabilities, current deposits increased by 10.4 percent (35,482.4 billion yen) from the previous fiscal year-end to 378,237.9 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 4.2 percent (4,200.2 billion yen) from the previous fiscal year-end to 104,000.4 billion yen.

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

2. 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.

With regard to the Bank's statement of income for fiscal 2017, operating profits increased by 133.5 billion yen from the previous fiscal year to 1,228.7 billion yen, mainly due to rises in net gains on pecuniary trusts and interest income on JGSs (Tables 2 and 3).

Meanwhile, net special losses amounted to 338.8 billion yen, mainly due to (1) the transfer of funds to the provision for possible losses on bonds transactions to compensate for possible fluctuation in net income arising from the implementation of Quantitative and Qualitative Monetary Easing with Yield Curve Control, and (2) the transfer of funds from the provision for possible losses on foreign exchange transactions following net foreign exchange-related losses.

Net income for the term—after subtracting corporate income tax and inhabitants and enterprise taxes—increased by 258.1 billion yen from the previous fiscal year to 764.7 billion yen. After transferring 38.2 billion yen to the legal reserve (5 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 (726.5 billion yen).

The capital adequacy ratio, after the appropriation of net income, rose from its previous fiscal year-end level of 8.07 percent to 8.09 percent at the end of fiscal 2017 (Table 4).

Table 1

Principal Assets and Liabilities¹

bil. yen

Item	End of fiscal 2016 (Mar. 31, 2017)	End of fiscal 2017 (Mar. 31, 2018)
Total assets	490,089.3 (+20.8) <+84,441.1>	528,285.6 (+7.8) <+38,196.3>
Of which:		
Japanese government securities	417,711.4 (+19.6) <+68,515.9>	448,326.1 (+7.3) <+30,614.6>
Commercial paper	2,035.7 (+3.3) <+65.7>	2,057.4 (+1.1) <+21.6>
Corporate bonds	3,214.4 (+1.4) <+44.0>	3,192.1 (-0.7) <-22.3>
Pecuniary trusts (stocks held as trust property)	1,188.4 (-13.2) <-180.7>	1,048.8 (-11.7) <-139.5>
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	12,935.3 (+70.9) <+5,367.7>	18,934.8 (+46.4) <+5,999.4>
Pecuniary trusts (Japan real estate investment trusts held as trust property)	382.2 (+30.2) <+88.6>	476.1 (+24.6) <+93.8>
Loans and bills discounted	44,664.5 (+31.2) <+10,619.2>	46,411.9 (+3.9) <+1,747.3>
Foreign currency assets	6,608.1 (-1.3) <-89.0>	6,369.5 (-3.6) <-238.5>
Total liabilities	486,423.4 (+21.0) <+84,325.0>	524,336.3 (+7.8) <+37,912.8>
Of which:		
Banknotes	99,800.1 (+4.4) <+4,205.3>	104,000.4 (+4.2) <+4,200.2>
Deposits (excluding those of the government)	356,378.8 (+26.0) <+73,439.2>	399,638.3 (+12.1) <+43,259.4>
Deposits of the government	21,750.7 (+15.8) <+2,971.0>	15,124.8 (-30.5) <-6,625.9>
Payables under repurchase agreements	3,425.2 (18.0 times) <+3,235.2>	311.2 (-90.9) <-3,113.9>

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

[Reference to Table 1]

Loans Provided through the Loan Support Program¹

bil. yen

Item	End of fiscal 2015 (Mar. 31, 2016)	End of fiscal 2016 (Mar. 31, 2017)	End of fiscal 2017 (Mar. 31, 2018)
Total amount outstanding	31,407.8	45,710.2	48,018.3
Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth	6,985.8	8,713.9	9,354.7
Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending	24,422.0	36,996.3	38,663.6

Note: 1. Includes foreign currency-denominated loans that are not included in "loans and bills discounted."

Table 2

Principal Profits and Losses¹

bil. yen

Item	Fiscal 2016 (Apr. 1, 2016–Mar. 31, 2017)	Fiscal 2017 (Apr. 1, 2017–Mar. 31, 2018)
Operating profits/losses	1,095.2 (+43.6) <+332.6>	1,228.7 (+12.2) <+133.5>
Of which: "Core" operating income ²	1,273.7 <-122.5>	1,310.4 <+36.7>
Net government bond-related gains/losses ³	...	...
Net foreign exchange-related gains/losses ⁴	-148.1 <+260.1>	-211.9 <-63.7>
Net gains/losses on pecuniary trusts (stocks held as trust property)	217.5 <+166.3>	251.2 <+33.7>
Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)	172.2 <+67.4>	278.9 <+106.6>
Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)	13.8 <+3.0>	18.1 <+4.3>
Interest on excess reserve balances under the complementary deposit facility ⁵	-187.3 <+34.3>	-183.6 <+3.6>
Special profits/losses⁶	-387.7 <-142.3>	-338.8 <+48.9>
Of which:		
Net transfer to/from provision for possible losses on bonds transactions	-461.5 <-11.3>	-445.1 <+16.4>
Net transfer to/from provision for possible losses on foreign exchange transactions	74.0 <-130.0>	105.9 <+31.8>
Net income before taxes	707.4 (+36.8) <+190.2>	889.9 (+25.8) <+182.4>
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	200.7 <+94.6>	125.1 <-75.6>
Net income⁷	506.6 (+23.3) <+95.6>	764.7 (+50.9) <+258.1>

Notes: 1. Figures in parentheses are the percentage changes from the previous fiscal year except where otherwise noted; figures in angle 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 sales of JGBs.

