

The Bank's Accounts:

Financial Statements
and Other Documents
for Fiscal 2019

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

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On May 27, 2020, the Bank of Japan released the "Financial Statements for the 135th 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 135th fiscal year, i.e., fiscal 2019 (April 1, 2019–March 31, 2020), and the schedule for the financial statements for fiscal 2019.

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 2019 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 2019 shows that total assets increased by 8.5 percent (47,460.2 billion yen) from the previous fiscal year-end to 604,484.6 billion yen, mainly due to increases in foreign currency assets and holdings of Japanese government securities (JGSs).¹ Total liabilities increased by 8.4 percent (46,722.6 billion yen) from the previous fiscal year-end to 599,937.2 billion yen, mainly due to increases in deposits (excluding those of the government) and payables under repurchase agreements (Table 1).

Detailed developments in the Bank's balance sheet in fiscal 2019 are as follows.

Looking at assets at the fiscal year-end, foreign currency assets increased by 19,234.0 billion yen from the previous fiscal year-end to 25,966.2 billion yen, due to the Bank's U.S. Dollar Funds-Supplying Operations against Pooled Collateral. Holdings of JGSs increased by 15,964.2 billion yen from the previous fiscal year-end to 485,918.1 billion yen, with the Bank proceeding with its purchases of these assets. Loans and bills discounted increased by 6,892.4 billion yen from the previous fiscal year-end to 54,328.6 billion yen, mainly due to an increase in the amount of loans provided through the Loan Support Program and to implementation of the Special Funds-Supplying Operations to Facilitate Corporate Financing regarding the Novel Coronavirus (COVID-19).² Pecuniary trusts (index-linked exchange-traded funds held as trust property) increased by 4,934.0 billion yen from the previous fiscal year-end to 29,718.9 billion yen, with the Bank

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

2. Through the Loan Support Program, the Bank aims 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. The Bank introduced the Special Funds-Supplying Operations to Facilitate Corporate Financing regarding the Novel Coronavirus (COVID-19) as a temporary measure to ensure smooth corporate financing and maintain stability in financial markets, given the impact of the outbreak of COVID-19 on economic activity.

proceeding with its purchases of these assets.

Turning to liabilities, deposits (excluding those of the government) increased by 25,697.9 billion yen from the previous fiscal year-end to 447,076.2 billion yen, mainly due to an increase in other deposits reflecting, for example, the Bank's U.S. Dollar Funds-Supplying Operations against Pooled Collateral. Payables under repurchase agreements increased by 23,925.5 billion yen from the previous fiscal year-end to 24,116.3 billion yen, mainly due to securities lending by the Bank to provide JGSs as collateral for the U.S. dollar funds-supplying operations. Meanwhile, the amount outstanding of banknotes issued (banknotes in circulation) increased by 2,057.3 billion yen from the previous fiscal year-end to 109,616.5 billion yen.

With regard to the Bank's statement of income for fiscal 2019, operating profits decreased by 363.3 billion yen from the previous fiscal year to 1,637.5 billion yen, mainly due to net foreign exchange-related losses arising from the appreciation of the yen (Tables 2 and 3).

Meanwhile, net special losses amounted to 270.6 billion yen. This was mainly due to the transfer of funds to the provision for possible losses on bonds transactions to compensate for possible fluctuation in net income arising from the implementation of Quantitative and Qualitative Monetary Easing with Yield Curve Control, although this was offset by the transfer of funds from the provision for possible losses on foreign exchange transactions following net foreign exchange-related losses.

Net income for the term—after subtracting corporate income tax and inhabitants and enterprise taxes—increased by 708.3 billion yen from the previous fiscal year to 1,295.2 billion yen. After transferring 64.7 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 (1,230.5 billion yen).

The capital adequacy ratio, after the appropriation of net income, rose from its previous fiscal year-end level of 8.71 percent to 8.79 percent at the end of fiscal 2019 (Table 4).

Table 1

Principal Assets and Liabilities¹

bil. yen

| Item | End of fiscal 2018 (Mar. 31, 2019) | End of fiscal 2019 (Mar. 31, 2020) |
|---|---------------------------------------|--|
| Total assets | 557,024.3 (+5.4) <+28,738.6> | 604,484.6 (+8.5) <+47,460.2> |
| Of which: | | |
| Japanese government securities | 469,953.8 (+4.8) <+21,627.7> | 485,918.1 (+3.4) <+15,964.2> |
| Commercial paper | 2,042.0 (-0.7) <-15.4> | 2,551.8 (+25.0) <+509.8> |
| Corporate bonds | 3,206.6 (+0.5) <+14.5> | 3,220.8 (+0.4) <+14.1> |
| Pecuniary trusts (stocks held as trust property) | 897.0 (-14.5) <-151.8> | 727.7 (-18.9) <-169.2> |
| Pecuniary trusts (index-linked exchange-traded funds held as trust property) | 24,784.8 (+30.9) <+5,850.0> | 29,718.9 (+19.9) <+4,934.0> |
| Pecuniary trusts (Japan real estate investment trusts held as trust property) | 517.8 (+8.8) <+41.7> | 575.3 (+11.1) <+57.4> |
| Loans and bills discounted | 47,436.1 (+2.2) <+1,024.2> | 54,328.6 (+14.5) <+6,892.4> |
| Foreign currency assets | 6,732.1 (+5.7) <+362.6> | 25,966.2 (3.9 times) <+19,234.0> |
| Total liabilities | 553,214.6 (+5.5) <+28,878.2> | 599,937.2 (+8.4) <+46,722.6> |
| Of which: | | |
| Banknotes | 107,559.2 (+3.4) <+3,558.7> | 109,616.5 (+1.9) <+2,057.3> |
| Deposits (excluding those of the government) | 421,378.2 (+5.4) <+21,739.9> | 447,076.2 (+6.1) <+25,697.9> |
| Deposits of the government | 17,522.8 (+15.9) <+2,398.0> | 12,633.8 (-27.9) <-4,888.9> |
| Payables under repurchase agreements | 190.8 (-38.7) <-120.4> | 24,116.3 (126.4 times) <+23,925.5> |

