



# The Bank's Accounts:

Financial Statements  
and Other Documents  
for Fiscal 2015

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

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**II. Financial Statements**

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**III. Schedule for the Financial Statements**

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**IV. Expenses**

On May 27, 2016, the Bank of Japan released the "Financial Statements for the 131st Fiscal Year" (available only in Japanese), which contains the Bank's financial statements (the inventory of property, balance sheet, and statement of income) for the 131st fiscal year, i.e., fiscal 2015 (April 1, 2015–March 31, 2016), and the schedule for the financial statements for fiscal 2015.

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 2015 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 2015 shows that total assets increased by 25.4 percent (82,054.4 billion yen) from the previous fiscal year-end to 405,648.1 billion yen, mainly due to an increase in holdings of Japanese government securities (JGSs).<sup>1</sup> Total liabilities increased by 25.8 percent (82,400.1 billion yen) from the previous fiscal year-end to 402,098.4 billion yen, mainly due to an increase in current deposits (Table 1).

Detailed developments in the Bank's balance sheet in fiscal 2015 are as follows.

Looking at assets at the fiscal year-end, holdings of JGSs increased by 29.4 percent (79,403.4 billion yen) from the previous fiscal year-end to 349,195.5 billion yen, reflecting progress in the Bank's JGB purchases under quantitative and qualitative monetary easing (QQE) and QQE with a Negative Interest Rate. Loans and bills discounted were generally at around the same level as at the previous fiscal year-end, standing at 34,045.3 billion yen. This was mainly because an increase in the amount of loans provided through the Loan Support Program<sup>2</sup> was offset by a decrease in the amount of funds provided through the Funds-Supplying Operations against Pooled Collateral. The amount outstanding of loans provided through the Loan Support Program was 31,407.8 billion yen.

Turning to liabilities, current deposits increased by 36.7 percent (73,883.0 billion yen) from the previous fiscal year-end to 275,439.4 billion yen, reflecting an increase in the amount of funds provided through JGB purchases and other measures.

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.

Meanwhile, the amount outstanding of banknotes issued (banknotes in circulation) increased by 6.6 percent (5,921.5 billion yen) from the previous fiscal year-end to 95,594.7 billion yen.

With regard to the Bank's statement of income for fiscal 2015, operating profits decreased by 951.0 billion yen from the previous fiscal year to 762.6 billion yen, mainly due to net foreign exchange-related losses arising from the appreciation of the yen, offsetting the rise in "core" operating income<sup>3</sup> (Tables 2 and 3).

Meanwhile, net special losses amounted to 245.4 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 QQE with a Negative Interest Rate, 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—decreased by 597.9 billion yen from the previous fiscal year to 411.0 billion yen. After transferring 20.5 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 (390.5 billion yen).

The capital adequacy ratio, after the appropriation of net income, declined from its previous fiscal year-end level of 8.20 percent to 8.05 percent at the end of fiscal 2015 (Table 4).

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3. For the definition of "core" operating income, see Note 2 in Table 2 on page 60.

Table 1

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

bil. yen

Item	End of fiscal 2014 (March 31, 2015)	End of fiscal 2015 (March 31, 2016)
<b>Total assets</b>	323,593.7 (+33.9) <+82,013.8>	405,648.1 (+25.4) <+82,054.4>
Of which:		
Japanese government securities	269,792.1 (+36.0) <+71,455.1>	349,195.5 (+29.4) <+79,403.4>
Commercial paper	1,978.9 (+5.6) <+104.0>	1,969.9 (-0.5) <-8.9>
Corporate bonds	3,243.0 (+1.2) <+38.9>	3,170.3 (-2.2) <-72.7>
Pecuniary trusts (stocks held as trust property)	1,375.7 (+0.2) <+2.9>	1,369.2 (-0.5) <-6.5>
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	4,483.7 (+57.3) <+1,632.6>	7,567.6 (+68.8) <+3,083.8>
Pecuniary trusts (Japan real estate investment trusts held as trust property)	206.3 (+38.7) <+57.5>	293.6 (+42.3) <+87.2>
Loans and bills discounted	34,097.5 (+29.6) <+7,783.7>	34,045.3 (-0.2) <-52.2>
Foreign currency assets	7,112.5 (+15.5) <+954.2>	6,697.1 (-5.8) <-415.4>
<b>Total liabilities</b>	319,698.3 (+34.3) <+81,584.2>	402,098.4 (+25.8) <+82,400.1>
Of which:		
Banknotes	89,673.2 (+3.5) <+3,042.4>	95,594.7 (+6.6) <+5,921.5>
Deposits (excluding those of the government)	206,071.8 (+55.7) <+73,724.1>	282,939.6 (+37.3) <+76,867.8>
Deposits of the government	1,794.1 (+6.9) <+116.3>	18,779.7 (10.5 times) <+16,985.5>
Payables under repurchase agreements	17,608.2 (+31.6) <+4,232.7>	189.9 (-98.9) <-17,418.3>

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

[Reference to Table 1]

**Loans Provided through the Loan Support Program**

bil. yen

Item	End of fiscal 2013 (March 31, 2014)	End of fiscal 2014 (March 31, 2015)	End of fiscal 2015 (March 31, 2016)
<b>Total amount outstanding</b>	<b>12,686.4</b>	<b>28,461.0</b>	<b>31,407.8</b>
Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth	4,136.8	6,115.6	6,985.8
Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending	8,549.6	22,345.4	24,422.0