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

5. Net difference between interest payment on excess reserve balances to which a positive interest rate is applied (-209.0 billion yen) and interest income on the balances to which a negative interest rate is applied (25.3 billion yen).

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

7. 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

Changes in Profits and Losses¹

bil. yen

Item	Fiscal 2015 (Apr. 1, 2015– Mar. 31, 2016)	Fiscal 2016 (Apr. 1, 2016– Mar. 31, 2017)	Fiscal 2017	First half of the fiscal year (Apr. 1, 2017– Sept. 30, 2017)	Second half of the fiscal year (Oct. 1, 2017– Mar. 31, 2018)
1. Net government bond-related gains/losses	...	...	...	...	...
Of which:					
Gains on sale of Japanese government bonds	...	...	...	...	...
Losses on sale of Japanese government bonds	...	...	...	...	...
2. Net foreign exchange-related gains/losses²	–408.3	–148.1	–211.9	128.8	–340.8
3. Net gains/losses on pecuniary trusts (stocks held as trust property)	51.1	217.5	251.2	115.0	136.2
Of which:					
Dividends and others	53.7	52.2	55.4	26.7	28.7
Losses on impairment	–4.4	–4.3	...	...	...
Net gains/losses on sale	1.8	169.5	195.8	88.2	107.5
4. Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)	104.8	172.2	278.9	256.0	22.9
Of which:					
Distributions and others	104.8	172.2	278.9	256.0	22.9
Losses on impairment	...	...	...	...	...
Net gains/losses on sale	...	...	...	...	...
5. Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)	10.8	13.8	18.1	8.6	9.5
Of which:					
Distributions and others	10.8	13.8	18.1	8.6	9.5
Losses on impairment	...	...	...	...	...
Net gains/losses on sale	...	...	...	...	...

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

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

bil. yen, except where otherwise noted

Item	Fiscal 2015 (Apr. 1, 2015– Mar. 31, 2016)	Fiscal 2016 (Apr. 1, 2016– Mar. 31, 2017)	Fiscal 2017	First half of the fiscal year	Second half of the fiscal year
				(Apr. 1, 2017– Sept. 30, 2017)	(Oct. 1, 2017– Mar. 31, 2018)
6. "Core" operating income	1,396.3	1,273.7	1,310.4	641.3	669.0
Yen assets	1,326.7	1,197.5	1,220.0	596.7	623.3
Of which:					
Interest on loans and discounts	34.8	9.6	0.0	0.0	0.0
Interest on receivables under resale agreements	–0.0	...	...	...	...
Interest and discounts on Japanese government securities	1,287.5	1,186.9	1,221.1	597.2	623.9
Treasury discount bills	–20.8	–123.0	–69.8	–47.3	–22.5
Japanese government bonds	1,308.3	1,309.9	1,290.9	644.5	646.4
Interest on commercial paper	1.0	–0.3	–0.1	–0.0	–0.0
Interest and discounts on corporate bonds	3.2	1.2	–0.9	–0.4	–0.5
Interest on foreign currency assets	69.6	76.2	90.3	44.6	45.7
7. Interest-bearing assets (average amount outstanding)	358,263.1	441,575.6	494,983.4	486,125.8	503,889.7
Yen assets	351,924.6	435,036.4	488,322.0	479,506.0	497,186.3
Of which:					
Loans and bills discounted	35,164.9	35,498.7	46,204.9	45,087.3	47,328.6
Receivables under resale agreements	1.0	...	...	...	...
Japanese government securities	311,330.8	394,115.1	436,665.2	428,926.4	444,446.6
Treasury discount bills	47,554.0	50,697.0	29,831.7	35,000.9	24,634.0
Japanese government bonds	263,776.7	343,418.1	406,833.5	393,925.4	419,812.5
Commercial paper	2,224.8	2,241.3	2,252.8	2,294.4	2,210.9
Corporate bonds	3,202.9	3,181.1	3,199.0	3,197.8	3,200.2
Foreign currency assets	6,338.4	6,539.1	6,661.4	6,619.7	6,703.4
8. Yield on interest-bearing assets (percent)	0.389	0.288	0.264	0.263	0.266
Yen assets	0.376	0.275	0.249	0.248	0.251
Of which:					
Loans and bills discounted	0.099	0.027	0.000	0.000	0.000
Receivables under resale agreements	–0.120	...	...	...	...
Japanese government securities	0.413	0.301	0.279	0.277	0.281
Treasury discount bills	–0.043	–0.242	–0.234	–0.269	–0.183
Japanese government bonds	0.495	0.381	0.317	0.326	0.308
Commercial paper	0.048	–0.013	–0.004	–0.003	–0.005
Corporate bonds	0.102	0.038	–0.030	–0.027	–0.033
Foreign currency assets	1.098	1.165	1.356	1.345	1.368