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 Program¹

bil. yen

| Item | End of fiscal 2017 (Mar. 31, 2018) | End of fiscal 2018 (Mar. 31, 2019) | End of fiscal 2019 (Mar. 31, 2020) |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| Total amount outstanding | 48,018.3 | 48,645.2 | 51,741.4 |
| Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth | 9,354.7 | 8,922.6 | 8,927.6 |
| Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending | 38,663.6 | 39,722.6 | 42,813.8 |

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

Table 2

Principal Profits and Losses¹

bil. yen

| Item | Fiscal 2018 (Apr. 1, 2018–Mar. 31, 2019) | Fiscal 2019 (Apr. 1, 2019–Mar. 31, 2020) |
|---|---|---|
| Operating profits/losses | 2,000.9 (+62.8) <+772.1> | 1,637.5 (–18.2) <–363.3> |
| Of which: "Core" operating income ² | 1,409.0 <+98.5> | 1,317.0 <–91.9> |
| Net government bond-related gains/losses ³ | … <…> | … <…> |
| Net foreign exchange-related gains/losses ⁴ | 225.7 <+437.6> | –214.4 <–440.1> |
| Net gains/losses on pecuniary trusts (stocks held as trust property) | 251.0 <–0.2> | 205.0 <–45.9> |
| Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property) | 441.6 <+162.7> | 604.7 <+163.0> |
| Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property) | 21.1 <+2.9> | 7.9 <–13.2> |
| Interest on excess reserve balances under the complementary deposit facility ⁵ | –186.5 <–2.9> | –188.2 <–1.6> |
| Special profits/losses⁶ | –926.1 <–587.2> | –270.6 <+655.4> |
| Of which: | | |
| Net transfer to/from provision for possible losses on bonds transactions | –815.4 <–370.3> | –383.7 <+431.7> |
| Net transfer to/from provision for possible losses on foreign exchange transactions | –112.8 <–218.8> | 107.2 <+220.0> |
| Net income before taxes | 1,074.8 (+20.8) <+184.8> | 1,366.9 (+27.2) <+292.1> |
| Provision for corporate income tax, inhabitants taxes, and enterprise taxes | 487.8 <+362.6> | 71.6 <–416.2> |
| Net income⁷ | 586.9 (–23.3) <–177.8> | 1,295.2 (2.2 times) <+708.3> |

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 (–208.7 billion yen) and interest income on the balances to which a negative interest rate is applied (20.4 billion yen).

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

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

Table 3

Changes in Profits and Losses¹

bil. yen

| Item | Fiscal 2017 (Apr. 1, 2017– Mar. 31, 2018) | Fiscal 2018 (Apr. 1, 2018– Mar. 31, 2019) | Fiscal 2019 | First half of the fiscal year (Apr. 1, 2019– Sept. 30, 2019) | Second half of the fiscal year (Oct. 1, 2019– Mar. 31, 2020) |
|---|---|---|---------------|---|---|
| | | | | | |
| 1. Net government bond-related gains/losses | ... | ... | ... | ... | ... |
| Of which: | | | | | |
| Gains on sale of Japanese government bonds | ... | ... | ... | ... | ... |
| Losses on sale of Japanese government bonds | ... | ... | ... | ... | ... |
| 2. Net foreign exchange-related gains/losses² | -211.9 | 225.7 | -214.4 | -186.1 | -28.3 |
| 3. Net gains/losses on pecuniary trusts (stocks held as trust property) | 251.2 | 251.0 | 205.0 | 105.7 | 99.3 |
| Of which: | | | | | |
| Dividends and others | 55.4 | 58.0 | 45.1 | 22.9 | 22.2 |
| Losses on impairment | ... | -4.2 | -22.4 | -0.5 | -21.9 |
| Net gains/losses on sale | 195.8 | 197.2 | 182.3 | 83.3 | 99.0 |
| 4. Net gains/losses on pecuniary trusts (index-linked exchange-traded funds held as trust property) | 278.9 | 441.6 | 604.7 | 559.6 | 45.0 |
| Of which: | | | | | |
| Distributions and others | 278.9 | 441.6 | 604.7 | 559.6 | 45.0 |
| Losses on impairment | ... | ... | ... | ... | ... |
| Net gains/losses on sale | ... | ... | ... | ... | ... |
| 5. Net gains/losses on pecuniary trusts (Japan real estate investment trusts held as trust property) | 18.1 | 21.1 | 7.9 | 11.6 | -3.6 |
| Of which: | | | | | |
| Distributions and others | 18.1 | 21.1 | 23.9 | 11.6 | 12.2 |
| Losses on impairment | ... | ... | -15.9 | ... | -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 2017 (Apr. 1, 2017– Mar. 31, 2018) | Fiscal 2018 (Apr. 1, 2018– Mar. 31, 2019) | Fiscal 2019 | First half of the fiscal year (Apr. 1, 2019– Sept. 30, 2019) | Second half of the fiscal year (Oct. 1, 2019– Mar. 31, 2020) |
|--|---|---|------------------|---|---|
| | | | | | |
| 6. "Core" operating income | 1,310.4 | 1,409.0 | 1,317.0 | 688.8 | 628.2 |
| Yen assets | 1,220.0 | 1,282.8 | 1,195.2 | 622.4 | 572.7 |
| 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 | ... | –0.0 |
| Interest and discounts on Japanese government securities | 1,221.1 | 1,283.9 | 1,196.0 | 623.1 | 572.9 |
| Treasury discount bills | –69.8 | –22.7 | –19.2 | –8.6 | –10.6 |
| Japanese government bonds | 1,290.9 | 1,306.6 | 1,215.3 | 631.7 | 583.5 |
| Interest on commercial paper | –0.1 | –0.0 | 0.0 | –0.0 | 0.0 |
| Interest and discounts on corporate bonds | –0.9 | –1.0 | –0.7 | –0.6 | –0.1 |
| Interest on foreign currency assets | 90.3 | 126.2 | 121.8 | 66.3 | 55.4 |
| 7. Interest-bearing assets (average amount outstanding) | 494,983.4 | 523,563.0 | 543,032.3 | 538,161.5 | 547,903.1 |
| Yen assets | 488,322.0 | 516,853.3 | 535,933.0 | 531,416.5 | 540,449.5 |
| Of which: | | | | | |
| Loans and bills discounted | 46,204.9 | 46,480.6 | 47,877.1 | 47,097.5 | 48,656.6 |
| Receivables under resale agreements | ... | 0.0 | 25.1 | ... | 50.2 |
| Japanese government securities | 436,665.2 | 464,907.5 | 482,632.6 | 478,919.0 | 486,346.1 |
| Treasury discount bills | 29,831.7 | 15,429.6 | 10,354.4 | 10,202.9 | 10,506.0 |
| Japanese government bonds | 406,833.5 | 449,477.8 | 472,278.1 | 468,716.1 | 475,840.1 |
| Commercial paper | 2,252.8 | 2,264.8 | 2,202.0 | 2,213.9 | 2,190.1 |
| Corporate bonds | 3,199.0 | 3,200.2 | 3,196.1 | 3,185.9 | 3,206.3 |
| Foreign currency assets | 6,661.4 | 6,709.7 | 7,099.2 | 6,744.9 | 7,453.6 |
| 8. Yield on interest-bearing assets (percent) | 0.264 | 0.269 | 0.242 | 0.255 | 0.229 |
| Yen assets | 0.249 | 0.248 | 0.223 | 0.234 | 0.211 |
| Of which: | | | | | |
| Loans and bills discounted | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Receivables under resale agreements | ... | 0.000 | –0.093 | ... | –0.093 |
| Japanese government securities | 0.279 | 0.276 | 0.247 | 0.260 | 0.235 |
| Treasury discount bills | –0.234 | –0.147 | –0.186 | –0.169 | –0.202 |
| Japanese government bonds | 0.317 | 0.290 | 0.257 | 0.269 | 0.245 |
| Commercial paper | –0.004 | –0.002 | 0.001 | –0.000 | 0.002 |
| Corporate bonds | –0.030 | –0.033 | –0.024 | –0.041 | –0.007 |
| Foreign currency assets | 1.356 | 1.881 | 1.716 | 1.967 | 1.488 |