Table 2

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

bil. yen

Item	Fiscal 2014 (April 1, 2014–March 31, 2015)	Fiscal 2015 (April 1, 2015–March 31, 2016)
<b>Operating profits/losses</b>	1,713.7 (+33.8) <+433.1>	762.6 (-55.5) <-951.0>
Of which: "Core" operating income <sup>2</sup>	1,144.7 <+236.0>	1,396.3 <+251.5>
Net government bond-related gains/losses <sup>3</sup>	0.0 <-0.1>	... <-0.0>
Net foreign exchange-related gains/losses <sup>4</sup>	760.1 <+140.7>	-408.3 <-1,168.4>
Net gains/losses on pecuniary trusts (stocks held as trust property)	49.7 <+7.6>	51.1 <+1.3>
Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)	59.1 <+21.6>	104.8 <+45.6>
Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property)	7.7 <+1.0>	10.8 <+3.0>
Interest on excess reserve balances under the complementary deposit facility <sup>5</sup>	-151.3 <-67.6>	-221.6 <-70.3>
<b>Special profits/losses<sup>6</sup></b>	-362.2 <-63.4>	-245.4 <+116.8>
Of which:		
Net transfer to/from provision for possible losses on bonds transactions	... <...>	-450.1 <-450.1>
Net transfer to/from provision for possible losses on foreign exchange transactions	-380.0 <-70.3>	204.1 <+584.2>
<b>Net income before taxes</b>	1,351.4 (+37.7) <+369.7>	517.1 (-61.7) <-834.2>
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	342.4 <+85.0>	106.0 <-236.3>
<b>Net income<sup>7</sup></b>	1,009.0 (+39.3) <+284.7>	411.0 (-59.3) <-597.9>

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

2. The total of interest on loans and discounts, interest 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 (-223.6 billion yen) and interest income on the balances to which a negative interest rate is applied (2.0 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 2013 (April 1, 2013– March 31, 2014)	Fiscal 2014 (April 1, 2014– March 31, 2015)	Fiscal 2015	First half of	Second half of
				the fiscal year (April 1, 2015– September 30, 2015)	the fiscal year (October 1, 2015– March 31, 2016)
<b>1. Net government bond-related gains/losses</b>	<b>0.2</b>	<b>0.0</b>	<b>...</b>	<b>...</b>	<b>...</b>
Of which:					
Gains on sale of Japanese government bonds	0.2	0.0	...	...	...
Losses on sale of Japanese government bonds	...	...	...	...	...
<b>2. Net foreign exchange-related gains/losses<sup>2</sup></b>	<b>619.4</b>	<b>760.1</b>	<b>-408.3</b>	<b>27.2</b>	<b>-435.5</b>
<b>3. Net gains/losses on pecuniary trusts (stocks held as trust property)</b>	<b>42.1</b>	<b>49.7</b>	<b>51.1</b>	<b>24.4</b>	<b>26.6</b>
Of which:					
Dividends and others	42.8	48.9	53.7	25.7	27.9
Losses on impairment	-3.9	...	-4.4	-1.2	-3.1
Net gains/losses on sale	3.2	0.8	1.8	0.0	1.8
<b>4. Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property)</b>	<b>37.5</b>	<b>59.1</b>	<b>104.8</b>	<b>99.4</b>	<b>5.3</b>
Of which:					
Distributions and others	37.5	59.1	104.8	99.4	5.3
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>6.6</b>	<b>7.7</b>	<b>10.8</b>	<b>5.0</b>	<b>5.7</b>
Of which:					
Distributions and others	6.6	7.7	10.8	5.0	5.7
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 2013 (April 1, 2013– March 31, 2014)	Fiscal 2014 (April 1, 2014– March 31, 2015)	Fiscal 2015	First half of the fiscal year (April 1, 2015– September 30, 2015)	Second half of the fiscal year (October 1, 2015– March 31, 2016)
<b>6. "Core" operating income</b>	<b>908.7</b>	<b>1,144.7</b>	<b>1,396.3</b>	<b>693.8</b>	<b>702.5</b>
Yen assets	838.5	1,078.5	1,326.7	659.3	667.3
Of which:					
Interest on loans and discounts	25.6	28.6	34.8	17.3	17.5
Interest on receivables under resale agreements	...	...	–0.0	...	–0.0
Interest and discounts on Japanese government securities	805.7	1,044.0	1,287.5	639.1	648.3
Treasury discount bills	29.5	10.8	–20.8	–2.8	–17.9
Japanese government bonds	776.1	1,033.1	1,308.3	642.0	666.2
Interest on commercial paper	1.8	1.9	1.0	0.8	0.2
Interest and discounts on corporate bonds	5.3	3.9	3.2	1.9	1.3
Interest on foreign currency assets	70.1	66.1	69.6	34.5	35.1
<b>7. Interest-bearing assets (average amount outstanding)</b>	<b>202,865.4</b>	<b>275,286.9</b>	<b>358,263.1</b>	<b>338,824.0</b>	<b>377,702.1</b>
Yen assets	197,674.9	269,635.4	351,924.6	332,618.7	371,230.5
Of which:					
Loans and bills discounted	25,611.4	28,628.0	35,164.9	34,521.1	35,808.7
Receivables under resale agreements	...	...	1.0	...	2.1
Japanese government securities	166,965.8	235,522.2	311,330.8	292,678.1	329,983.4
Treasury discount bills	40,399.2	49,943.7	47,554.0	49,617.0	45,491.0
Japanese government bonds	126,566.5	185,578.5	263,776.7	243,061.0	284,492.3
Commercial paper	2,014.8	2,248.2	2,224.8	2,214.5	2,235.2
Corporate bonds	3,082.8	3,236.8	3,202.9	3,204.9	3,201.0
Foreign currency assets	5,190.5	5,651.4	6,338.4	6,205.2	6,471.5
<b>8. Yield on interest-bearing assets (percent)</b>	<b>0.447</b>	<b>0.415</b>	<b>0.389</b>	<b>0.409</b>	<b>0.371</b>
Yen assets	0.424	0.400	0.376	0.396	0.359
Of which:					
Loans and bills discounted	0.100	0.100	0.099	0.100	0.098
Receivables under resale agreements	...	...	–0.120	...	–0.120
Japanese government securities	0.482	0.443	0.413	0.436	0.392
Treasury discount bills	0.073	0.021	–0.043	–0.011	–0.078
Japanese government bonds	0.613	0.556	0.495	0.528	0.468
Commercial paper	0.092	0.088	0.048	0.078	0.019
Corporate bonds	0.174	0.122	0.102	0.122	0.082
Foreign currency assets	1.351	1.171	1.098	1.111	1.085



