

# The Bank's Accounts:

Financial Statements  
and Other Documents  
for Fiscal 2020

---

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

---

**II. Financial Statements**

---

**III. Schedule for the Financial Statements**

---

**IV. Expenses**

On May 27, 2021, the Bank of Japan released the "Financial Statements for the 136th 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 136th fiscal year, i.e., fiscal 2020 (April 1, 2020–March 31, 2021), and the schedule for the financial statements for fiscal 2020.

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 2020 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 2020 shows that total assets increased by 18.2 percent (110,072.0 billion yen) from the previous fiscal year-end to 714,556.6 billion yen, mainly due to increases in loans and bills discounted and holdings of Japanese government securities (JGSs).<sup>7</sup> Total liabilities increased by 18.3 percent (110,083.4 billion yen) from the previous fiscal year-end to 710,020.6 billion yen, mainly due to an increase in current deposits (Table 1).

Detailed developments in the Bank's balance sheet in fiscal 2020 are as follows.

Looking at assets at the fiscal year-end, loans and bills discounted increased by 71,511.6 billion yen from the previous fiscal year-end to 125,840.2 billion yen, due to an increase in funds provision mainly through the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19). As the Bank proceeded with its asset purchases, holdings of JGSs increased by 46,247.1 billion yen from the previous fiscal year-end to 532,165.2 billion yen, and pecuniary trusts (index-linked exchange-traded funds held as trust property) increased by 6,160.6 billion yen from the previous fiscal year-end to 35,879.6 billion yen.

Turning to liabilities, current deposits increased by 127,314.2 billion yen from the previous fiscal year-end to 522,570.3 billion yen, reflecting an increase in funds provision through, for example, the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19) and JGS purchases. Meanwhile, the amount outstanding of banknotes issued (banknotes in circulation) increased by 6,395.1 billion yen from the previous fiscal year-end to 116,011.6 billion yen.

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

With regard to the Bank's statement of income for fiscal 2020, operating profits increased by 338.8 billion yen from the previous fiscal year to 1,976.4 billion yen, mainly due to net foreign exchange-related gains arising from the depreciation of the yen and to rises in net gains on pecuniary trusts (index-linked exchange-traded funds held as trust property) (Tables 2 and 3).

Meanwhile, net special losses amounted to 523.4 billion yen. This was mainly due to (1) the transfer of funds to the provision for possible losses on bonds transactions to compensate for any fluctuation in net income arising from the implementation of Quantitative and Qualitative Monetary Easing with Yield Curve Control, and (2) 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—decreased by 76.1 billion yen from the previous fiscal year to 1,219.1 billion yen. After transferring 60.9 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 (1,158.1 billion yen).

The capital adequacy ratio, after the appropriation of net income, rose from its previous fiscal year-end level of 8.79 percent to 8.87 percent at the end of fiscal 2020 (Table 4).

Table 1

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

bil. yen

Item	End of fiscal 2019 (Mar. 31, 2020)	End of fiscal 2020 (Mar. 31, 2021)
<b>Total assets</b>	604,484.6 (+8.5) <+47,460.2>	714,556.6 (+18.2) <+110,072.0>
Of which:		
Japanese government securities	485,918.1 (+3.4) <+15,964.2>	532,165.2 (+9.5) <+46,247.1>
Commercial paper	2,551.8 (+25.0) <+509.8>	2,876.4 (+12.7) <+324.6>
Corporate bonds	3,220.8 (+0.4) <+14.1>	7,498.4 (2.3 times) <+4,277.6>
Pecuniary trusts (stocks held as trust property)	727.7 (-18.9) <-169.2>	581.0 (-20.2) <-146.6>
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	29,718.9 (+19.9) <+4,934.0>	35,879.6 (+20.7) <+6,160.6>
Pecuniary trusts (Japan real estate investment trusts held as trust property)	575.3 (+11.1) <+57.4>	666.8 (+15.9) <+91.5>
Loans and bills discounted	54,328.6 (+14.5) <+6,892.4>	125,840.2 (2.3 times) <+71,511.6>
Foreign currency assets	25,966.2 (3.9 times) <+19,234.0>	7,678.7 (-70.4) <-18,287.5>
<b>Total liabilities</b>	599,937.2 (+8.4) <+46,722.6>	710,020.6 (+18.3) <+110,083.4>
Of which:		
Banknotes	109,616.5 (+1.9) <+2,057.3>	116,011.6 (+5.8) <+6,395.1>
Deposits (excluding those of the government)	447,076.2 (+6.1) <+25,697.9>	549,372.7 (+22.9) <+102,296.4>
Deposits of the government	12,633.8 (-27.9) <-4,888.9>	36,917.9 (2.9 times) <+24,284.0>
Payables under repurchase agreements	24,116.3 (126.4 times) <+23,925.5>	594.7 (-97.5) <-23,521.5>

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 Program<sup>1</sup>**

bil. yen

Item	End of fiscal 2018 (Mar. 31, 2019)	End of fiscal 2019 (Mar. 31, 2020)	End of fiscal 2020 (Mar. 31, 2021)
<b>Total amount outstanding</b>	<b>48,645.2</b>	<b>51,741.4</b>	<b>62,412.2</b>
Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth	8,922.6	8,927.6	8,157.9
Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending	39,722.6	42,813.8	54,254.3