Table 4

The Bank's Capital Base and Capital Adequacy Ratio¹

bil. yen, except where otherwise noted

| Item | End of fiscal 2017 (Mar. 31, 2018) | End of fiscal 2018 (Mar. 31, 2019) | End of fiscal 2019 (Mar. 31, 2020) | Changes from a year earlier | [Reference] |
|--|---------------------------------------|---------------------------------------|---------------------------------------|-----------------------------|--|
| | | | | | End of the first half of fiscal 2019 (Sept. 30, 2019) |
| Capital accounts (A) | 3,222.7 | 3,252.1 | 3,316.8 | +64.7 | 3,252.1 |
| Capital | 0.1 | 0.1 | 0.1 | ... | 0.1 |
| Legal reserve and others ² | 3,222.6 | 3,252.0 | 3,316.7 | +64.7 | 3,252.0 |
| Provisions (B) | 5,002.0 | 5,930.3 | 6,206.8 | +276.4 | 6,039.7 |
| Provision for possible loan losses (excluding special provision for possible loan losses) | ... | ... | ... | ... | ... |
| Provision for possible losses on bonds transactions | 3,600.1 | 4,415.5 | 4,799.2 | +383.7 | 4,618.0 |
| Provision for possible losses on foreign exchange transactions | 1,401.9 | 1,514.7 | 1,407.5 | -107.2 | 1,421.7 |
| Capital base³ (C) = (A) + (B) | 8,224.8 | 9,182.4 | 9,523.7 | +341.2 | 9,291.9 |
| Annual average of banknotes issued (D) | 101,588.7 | 105,391.6 | 108,275.2 | +2,883.6 | 107,738.4 |
| Capital adequacy ratio (C)/(D) × 100 (percent) | 8.09 | 8.71 | 8.79 | +0.08 | 8.62 |

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

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

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

[Reference]

Market Value of the Bank's Securities Holdings¹

bil. yen

| Item | End of fiscal 2018 (Mar. 31, 2019) | | | End of fiscal 2019 (Mar. 31, 2020) | | |
|--|------------------------------------|---------------------------|------------|------------------------------------|---------------------------|------------|
| | Book value | Market value ² | Difference | Book value | Market value ² | Difference |
| Japanese government securities | 469,953.8 | 485,989.8 | 16,035.9 | 485,918.1 | 499,362.0 | 13,443.9 |
| Commercial paper | 2,042.0 | 2,042.0 | ... | 2,551.8 | 2,551.8 | ... |
| Corporate bonds | 3,206.6 | 3,201.6 | -5.0 | 3,220.8 | 3,210.2 | -10.5 |
| Pecuniary trusts ³ (stocks held as trust property) | 873.5 | 1,989.5 | 1,115.9 | 708.2 | 1,531.1 | 822.8 |
| Pecuniary trusts ³ (index-linked exchange-traded funds held as trust property) | 25,001.1 | 28,913.6 | 3,912.4 | 30,912.2 | 31,220.3 | 308.1 |
| Pecuniary trusts ³ (Japan real estate investment trusts held as trust property) | 512.1 | 625.6 | 113.4 | 575.5 | 622.2 | 46.7 |