Table 4

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

bil. yen, except where otherwise noted

Item	End of fiscal 2013 (March 31, 2014)	End of fiscal 2014 (March 31, 2015)	End of fiscal 2015 (March 31, 2016)	Changes from a year earlier	[Reference] End of the first half of fiscal 2015 (September 30, 2015)
<b>Capital accounts (A)</b>	<b>2,886.3</b>	<b>3,138.6</b>	<b>3,159.1</b>	<b>+20.5</b>	<b>3,138.6</b>
Capital	0.1	0.1	0.1	...	0.1
Legal reserve and others <sup>2</sup>	2,886.2	3,138.5	3,159.0	+20.5	3,138.5
<b>Provisions (B)</b>	<b>3,649.3</b>	<b>4,029.4</b>	<b>4,275.4</b>	<b>+245.9</b>	<b>4,043.0</b>
Provision for possible loan losses (excluding special provision for possible loan losses)	...	...	...	...	...
Provision for possible losses on bonds transactions	2,243.3	2,243.3	2,693.4	+450.1	2,243.3
Provision for possible losses on foreign exchange transactions	1,406.0	1,786.1	1,581.9	-204.1	1,799.7
<b>Capital base<sup>3</sup> (C) = (A) + (B)</b>	<b>6,535.7</b>	<b>7,168.0</b>	<b>7,434.6</b>	<b>+266.5</b>	<b>7,181.7</b>
<b>Annual average of banknotes issued (D)</b>	<b>84,411.6</b>	<b>87,394.1</b>	<b>92,295.7</b>	<b>+4,901.5</b>	<b>90,384.4</b>
<b>Capital adequacy ratio (C)/(D) × 100 (percent)</b>	<b>7.74</b>	<b>8.20</b>	<b>8.05</b>	<b>-0.15</b>	<b>7.94</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 2014 (March 31, 2015)			End of fiscal 2015 (March 31, 2016)		
	Book value	Market value <sup>2</sup>	Difference	Book value	Market value <sup>2</sup>	Difference
Japanese government securities	269,792.1	274,606.7	4,814.5	349,195.5	364,415.5	15,220.0
Commercial paper	1,978.9	1,978.9	...	1,969.9	1,969.9	...
Corporate bonds	3,243.0	3,239.5	-3.5	3,170.3	3,167.3	-3.0
Pecuniary trusts <sup>3</sup> (stocks held as trust property)	1,351.0	2,978.3	1,627.3	1,344.5	2,577.0	1,232.5
Pecuniary trusts <sup>3</sup> (index-linked exchange-traded funds held as trust property)	4,572.0	6,963.7	2,391.6	7,567.6	8,766.0	1,198.4
Pecuniary trusts <sup>3</sup> (Japan real estate investment trusts held as trust property)	205.2	286.8	81.6	290.0	387.1	97.0

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, 2016

Item	Value in yen	Unit (except where otherwise noted)
<b>ASSETS</b>		
Gold	441,253,409,037	
Cash	209,992,488,626	
Japanese government securities	349,195,560,460,671	Face value at 342,768,536,450,000 yen
Commercial paper	1,969,983,763,984	Face value at 1,969,800,000,000 yen
Corporate bonds	3,170,336,995,982	Face value at 3,140,600,000,000 yen
Pecuniary trusts (stocks held as trust property)	1,369,210,615,327	
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	7,567,622,629,487	
Pecuniary trusts (Japan real estate investment trusts held as trust property)	293,641,665,779	
Loans and bills discounted	34,045,336,000,000	
Electronic loans	34,045,336,000,000	1,641
Foreign currency assets	6,697,119,789,156	
Foreign currency deposits	906,895,567,653	
Foreign currency securities	4,369,137,103,905	
Foreign currency mutual funds	58,807,470,098	
Foreign currency loans	1,362,279,647,500	
Deposits with agents	32,689,178,523	Deposits with 88 agents
Other assets	458,560,658,145	
Bills and checks in process of collection	26,804,275	8
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	45,620,130,059	6
Accrued interest receivable	376,373,731,942	
Others	21,036,617,505	
Tangible fixed assets	196,723,411,774	
Buildings	95,456,571,654	613,271.63 square meters
Land	82,710,077,233	515,271.60 square meters
Lease assets	4,989,333,914	Number of lease property: 17,615
Construction in progress	2,280,865,248	
Other tangible fixed assets	11,286,563,725	Number of movable property: 10,312
Intangible fixed assets	114,045,309	
Utility rights	114,045,309	
<b>Total assets</b>	<b>405,648,145,111,800</b>	
<b>LIABILITIES</b>		
Banknotes	95,594,792,658,757	
Deposits (excluding those of the government)	282,939,643,326,998	
Current deposits	275,439,481,605,158	1,141
Other deposits	7,500,161,721,840	127
Deposits of the government	18,779,729,516,481	
Treasury deposit	150,001,779,067	
Domestic designated deposit	18,373,874,162,409	
Other government deposits	255,853,575,005	
Payables under repurchase agreements	189,967,046,736	7
Other liabilities	122,531,470,022	
Remittances payable	4,778,880,521	
Taxes payable	82,945,000,000	
Lease liabilities	5,300,718,320	
Others	29,506,871,181	
Provision for retirement benefits	196,321,885,646	
Provision for possible losses on bonds transactions	2,693,488,993,013	
Provision for possible losses on foreign exchange transactions	1,581,949,000,000	
<b>Total liabilities</b>	<b>402,098,423,897,653</b>	
<b>NET ASSETS</b>		
Capital	100,000,000	
Legal reserve	3,138,531,211,232	
Special reserve	13,196,452	
Net income	411,076,806,463	
<b>Total net assets</b>	<b>3,549,721,214,147</b>	
<b>Total liabilities and net assets</b>	<b>405,648,145,111,800</b>	