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



Table 2

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

bil. yen

Item	Fiscal 2019 (Apr. 1, 2019–Mar. 31, 2020)	Fiscal 2020 (Apr. 1, 2020–Mar. 31, 2021)
<b>Operating profits/losses</b>	1,637.5 (−18.2) <−363.3>	1,976.4 (+20.7) <+338.8>
Of which: "Core" operating income <sup>2</sup>	1,317.0 <−91.9>	1,164.6 <−152.4>
Net government bond-related gains/losses <sup>3</sup>	...	...
Net foreign exchange-related gains/losses <sup>4</sup>	−214.4 <−440.1>	247.8 <+462.2>
Net gains/losses on pecuniary trusts (stocks held as trust property)	205.0 <−45.9>	250.5 <+45.4>
Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)	604.7 <+163.0>	727.5 <+122.8>
Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)	7.9 <−13.2>	29.2 <+21.2>
Interest on excess reserve balances under the complementary deposit facility <sup>5</sup>	−188.2 <−1.6>	−217.9 <−29.6>
<b>Special profits/losses<sup>6</sup></b>	−270.6 <+655.4>	−523.4 <−252.7>
Of which:		
Net transfer to/from provision for possible losses on bonds transactions	−383.7 <+431.7>	−398.7 <−15.0>
Net transfer to/from provision for possible losses on foreign exchange transactions	107.2 <+220.0>	−123.9 <−231.1>
<b>Net income before taxes</b>	1,366.9 (+27.2) <+292.1>	1,452.9 (+6.3) <+86.0>
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	71.6 <−416.2>	233.8 <+162.2>
<b>Net income<sup>7</sup></b>	1,295.2 (2.2 times) <+708.3>	1,219.1 (−5.9) <−76.1>

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 on receivables under resale agreements, 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 (−246.4 billion yen) and interest income on the balances to which a negative interest rate is applied (28.5 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 Losses<sup>1</sup>**

bil. yen

Item	Fiscal 2018 (Apr. 1, 2018– Mar. 31, 2019)	Fiscal 2019 (Apr. 1, 2019– Mar. 31, 2020)	Fiscal 2020	First half of the fiscal year (Apr. 1, 2020– Sept. 30, 2020)	Second half of the fiscal year (Oct. 1, 2020– Mar. 31, 2021)
<b>1. Net government bond-related gains/losses</b>	...	...	...	...	...
Of which:					
Gains on sale of Japanese government bonds	...	...	...	...	...
Losses on sale of Japanese government bonds	...	...	...	...	...
<b>2. Net foreign exchange-related gains/losses<sup>2</sup></b>	<b>225.7</b>	<b>-214.4</b>	<b>247.8</b>	<b>-103.9</b>	<b>351.7</b>
<b>3. Net gains/losses on pecuniary trusts (stocks held as trust property)</b>	<b>251.0</b>	<b>205.0</b>	<b>250.5</b>	<b>97.2</b>	<b>153.2</b>
Of which:					
Dividends and others	58.0	45.1	33.3	16.3	16.9
Losses on impairment	-4.2	-22.4	-0.3	-4.7	4.4
Net gains/losses on sale	197.2	182.3	217.6	85.6	131.9
<b>4. Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)</b>	<b>441.6</b>	<b>604.7</b>	<b>727.5</b>	<b>675.9</b>	<b>51.6</b>
Of which:					
Distributions and others	441.6	604.7	727.5	675.9	51.6
Losses on impairment	...	...	...	...	...
Net gains/losses on sale	...	...	...	...	...
<b>5. Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)</b>	<b>21.1</b>	<b>7.9</b>	<b>29.2</b>	<b>14.3</b>	<b>14.8</b>
Of which:					
Distributions and others	21.1	23.9	29.2	14.3	14.8
Losses on impairment	...	-15.9	...	...	...
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 2018 (Apr. 1, 2018– Mar. 31, 2019)	Fiscal 2019 (Apr. 1, 2019– Mar. 31, 2020)	Fiscal 2020	First half of the fiscal year (Apr. 1, 2020– Sept. 30, 2020)	Second half of the fiscal year (Oct. 1, 2020– Mar. 31, 2021)
<b>6. "Core" operating income</b>	<b>1,409.0</b>	<b>1,317.0</b>	<b>1,164.6</b>	<b>611.9</b>	<b>552.7</b>
Yen assets	1,282.8	1,195.2	1,087.2	552.7	534.4
Of which:					
Interest on loans and discounts	0.0	0.0	0.0	0.0	0.0
Interest on receivables under resale agreements	0.0	–0.0	...	...	...
Interest and discounts on Japanese government securities	1,283.9	1,196.0	1,086.6	552.4	534.1
Treasury discount bills	–22.7	–19.2	–52.9	–23.0	–29.8
Japanese government bonds	1,306.6	1,215.3	1,139.6	575.5	564.0
Interest on commercial paper	–0.0	0.0	–0.3	0.1	–0.4
Interest and discounts on corporate bonds	–1.0	–0.7	0.8	0.1	0.7
Interest on foreign currency assets	126.2	121.8	77.4	59.1	18.2
<b>7. Interest-bearing assets (average amount outstanding)</b>	<b>523,563.0</b>	<b>543,032.3</b>	<b>639,936.3</b>	<b>613,608.6</b>	<b>666,408.7</b>
Yen assets	516,853.3	535,933.0	625,568.7	591,800.9	659,522.1
Of which:					
Loans and bills discounted	46,480.6	47,877.1	91,386.6	70,854.2	112,031.8
Receivables under resale agreements	0.0	25.1	...	...	...
Japanese government securities	464,907.5	482,632.6	524,609.9	512,670.7	536,614.6
Treasury discount bills	15,429.6	10,354.4	34,852.7	29,641.3	40,092.7
Japanese government bonds	449,477.8	472,278.1	489,757.2	483,029.3	496,521.9
Commercial paper	2,264.8	2,202.0	4,223.9	4,103.2	4,345.3
Corporate bonds	3,200.2	3,196.1	5,348.2	4,172.6	6,530.2
Foreign currency assets	6,709.7	7,099.2	14,367.5	21,807.7	6,886.5
<b>8. Yield on interest-bearing assets (percent)</b>	<b>0.269</b>	<b>0.242</b>	<b>0.181</b>	<b>0.198</b>	<b>0.166</b>
Yen assets	0.248	0.223	0.173	0.186	0.162
Of which:					
Loans and bills discounted	0.000	0.000	0.000	0.000	0.000
Receivables under resale agreements	0.000	–0.093	...	...	...
Japanese government securities	0.276	0.247	0.207	0.214	0.199
Treasury discount bills	–0.147	–0.186	–0.152	–0.155	–0.149
Japanese government bonds	0.290	0.257	0.232	0.237	0.227
Commercial paper	–0.002	0.001	–0.007	0.006	–0.020
Corporate bonds	–0.033	–0.024	0.016	0.008	0.021
Foreign currency assets	1.881	1.716	0.538	0.540	0.532