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, 2020

| Item | Value in yen | Unit (except where otherwise noted) |
|---|----------------------------|---------------------------------------|
| ASSETS | | |
| Gold | 441,253,409,037 | |
| Cash | 205,061,074,044 | |
| Japanese government securities | 485,918,129,988,422 | Face value at 474,080,724,400,000 yen |
| Commercial paper | 2,551,889,033,716 | Face value at 2,551,900,000,000 yen |
| Corporate bonds | 3,220,825,190,968 | Face value at 3,208,800,000,000 yen |
| Pecuniary trusts (stocks held as trust property) | 727,714,519,973 | |
| Pecuniary trusts (index-linked exchange-traded funds held as trust property) | 29,718,938,645,617 | |
| Pecuniary trusts (Japan real estate investment trusts held as trust property) | 575,305,889,680 | |
| Loans and bills discounted | 54,328,648,000,000 | |
| Electronic loans | 54,328,648,000,000 | 1,397 |
| Foreign currency assets | 25,966,256,288,216 | |
| Foreign currency deposits | 1,732,262,396,986 | |
| Foreign currency securities | 2,355,224,668,143 | |
| Foreign currency mutual funds | 60,613,713,087 | |
| Foreign currency loans | 21,818,155,510,000 | |
| Deposits with agents | 23,994,220,003 | Deposits with 79 agents |
| Other assets | 590,051,545,382 | |
| Bills and checks in process of collection | 6,356,685 | 4 |
| 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 | 38,707,429,941 | 6 |
| Refund on accrued tax | 52,621,989,719 | |
| Accrued interest receivable | 470,183,576,216 | |
| Others | 13,028,818,457 | |
| Tangible fixed assets | 216,444,108,401 | |
| Buildings | 105,726,690,246 | 613,442.13 square meters |
| Land | 84,124,182,999 | 507,049.75 square meters |
| Lease assets | 7,598,665,055 | Number of lease property: 21,983 |
| Construction in progress | 7,458,248,538 | |
| Other tangible fixed assets | 11,536,321,563 | Number of movable property: 9,940 |
| Intangible fixed assets | 129,890,768 | |
| Utility rights | 129,890,768 | |
| Total assets | 604,484,641,804,227 | |
| LIABILITIES | | |
| Banknotes | 109,616,575,483,650 | |
| Deposits (excluding those of the government) | 447,076,239,363,367 | |
| Current deposits | 395,256,035,035,254 | 1,117 |
| Other deposits | 51,820,204,328,113 | 143 |
| Deposits of the government | 12,633,850,593,434 | |
| Treasury deposit | 150,001,026,112 | |
| Domestic designated deposit | 12,239,860,364,524 | |
| Other government deposits | 243,989,202,798 | |
| Payables under repurchase agreements | 24,116,347,566,200 | 27 |
| Other liabilities | 84,086,119,657 | |
| Remittances payable | 14,760,764,172 | |
| Taxes payable | 28,031,000,000 | |
| Lease liabilities | 7,988,759,130 | |
| Others | 33,305,596,355 | |
| Provision for retirement benefits | 203,316,793,791 | |
| Provision for possible losses on bonds transactions | 4,799,292,993,013 | |
| Provision for possible losses on foreign exchange transactions | 1,407,536,000,000 | |
| Total liabilities | 599,937,244,913,112 | |
| NET ASSETS | | |
| Capital | 100,000,000 | |
| Legal reserve | 3,252,007,626,093 | |
| Special reserve | 13,196,452 | |
| Net income | 1,295,276,068,570 | |
| Total net assets | 4,547,396,891,115 | |
| Total liabilities and net assets | 604,484,641,804,227 | |

2. Balance sheet as at March 31, 2020

yen

| ASSETS | |
|---|----------------------------|
| Gold | 441,253,409,037 |
| Cash | 205,061,074,044 |
| Japanese government securities | 485,918,129,988,422 |
| Commercial paper | 2,551,889,033,716 |
| Corporate bonds | 3,220,825,190,968 |
| Pecuniary trusts (stocks held as trust property) | 727,714,519,973 |
| Pecuniary trusts (index-linked exchange-traded funds held as trust property) | 29,718,938,645,617 |
| Pecuniary trusts (Japan real estate investment trusts held as trust property) | 575,305,889,680 |
| Loans and bills discounted | 54,328,648,000,000 |
| Electronic loans | 54,328,648,000,000 |
| Foreign currency assets | 25,966,256,288,216 |
| Foreign currency deposits | 1,732,262,396,986 |
| Foreign currency securities | 2,355,224,668,143 |
| Foreign currency mutual funds | 60,613,713,087 |
| Foreign currency loans | 21,818,155,510,000 |
| Deposits with agents | 23,994,220,003 |
| Other assets | 590,051,545,382 |
| Bills and checks in process of collection | 6,356,685 |
| 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 | 38,707,429,941 |
| Refund on accrued tax | 52,621,989,719 |
| Accrued interest receivable | 470,183,576,216 |
| Others | 13,028,818,457 |
| Tangible fixed assets | 216,444,108,401 |
| Buildings | 105,726,690,246 |
| Land | 84,124,182,999 |
| Lease assets | 7,598,665,055 |
| Construction in progress | 7,458,248,538 |
| Other tangible fixed assets | 11,536,321,563 |
| Intangible fixed assets | 129,890,768 |
| Utility rights | 129,890,768 |
| Total assets | 604,484,641,804,227 |
| LIABILITIES | |
| Banknotes | 109,616,575,483,650 |
| Deposits (excluding those of the government) | 447,076,239,363,367 |
| Current deposits | 395,256,035,035,254 |
| Other deposits | 51,820,204,328,113 |
| Deposits of the government | 12,633,850,593,434 |
| Treasury deposit | 150,001,026,112 |
| Domestic designated deposit | 12,239,860,364,524 |
| Other government deposits | 243,989,202,798 |
| Payables under repurchase agreements | 24,116,347,566,200 |
| Other liabilities | 84,086,119,657 |
| Remittances payable | 14,760,764,172 |
| Taxes payable | 28,031,000,000 |
| Lease liabilities | 7,988,759,130 |
| Others | 33,305,596,355 |
| Provision for retirement benefits | 203,316,793,791 |
| Provision for possible losses on bonds transactions | 4,799,292,993,013 |
| Provision for possible losses on foreign exchange transactions | 1,407,536,000,000 |
| Total liabilities | 599,937,244,913,112 |
| NET ASSETS | |
| Capital | 100,000,000 |
| Legal reserve | 3,252,007,626,093 |
| Special reserve | 13,196,452 |
| Net income | 1,295,276,068,570 |
| Total net assets | 4,547,396,891,115 |
| Total liabilities and net assets | 604,484,641,804,227 |