Table 4

The Bank's Capital Base and Capital Adequacy Ratio¹

bil. yen, except where otherwise noted

Item	End of fiscal 2015 (Mar. 31, 2016)	End of fiscal 2016 (Mar. 31, 2017)	End of fiscal 2017 (Mar. 31, 2018)	Changes from a year earlier	[Reference]
					End of the first half of fiscal 2017 (Sept. 30, 2017)
Capital accounts (A)	3,159.1	3,184.5	3,222.7	+38.2	3,184.5
Capital	0.1	0.1	0.1	...	0.1
Legal reserve and others ²	3,159.0	3,184.4	3,222.6	+38.2	3,184.4
Provisions (B)	4,275.4	4,662.8	5,002.0	+339.1	4,955.3
Provision for possible loan losses (excluding special provision for possible loan losses)	...	...	...	...	...
Provision for possible losses on bonds transactions	2,693.4	3,155.0	3,600.1	+445.1	3,383.0
Provision for possible losses on foreign exchange transactions	1,581.9	1,507.8	1,401.9	-105.9	1,572.3
Capital base³ (C) = (A) + (B)	7,434.6	7,847.4	8,224.8	+377.3	8,139.8
Annual average of banknotes issued (D)	92,295.7	97,198.8	101,588.7	+4,389.9	100,166.6
Capital adequacy ratio (C)/(D) × 100 (percent)	8.05	8.07	8.09	+0.02	8.12

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.

[Reference]

Market Value of the Bank's Securities Holdings¹

bil. yen

Item	End of fiscal 2016 (Mar. 31, 2017)			End of fiscal 2017 (Mar. 31, 2018)		
	Book value	Market value ²	Difference	Book value	Market value ²	Difference
Japanese government securities	417,711.4	427,342.9	9,631.5	448,326.1	459,028.1	10,702.0
Commercial paper	2,035.7	2,035.7	...	2,057.4	2,057.4	...
Corporate bonds	3,214.4	3,207.5	-6.8	3,192.1	3,185.7	-6.3
Pecuniary trusts ³ (stocks held as trust property)	1,165.5	2,492.3	1,326.8	1,023.8	2,485.5	1,461.7
Pecuniary trusts ³ (index-linked exchange-traded funds held as trust property)	13,161.1	15,930.3	2,769.2	19,338.4	24,484.5	5,146.0
Pecuniary trusts ³ (Japan real estate investment trusts held as trust property)	379.9	459.1	79.2	470.0	514.2	44.1

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

2. Based on market prices and other factors at the end of the fiscal year.

3. Comprises trust property on a contract basis; thus, book values are not necessarily equal to balance sheet amounts.

II. FINANCIAL STATEMENTS

1. Inventory of property as at March 31, 2018

Item	Value in yen	Unit (except where otherwise noted)
ASSETS		
Gold	441,253,409,037	
Cash	274,310,402,218	
Japanese government securities	448,326,107,324,120	Face value at 438,172,412,200,000 yen
Commercial paper	2,057,433,361,381	Face value at 2,057,400,000,000 yen
Corporate bonds	3,192,117,557,051	Face value at 3,171,600,000,000 yen
Pecuniary trusts (stocks held as trust property)	1,048,895,987,596	
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	18,934,845,109,326	
Pecuniary trusts (Japan real estate investment trusts held as trust property)	476,123,314,723	
Loans and bills discounted	46,411,919,000,000	
Electronic loans	46,411,919,000,000	1,595
Foreign currency assets	6,369,516,422,097	
Foreign currency deposits	1,128,294,451,167	
Foreign currency securities	2,716,237,615,380	
Foreign currency mutual funds	58,235,330,550	
Foreign currency loans	2,466,749,025,000	
Deposits with agents	24,045,314,835	Deposits with 86 agents
Other assets	521,137,257,715	
Bills and checks in process of collection	56,588,173	7
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	42,819,080,560	6
Refund on accrued tax	4,302,872,300	
Accrued interest receivable	444,217,878,187	
Others	14,237,464,131	
Tangible fixed assets	207,853,084,417	
Buildings	97,529,908,898	611,036.68 square meters
Land	82,743,135,513	516,363.89 square meters
Lease assets	8,210,619,191	Number of lease property: 18,356
Construction in progress	6,604,809,352	
Other tangible fixed assets	12,764,611,463	Number of movable property: 10,072
Intangible fixed assets	122,309,624	
Utility rights	122,309,624	
Total assets	528,285,679,854,140	
LIABILITIES		
Banknotes	104,000,474,891,160	
Deposits (excluding those of the government)	399,638,338,405,152	
Current deposits	378,237,940,665,775	1,130
Other deposits	21,400,397,739,377	140
Deposits of the government	15,124,804,613,741	
Treasury deposit	150,000,141,286	
Domestic designated deposit	14,657,400,509,376	
Other government deposits	317,403,963,079	
Payables under repurchase agreements	311,294,637,524	10
Other liabilities	59,637,024,252	
Remittances payable	12,700,369,266	
Taxes payable	7,584,000,000	
Lease liabilities	8,558,825,733	
Others	30,793,829,253	
Provision for retirement benefits	199,757,700,976	
Provision for possible losses on bonds transactions	3,600,127,993,013	
Provision for possible losses on foreign exchange transactions	1,401,912,000,000	
Total liabilities	524,336,347,265,818	
NET ASSETS		
Capital	100,000,000	
Legal reserve	3,184,419,611,234	
Special reserve	13,196,452	
Net income	764,799,780,636	
Total net assets	3,949,332,588,322	
Total liabilities and net assets	528,285,679,854,140	