**2. Balance sheet as at March 31, 2016**

yen

<b>ASSETS</b>	
Gold	441,253,409,037
Cash	209,992,488,626
Japanese government securities	349,195,560,460,671
Commercial paper	1,969,983,763,984
Corporate bonds	3,170,336,995,982
Pecuniary trusts (stocks held as trust property)	1,369,210,615,327
Pecuniary trusts (index-linked exchange-traded funds held as trust property)	7,567,622,629,487
Pecuniary trusts (Japan real estate investment trusts held as trust property)	293,641,665,779
Loans and bills discounted	34,045,336,000,000
Electronic loans	34,045,336,000,000
Foreign currency assets	6,697,119,789,156
Foreign currency deposits	906,895,567,653
Foreign currency securities	4,369,137,103,905
Foreign currency mutual funds	58,807,470,098
Foreign currency loans	1,362,279,647,500
Deposits with agents	32,689,178,523
Other assets	458,560,658,145
Bills and checks in process of collection	26,804,275
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	45,620,130,059
Accrued interest receivable	376,373,731,942
Others	21,036,617,505
Tangible fixed assets	196,723,411,774
Buildings	95,456,571,654
Land	82,710,077,233
Lease assets	4,989,333,914
Construction in progress	2,280,865,248
Other tangible fixed assets	11,286,563,725
Intangible fixed assets	114,045,309
Utility rights	114,045,309
<b>Total assets</b>	<b>405,648,145,111,800</b>
<b>LIABILITIES</b>	
Banknotes	95,594,792,658,757
Deposits (excluding those of the government)	282,939,643,326,998
Current deposits	275,439,481,605,158
Other deposits	7,500,161,721,840
Deposits of the government	18,779,729,516,481
Treasury deposit	150,001,779,067
Domestic designated deposit	18,373,874,162,409
Other government deposits	255,853,575,005
Payables under repurchase agreements	189,967,046,736
Other liabilities	122,531,470,022
Remittances payable	4,778,880,521
Taxes payable	82,945,000,000
Lease liabilities	5,300,718,320
Others	29,506,871,181
Provision for retirement benefits	196,321,885,646
Provision for possible losses on bonds transactions	2,693,488,993,013
Provision for possible losses on foreign exchange transactions	1,581,949,000,000
<b>Total liabilities</b>	<b>402,098,423,897,653</b>
<b>NET ASSETS</b>	
Capital	100,000,000
Legal reserve	3,138,531,211,232
Special reserve	13,196,452
Net income	411,076,806,463
Total net assets	3,549,721,214,147
<b>Total liabilities and net assets</b>	<b>405,648,145,111,800</b>

### 3. Statement of income for fiscal 2015 (April 1, 2015–March 31, 2016)

yen

<b>Operating income</b>	<b>1,597,193,870,144</b>
<b>Interest on loans and discounts</b>	<b>34,862,144,167</b>
Interest on loans	34,862,144,167
<b>Interest on receivables under resale agreements</b>	<b>-1,272,199</b>
<b>Interest and discounts on Japanese government securities</b>	<b>1,287,505,568,153</b>
<b>Interest on commercial paper</b>	<b>1,086,674,266</b>
<b>Interest and discounts on corporate bonds</b>	<b>3,280,776,668</b>
<b>Gains on foreign currency assets</b>	<b>78,347,409,520</b>
Gains on foreign currency securities	71,038,047,582
Gains on foreign currency mutual funds	77,694,010
Interest on foreign currency deposits and loans	7,231,667,928
<b>Other operating income</b>	<b>192,112,569,569</b>
Gains on pecuniary trusts (stocks held as trust property)	51,147,395,362
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	104,825,004,648
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	10,810,372,668
Dividends	669,713,764
Fees and commissions	10,413,850,146
Other income	14,246,232,981
<b>Operating expenses</b>	<b>834,563,201,599</b>
<b>Interest on payables under repurchase agreements</b>	<b>606,924,135</b>
<b>Losses on foreign currency assets</b>	<b>408,312,687,486</b>
Foreign exchange losses	408,312,687,486
<b>General and administrative expenses and costs</b>	<b>193,580,087,628</b>
Cost of production of banknotes	51,685,796,000
Administrative expenses for treasury business and Japanese government securities	17,693,690,093
Personnel expenses	50,746,955,955
Expenses for transportation and communications	4,398,098,631
Expenses for maintenance and repairs	2,328,958,725
Other general and administrative expenses and costs	47,938,733,365
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	3,754,177,209
Depreciation and amortization	15,033,677,650
<b>Other general and administrative expenses</b>	<b>232,063,502,350</b>
Interest on excess reserve balances under the complementary deposit facility	221,671,228,866
Fees and commissions paid	106,626,749
Other expenses	10,285,646,735
<b>Operating profits</b>	<b>762,630,668,545</b>
<b>Special profits</b>	<b>205,173,803,279</b>
<b>Gains on disposal of fixed assets</b>	<b>1,017,803,279</b>
<b>Transfer from provision for possible losses on foreign exchange transactions</b>	<b>204,156,000,000</b>
<b>Special losses</b>	<b>450,636,374,911</b>
<b>Losses on disposal of fixed assets</b>	<b>496,374,911</b>
<b>Transfer to provision for possible losses on bonds transactions</b>	<b>450,140,000,000</b>
<b>Net income before taxes</b>	<b>517,168,096,913</b>
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	<b>106,091,290,450</b>
<b>Net income</b>	<b>411,076,806,463</b>

#### 4. Summary of significant accounting policies

##### a. Securities

Yen-denominated bonds and CP<sup>4</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>5</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>6</sup> are valued in accordance with the procedures prescribed above according to the type of securities.

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

Depreciation is computed as follows:

(1) Buildings

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

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

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

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

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

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

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

(5) Others

Depreciation is computed in accordance with the Corporation Tax Act.

4. 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.

5. Includes bonds issued by real estate investment corporations.

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

### c. Foreign currency transactions

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

### d. Transfers to/from provisions

#### (1) Provision for possible loan losses

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

#### (2) Provision for retirement benefits

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

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 ten 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.

#### **e. Significant changes in the accounting standard**

The provision for possible losses on bonds transactions is maintained pursuant to the Cabinet Order on the Partial Revision of the Order for Enforcement of the Bank of Japan Act and the Ordinance of the Ministry of Finance on the Partial Revision of the Ordinance for Enforcement of the Bank of Japan Act, both of which came into effect in November 2015, as well as to the Bank's Accounting Rules amended in line with these partial revisions.

The transfer of funds to the provision for possible losses on bonds transactions increased by 450.1 billion yen relative to its level as previously calculated before these changes took effect; net income before taxes decreased by the same amount.