3. Statement of income for fiscal 2019 (April 1, 2019–March 31, 2020)

yen

| | |
|--|--------------------------|
| Operating income | 2,240,710,723,155 |
| Interest on loans and discounts | 200,834 |
| Interest on loans | 200,834 |
| Interest on receivables under resale agreements | -23,545,121 |
| Interest and discounts on Japanese government securities | 1,196,021,178,193 |
| Interest on commercial paper | 26,036,139 |
| Interest and discounts on corporate bonds | -787,181,357 |
| Gains on foreign currency assets | 203,647,057,203 |
| Gains on foreign currency securities | 118,529,810,819 |
| Gains on foreign currency mutual funds | 492,837,381 |
| Interest on foreign currency deposits and loans | 84,624,409,003 |
| Other operating income | 841,826,977,264 |
| Gains on pecuniary trusts (stocks held as trust property) | 205,093,505,197 |
| Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property) | 604,715,888,856 |
| Gains on pecuniary trusts (Japan real estate investment trusts held as trust property) | 7,950,388,411 |
| Dividends | 631,368,086 |
| Fees and commissions | 8,994,602,273 |
| Other income | 14,441,224,441 |
| Operating expenses | 603,123,270,002 |
| Interest on payables under repurchase agreements | -659,502,713 |
| Losses on foreign currency assets | 214,460,296,654 |
| Foreign exchange losses | 214,460,296,654 |
| General and administrative expenses and costs | 198,755,435,055 |
| Cost of production of banknotes | 48,132,167,214 |
| Administrative expenses for treasury business and Japanese government securities | 16,141,228,441 |
| Personnel expenses | 52,157,638,420 |
| Expenses for transportation and communications | 3,743,789,761 |
| Expenses for maintenance and repairs | 2,387,586,033 |
| Other general and administrative expenses and costs | 47,727,914,298 |
| Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes | 12,994,775,213 |
| Depreciation and amortization | 15,470,335,675 |
| Other general and administrative expenses | 190,567,041,006 |
| Interest on excess reserve balances under the complementary deposit facility | 188,253,620,749 |
| Fees and commissions paid | 109,550,745 |
| Other expenses | 2,203,869,512 |
| Operating profits | 1,637,587,453,153 |
| Special profits | 113,228,296,616 |
| Gains on disposal of fixed assets | 5,998,296,616 |
| Transfer from provision for possible losses on foreign exchange transactions | 107,230,000,000 |
| Special losses | 383,908,971,059 |
| Losses on disposal of fixed assets | 193,971,059 |
| Transfer to provision for possible losses on bonds transactions | 383,715,000,000 |
| Net income before taxes | 1,366,906,778,710 |
| Provision for corporate income tax, inhabitants taxes, and enterprise taxes | 71,630,710,140 |
| Net income | 1,295,276,068,570 |

4. Summary of significant accounting policies

a. Securities

Yen-denominated bonds and CP³ are valued at amortized cost determined by the moving-average method.

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

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

Impairment procedures will be applied for CP, corporate bonds,⁴ stocks, beneficiary interests in index-linked exchange-traded funds, and investment equities issued by real estate investment corporations whose market values have fallen considerably.

Securities held as trust property in pecuniary trusts⁵ are valued in accordance with the procedures prescribed above according to the type of securities.

b. Tangible and intangible fixed assets

Depreciation is computed as follows:

(1) Buildings

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

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

Depreciation is computed by the declining-balance method at a rate based on the Corporation Tax Act. However, depreciation for accessory equipment acquired on or after April 1, 2016, is computed using the straight-line method at a rate based on the Corporation Tax Act.

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

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

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

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

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

4. Includes bonds issued by real estate investment corporations.

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

(5) Others

Depreciation is computed in accordance with the Corporation Tax Act.

c. Foreign currency transactions

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

d. Transfers to/from provisions

(1) Provision for possible loan losses

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

(2) Provision for retirement benefits

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

The method of attributing projected benefits to periods up to the fiscal year-end is based on the straight-line method. Prior service cost is amortized using the straight-line method, which fixes the amount of the amortization and applies it over a certain number of years—within the average remaining service period of employees at the time (the amortization is applied over 10 years). Unrecognized actuarial differences are amortized from the fiscal year following the one in which the difference arises; this is also done using the straight-line method.

(3) Provision for possible losses on bonds transactions

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

(4) Provision for possible losses on foreign exchange transactions

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

Enforcement of the Bank of Japan Act; Articles 9, 10, and 11 of the Ordinance for Enforcement of the Bank of Japan Act; and Article 18 of the Bank's Accounting Rules.

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

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

Notes to Accounting Policies

From fiscal 2019, national and local consumption taxes are accounted for based on the tax exclusion method.

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 | 216 |
| More than one year | 461 |
| <hr/> | |
| Total | 677 |

b. Lessor

| | |
|--------------------|----------|
| | mil. yen |
| Within one year | 1 |
| More than one year | 28 |
| <hr/> | |
| Total | 30 |

Explanatory Notes to Accounting for Retirement Benefits¹

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

| | |
|--|-----------------|
| | yen |
| Projected benefit obligation at the beginning of fiscal 2019 | 233,461,950,000 |
| Service cost | 5,848,375,000 |
| Interest cost | 933,601,000 |
| Actuarial differences | 1,988,915,973 |
| Retirement benefits paid | -10,186,165,973 |
| Prior service cost | ... |
| <hr/> | |
| Projected benefit obligation at the end of fiscal 2019 | 232,046,676,000 |

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

| | |
|--|-----------------|
| | yen |
| Projected benefit obligation | 232,046,676,000 |
| Fair value of plan assets | ... |
| <hr/> | |
| Unfunded projected benefit obligation | 232,046,676,000 |
| Unrecognized actuarial differences | -36,822,555,934 |
| Unrecognized prior service cost | 8,092,673,725 |
| <hr/> | |
| Net amount recorded on the balance sheet | 203,316,793,791 |
| Prepaid pension cost | ... |
| <hr/> | |
| Provision for retirement benefits | 203,316,793,791 |

3. Retirement benefit cost

| | |
|---------------------------------------|----------------|
| | yen |
| Service cost | 5,848,375,000 |
| Interest cost | 933,601,000 |
| Expected return on plan assets | ... |
| Amortization of actuarial differences | 6,349,347,413 |
| Amortization of prior service cost | -1,487,408,600 |
| <hr/> | |
| Retirement benefit cost | 11,643,914,813 |

4. Assumptions

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

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

5. Auditors' opinion⁶

May 13, 2020

Auditors' Opinion on the Bank of Japan's Financial Statements for Fiscal 2019

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 2019 indicated below. In our opinion, the financial statements present fairly the state of property and the results of operations for fiscal 2019.

The financial statements comprise the following:
Inventory of property as at March 31, 2020;
Balance sheet as at March 31, 2020; and
Statement of income for fiscal 2019.

YANAGIHARA Ryota
ONOZAWA Yoji
FUJITA Hirokazu

Auditors, Bank of Japan

6. Appropriation of net income for fiscal 2019

yen

| | |
|--|--------------------------|
| Net income | 1,295,276,068,570 |
| Appropriations: | |
| Transfer to legal reserve | 64,763,803,429 |
| Dividends, 5 percent of share face value | 5,000,000 |
| Payment to the government | 1,230,507,265,141 |
| Total | 1,295,276,068,570 |

⁶ This presents a translation, for convenience only, of the original report issued in Japanese.