2. Balance sheet as at March 31, 2018

yen

ASSETS	
Gold	441,253,409,037
Cash	274,310,402,218
Japanese government securities	448,326,107,324,120
Commercial paper	2,057,433,361,381
Corporate bonds	3,192,117,557,051
Pecuniary trusts (stocks held as trust property)	1,048,895,987,596
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	18,934,845,109,326
Pecuniary trusts (Japan real estate investment trusts held as trust property)	476,123,314,723
Loans and bills discounted	46,411,919,000,000
Electronic loans	46,411,919,000,000
Foreign currency assets	6,369,516,422,097
Foreign currency deposits	1,128,294,451,167
Foreign currency securities	2,716,237,615,380
Foreign currency mutual funds	58,235,330,550
Foreign currency loans	2,466,749,025,000
Deposits with agents	24,045,314,835
Other assets	521,137,257,715
Bills and checks in process of collection	56,588,173
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	42,819,080,560
Refund on accrued tax	4,302,872,300
Accrued interest receivable	444,217,878,187
Others	14,237,464,131
Tangible fixed assets	207,853,084,417
Buildings	97,529,908,898
Land	82,743,135,513
Lease assets	8,210,619,191
Construction in progress	6,604,809,352
Other tangible fixed assets	12,764,611,463
Intangible fixed assets	122,309,624
Utility rights	122,309,624
Total assets	528,285,679,854,140
LIABILITIES	
Banknotes	104,000,474,891,160
Deposits (excluding those of the government)	399,638,338,405,152
Current deposits	378,237,940,665,775
Other deposits	21,400,397,739,377
Deposits of the government	15,124,804,613,741
Treasury deposit	150,000,141,286
Domestic designated deposit	14,657,400,509,376
Other government deposits	317,403,963,079
Payables under repurchase agreements	311,294,637,524
Other liabilities	59,637,024,252
Remittances payable	12,700,369,266
Taxes payable	7,584,000,000
Lease liabilities	8,558,825,733
Others	30,793,829,253
Provision for retirement benefits	199,757,700,976
Provision for possible losses on bonds transactions	3,600,127,993,013
Provision for possible losses on foreign exchange transactions	1,401,912,000,000
Total liabilities	524,336,347,265,818
NET ASSETS	
Capital	100,000,000
Legal reserve	3,184,419,611,234
Special reserve	13,196,452
Net income	764,799,780,636
Total net assets	3,949,332,588,322
Total liabilities and net assets	528,285,679,854,140

3. Statement of income for fiscal 2017 (April 1, 2017–March 31, 2018)

yen

Operating income	1,838,331,346,242
Interest on loans and discounts	144,360
Interest on loans	144,360
Interest and discounts on Japanese government securities	1,221,134,715,064
Interest on commercial paper	-104,950,493
Interest and discounts on corporate bonds	-974,041,525
Gains on foreign currency assets	44,701,730,974
Gains on foreign currency mutual funds	3,496,670,638
Interest on foreign currency deposits and loans	41,205,060,336
Other operating income	573,573,747,862
Gains on pecuniary trusts (stocks held as trust property)	251,292,892,384
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	278,940,506,814
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	18,186,945,789
Dividends	799,897,457
Fees and commissions	9,593,066,770
Other income	14,760,438,648
Operating expenses	609,540,201,808
Interest on payables under repurchase agreements	-552,635,720
Losses on foreign currency assets	217,151,255,137
Foreign exchange losses	211,927,576,225
Losses on foreign currency securities	5,223,678,912
General and administrative expenses and costs	194,938,517,391
Cost of production of banknotes	51,905,766,000
Administrative expenses for treasury business and Japanese government securities	17,039,239,034
Personnel expenses	51,781,674,073
Expenses for transportation and communications	4,187,078,658
Expenses for maintenance and repairs	2,858,474,397
Other general and administrative expenses and costs	48,662,092,716
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	3,804,475,042
Depreciation and amortization	14,699,717,471
Other general and administrative expenses	198,003,065,000
Interest on excess reserve balances under the complementary deposit facility	183,661,718,937
Fees and commissions paid	105,443,650
Other expenses	14,235,902,413
Operating profits	1,228,791,144,434
Special profits	106,479,334,428
Gains on disposal of fixed assets	62,810
Transfer from provision for possible losses on foreign exchange transactions	105,963,000,000
Other special profits	516,271,618
Special losses	445,306,606,796
Losses on disposal of fixed assets	198,606,796
Transfer to provision for possible losses on bonds transactions	445,108,000,000
Net income before taxes	889,963,872,066
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	125,164,091,430
Net income	764,799,780,636

4. Summary of significant accounting policies

a. Securities

Yen-denominated bonds and CP³ 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,⁴ 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 trusts⁵ 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. However, depreciation for accessory equipment acquired on or after April 1, 2016 is computed using the straight-line 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.

3. 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.

4. Includes bonds issued by real estate investment corporations.

5. 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.

(5) Others

Depreciation is computed in accordance with the Corporation Tax Act.

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.

The method of attributing projected benefits to periods up to the fiscal year-end is based on the straight-line method. Prior service cost is amortized 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 10 years). Unrecognized actuarial differences are amortized from the fiscal year following the one in which the difference arises; this is also done using the straight-line method.