Table 4

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

bil. yen, except where otherwise noted

Item	End of fiscal 2018 (Mar. 31, 2019)	End of fiscal 2019 (Mar. 31, 2020)	End of fiscal 2020 (Mar. 31, 2021)	Changes from a year earlier	[Reference]
					End of the first half of fiscal 2020 (Sept. 30, 2020)
<b>Capital accounts (A)</b>	<b>3,252.1</b>	<b>3,316.8</b>	<b>3,377.8</b>	<b>+60.9</b>	<b>3,316.8</b>
Capital	0.1	0.1	0.1	...	0.1
Legal reserve and others <sup>2</sup>	3,252.0	3,316.7	3,377.7	+60.9	3,316.7
<b>Provisions (B)</b>	<b>5,930.3</b>	<b>6,206.8</b>	<b>6,729.4</b>	<b>+522.6</b>	<b>6,352.2</b>
Provision for possible loan losses (excluding special provision for possible loan losses)	...	...	...	...	...
Provision for possible losses on bonds transactions	4,415.5	4,799.2	5,198.0	+398.7	4,996.6
Provision for possible losses on foreign exchange transactions	1,514.7	1,407.5	1,531.4	+123.9	1,355.5
<b>Capital base<sup>3</sup> (C) = (A) + (B)</b>	<b>9,182.4</b>	<b>9,523.7</b>	<b>10,107.3</b>	<b>+583.6</b>	<b>9,669.1</b>
<b>Annual average of banknotes issued (D)</b>	<b>105,391.6</b>	<b>108,275.2</b>	<b>113,821.4</b>	<b>+5,546.2</b>	<b>112,458.8</b>
<b>Capital adequacy ratio (C)/(D) × 100 (percent)</b>	<b>8.71</b>	<b>8.79</b>	<b>8.87</b>	<b>+0.08</b>	<b>8.59</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.

[Reference]

**Market Value of the Bank's Securities Holdings<sup>1</sup>**

bil. yen

Item	End of fiscal 2019 (Mar. 31, 2020)			End of fiscal 2020 (Mar. 31, 2021)		
	Book value	Market value <sup>2</sup>	Difference	Book value	Market value <sup>2</sup>	Difference
Japanese government securities	485,918.1	499,362.0	13,443.9	532,165.2	541,596.6	9,431.4
Commercial paper	2,551.8	2,551.8	...	2,876.4	2,876.4	...
Corporate bonds	3,220.8	3,210.2	-10.5	7,498.4	7,478.7	-19.7
Pecuniary trusts <sup>3</sup> (stocks held as trust property)	708.2	1,531.1	822.8	566.1	1,736.4	1,170.2
Pecuniary trusts <sup>3</sup> (index-linked exchange-traded funds held as trust property)	30,912.2	31,220.3	308.1	36,064.9	51,509.3	15,444.4
Pecuniary trusts <sup>3</sup> (Japan real estate investment trusts held as trust property)	575.5	622.2	46.7	657.4	850.4	192.9

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, 2021

Item	Value in yen	Unit (except where otherwise noted)
<b>ASSETS</b>		
Gold	441,253,409,037	
Cash	199,171,685,512	
Japanese government securities	532,165,254,025,240	Face value at 520,421,835,600,000 yen
Commercial paper	2,876,498,321,594	Face value at 2,876,300,000,000 yen
Corporate bonds	7,498,464,253,763	Face value at 7,466,000,000,000 yen
Pecuniary trusts (stocks held as trust property)	581,052,196,685	
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	35,879,608,384,323	
Pecuniary trusts (Japan real estate investment trusts held as trust property)	666,862,432,759	
Loans and bills discounted	125,840,264,000,000	
Electronic loans	125,840,264,000,000	2,007
Foreign currency assets	7,678,725,322,447	
Foreign currency deposits	3,236,039,822,888	
Foreign currency securities	1,960,183,406,414	
Foreign currency mutual funds	66,590,078,145	
Foreign currency loans	2,415,912,015,000	
Deposits with agents	18,140,315,418	Deposits with 75 agents
Other assets	488,470,717,403	
Bills and checks in process of collection	139,288,712	5
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	18,153,197,339	6
Accrued interest receivable	442,867,839,088	
Others	11,807,017,900	
Tangible fixed assets	222,790,202,481	
Buildings	107,714,922,130	606,827.52 square meters
Land	84,123,687,005	504,450.18 square meters
Lease assets	7,127,736,211	Number of lease property: 20,098
Construction in progress	12,450,857,762	
Other tangible fixed assets	11,372,999,373	Number of movable property: 9,952
Intangible fixed assets	123,898,021	
Utility rights	123,898,021	
<b>Total assets</b>	<b>714,556,679,164,683</b>	
<b>LIABILITIES</b>		
Banknotes	116,011,687,897,828	
Deposits (excluding those of the government)	549,372,716,990,778	
Current deposits	522,570,301,095,603	1,109
Other deposits	26,802,415,895,175	142
Deposits of the government	36,917,905,068,030	
Treasury deposit	150,000,000,000	
Domestic designated deposit	36,550,226,554,339	
Other government deposits	217,678,513,691	
Payables under repurchase agreements	594,785,230,947	15
Other liabilities	189,068,741,931	
Remittances payable	20,688,693,628	
Taxes payable	118,969,000,000	
Lease liabilities	7,524,737,035	
Others	41,886,311,268	
Provision for retirement benefits	205,016,728,470	
Provision for possible losses on bonds transactions	5,198,050,993,013	
Provision for possible losses on foreign exchange transactions	1,531,442,000,000	
<b>Total liabilities</b>	<b>710,020,673,650,997</b>	
<b>NET ASSETS</b>		
Capital	100,000,000	
Legal reserve	3,316,771,429,522	
Special reserve	13,196,452	
Net income	1,219,120,887,712	
<b>Total net assets</b>	<b>4,536,005,513,686</b>	
<b>Total liabilities and net assets</b>	<b>714,556,679,164,683</b>	