### **Other Explanatory Notes to the Financial Statements**

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Before fiscal 2015, interest on excess reserve balances under the complementary deposit facility was included in "other expenses" under "other general and administrative expenses" in the statement of income. However, the Bank decided that from fiscal 2015 such interest would be recorded separately as "interest on excess reserve balances under the complementary deposit facility" under "other general and administrative expenses." Interest on excess reserve balances under the complementary deposit facility for fiscal 2014, which was included in "other expenses," amounted to 151,310,041,304 yen.



### 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	158
More than one year	450
Total	609

b. Lessor

	mil. yen
Within one year	1
More than one year	39
Total	41

### 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 2015	200,909,654,000
Service cost	4,602,653,000
Interest cost	3,214,554,000
Actuarial differences	40,223,451,500
Retirement benefits paid	-9,605,809,500
Prior service cost	...
Projected benefit obligation at the end of fiscal 2015	239,344,503,000

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

	yen
Projected benefit obligation	239,344,503,000
Fair value of plan assets	...
Unfunded projected benefit obligation	239,344,503,000
Unrecognized actuarial differences	-52,866,920,404
Unrecognized prior service cost	9,844,303,050
Net amount recorded on the balance sheet	196,321,885,646
Prepaid pension cost	...
Provision for retirement benefits	196,321,885,646

#### 3. Retirement benefit cost

	yen
Service cost	4,602,653,000
Interest cost	3,214,554,000
Expected return on plan assets	...
Amortization of actuarial differences	791,288,917
Amortization of prior service cost	-1,158,153,300
Retirement benefit cost	7,450,342,617

#### 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>7</sup>

May 6, 2016

### Auditors' Opinion on the Bank of Japan's Financial Statements for Fiscal 2015

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 2015 indicated below. In our opinion, the financial statements present fairly the state of property and the results of operations for fiscal 2015.

The financial statements comprise the following:  
Inventory of property as at March 31, 2016;  
Balance sheet as at March 31, 2016; and  
Statement of income for fiscal 2015.

Yuji Iino  
Ryuichi Shogan  
Toshihiko Fujita

Auditors, Bank of Japan

## 6. Appropriation of net income for fiscal 2015

yen

<b>Net income</b>	<b>411,076,806,463</b>
Appropriations:	
Transfer to legal reserve	20,553,840,324
Dividends, 5 percent of share face value	5,000,000
Payment to the government	390,517,966,139
<b>Total</b>	<b>411,076,806,463</b>

<sup>7</sup> This presents a translation, for convenience only, of the original report issued in Japanese.

### III. SCHEDULE FOR THE FINANCIAL STATEMENTS

#### 1. Details of assets

yen

Item	Balance at the beginning of fiscal 2015	Balance at the end of fiscal 2015	Changes during fiscal 2015
<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>244,225,487,792</b>	<b>209,992,488,626</b>	<b>-34,232,999,166</b>
<b>3. Japanese government securities</b>	<b>269,792,149,426,838</b>	<b>349,195,560,460,671</b>	<b>79,403,411,033,833</b>
Treasury discount bills	49,658,400,239,473	47,296,949,251,071	-2,361,450,988,402
Japanese government bonds	220,133,749,187,365	301,898,611,209,600	81,764,862,022,235
2-year Japanese government bonds	25,069,682,275,158	33,771,254,828,998	8,701,572,553,840
5-year Japanese government bonds	59,818,095,112,049	79,542,539,079,004	19,724,443,966,955
10-year Japanese government bonds	82,609,068,104,416	109,535,333,695,981	26,926,265,591,565
20-year Japanese government bonds	36,450,297,970,790	52,272,863,109,257	15,822,565,138,467
30-year Japanese government bonds	7,848,523,072,877	16,675,074,754,875	8,826,551,681,998
40-year Japanese government bonds	2,191,623,508,088	3,481,732,974,331	1,290,109,466,243
Floating-rate Japanese government bonds	4,813,496,987,108	5,277,949,629,767	464,452,642,659
Inflation-indexed bonds	1,332,962,156,879	1,341,863,137,387	8,900,980,508
<b>4. Commercial paper<sup>2</sup></b>	<b>1,978,962,167,690</b>	<b>1,969,983,763,984</b>	<b>-8,978,403,706</b>
Dematerialized commercial paper	1,978,962,167,690	1,969,983,763,984	-8,978,403,706
<b>5. Corporate bonds<sup>3</sup></b>	<b>3,243,074,065,621</b>	<b>3,170,336,995,982</b>	<b>-72,737,069,639</b>
<b>6. Pecuniary trusts (stocks held as trust property)<sup>4</sup></b>	<b>1,375,754,718,852</b>	<b>1,369,210,615,327</b>	<b>-6,544,103,525</b>
Stocks	1,351,078,039,802	1,344,585,836,527	-6,492,203,275
Dividends receivable and others	24,676,679,050	24,624,778,800	-51,900,250
<b>7. Pecuniary trusts (index-linked exchange-traded funds held as trust property)<sup>5</sup></b>	<b>4,483,786,805,557</b>	<b>7,567,622,629,487</b>	<b>3,083,835,823,930</b>
Index-linked exchange-traded funds	4,483,556,323,777	7,567,622,629,487	3,084,066,305,710
Distributions receivable	230,481,780	0	-230,481,780
<b>8. Pecuniary trusts (Japan real estate investment trusts held as trust property)<sup>6</sup></b>	<b>206,393,485,183</b>	<b>293,641,665,779</b>	<b>87,248,180,596</b>
Japan real estate investment trusts	204,031,188,502	290,090,281,351	86,059,092,849
Distributions receivable	2,362,296,681	3,551,384,428	1,189,087,747
<b>9. Loans and bills discounted</b>	<b>34,097,585,000,000</b>	<b>34,045,336,000,000</b>	<b>-52,249,000,000</b>
Electronic loans	34,097,585,000,000	34,045,336,000,000	-52,249,000,000
Loans by Funds-Supplying Operations against Pooled Collateral <sup>7</sup>	34,097,585,000,000	34,045,336,000,000	-52,249,000,000
<b>10. Foreign currency assets</b>	<b>7,112,527,067,358</b>	<b>6,697,119,789,156</b>	<b>-415,407,278,202</b>
Foreign currency deposits <sup>8</sup>	688,746,542,485	906,895,567,653	218,149,025,168
Foreign currency securities <sup>9,10</sup>	4,825,426,306,376	4,369,137,103,905	-456,289,202,471
Foreign currency mutual funds	61,024,921,497	58,807,470,098	-2,217,451,399
Foreign currency loans <sup>11</sup>	1,537,329,297,000	1,362,279,647,500	-175,049,649,500
<b>11. Deposits with agents<sup>12</sup></b>	<b>23,119,339,601</b>	<b>32,689,178,523</b>	<b>9,569,838,922</b>

Notes: 1. Coins reserved for circulation.