(3) Provision for possible losses on bonds transactions

The provision for possible losses on bonds transactions is maintained pursuant to the following rules and regulations: Article 15 of the Order for Enforcement of the Bank of Japan Act and Article 1-2 of the Supplementary Provisions of this order; Articles 9, 10, and 11 of the Ordinance for Enforcement of the Bank of Japan Act and Article 3 of the Supplementary Provisions of this ordinance; and Article 18 of the Bank's Accounting Rules and the Supplementary Provisions of these rules.

(4) Provision for possible losses on foreign exchange transactions

The provision for possible losses on foreign exchange transactions is maintained pursuant to the following rules and regulations: Article 15 of the Order for

Enforcement of the Bank of Japan Act; 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.

- (5) 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

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 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	139
More than one year	429
<hr/>	
Total	568

b. Lessor

	mil. yen
Within one year	1
More than one year	35
<hr/>	
Total	37

Explanatory Notes to Accounting for Retirement Benefits¹

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

	yen
Projected benefit obligation at the beginning of fiscal 2017	239,491,094,000
Service cost	6,181,220,000
Interest cost	957,733,000
Actuarial differences	2,894,190,430
Retirement benefits paid	-10,308,232,430
Prior service cost	...
Projected benefit obligation at the end of fiscal 2017	239,216,005,000

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

	yen
Projected benefit obligation	239,216,005,000
Fair value of plan assets	...
Unfunded projected benefit obligation	239,216,005,000
Unrecognized actuarial differences	-46,986,300,474
Unrecognized prior service cost	7,527,996,450
Net amount recorded on the balance sheet	199,757,700,976
Prepaid pension cost	...
Provision for retirement benefits	199,757,700,976

3. Retirement benefit cost

	yen
Service cost	6,181,220,000
Interest cost	957,733,000
Expected return on plan assets	...
Amortization of actuarial differences	5,997,536,145
Amortization of prior service cost	-1,158,153,300
Retirement benefit cost	11,978,335,845

4. Assumptions

Discount rate	0.4%
Long-term expected rate of return on plan assets	...

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

5. Auditors' opinion⁶

May 11, 2018

Auditors' Opinion on the Bank of Japan's Financial Statements for Fiscal 2017

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 2017 indicated below. In our opinion, the financial statements present fairly the state of property and the results of operations for fiscal 2017.

The financial statements comprise the following:
Inventory of property as at March 31, 2018;
Balance sheet as at March 31, 2018; and
Statement of income for fiscal 2017.

Ryuichi Shogan
Toshihiko Fujita
Ryota Yanagihara

Auditors, Bank of Japan

6. Appropriation of net income for fiscal 2017

yen

Net income	764,799,780,636
Appropriations:	
Transfer to legal reserve	38,239,989,032
Dividends, 5 percent of share face value	5,000,000
Payment to the government	726,554,791,604
Total	764,799,780,636

⁶ 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 2017	Balance at the end of fiscal 2017	Changes during fiscal 2017
1. Gold	441,253,409,037	441,253,409,037	0
2. Cash¹	203,111,546,945	274,310,402,218	71,198,855,273
3. Japanese government securities	417,711,474,033,271	448,326,107,324,120	30,614,633,290,849
Treasury discount bills	40,567,311,358,895	21,758,701,344,755	-18,808,610,014,140
Japanese government bonds	377,144,162,674,376	426,567,405,979,365	49,423,243,304,989
2-year Japanese government bonds	34,835,958,204,187	29,237,164,234,560	-5,598,793,969,627
5-year Japanese government bonds	102,622,057,920,578	111,153,738,875,305	8,531,680,954,727
10-year Japanese government bonds	136,733,565,138,672	162,707,526,065,010	25,973,960,926,338
20-year Japanese government bonds	66,681,399,273,463	80,879,933,788,712	14,198,534,515,249
30-year Japanese government bonds	24,535,529,425,847	30,112,756,738,081	5,577,227,312,234
40-year Japanese government bonds	5,030,473,713,629	6,092,084,940,416	1,061,611,226,787
Floating-rate Japanese government bonds	5,220,977,784,649	4,778,452,860,903	-442,524,923,746
Inflation-indexed bonds	1,484,201,213,351	1,605,748,476,378	121,547,263,027
4. Commercial paper²	2,035,734,736,594	2,057,433,361,381	21,698,624,787
Dematerialized commercial paper	2,035,734,736,594	2,057,433,361,381	21,698,624,787
5. Corporate bonds³	3,214,428,529,244	3,192,117,557,051	-22,310,972,193
6. Pecuniary trusts (stocks held as trust property)⁴	1,188,484,406,613	1,048,895,987,596	-139,588,419,017
Stocks	1,165,545,787,573	1,023,874,328,856	-141,671,458,717
Dividends receivable and others	22,938,619,040	25,021,658,740	2,083,039,700
7. Pecuniary trusts (index-linked exchange-traded funds held as trust property)⁵	12,935,375,253,468	18,934,845,109,326	5,999,469,855,858
Index-linked exchange-traded funds	12,935,375,253,468	18,934,845,109,326	5,999,469,855,858
8. Pecuniary trusts (Japan real estate investment trusts held as trust property)⁶	382,248,139,802	476,123,314,723	93,875,174,921
Japan real estate investment trusts	377,538,733,008	470,062,302,945	92,523,569,937
Distributions receivable	4,709,406,794	6,061,011,778	1,351,604,984
9. Loans and bills discounted	44,664,568,000,000	46,411,919,000,000	1,747,351,000,000
Electronic loans	44,664,568,000,000	46,411,919,000,000	1,747,351,000,000
Loans by Funds-Supplying Operations against Pooled Collateral ⁷	44,664,568,000,000	46,411,919,000,000	1,747,351,000,000
10. Foreign currency assets	6,608,110,818,466	6,369,516,422,097	-238,594,396,369
Foreign currency deposits ⁸	1,033,483,758,461	1,128,294,451,167	94,810,692,706
Foreign currency securities ^{9,10}	3,153,263,293,351	2,716,237,615,380	-437,025,677,971
Foreign currency mutual funds	56,740,771,654	58,235,330,550	1,494,558,896
Foreign currency loans ¹¹	2,364,622,995,000	2,466,749,025,000	102,126,030,000
11. Deposits with agents¹²	20,557,407,037	24,045,314,835	3,487,907,798