**2. Balance sheet as at March 31, 2021**

yen

<b>ASSETS</b>	
Gold	441,253,409,037
Cash	199,171,685,512
Japanese government securities	532,165,254,025,240
Commercial paper	2,876,498,321,594
Corporate bonds	7,498,464,253,763
Pecuniary trusts (stocks held as trust property)	581,052,196,685
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	35,879,608,384,323
Pecuniary trusts (Japan real estate investment trusts held as trust property)	666,862,432,759
Loans and bills discounted	125,840,264,000,000
Electronic loans	125,840,264,000,000
<b>Foreign currency assets</b>	<b>7,678,725,322,447</b>
Foreign currency deposits	3,236,039,822,888
Foreign currency securities	1,960,183,406,414
Foreign currency mutual funds	66,590,078,145
Foreign currency loans	2,415,912,015,000
<b>Deposits with agents</b>	<b>18,140,315,418</b>
<b>Other assets</b>	<b>488,470,717,403</b>
Bills and checks in process of collection	139,288,712
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	18,153,197,339
Accrued interest receivable	442,867,839,088
Others	11,807,017,900
<b>Tangible fixed assets</b>	<b>222,790,202,481</b>
Buildings	107,714,922,130
Land	84,123,687,005
Lease assets	7,127,736,211
Construction in progress	12,450,857,762
Other tangible fixed assets	11,372,999,373
<b>Intangible fixed assets</b>	<b>123,898,021</b>
Utility rights	123,898,021
<b>Total assets</b>	<b>714,556,679,164,683</b>
<b>LIABILITIES</b>	
<b>Banknotes</b>	<b>116,011,687,897,828</b>
<b>Deposits (excluding those of the government)</b>	<b>549,372,716,990,778</b>
Current deposits	522,570,301,095,603
Other deposits	26,802,415,895,175
<b>Deposits of the government</b>	<b>36,917,905,068,030</b>
Treasury deposit	150,000,000,000
Domestic designated deposit	36,550,226,554,339
Other government deposits	217,678,513,691
<b>Payables under repurchase agreements</b>	<b>594,785,230,947</b>
<b>Other liabilities</b>	<b>189,068,741,931</b>
Remittances payable	20,688,693,628
Taxes payable	118,969,000,000
Lease liabilities	7,524,737,035
Others	41,886,311,268
<b>Provision for retirement benefits</b>	<b>205,016,728,470</b>
<b>Provision for possible losses on bonds transactions</b>	<b>5,198,050,993,013</b>
<b>Provision for possible losses on foreign exchange transactions</b>	<b>1,531,442,000,000</b>
<b>Total liabilities</b>	<b>710,020,673,650,997</b>
<b>NET ASSETS</b>	
Capital	100,000,000
Legal reserve	3,316,771,429,522
Special reserve	13,196,452
Net income	1,219,120,887,712
<b>Total net assets</b>	<b>4,536,005,513,686</b>
<b>Total liabilities and net assets</b>	<b>714,556,679,164,683</b>

### 3. Statement of income for fiscal 2020 (April 1, 2020–March 31, 2021)

yen

<b>Operating income</b>	<b>2,419,191,239,190</b>
<b>Interest on loans and discounts</b>	<b>86,714</b>
Interest on loans	86,714
<b>Interest and discounts on Japanese government securities</b>	<b>1,086,663,074,241</b>
<b>Interest on commercial paper</b>	<b>-306,629,619</b>
<b>Interest and discounts on corporate bonds</b>	<b>875,300,133</b>
<b>Gains on foreign currency assets</b>	<b>301,249,039,993</b>
Foreign exchange gains	247,813,868,509
Gains on foreign currency securities	2,932,099,572
Gains on foreign currency mutual funds	4,736,776,343
Interest on foreign currency deposits and loans	45,766,295,569
<b>Other operating income</b>	<b>1,030,710,367,728</b>
Gains on pecuniary trusts (stocks held as trust property)	250,571,860,615
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	727,587,733,770
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	29,201,412,233
Fees and commissions	8,728,322,696
Other income	14,621,038,414
<b>Operating expenses</b>	<b>442,774,087,299</b>
<b>Interest on payables under repurchase agreements</b>	<b>-5,585,015,571</b>
<b>General and administrative expenses and costs</b>	<b>199,023,651,189</b>
Cost of production of banknotes	49,021,254,562
Administrative expenses for treasury business and Japanese government securities	17,970,476,583
Personnel expenses	51,219,945,101
Expenses for transportation and communications	2,909,836,544
Expenses for maintenance and repairs	2,087,038,211
Other general and administrative expenses and costs	46,156,804,770
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	14,193,473,539
Depreciation and amortization	15,464,821,879
<b>Other general and administrative expenses</b>	<b>249,335,451,681</b>
Interest on excess reserve balances under the complementary deposit facility	217,911,413,882
Fees and commissions paid	143,598,147
Other expenses	31,280,439,652
<b>Operating profits</b>	<b>1,976,417,151,891</b>
<b>Special losses</b>	<b>523,455,482,018</b>
<b>Losses on disposal of fixed assets</b>	<b>791,482,018</b>
<b>Transfer to provision for possible losses on bonds transactions</b>	<b>398,758,000,000</b>
<b>Transfer to provision for possible losses on foreign exchange transactions</b>	<b>123,906,000,000</b>
<b>Net income before taxes</b>	<b>1,452,961,669,873</b>
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	<b>233,840,782,161</b>
<b>Net income</b>	<b>1,219,120,887,712</b>

#### 4. Summary of significant accounting policies

##### a. Securities

Yen-denominated bonds and CP<sup>2</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>3</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>4</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. 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.