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

3. Includes corporate bonds issued by real estate investment corporations.

4. Comprises stocks purchased from financial institutions through a trust bank, and dividends receivable and others.

5. Comprises beneficiary interests in index-linked exchange-traded funds purchased through a trust bank and distributions receivable.

6. Comprises investment equities issued by real estate investment corporations purchased through a trust bank and distributions receivable.

7. Includes the 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 Funds-Supplying Operation to Support Financial Institutions in Disaster Areas.

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

9. Includes securities issued by foreign governments.

10. 146,185,368,359 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 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.

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 2015	Balance at the end of fiscal 2015	Changes during fiscal 2015
<b>12. Other assets</b>	<b>393,782,377,361</b>	<b>458,560,658,145</b>	<b>64,778,280,784</b>
Bills and checks in process of collection <sup>13</sup>	157,333,987	26,804,275	-130,529,712
Capital subscription to the Deposit Insurance Corporation, and the Agricultural and Fishery Cooperative Savings Insurance Corporation	225,000,000	225,000,000	0
Capital subscription to an international financial institution <sup>14</sup>	15,278,374,364	15,278,374,364	0
Withdrawn cash to be returned to the government <sup>15</sup>	47,049,502,461	45,620,130,059	-1,429,372,402
Accrued interest receivable	303,212,411,537	376,373,731,942	73,161,320,405
Others	27,859,755,012	21,036,617,505	-6,823,137,507

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 2015	Increase during fiscal 2015	Decrease during fiscal 2015	Of which:	Balance at the end of fiscal 2015	Cumulative total of depreciation
				Depreciation		
<b>13. Tangible fixed assets<sup>16</sup></b>	<b>200,985,823,213</b>	<b>16,756,384,648</b>	<b>21,018,796,087</b>	<b>14,411,657,570</b>	<b>196,723,411,774</b>	<b>345,919,584,999</b>
Buildings <sup>17,18</sup>	98,402,849,658 (618,198.88)	5,676,344,128 (0.00)	8,622,622,132 (4,927.25)	8,358,560,730 (...)	95,456,571,654 (613,271.63)	315,224,328,959 (...)
Land <sup>17</sup>	82,711,838,658 (527,540.23)	0 (3.22)	1,761,425 (12,271.85)	... (...)	82,710,077,233 (515,271.60)	... (...)
Lease assets <sup>19,20</sup>	7,122,635,036 (19,137)	1,275,893,165 (5,532)	3,409,194,287 (7,054)	3,322,901,063 (...)	4,989,333,914 (17,615)	6,475,289,455 (...)
Construction in progress <sup>21</sup>	1,325,920,710	7,071,412,227	6,116,467,689	...	2,280,865,248	...
Other tangible fixed assets <sup>22,23</sup>	11,422,579,151 (10,359)	2,732,735,128 (209)	2,868,750,554 (256)	2,730,195,777 (...)	11,286,563,725 (10,312)	24,219,966,585 (...)

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 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 2015	Increase during fiscal 2015	Decrease during fiscal 2015	Of which:	Balance at the end of fiscal 2015	Cumulative total of depreciation
				Depreciation		
<b>14. Intangible fixed assets</b>	<b>116,658,434</b>	<b>5,646,703</b>	<b>8,259,828</b>	<b>8,259,828</b>	<b>114,045,309</b>	<b>843,963,411</b>
Utility rights	116,658,434	5,646,703	8,259,828	8,259,828	114,045,309	843,963,411

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

yen

Item	Balance at the beginning of fiscal 2015	Balance at the end of fiscal 2015	Changes during fiscal 2015
<b>Total amount outstanding</b>	<b>28,461,032,997,000</b>	<b>31,407,857,197,500</b>	<b>2,946,824,200,500</b>
Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth <sup>7</sup>	6,115,632,997,000	6,985,857,197,500	870,224,200,500
Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending	22,345,400,000,000	24,422,000,000,000	2,076,600,000,000

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 2015	Balance at the end of fiscal 2015	Changes during fiscal 2015
<b>1. Banknotes</b>	<b>89,673,254,629,643</b>	<b>95,594,792,658,757</b>	<b>5,921,538,029,114</b>
10,000 yen notes	82,373,440,475,000	88,233,737,125,000	5,860,296,650,000
5,000 yen notes	3,112,312,082,500	3,068,570,347,500	-43,741,735,000
2,000 yen notes	197,139,524,000	196,156,526,000	-982,998,000
1,000 yen notes	3,840,542,111,500	3,947,851,283,500	107,309,172,000
Other banknotes <sup>1</sup>	149,820,436,643	148,477,376,757	-1,343,059,886
<b>2. Deposits (excluding those of the government)</b>	<b>206,071,828,959,242</b>	<b>282,939,643,326,998</b>	<b>76,867,814,367,756</b>
Current deposits	201,556,431,650,544	275,439,481,605,158	73,883,049,954,614
Current deposits of financial institutions <sup>2</sup>	196,131,467,358,465	275,439,481,605,158	79,308,014,246,693
Other current deposits of nonfinancial institutions <sup>2</sup>	5,424,964,292,079	...	-5,424,964,292,079
Other deposits <sup>3</sup>	4,515,397,308,698	7,500,161,721,840	2,984,764,413,142
<b>3. Deposits of the government</b>	<b>1,794,185,531,047</b>	<b>18,779,729,516,481</b>	<b>16,985,543,985,434</b>
Treasury deposit	149,999,428,427	150,001,779,067	2,350,640
Domestic designated deposit <sup>4</sup>	1,352,539,436,252	18,373,874,162,409	17,021,334,726,157
Other government deposits <sup>5</sup>	291,646,666,368	255,853,575,005	-35,793,091,363
<b>4. Payables under repurchase agreements<sup>6</sup></b>	<b>17,608,286,376,004</b>	<b>189,967,046,736</b>	<b>-17,418,319,329,268</b>
Sales of Japanese government bonds under repurchase agreements to the government	17,560,951,703,454	0	-17,560,951,703,454
Other sales of Japanese government securities under repurchase agreements	47,334,672,550	189,967,046,736	142,632,374,186
Of which: Under the Securities Lending Facility	47,334,672,550	189,967,046,736	142,632,374,186
<b>5. Other liabilities</b>	<b>322,816,287,376</b>	<b>122,531,470,022</b>	<b>-200,284,817,354</b>
Remittances payable	6,386,633,540	4,778,880,521	-1,607,753,019
Taxes payable	279,469,000,000	82,945,000,000	-196,524,000,000
Lease liabilities	7,532,134,095	5,300,718,320	-2,231,415,775
Others <sup>7</sup>	29,428,519,741	29,506,871,181	78,351,440