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 amounts outstanding of: (1) loans made through the Fixed-Rate Funds-Supplying Operation against Pooled Collateral; (2) 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); (3) loans made under the Fund-Provisioning Measure to Stimulate Bank Lending conducted through the Loan Support Program; (4) loans made through the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas; and (5) loans made through the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas of the 2016 Kumamoto Earthquake.

8. Deposits held at foreign central banks and the Bank for International Settlements (BIS).

9. Includes securities issued by foreign governments.

10. 136,400,657,347 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 at the beginning of the fiscal year comprises that 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 and that of loans arising from the U.S. Dollar Funds-Supplying Operations against Pooled Collateral. The amount outstanding at the fiscal year-end comprises that 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 2017	Balance at the end of fiscal 2017	Changes during fiscal 2017
12. Other assets	482,817,708,962	521,137,257,715	38,319,548,753
Bills and checks in process of collection ¹³	16,335,872	56,588,173	40,252,301
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 ¹⁴	15,278,374,364	15,278,374,364	0
Withdrawn cash to be returned to the government ¹⁵	48,555,520,981	42,819,080,560	-5,736,440,421
Refund on accrued tax	0	4,302,872,300	4,302,872,300
Accrued interest receivable	406,746,871,832	444,217,878,187	37,471,006,355
Others	11,995,605,913	14,237,464,131	2,241,858,218

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 2017	Increase during fiscal 2017	Decrease during fiscal 2017	Of which:	Balance at the end of fiscal 2017	Cumulative total of depreciation
				Depreciation		
13. Tangible fixed assets¹⁶	201,053,056,570	36,113,117,377	29,313,089,530	13,853,426,348	207,853,084,417	357,537,094,918
Buildings ^{17,18}	93,551,705,085 (611,065.63)	12,089,960,063 (797.45)	8,111,756,250 (826.40)	8,078,903,912 (...)	97,529,908,898 (611,036.68)	330,128,616,515 (...)
Land ¹⁷	82,743,135,513 (516,204.05)	10,288 (532.86)	10,288 (373.02)	... (...)	82,743,135,513 (516,363.89)	... (...)
Lease assets ^{19,20}	5,956,822,432 (20,777)	5,598,837,445 (4,028)	3,345,040,686 (6,449)	3,339,525,203 (...)	8,210,619,191 (18,356)	6,249,700,749 (...)
Construction in progress ²¹	7,915,861,070	14,019,163,930	15,330,215,648	...	6,604,809,352	...
Other tangible fixed assets ^{22,23}	10,885,532,470 (10,264)	4,405,145,651 (282)	2,526,066,658 (474)	2,434,997,233 (...)	12,764,611,463 (10,072)	21,158,777,654 (...)

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 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 2017	Increase during fiscal 2017	Decrease during fiscal 2017	Of which:	Balance at the end of fiscal 2017	Cumulative total of depreciation
				Depreciation		
14. Intangible fixed assets	127,888,200	1,615,866	7,194,442	7,194,442	122,309,624	860,075,003
Utility rights	127,888,200	1,615,866	7,194,442	7,194,442	122,309,624	860,075,003

Appendix: Details of loans provided through the Loan Support Program

yen

Item	Balance at the beginning of fiscal 2017	Balance at the end of fiscal 2017	Changes during fiscal 2017
Total amount outstanding	45,710,227,995,000	48,018,368,025,000	2,308,140,030,000
Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth ⁷	8,713,927,995,000	9,354,768,025,000	640,840,030,000
Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending	36,996,300,000,000	38,663,600,000,000	1,667,300,000,000