2. 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.

3. Includes bonds issued by real estate investment corporations.

4. 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	177
More than one year	422

---

Total	599
-------	-----

##### b. Lessor

	mil. yen
Within one year	1
More than one year	26

---

Total	28
-------	----

### 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 2020	232,046,676,000
Service cost	5,827,258,000
Interest cost	927,945,000
Actuarial differences	3,260,105,478
Retirement benefits paid	-9,866,305,478
Prior service cost	...
<hr/>	
Projected benefit obligation at the end of fiscal 2020	232,195,679,000

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

	yen
Projected benefit obligation	232,195,679,000
Fair value of plan assets	...
<hr/>	
Unfunded projected benefit obligation	232,195,679,000
Unrecognized actuarial differences	-33,784,215,655
Unrecognized prior service cost	6,605,265,125
<hr/>	
Net amount recorded on the balance sheet	205,016,728,470
Prepaid pension cost	...
<hr/>	
Provision for retirement benefits	205,016,728,470

#### 3. Retirement benefit cost

	yen
Service cost	5,827,258,000
Interest cost	927,945,000
Expected return on plan assets	...
Amortization of actuarial differences	6,298,445,757
Amortization of prior service cost	-1,487,408,600
<hr/>	
Retirement benefit cost	11,566,240,157

#### 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' opinion<sup>5</sup>

May 12, 2021

### Auditors' Opinion on the Bank of Japan's Financial Statements for Fiscal 2020

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 2020 indicated below. In our opinion, the financial statements present fairly the state of property and the results of operations for fiscal 2020.

The financial statements comprise the following:  
Inventory of property as at March 31, 2021;  
Balance sheet as at March 31, 2021; and  
Statement of income for fiscal 2020.

ONOZAWA Yoji  
FUJITA Hirokazu  
SAKAMOTO Tetsuya

Auditors, Bank of Japan

## 6. Appropriation of net income for fiscal 2020

yen

<b>Net income</b>	<b>1,219,120,887,712</b>
Appropriations:	
Transfer to legal reserve	60,956,044,386
Dividends, 5 percent of share face value	5,000,000
Payment to the government	1,158,159,843,326
<b>Total</b>	<b>1,219,120,887,712</b>

5. 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 2020	Balance at the end of fiscal 2020	Changes during fiscal 2020
<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>205,061,074,044</b>	<b>199,171,685,512</b>	<b>-5,889,388,532</b>
<b>3. Japanese government securities</b>	<b>485,918,129,988,422</b>	<b>532,165,254,025,240</b>	<b>46,247,124,036,818</b>
Treasury discount bills	12,376,748,753,584	36,388,231,152,452	24,011,482,398,868
Japanese government bonds	473,541,381,234,838	495,777,022,872,788	22,235,641,637,950
2-year bonds	24,652,914,488,787	31,044,438,948,862	6,391,524,460,075
5-year bonds	103,090,204,751,684	102,544,470,974,306	-545,733,777,378
10-year bonds	195,783,509,606,789	207,750,903,943,789	11,967,394,337,000
20-year bonds	100,693,959,571,233	104,291,742,669,927	3,597,783,098,694
30-year bonds	35,650,417,776,620	36,946,706,216,180	1,296,288,439,560
40-year bonds	7,736,061,284,948	7,855,409,556,225	119,348,271,277
Floating-rate bonds	3,190,677,058,322	1,877,939,316,754	-1,312,737,741,568
Inflation-indexed bonds	2,743,636,696,455	3,465,411,246,745	721,774,550,290
<b>4. Commercial paper<sup>2</sup></b>	<b>2,551,889,033,716</b>	<b>2,876,498,321,594</b>	<b>324,609,287,878</b>
Dematerialized commercial paper	2,551,889,033,716	2,876,498,321,594	324,609,287,878
<b>5. Corporate bonds<sup>3</sup></b>	<b>3,220,825,190,968</b>	<b>7,498,464,253,763</b>	<b>4,277,639,062,795</b>
<b>6. Pecuniary trusts (stocks held as trust property)<sup>4</sup></b>	<b>727,714,519,973</b>	<b>581,052,196,685</b>	<b>-146,662,323,288</b>
Stocks	708,268,080,053	566,152,079,265	-142,116,000,788
Dividends receivable and others	19,446,439,920	14,900,117,420	-4,546,322,500
<b>7. Pecuniary trusts (index-linked exchange-traded funds held as trust property)<sup>5</sup></b>	<b>29,718,938,645,617</b>	<b>35,879,608,384,323</b>	<b>6,160,669,738,706</b>
Index-linked exchange-traded funds	29,718,938,645,617	35,879,567,019,446	6,160,628,373,829
Money trust received as collateral	0	159,478,011,467	159,478,011,467
Accrued income receivable from lending transactions	0	41,364,877	41,364,877
Payables under lending transactions	0	159,478,011,467	159,478,011,467
<b>8. Pecuniary trusts (Japan real estate investment trusts held as trust property)<sup>6</sup></b>	<b>575,305,889,680</b>	<b>666,862,432,759</b>	<b>91,556,543,079</b>
Japan real estate investment trusts	567,476,100,601	657,491,826,035	90,015,725,434
Distributions receivable	7,829,789,079	9,370,606,724	1,540,817,645
<b>9. Loans and bills discounted</b>	<b>54,328,648,000,000</b>	<b>125,840,264,000,000</b>	<b>71,511,616,000,000</b>
Electronic loans	54,328,648,000,000	125,840,264,000,000	71,511,616,000,000
Loans by Funds-Supplying Operations against Pooled Collateral <sup>7</sup>	54,328,648,000,000	125,840,264,000,000	71,511,616,000,000
<b>10. Foreign currency assets</b>	<b>25,966,256,288,216</b>	<b>7,678,725,322,447</b>	<b>-18,287,530,965,769</b>
Foreign currency deposits <sup>8</sup>	1,732,262,396,986	3,236,039,822,888	1,503,777,425,902
Foreign currency securities <sup>9</sup>	2,355,224,668,143	1,960,183,406,414	-395,041,261,729
Foreign currency mutual funds	60,613,713,087	66,590,078,145	5,976,365,058
Foreign currency loans <sup>10</sup>	21,818,155,510,000	2,415,912,015,000	-19,402,243,495,000
<b>11. Deposits with agents<sup>11</sup></b>	<b>23,994,220,003</b>	<b>18,140,315,418</b>	<b>-5,853,904,585</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 (1) beneficiary interests in index-linked exchange-traded funds purchased through a trust bank, (2) distributions receivable, (3) money trust received as collateral in transactions involving the lending of beneficiary interests in index-linked exchange-traded funds, (4) accrued income receivable from lending transactions, and (5) payables under lending transactions (liabilities) for money trust received as collateral.