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. The amount outstanding of "current deposits of financial institutions" at the beginning of fiscal 2015 is that of deposits held by financial institutions including institutions such as *tanshi* companies (money market brokers) and securities finance companies. The amount outstanding of "other current deposits of nonfinancial institutions" at the beginning of fiscal 2015 is that of deposits held by such institutions, for example, financial instruments business operators.

The amount outstanding of "current deposits of financial institutions" at the end of fiscal 2015 includes that of deposits held by nonfinancial institutions, for example, financial instruments business operators, because the item "other current deposits of nonfinancial institutions" was integrated into "current deposits of financial institutions" in the second half of fiscal 2015. Thus, "..." in the amount outstanding of "other current deposits of nonfinancial institutions" at the end of fiscal 2015 indicates that the figure is not applicable.

3. Deposits held by foreign central banks and others.

4. A deposit to which the surplus funds from management of the treasury is transferred from the "treasury deposit."

5. 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.

6. Monetary obligations arising from sales of JGSs under repurchase agreements.

7. 25,105,832,779 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 2015	Increase during fiscal 2015	Decrease during fiscal 2015	Balance at the end of fiscal 2015
<b>6. Provisions<sup>8</sup></b>	<b>4,227,931,345,542</b>	<b>457,590,342,617</b>	<b>213,761,809,500</b>	<b>4,471,759,878,659</b>
Provision for retirement benefits	198,477,352,529	7,450,342,617	9,605,809,500	196,321,885,646
Provision for possible losses on bonds transactions	2,243,348,993,013	450,140,000,000	0	2,693,488,993,013
Provision for possible losses on foreign exchange transactions	1,786,105,000,000	0	204,156,000,000	1,581,949,000,000
<b>7. Net assets</b>	<b>2,886,388,309,017</b>	<b>252,256,098,667</b>	<b>0</b>	<b>3,138,644,407,684</b>
Capital	100,000,000	0	0	100,000,000
Legal reserve <sup>9</sup>	2,886,275,112,565	252,256,098,667	0	3,138,531,211,232
Special reserve <sup>10</sup>	13,196,452	0	0	13,196,452

Notes: 8. Appropriated in accordance with the Bank's significant accounting policies.

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

10. To ease the reconstruction of financial institutions after World War II, the Bank, along with private financial institutions, suspended payment of dividends from the first half of fiscal 1945 to the first half of fiscal 1949, in accordance with an order from the Minister of Finance. The unpaid dividends were set aside as a special reserve pursuant to the Supplementary Provisions of the Act for Partial Revision of the Bank of Japan Act (Act No. 46 of 1947).

### 3. Details of revenues and expenses for fiscal 2015

#### a. Operating income

<b>Interest on loans and discounts</b>	
Interest on loans	34,862,144,167 yen from electronic loans.
<b>Interest on receivables under resale agreements</b>	1,272,199 yen from interest income on purchases of Japanese government securities under resale agreements.
<b>Interest and discounts on Japanese government securities</b>	1,287,505,568,153 yen from interest income on Japanese government securities after adjustment.
<b>Interest on commercial paper</b>	1,086,674,266 yen from interest income on commercial paper after adjustment.
<b>Interest and discounts on corporate bonds</b>	3,280,776,668 yen from interest income on corporate bonds after adjustment.
<b>Gains on foreign currency assets</b>	
Gains on foreign currency securities	Total of 62,309,565,485 yen from interest and discounts on foreign currency securities and 71,122,694 yen from lending fees on them; and 8,657,359,403 yen of gains arising from sales, redemption, and revaluation at end-March 2016 of foreign currency securities.
Gains on foreign currency mutual funds	77,694,010 yen
Interest on foreign currency deposits and loans	7,231,667,928 yen
<b>Other operating income</b>	
Gains on pecuniary trusts (stocks held as trust property)	51,147,395,362 yen mainly from dividends.
Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property)	104,825,004,648 yen mainly from distributions.
Gains on pecuniary trusts (Japan real estate investment trusts held as trust property)	10,810,372,668 yen mainly from distributions.
Dividends	669,713,764 yen for dividends from shares of the Bank for International Settlements held by the Bank.
Fees and commissions	10,413,850,146 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	14,246,232,981 yen from transfer from provision for retirement benefits and other miscellaneous income.



## b. Operating expenses

<b>Interest on payables under repurchase agreements</b>	606,924,135 yen for interest payment on sales of Japanese government securities under repurchase agreements.
<b>Losses on foreign currency assets</b>	
Foreign exchange losses	408,312,687,486 yen from losses on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates.
<b>General and administrative expenses and costs</b>	
Cost of production of banknotes	51,685,796,000 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	17,693,690,093 yen from fees and commissions paid to agents of the Bank for administration of treasury business and Japanese government securities.
Personnel expenses	421,867,400 yen for remuneration of the officers; 40,689,497,055 yen for remuneration of the employees; and 9,635,591,500 yen for retirement allowances.
Expenses for transportation and communications	1,866,055,518 yen for expenses for transportation and 2,532,043,113 yen for expenses for communications.
Expenses for maintenance and repairs	2,328,958,725 yen on offices and other premises.
Other general and administrative expenses and costs	1,163,193,693 yen for the cost of expendable supplies; 2,091,344,525 yen for expenses for electricity and water supply; 8,548,921,288 yen for leasing fees for buildings and equipment; 10,505,091,422 yen for expenses for maintenance of buildings and equipment; and 25,630,182,437 yen for miscellaneous expenses.
Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes	3,754,177,209 yen for taxes and public charges (including fixed-asset tax and urban development tax).
Depreciation and amortization	15,033,677,650 yen on buildings and lease assets.
<b>Other general and administrative expenses</b>	
Interest on excess reserve balances under the complementary deposit facility	221,671,228,866 yen (net difference between interest payment of 223,688,863,365 yen on excess reserve balances to which a positive interest rate is applied and interest income of 2,017,634,499 yen on the balances to which a negative interest rate is applied).
Fees and commissions paid	106,626,749 yen
Other expenses	10,285,646,735 yen for transfer to provision for retirement benefits and other expenses.