Note: 1. 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 2017	Balance at the end of fiscal 2017	Changes during fiscal 2017
1. Banknotes	99,800,187,532,462	104,000,474,891,160	4,200,287,358,698
10,000 yen notes	92,369,495,850,000	96,340,556,910,000	3,971,061,060,000
5,000 yen notes	3,074,336,285,000	3,204,580,957,500	130,244,672,500
2,000 yen notes	196,658,161,000	197,570,173,000	912,012,000
1,000 yen notes	4,012,481,897,500	4,111,787,317,500	99,305,420,000
Other banknotes ¹	147,215,338,962	145,979,533,160	-1,235,805,802
2. Deposits (excluding those of the government)	356,378,851,270,284	399,638,338,405,152	43,259,487,134,868
Current deposits	342,755,514,899,028	378,237,940,665,775	35,482,425,766,747
Other deposits ²	13,623,336,371,256	21,400,397,739,377	7,777,061,368,121
3. Deposits of the government	21,750,732,591,836	15,124,804,613,741	-6,625,927,978,095
Treasury deposit	150,000,364,761	150,000,141,286	-223,475
Domestic designated deposit ³	21,348,834,481,149	14,657,400,509,376	-6,691,433,971,773
Other government deposits ⁴	251,897,745,926	317,403,963,079	65,506,217,153
4. Payables under repurchase agreements⁵	3,425,244,243,579	311,294,637,524	-3,113,949,606,055
Other sales of Japanese government securities under repurchase agreements ⁶	3,425,244,243,579	311,294,637,524	-3,113,949,606,055
Of which:			
Under the Securities Lending Facility	2,423,668,097,407	311,294,637,524	-2,112,373,459,883
5. Other liabilities	207,457,263,916	59,637,024,252	-147,820,239,664
Remittances payable	4,902,514,996	12,700,369,266	7,797,854,270
Taxes payable	166,236,000,000	7,584,000,000	-158,652,000,000
Lease liabilities	6,259,806,975	8,558,825,733	2,299,018,758
Others ⁷	30,058,941,945	30,793,829,253	734,887,308

- 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 foreign central banks and others.
3. A deposit to which the surplus funds from management of the treasury is transferred from the "treasury deposit."
4. 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.
5. Monetary obligations arising from sales of JGSs under repurchase agreements.
6. The balance at the beginning of the fiscal year comprises monetary obligations other than those arising from sales under repurchase agreements of JGBs to the government and of T-Bills to foreign central banks and other foreign entities. The balance at the fiscal year-end comprises monetary obligations other than those arising from sales under repurchase agreements of JGBs to the government.
7. 27,127,699,203 yen of the amount outstanding of "others" at the fiscal year-end comprises accrued interest on excess reserve balances under the complementary deposit facility.

yen

Item	Balance at the beginning of fiscal 2017	Increase during fiscal 2017	Decrease during fiscal 2017	Balance at the end of fiscal 2017
6. Provisions⁸	4,860,982,590,574	457,086,335,845	116,271,232,430	5,201,797,693,989
Provision for retirement benefits	198,087,597,561	11,978,335,845	10,308,232,430	199,757,700,976
Provision for possible losses on bonds transactions	3,155,019,993,013	445,108,000,000	0	3,600,127,993,013
Provision for possible losses on foreign exchange transactions	1,507,875,000,000	0	105,963,000,000	1,401,912,000,000
7. Net assets	3,159,198,248,008	25,334,559,678	0	3,184,532,807,686
Capital	100,000,000	0	0	100,000,000
Legal reserve ⁹	3,159,085,051,556	25,334,559,678	0	3,184,419,611,234
Special reserve ¹⁰	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 Bank of Japan 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 2017

a. Operating income

Interest on loans and discounts	
Interest on loans	144,360 yen from electronic loans.
Interest and discounts on Japanese government securities	1,221,134,715,064 yen from interest income on Japanese government securities after adjustment.
Interest on commercial paper	-104,950,493 yen from interest income on commercial paper after adjustment.
Interest and discounts on corporate bonds	-974,041,525 yen from interest income on corporate bonds after adjustment.
Gains on foreign currency assets	
Gains on foreign currency mutual funds	3,496,670,638 yen
Interest on foreign currency deposits and loans	41,205,060,336 yen
Other operating income	
Gains on pecuniary trusts (stocks held as trust property)	251,292,892,384 yen mainly from gains on sales.
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	278,940,506,814 yen mainly from distributions.
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	18,186,945,789 yen mainly from distributions.
Dividends	799,897,457 yen for dividends from shares of the Bank for International Settlements held by the Bank.
Fees and commissions	9,593,066,770 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	14,760,438,648 yen from transfer from provision for retirement benefits and other miscellaneous income.

b. Operating expenses

Interest on payables under repurchase agreements	552,635,720 yen from interest income on sales of Japanese government securities under repurchase agreements.
Losses on foreign currency assets	
Foreign exchange losses	211,927,576,225 yen from losses on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates.
Losses on foreign currency securities	Total of 49,131,881,752 yen from interest and discounts on foreign currency securities and 57,632,272 yen from related lending fees; and 54,413,192,936 yen of losses arising from the sale, redemption, and revaluation at end-March 2018 of foreign currency securities.
General and administrative expenses and costs	
Cost of production of banknotes	51,905,766,000 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	17,039,239,034 yen from fees and commissions paid to agents of the Bank for administration of treasury business and Japanese government securities.
Personnel expenses	427,637,000 yen for remuneration of the officers; 40,999,884,643 yen for remuneration of the employees; and 10,354,152,430 yen for retirement allowances.
Expenses for transportation and communications	1,918,265,866 yen for expenses for transportation and 2,268,812,792 yen for expenses for communications.
Expenses for maintenance and repairs	2,858,474,397 yen on offices and other premises.
Other general and administrative expenses and costs	1,167,098,756 yen for the cost of expendable supplies; 1,634,921,592 yen for expenses for electricity and water supply; 8,132,801,282 yen for leasing fees for buildings and equipment; 8,612,964,843 yen for expenses for maintenance of buildings and equipment; and 29,114,306,243 yen for miscellaneous expenses.
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	3,804,475,042 yen for taxes and public charges (including fixed-asset tax and urban development tax).
Depreciation and amortization	14,699,717,471 yen on buildings and lease assets.
Other general and administrative expenses	
Interest on excess reserve balances under the complementary deposit facility	183,661,718,937 yen (net difference between interest payment of 209,023,353,468 yen on excess reserve balances to which a positive interest rate is applied and interest income of 25,361,634,531 yen on the balances to which a negative interest rate is applied).
Fees and commissions paid	105,443,650 yen
Other expenses	14,235,902,413 yen for transfer to provision for retirement benefits and other expenses.