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; and (4) loans made through the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19), as the Special Funds-Supplying Operations to Facilitate Corporate Financing regarding the Novel Coronavirus (COVID-19) were renamed on April 27, 2020. The balance at the fiscal year-end also includes the amount outstanding of loans made through the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas. In addition, the balances at the beginning and end of the fiscal year include the amounts outstanding of loans made under the principal terms and conditions for the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas and the principal terms and conditions for the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas of the 2016 Kumamoto Earthquake, both of which became invalid on June 30, 2020.

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

9. Includes securities issued by foreign governments.

10. 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.

11. 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 2020	Balance at the end of fiscal 2020	Changes during fiscal 2020
<b>12. Other assets</b>	<b>590,051,545,382</b>	<b>488,470,717,403</b>	<b>-101,580,827,979</b>
Bills and checks in process of collection <sup>12</sup>	6,356,685	139,288,712	132,932,027
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>13</sup>	15,278,374,364	15,278,374,364	0
Withdrawn cash to be returned to the government <sup>14</sup>	38,707,429,941	18,153,197,339	-20,554,232,602
Refund on accrued tax	52,621,989,719	0	-52,621,989,719
Accrued interest receivable	470,183,576,216	442,867,839,088	-27,315,737,128
Others	13,028,818,457	11,807,017,900	-1,221,800,557

Notes: 12. Checks and bills received as cash and in process of collection.

13. A subscription to the BIS.

14. 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 2020	Increase during fiscal 2020	Decrease during fiscal 2020	Of which:	Balance at the end of fiscal 2020	Cumulative total of depreciation
				Depreciation		
<b>13. Tangible fixed assets<sup>15</sup></b>	<b>216,444,108,401</b>	<b>31,501,825,140</b>	<b>25,155,731,060</b>	<b>14,199,490,214</b>	<b>222,790,202,481</b>	<b>375,355,538,647</b>
Buildings <sup>16,17</sup>	105,726,690,246 (613,442.13)	9,765,865,800 (1,629.47)	7,777,633,916 (8,244.08)	7,435,457,607 (...)	107,714,922,130 (606,827.52)	344,288,596,586 (...)
Land <sup>16</sup>	84,124,182,999 (507,049.75)	0 (131.86)	495,994 (2,731.43)	...	84,123,687,005 (504,450.18)	...
Lease assets <sup>18,19</sup>	7,598,665,055 (21,983)	3,340,953,107 (1,519)	3,811,881,951 (3,404)	3,802,315,121 (...)	7,127,736,211 (20,098)	9,281,299,929 (...)
Construction in progress <sup>20</sup>	7,458,248,538	15,570,470,251	10,577,861,027	...	12,450,857,762	...
Other tangible fixed assets <sup>21,22</sup>	11,536,321,563 (9,940)	2,824,535,982 (369)	2,987,858,172 (357)	2,961,717,486 (...)	11,372,999,373 (9,952)	21,785,642,132 (...)

Notes: 15. "..." indicates that figures are not applicable.

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

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

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

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

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

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

22. 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 2020	Increase during fiscal 2020	Decrease during fiscal 2020	Of which:	Balance at the end of fiscal 2020	Cumulative total of depreciation
				Depreciation		
<b>14. Intangible fixed assets</b>	<b>129,890,768</b>	<b>1,705,017</b>	<b>7,697,764</b>	<b>7,697,764</b>	<b>123,898,021</b>	<b>882,706,343</b>
Utility rights	129,890,768	1,705,017	7,697,764	7,697,764	123,898,021	882,706,343

**Appendix: Details of loans provided through the Loan Support Program**

yen

Item	Balance at the beginning of fiscal 2020	Balance at the end of fiscal 2020	Changes during fiscal 2020
<b>Total amount outstanding</b>	<b>51,741,428,000,000</b>	<b>62,412,276,015,000</b>	<b>10,670,848,015,000</b>
Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth <sup>1</sup>	8,927,628,000,000	8,157,976,015,000	-769,651,985,000
Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending	42,813,800,000,000	54,254,300,000,000	11,440,500,000,000

Note: 1. The amount outstanding of loans made under the Growth-Supporting Funding Facility conducted through the Loan Support Program (including loans disbursed pursuant to the special rules for the U.S. dollar lending arrangement).