III. SCHEDULE FOR THE FINANCIAL STATEMENTS

1. Details of assets

yen

| Item | Balance at the beginning of fiscal 2019 | Balance at the end of fiscal 2019 | Changes during fiscal 2019 |
|---|---|-----------------------------------|----------------------------|
| 1. Gold | 441,253,409,037 | 441,253,409,037 | 0 |
| 2. Cash¹ | 250,063,536,128 | 205,061,074,044 | -45,002,462,084 |
| 3. Japanese government securities | 469,953,880,200,679 | 485,918,129,988,422 | 15,964,249,787,743 |
| Treasury discount bills | 10,367,582,107,230 | 12,376,748,753,584 | 2,009,166,646,354 |
| Japanese government bonds | 459,586,298,093,449 | 473,541,381,234,838 | 13,955,083,141,389 |
| 2-year bonds | 26,878,929,114,918 | 24,652,914,488,787 | -2,226,014,626,131 |
| 5-year bonds | 108,217,728,922,239 | 103,090,204,751,684 | -5,127,524,170,555 |
| 10-year bonds | 184,399,876,132,912 | 195,783,509,606,789 | 11,383,633,473,877 |
| 20-year bonds | 93,246,910,678,444 | 100,693,959,571,233 | 7,447,048,892,789 |
| 30-year bonds | 33,530,742,477,809 | 35,650,417,776,620 | 2,119,675,298,811 |
| 40-year bonds | 7,244,552,088,144 | 7,736,061,284,948 | 491,509,196,804 |
| Floating-rate bonds | 4,019,832,866,412 | 3,190,677,058,322 | -829,155,808,090 |
| Inflation-indexed bonds | 2,047,725,812,571 | 2,743,636,696,455 | 695,910,883,884 |
| 4. Commercial paper² | 2,042,002,809,933 | 2,551,889,033,716 | 509,886,223,783 |
| Dematerialized commercial paper | 2,042,002,809,933 | 2,551,889,033,716 | 509,886,223,783 |
| 5. Corporate bonds³ | 3,206,693,501,619 | 3,220,825,190,968 | 14,131,689,349 |
| 6. Pecuniary trusts (stocks held as trust property)⁴ | 897,012,559,903 | 727,714,519,973 | -169,298,039,930 |
| Stocks | 873,575,065,453 | 708,268,080,053 | -165,306,985,400 |
| Dividends receivable and others | 23,437,494,450 | 19,446,439,920 | -3,991,054,530 |
| 7. Pecuniary trusts (index-linked exchange-traded funds held as trust property)⁵ | 24,784,899,771,164 | 29,718,938,645,617 | 4,934,038,874,453 |
| Index-linked exchange-traded funds | 24,784,899,771,164 | 29,718,938,645,617 | 4,934,038,874,453 |
| 8. Pecuniary trusts (Japan real estate investment trusts held as trust property)⁶ | 517,885,796,932 | 575,305,889,680 | 57,420,092,748 |
| Japan real estate investment trusts | 511,016,088,965 | 567,476,100,601 | 56,460,011,636 |
| Distributions receivable | 6,869,707,967 | 7,829,789,079 | 960,081,112 |
| 9. Loans and bills discounted | 47,436,189,000,000 | 54,328,648,000,000 | 6,892,459,000,000 |
| Electronic loans | 47,436,189,000,000 | 54,328,648,000,000 | 6,892,459,000,000 |
| Loans by Funds-Supplying Operations against Pooled Collateral ⁷ | 47,436,189,000,000 | 54,328,648,000,000 | 6,892,459,000,000 |
| 10. Foreign currency assets | 6,732,159,607,734 | 25,966,256,288,216 | 19,234,096,680,482 |
| Foreign currency deposits ⁸ | 1,922,441,830,375 | 1,732,262,396,986 | -190,179,433,389 |
| Foreign currency securities ⁹ | 2,177,907,682,695 | 2,355,224,668,143 | 177,316,985,448 |
| Foreign currency mutual funds | 61,415,209,664 | 60,613,713,087 | -801,496,577 |
| Foreign currency loans ¹⁰ | 2,570,394,885,000 | 21,818,155,510,000 | 19,247,760,625,000 |
| 11. Deposits with agents¹¹ | 21,987,164,750 | 23,994,220,003 | 2,007,055,253 |

- Notes:
1. Coins reserved for circulation.
 2. Comprises the following types in dematerialized or physical form: (1) CP issued by domestic corporations; (2) CP issued by foreign corporations with guarantees (dematerialized only); (3) asset-backed CP; and (4) CP issued by real estate investment corporations.
 3. Includes corporate bonds issued by real estate investment corporations.
 4. Comprises stocks purchased from financial institutions through a trust bank, and dividends receivable and others.
 5. Comprises beneficiary interests in index-linked exchange-traded funds purchased through a trust bank and distributions receivable.
 6. Comprises investment equities issued by real estate investment corporations purchased through a trust bank and distributions receivable.
 7. Includes the amounts outstanding of: (1) loans made through the Fixed-Rate Funds-Supplying Operation against Pooled Collateral; (2) loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth (hereafter the Growth-Supporting Funding Facility) conducted through the Loan Support Program (excluding loans disbursed pursuant to the special rules for the U.S. dollar lending arrangement); (3) loans made under the Fund-Provisioning Measure to Stimulate Bank Lending conducted through the Loan Support Program; (4) loans made through the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas; and (5) loans made through the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas of the 2016 Kumamoto Earthquake. The balance at the fiscal year-end also includes the amount outstanding of loans made through the Special Funds-Supplying Operations to Facilitate Corporate Financing regarding the Novel Coronavirus (COVID-19).
 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. 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 and that of loans arising from the U.S. Dollar Funds-Supplying Operations against Pooled Collateral.
 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 2019 | Balance at the end of fiscal 2019 | Changes during fiscal 2019 |
|---|---|-----------------------------------|----------------------------|
| 12. Other assets | 531,588,955,702 | 590,051,545,382 | 58,462,589,680 |
| Bills and checks in process of collection ¹² | 1,341,621,828 | 6,356,685 | -1,335,265,143 |
| 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 ¹³ | 15,278,374,364 | 15,278,374,364 | 0 |
| Withdrawn cash to be returned to the government ¹⁴ | 36,433,723,639 | 38,707,429,941 | 2,273,706,302 |
| Refund on accrued tax | 0 | 52,621,989,719 | 52,621,989,719 |
| Accrued interest receivable | 467,793,273,194 | 470,183,576,216 | 2,390,303,022 |
| Others | 10,516,962,677 | 13,028,818,457 | 2,511,855,780 |