c. Special profits

Gains on disposal of fixed assets	62,810 yen for gains on sales of office fixtures and equipment.
Transfer from provision for possible losses on foreign exchange transactions	105,963,000,000 yen
Other special profits	516,271,618 yen for gains from additional interest payments (received) on excess reserve balances under the complementary deposit facility.

d. Special losses

Losses on disposal of fixed assets	198,606,796 yen for losses on disposals of automatic banknote examination machines and other properties.
Transfer to provision for possible losses on bonds transactions	445,108,000,000 yen

e. Net income

Net income before taxes	889,963,872,066 yen
Provision for corporate income tax, inhabitants taxes, and enterprise taxes	125,164,091,430 yen
Net income	764,799,780,636 yen

IV. EXPENSES

With regard to the Bank's statement of accounts for fiscal 2017 (the 133rd fiscal year), the total amount of actual expenses increased by 2.5 percent (4.8 billion yen) to 192.9 billion yen compared to the previous fiscal year. This was due, among other factors, to increases in: "other general and administrative expenses and costs," particularly computerization expenses; and the "cost of fixed-asset purchases," reflecting a rise in expenses related to improvements to the Bank's premises.

1. Statement of accounts for fiscal 2017

yen

Item	Initial budget	Adjusted budget ¹	Actual	Surpluses	Changes from the previous year (actual)
Cost of production of banknotes	51,905,777,000	51,905,777,000	51,905,766,000	11,000	99,992,000
Administrative expenses for treasury business and Japanese government securities	17,904,439,000	17,904,439,000	17,039,239,034	865,199,966	-8,888,219
Personnel expenses	52,852,246,000	52,852,246,000	51,781,674,073	1,070,571,927	542,624,039
Remuneration of the officers	428,282,000	428,282,000	427,637,000	645,000	-1,137,500
Remuneration of the employees	42,222,637,000	41,858,637,000	40,999,884,643	858,752,357	-46,311,421
Retirement allowances	10,201,327,000	10,565,327,000	10,354,152,430	211,174,570	590,072,960
Expenses for transportation and communications	4,685,388,000	4,685,388,000	4,187,078,658	498,309,342	-3,796,120
Expenses for transportation	2,090,418,000	2,090,418,000	1,918,265,866	172,152,134	-2,226,585
Expenses for communications	2,594,970,000	2,594,970,000	2,268,812,792	326,157,208	-1,569,535
Expenses for maintenance and repairs	2,928,083,000	2,928,083,000	2,858,474,397	69,608,603	420,017,498
Other general and administrative expenses and costs	51,807,057,000	51,807,057,000	48,662,092,716	3,144,964,284	2,186,050,989
Cost of expendable supplies	1,393,452,000	1,393,452,000	1,167,098,756	226,353,244	-132,693,622
Expenses for electricity and water supply	2,299,577,000	2,299,577,000	1,634,921,592	664,655,408	-14,627,966
Leasing fees for buildings and equipment	8,368,508,000	8,368,508,000	8,132,801,282	235,706,718	586,356,895
Expenses for maintenance of buildings and equipment	9,144,381,000	9,144,381,000	8,612,964,843	531,416,157	371,107,447
Miscellaneous expenses	30,601,139,000	30,601,139,000	29,114,306,243	1,486,832,757	1,375,908,235
Subtotal	182,082,990,000	182,082,990,000	176,434,324,878	5,648,665,122	3,236,000,187
Cost of fixed-asset purchases	17,053,886,000	17,053,886,000	16,513,002,669	540,883,331	1,537,563,412
Of which:					
Subject to the approval of the Minister of Finance ²	4,505,192,000	4,505,192,000	4,390,150,694	115,041,306	-1,347,601,265
Contingency funds	1,000,000,000	1,000,000,000	0	1,000,000,000	0
Total	200,136,876,000	200,136,876,000	192,947,327,547	7,189,548,453	4,773,563,599
Of which:					
Subject to the approval of the Minister of Finance ²	187,588,182,000	187,588,182,000	180,824,475,572	6,763,706,428	1,888,398,922

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 2017¹

mil. yen

Area of business operation	Expenses	Changes from a year earlier	Share of total (percent)
Issuance of banknotes	82,597	+432	42.4
Monetary policy	23,535	+739	12.1
Financial system policy	17,853	+454	9.2
Payment and settlement systems	30,731	+122	15.8
Services relating to the government ²	40,223	+1,867	20.6
Total	194,939	+3,613	100.0

Notes: 1. Calculated based on "general and administrative expenses and costs" (194.9 billion yen) in the statement of income for fiscal 2017 (the 133rd 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.