## 2. Details of liabilities and net assets

yen

Item	Balance at the beginning of fiscal 2020	Balance at the end of fiscal 2020	Changes during fiscal 2020
<b>1. Banknotes</b>	<b>109,616,575,483,650</b>	<b>116,011,687,897,828</b>	<b>6,395,112,414,178</b>
10,000 yen notes	101,595,164,260,000	107,784,191,960,000	6,189,027,700,000
5,000 yen notes	3,396,965,820,000	3,577,432,612,500	180,466,792,500
2,000 yen notes	195,340,610,000	192,673,421,000	-2,667,189,000
1,000 yen notes	4,285,752,109,500	4,315,216,634,000	29,464,524,500
Other banknotes <sup>1</sup>	143,352,684,150	142,173,270,328	-1,179,413,822
<b>2. Deposits (excluding those of the government)</b>	<b>447,076,239,363,367</b>	<b>549,372,716,990,778</b>	<b>102,296,477,627,411</b>
Current deposits	395,256,035,035,254	522,570,301,095,603	127,314,266,060,349
Other deposits <sup>2</sup>	51,820,204,328,113	26,802,415,895,175	-25,017,788,432,938
<b>3. Deposits of the government</b>	<b>12,633,850,593,434</b>	<b>36,917,905,068,030</b>	<b>24,284,054,474,596</b>
Treasury deposit	150,001,026,112	150,000,000,000	-1,026,112
Domestic designated deposit <sup>3</sup>	12,239,860,364,524	36,550,226,554,339	24,310,366,189,815
Other government deposits <sup>4</sup>	243,989,202,798	217,678,513,691	-26,310,689,107
<b>4. Payables under repurchase agreements<sup>5</sup></b>	<b>24,116,347,566,200</b>	<b>594,785,230,947</b>	<b>-23,521,562,335,253</b>
Sales of Japanese government securities under repurchase agreements	4,010,698,682,000	0	-4,010,698,682,000
Securities lending as a secondary source of Japanese government securities	860,938,924,202	594,785,230,947	-266,153,693,255
Securities lending to provide Japanese government securities as collateral for the U.S. dollar funds-supplying operations	19,244,709,959,998	0	-19,244,709,959,998
<b>5. Other liabilities</b>	<b>84,086,119,657</b>	<b>189,068,741,931</b>	<b>104,982,622,274</b>
Remittances payable	14,760,764,172	20,688,693,628	5,927,929,456
Taxes payable	28,031,000,000	118,969,000,000	90,938,000,000
Lease liabilities	7,988,759,130	7,524,737,035	-464,022,095
Others <sup>6</sup>	33,305,596,355	41,886,311,268	8,580,714,913

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 are 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. 37,428,470,229 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 2020	Increase during fiscal 2020	Decrease during fiscal 2020	Balance at the end of fiscal 2020
<b>6. Provisions<sup>7</sup></b>	<b>6,410,145,786,804</b>	<b>534,230,240,157</b>	<b>9,866,305,478</b>	<b>6,934,509,721,483</b>
Provision for retirement benefits	203,316,793,791	11,566,240,157	9,866,305,478	205,016,728,470
Provision for possible losses on bonds transactions	4,799,292,993,013	398,758,000,000	0	5,198,050,993,013
Provision for possible losses on foreign exchange transactions	1,407,536,000,000	123,906,000,000	0	1,531,442,000,000
<b>7. Net assets</b>	<b>3,252,120,822,545</b>	<b>64,763,803,429</b>	<b>0</b>	<b>3,316,884,625,974</b>
Capital	100,000,000	0	0	100,000,000
Legal reserve <sup>8</sup>	3,252,007,626,093	64,763,803,429	0	3,316,771,429,522
Special reserve <sup>9</sup>	13,196,452	0	0	13,196,452

Notes: 7. Appropriated in accordance with the Bank's significant accounting policies.

8. A reserve maintained to cover possible losses and to pay dividends under Article 53, paragraphs 1 and 2 of the Bank of Japan Act.

9. To ease the reconstruction of financial institutions after World War II, the Bank, along with private financial institutions, suspended the 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 2020

#### a. Operating income

<b>Interest on loans and discounts</b>	
Interest on loans	86,714 yen from electronic loans.
<b>Interest and discounts on Japanese government securities</b>	1,086,663,074,241 yen from interest income on Japanese government securities after adjustment.
<b>Interest on commercial paper</b>	-306,629,619 yen from interest income on commercial paper after adjustment.
<b>Interest and discounts on corporate bonds</b>	875,300,133 yen from interest income on corporate bonds after adjustment.
<b>Gains on foreign currency assets</b>	
Foreign exchange gains	247,813,868,509 yen from gains on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates.
Gains on foreign currency securities	Total of 31,662,636,348 yen from interest and discounts on foreign currency securities and 3,801,039 yen from lending fees on them; and 28,734,337,815 yen of losses arising from sale, redemption, and revaluation at end-March 2021 of foreign currency securities.
Gains on foreign currency mutual funds	4,736,776,343 yen
Interest on foreign currency deposits and loans	45,766,295,569 yen
<b>Other operating income</b>	
Gains on pecuniary trusts (stocks held as trust property)	250,571,860,615 yen mainly from gains on sales.
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	727,587,733,770 yen mainly from distributions.
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	29,201,412,233 yen mainly from distributions.
Fees and commissions	8,728,322,696 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	14,621,038,414 yen from transfer from provision for retirement benefits and other income.

## b. Operating expenses

<b>Interest on payables under repurchase agreements</b>	5,585,015,571 yen from interest income on sales of Japanese government securities under repurchase agreements.
<b>General and administrative expenses and costs</b>	
Cost of production of banknotes	49,021,254,562 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	17,970,476,583 yen from fees and commissions paid to agents of the Bank for administration of treasury business and Japanese government securities.
Personnel expenses	429,811,400 yen for remuneration of the officers; 40,885,684,223 yen for remuneration of the employees; and 9,904,449,478 yen for retirement allowances.
Expenses for transportation and communications	1,037,871,973 yen for expenses for transportation and 1,871,964,571 yen for expenses for communications.
Expenses for maintenance and repairs	2,087,038,211 yen on offices and other premises.
Other general and administrative expenses and costs	933,870,609 yen for the cost of expendable supplies; 1,408,233,223 yen for expenses for electricity and water supply; 6,155,776,973 yen for leasing fees for buildings and equipment; 10,121,503,632 yen for expenses for maintenance of buildings and equipment; and 27,537,420,333 yen for miscellaneous expenses.
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	14,193,473,539 yen for taxes and public charges (including fixed-asset tax and urban development tax).
Depreciation and amortization	15,464,821,879 yen on buildings and lease assets.
<b>Other general and administrative expenses</b>	
Interest on excess reserve balances under the complementary deposit facility	217,911,413,882 yen (net difference between interest payment of 246,487,545,887 yen on excess reserve balances to which a positive interest rate is applied and interest income of 28,576,132,005 yen on the balances to which a negative interest rate is applied).
Fees and commissions paid	143,598,147 yen
Other expenses	31,280,439,652 yen for interest payments on currency swap transactions, transfer to provision for retirement benefits, withholding income tax not subject to tax credit, and other expenses.