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 2019 | Increase during fiscal 2019 | Decrease during fiscal 2019 | Of which: | Balance at the end of fiscal 2019 | Cumulative total of depreciation |
|---|---|-------------------------------|-----------------------------|------------------------|-----------------------------------|----------------------------------|
| | | | | Depreciation | | |
| 13. Tangible fixed assets¹⁵ | 208,622,157,154 | 39,957,463,082 | 32,135,511,835 | 14,362,440,809 | 216,444,108,401 | 371,922,434,681 |
| Buildings ^{16,17} | 97,256,758,274 (609,974.05) | 16,206,577,427 (11,002.69) | 7,736,645,455 (7,534.61) | 7,536,453,958 (...) | 105,726,690,246 (613,442.13) | 342,104,833,719 (...) |
| Land ¹⁶ | 82,741,715,280 (509,113.35) | 1,383,768,680 (14,884.57) | 1,300,961 (16,948.17) | ... | 84,124,182,999 (507,049.75) | ... |
| Lease assets ^{18,19} | 7,582,942,520 (19,299) | 3,491,760,454 (9,500) | 3,476,037,919 (6,816) | 3,439,526,933 (...) | 7,598,665,055 (21,983) | 7,994,347,901 (...) |
| Construction in progress ²⁰ | 9,042,036,220 | 15,930,563,128 | 17,514,350,810 | ... | 7,458,248,538 | ... |
| Other tangible fixed assets ^{21,22} | 11,998,704,860 (9,977) | 2,944,793,393 (258) | 3,407,176,690 (295) | 3,386,459,918 (...) | 11,536,321,563 (9,940) | 21,823,253,061 (...) |

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 2019 | Increase during fiscal 2019 | Decrease during fiscal 2019 | Of which: | Balance at the end of fiscal 2019 | Cumulative total of depreciation |
|------------------------------------|---|-----------------------------|-----------------------------|------------------|-----------------------------------|----------------------------------|
| | | | | Depreciation | | |
| 14. Intangible fixed assets | 124,266,331 | 13,445,198 | 7,820,761 | 7,820,761 | 129,890,768 | 875,008,579 |
| Utility rights | 124,266,331 | 13,445,198 | 7,820,761 | 7,820,761 | 129,890,768 | 875,008,579 |

Appendix: Details of loans provided through the Loan Support Program

yen

| Item | Balance at the beginning of fiscal 2019 | Balance at the end of fiscal 2019 | Changes during fiscal 2019 |
|--|---|-----------------------------------|----------------------------|
| Total amount outstanding | 48,645,283,885,000 | 51,741,428,000,000 | 3,096,144,115,000 |
| Loans made under the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth ¹ | 8,922,683,885,000 | 8,927,628,000,000 | 4,944,115,000 |
| Loans made under the Fund-Provisioning Measure to Stimulate Bank Lending | 39,722,600,000,000 | 42,813,800,000,000 | 3,091,200,000,000 |

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 2019 | Balance at the end of fiscal 2019 | Changes during fiscal 2019 |
|---|---|-----------------------------------|----------------------------|
| 1. Banknotes | 107,559,268,874,054 | 109,616,575,483,650 | 2,057,306,609,596 |
| 10,000 yen notes | 99,696,944,615,000 | 101,595,164,260,000 | 1,898,219,645,000 |
| 5,000 yen notes | 3,317,638,460,000 | 3,396,965,820,000 | 79,327,360,000 |
| 2,000 yen notes | 196,261,745,000 | 195,340,610,000 | -921,135,000 |
| 1,000 yen notes | 4,203,718,526,500 | 4,285,752,109,500 | 82,033,583,000 |
| Other banknotes ⁷ | 144,705,527,554 | 143,352,684,150 | -1,352,843,404 |
| 2. Deposits (excluding those of the government) | 421,378,299,007,776 | 447,076,239,363,367 | 25,697,940,355,591 |
| Current deposits | 393,883,659,070,999 | 395,256,035,035,254 | 1,372,375,964,255 |
| Other deposits ² | 27,494,639,936,777 | 51,820,204,328,113 | 24,325,564,391,336 |
| 3. Deposits of the government | 17,522,811,115,194 | 12,633,850,593,434 | -4,888,960,521,760 |
| Treasury deposit | 150,001,205,418 | 150,001,026,112 | -179,306 |
| Domestic designated deposit ³ | 17,084,756,686,053 | 12,239,860,364,524 | -4,844,896,321,529 |
| Other government deposits ⁴ | 288,053,223,723 | 243,989,202,798 | -44,064,020,925 |
| 4. Payables under repurchase agreements⁵ | 190,837,226,720 | 24,116,347,566,200 | 23,925,510,339,480 |
| Other sales of Japanese government securities under repurchase agreements ⁶ | 190,837,226,720 | 24,116,347,566,200 | 23,925,510,339,480 |
| Of which: | | | |
| Under the Securities Lending Facility | 190,837,226,720 | 860,938,924,202 | 670,101,697,482 |
| Under the securities lending to provide Japanese government securities as collateral for the U.S. dollar funds-supplying operations | 0 | 19,244,709,959,998 | 19,244,709,959,998 |
| 5. Other liabilities | 431,210,162,105 | 84,086,119,657 | -347,124,042,448 |
| Remittances payable | 14,665,492,128 | 14,760,764,172 | 95,272,044 |
| Taxes payable | 376,703,000,000 | 28,031,000,000 | -348,672,000,000 |
| Lease liabilities | 7,917,799,589 | 7,988,759,130 | 70,959,541 |
| Others ⁷ | 31,923,870,388 | 33,305,596,355 | 1,381,725,967 |

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. Monetary obligations other than those arising from sales under repurchase agreements of JGBs to the government.