## c. Special profits

<b>Gains on disposal of fixed assets</b>	1,017,803,279 yen for gains on sales of land for the Bank's premises and other gains.
<b>Transfer from provision for possible losses on foreign exchange transactions</b>	204,156,000,000 yen

## d. Special losses

<b>Losses on disposal of fixed assets</b>	496,374,911 yen for losses on sales of buildings and land formerly used for the Bank's business operations, as well as on disposals of automatic banknote examination machines and other properties.
<b>Transfer to provision for possible losses on bonds transactions</b>	450,140,000,000 yen

## e. Net income

<b>Net income before taxes</b>	517,168,096,913 yen
<b>Provision for corporate income tax, inhabitants taxes, and enterprise taxes</b>	106,091,290,450 yen
<b>Net income</b>	411,076,806,463 yen

#### IV. EXPENSES

With regard to the Bank's statement of accounts for fiscal 2015 (the 131st fiscal year), the total amount of actual expenses decreased by 2.2 percent (4.1 billion yen) to 184.9 billion yen compared to the previous fiscal year. This was due, among other factors, to the decrease in "other general and administrative expenses and costs," mainly reflecting the decline in BOJ-NET-related computerization expenses.

## 1. Statement of accounts for fiscal 2015

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>51,685,811,000</b>	<b>51,685,811,000</b>	<b>51,685,796,000</b>	<b>15,000</b>	<b>202,688,000</b>
<b>Administrative expenses for treasury business and Japanese government securities</b>	<b>18,386,078,000</b>	<b>18,386,078,000</b>	<b>17,693,690,093</b>	<b>692,387,907</b>	<b>-239,934,096</b>
<b>Personnel expenses</b>	<b>51,938,313,000</b>	<b>51,938,313,000</b>	<b>50,746,955,955</b>	<b>1,191,357,045</b>	<b>617,267,943</b>
Remuneration of the officers	422,011,000	422,011,000	421,867,400	143,600	-1,850,100
Remuneration of the employees	41,541,514,000	41,541,514,000	40,689,497,055	852,016,945	602,348,163
Retirement allowances	9,974,788,000	9,974,788,000	9,635,591,500	339,196,500	16,769,880
<b>Expenses for transportation and communications</b>	<b>4,781,368,000</b>	<b>4,781,368,000</b>	<b>4,398,098,631</b>	<b>383,269,369</b>	<b>-36,000,657</b>
Expenses for transportation	1,995,081,000	1,995,081,000	1,866,055,518	129,025,482	83,202,916
Expenses for communications	2,786,287,000	2,786,287,000	2,532,043,113	254,243,887	-119,203,573
<b>Expenses for maintenance and repairs</b>	<b>2,455,523,000</b>	<b>2,455,523,000</b>	<b>2,328,958,725</b>	<b>126,564,275</b>	<b>320,446,960</b>
<b>Other general and administrative expenses and costs</b>	<b>53,760,828,000</b>	<b>53,760,828,000</b>	<b>47,938,733,365</b>	<b>5,822,094,635</b>	<b>-4,747,176,434</b>
Cost of expendable supplies	1,366,635,000	1,366,635,000	1,163,193,693	203,441,307	17,908,492
Expenses for electricity and water supply	2,501,677,000	2,501,677,000	2,091,344,525	410,332,475	-164,438,078
Leasing fees for buildings and equipment	9,385,265,000	9,385,265,000	8,548,921,288	836,343,712	-1,167,130,657
Expenses for maintenance of buildings and equipment	11,539,825,000	11,539,825,000	10,505,091,422	1,034,733,578	-652,812,743
Miscellaneous expenses	28,967,426,000	28,967,426,000	25,630,182,437	3,337,243,563	-2,780,703,448
<b>Subtotal</b>	<b>183,007,921,000</b>	<b>183,007,921,000</b>	<b>174,792,232,769</b>	<b>8,215,688,231</b>	<b>-3,882,708,284</b>
<b>Cost of fixed-asset purchases</b>	<b>11,939,140,000</b>	<b>11,939,140,000</b>	<b>10,085,403,414</b>	<b>1,853,736,586</b>	<b>-243,153,650</b>
Of which:					
Subject to the approval of the Minister of Finance <sup>2</sup>	3,731,102,000	3,731,102,000	3,501,585,528	229,516,472	394,606,382
<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>195,947,061,000</b>	<b>195,947,061,000</b>	<b>184,877,636,183</b>	<b>11,069,424,817</b>	<b>-4,125,861,934</b>
Of which:					
Subject to the approval of the Minister of Finance <sup>2</sup>	187,739,023,000	187,739,023,000	178,293,818,297	9,445,204,703	-3,488,101,902

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 2015<sup>1</sup>

mil. yen

Area of business operation	Expenses	Changes from a year earlier	Share of total (percent)
Issuance of banknotes	82,584	-79	42.7
Monetary policy	22,746	-1,851	11.8
Financial system policy	17,291	+212	8.9
Payment and settlement systems	31,976	-1,460	16.5
Services relating to the government <sup>2</sup>	38,983	-757	20.1
<b>Total</b>	<b>193,580</b>	<b>-3,934</b>	<b>100.0</b>

Notes: 1. Calculated based on "general and administrative expenses and costs" (193.6 billion yen) in the statement of income for fiscal 2015 (the 131st 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.