## c. Special losses

<b>Losses on disposal of fixed assets</b>	791,482,018 yen for losses on demolition of offices and other losses.
<b>Transfer to provision for possible losses on bonds transactions</b>	398,758,000,000 yen
<b>Transfer to provision for possible losses on foreign exchange transactions</b>	123,906,000,000 yen

## d. Net income

<b>Net income before taxes</b>	1,452,961,669,873 yen
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	233,840,782,161 yen
<b>Net income</b>	1,219,120,887,712 yen

#### IV. EXPENSES

With regard to the Bank's statement of accounts for fiscal 2020 (the 136th fiscal year), the total amount of actual expenses decreased by 0.6 percent (1.1 billion yen) to 198.8 billion yen compared to the previous fiscal year. This was due to decreases in the "cost of fixed-asset purchases" and in a wide range of other items including "expenses for transportation and communications," mainly reflecting the impact of COVID-19, although there were increases in "administrative expenses for treasury business and Japanese government securities" and the "cost of production of banknotes."



## 1. Statement of accounts for fiscal 2020

yen

Item	Initial budget	Adjusted budget <sup>1</sup>	Actual	Surpluses	Changes from the previous year (actual)
<b>Cost of production of banknotes</b>	<b>53,923,404,000</b>	<b>53,923,404,000</b>	<b>53,923,380,000</b>	<b>24,000</b>	<b>1,496,188,000</b>
<b>Administrative expenses for treasury business and Japanese government securities</b>	<b>20,549,844,000</b>	<b>20,549,844,000</b>	<b>19,648,159,845</b>	<b>901,684,155</b>	<b>2,747,292,656</b>
<b>Personnel expenses</b>	<b>53,134,130,000</b>	<b>53,134,130,000</b>	<b>51,288,627,543</b>	<b>1,845,502,457</b>	<b>-930,168,138</b>
Remuneration of the officers	432,821,000	432,821,000	429,811,400	3,009,600	-2,929,700
Remuneration of the employees	42,155,660,000	42,155,660,000	40,954,366,665	1,201,293,335	-621,312,943
Retirement allowances	10,545,649,000	10,545,649,000	9,904,449,478	641,199,522	-305,925,495
<b>Expenses for transportation and communications</b>	<b>4,347,283,000</b>	<b>4,347,283,000</b>	<b>3,153,366,764</b>	<b>1,193,916,236</b>	<b>-836,841,541</b>
Expenses for transportation	2,187,263,000	2,187,263,000	1,127,489,324	1,059,773,676	-838,715,607
Expenses for communications	2,160,020,000	2,160,020,000	2,025,877,440	134,142,560	1,874,066
<b>Expenses for maintenance and repairs</b>	<b>2,338,222,000</b>	<b>2,338,222,000</b>	<b>2,295,742,001</b>	<b>42,479,999</b>	<b>-319,446,202</b>
<b>Other general and administrative expenses and costs</b>	<b>53,435,000,000</b>	<b>53,435,000,000</b>	<b>49,853,311,303</b>	<b>3,581,688,697</b>	<b>-1,404,341,219</b>
Cost of expendable supplies	1,136,148,000	1,136,148,000	1,026,006,233	110,141,767	-126,742,121
Expenses for electricity and water supply	1,892,815,000	1,892,815,000	1,548,737,105	344,077,895	-114,109,878
Leasing fees for buildings and equipment	6,914,564,000	6,914,564,000	6,663,096,686	251,467,314	-49,982,800
Expenses for maintenance of buildings and equipment	11,664,554,000	11,664,554,000	11,127,664,624	536,889,376	934,881,305
Miscellaneous expenses	31,826,919,000	31,826,919,000	29,487,806,655	2,339,112,345	-2,048,387,725
<b>Subtotal</b>	<b>187,727,883,000</b>	<b>187,727,883,000</b>	<b>180,162,587,456</b>	<b>7,565,295,544</b>	<b>752,683,556</b>
<b>Cost of fixed-asset purchases</b>	<b>19,091,405,000</b>	<b>19,091,405,000</b>	<b>18,657,073,440</b>	<b>434,331,560</b>	<b>-1,857,653,475</b>
Of which: Subject to the approval of the Minister of Finance <sup>2</sup>	4,456,878,000	4,456,878,000	4,342,246,539	114,631,461	-494,206,909
<b>Contingency funds</b>	<b>1,000,000,000</b>	<b>1,000,000,000</b>	<b>0</b>	<b>1,000,000,000</b>	<b>0</b>
<b>Total</b>	<b>207,819,288,000</b>	<b>207,819,288,000</b>	<b>198,819,660,896</b>	<b>8,999,627,104</b>	<b>-1,104,969,919</b>
Of which: Subject to the approval of the Minister of Finance <sup>2</sup>	193,184,761,000	193,184,761,000	184,504,833,995	8,679,927,005	258,476,647

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 2020'**

mil. yen

Area of business operation	Expenses	Changes from a year earlier	
		Changes from a year earlier	Share of total (percent)
Issuance of banknotes	85,429	+1,043	42.9
Monetary policy	21,347	-1,266	10.7
Financial system policy	18,191	-251	9.1
Payment and settlement systems	29,331	-445	14.7
Services relating to the government <sup>2</sup>	44,726	+1,187	22.5
<b>Total</b>	<b>199,024</b>	<b>+268</b>	<b>100.0</b>

Notes: 1. Calculated based on "general and administrative expenses and costs" (199.0 billion yen) in the statement of income for fiscal 2020 (the 136th 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.