7. 28,323,079,309 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 2019 | Increase during fiscal 2019 | Decrease during fiscal 2019 | Balance at the end of fiscal 2019 |
|--|---|-----------------------------|-----------------------------|-----------------------------------|
| 6. Provisions⁸ | 6,132,203,037,964 | 395,358,914,813 | 117,416,165,973 | 6,410,145,786,804 |
| Provision for retirement benefits | 201,859,044,951 | 11,643,914,813 | 10,186,165,973 | 203,316,793,791 |
| Provision for possible losses on bonds transactions | 4,415,577,993,013 | 383,715,000,000 | 0 | 4,799,292,993,013 |
| Provision for possible losses on foreign exchange transactions | 1,514,766,000,000 | 0 | 107,230,000,000 | 1,407,536,000,000 |
| 7. Net assets | 3,222,772,796,718 | 29,348,025,827 | 0 | 3,252,120,822,545 |
| Capital | 100,000,000 | 0 | 0 | 100,000,000 |
| Legal reserve ⁹ | 3,222,659,600,266 | 29,348,025,827 | 0 | 3,252,007,626,093 |
| Special reserve ¹⁰ | 13,196,452 | 0 | 0 | 13,196,452 |

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

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

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

3. Details of revenues and expenses for fiscal 2019

a. Operating income

| | |
|--|---|
| Interest on loans and discounts | |
| Interest on loans | 200,834 yen from electronic loans. |
| Interest on receivables under resale agreements | 23,545,121 yen from interest income on purchases of Japanese government securities under resale agreements. |
| Interest and discounts on Japanese government securities | 1,196,021,178,193 yen from interest income on Japanese government securities after adjustment. |
| Interest on commercial paper | 26,036,139 yen from interest income on commercial paper after adjustment. |
| Interest and discounts on corporate bonds | -787,181,357 yen from interest income on corporate bonds after adjustment. |
| Gains on foreign currency assets | |
| Gains on foreign currency securities | Total of 37,217,828,552 yen from interest and discounts on foreign currency securities and 13,071,468 yen from lending fees on them; and 81,298,910,799 yen of gains arising from sale, redemption, and revaluation at end-March 2020 of foreign currency securities. |
| Gains on foreign currency mutual funds | 492,837,381 yen |
| Interest on foreign currency deposits and loans | 84,624,409,003 yen |
| Other operating income | |
| Gains on pecuniary trusts (stocks held as trust property) | 205,093,505,197 yen mainly from gains on sales. |
| Gains on pecuniary trusts (index-linked exchange-traded funds held as trust property) | 604,715,888,856 yen mainly from distributions. |
| Gains on pecuniary trusts (Japan real estate investment trusts held as trust property) | 7,950,388,411 yen mainly from distributions. |
| Dividends | 631,368,086 yen for dividends from shares of the Bank for International Settlements held by the Bank. |
| Fees and commissions | 8,994,602,273 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 | 14,441,224,441 yen from transfer from provision for retirement benefits and other miscellaneous income. |

b. Operating expenses

| | |
|--|---|
| Interest on payables under repurchase agreements | 659,502,713 yen from interest income on sales of Japanese government securities under repurchase agreements. |
| Losses on foreign currency assets | |
| Foreign exchange losses | 214,460,296,654 yen from losses on foreign currency assets resulting from revaluation following fluctuations in foreign exchange rates. |
| General and administrative expenses and costs | |
| Cost of production of banknotes | 48,132,167,214 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 | 16,141,228,441 yen from fees and commissions paid to agents of the Bank for administration of treasury business and Japanese government securities. |
| Personnel expenses | 432,741,100 yen for remuneration of the officers; 41,514,522,347 yen for remuneration of the employees; and 10,210,374,973 yen for retirement allowances. |
| Expenses for transportation and communications | 1,858,618,734 yen for expenses for transportation and 1,885,171,027 yen for expenses for communications. |
| Expenses for maintenance and repairs | 2,387,586,033 yen on offices and other premises. |
| Other general and administrative expenses and costs | 1,058,109,404 yen for the cost of expendable supplies; 1,526,225,219 yen for expenses for electricity and water supply; 6,211,316,119 yen for leasing fees for buildings and equipment; 9,353,242,553 yen for expenses for maintenance of buildings and equipment; and 29,579,021,003 yen for miscellaneous expenses. |
| Taxes excluding corporate income tax, inhabitants taxes, and enterprise taxes | 12,994,775,213 yen for taxes and public charges (including fixed-asset tax and urban development tax). |
| Depreciation and amortization | 15,470,335,675 yen on buildings and lease assets. |
| Other general and administrative expenses | |
| Interest on excess reserve balances under the complementary deposit facility | 188,253,620,749 yen (net difference between interest payment of 208,705,120,067 yen on excess reserve balances to which a positive interest rate is applied and interest income of 20,451,499,318 yen on the balances to which a negative interest rate is applied). |
| Fees and commissions paid | 109,550,745 yen |
| Other expenses | 2,203,869,512 yen for transfer to provision for retirement benefits and other expenses. |

c. Special profits

| | |
|---|---|
| Gains on disposal of fixed assets | 5,998,296,616 yen for gains on sales of land for the Bank's premises and other gains. |
| Transfer from provision for possible losses on foreign exchange transactions | 107,230,000,000 yen |

d. Special losses

| | |
|--|--|
| Losses on disposal of fixed assets | 193,971,059 yen for losses on disposals of the Bank's premises and other losses. |
| Transfer to provision for possible losses on bonds transactions | 383,715,000,000 yen |

e. Net income

| | |
|--|-----------------------|
| Net income before taxes | 1,366,906,778,710 yen |
| Provision for corporate income tax, inhabitants taxes, and enterprise taxes | 71,630,710,140 yen |
| Net income | 1,295,276,068,570 yen |

IV. EXPENSES

With regard to the Bank's statement of accounts for fiscal 2019 (the 135th fiscal year), the total amount of actual expenses increased by 3.8 percent (7.4 billion yen) to 199.9 billion yen compared to the previous fiscal year. This was mainly due to an increase in the "cost of fixed-asset purchases," reflecting a rise in expenses related to improvements to the Bank's premises.

1. Statement of accounts for fiscal 2019

yen

| Item | Initial budget | Adjusted budget ¹ | Actual | Surpluses | Changes from the previous year (actual) |
|---|------------------------|------------------------------|------------------------|----------------------|---|
| Cost of production of banknotes | 52,431,340,000 | 52,431,340,000 | 52,427,192,000 | 4,148,000 | 441,430,000 |
| Administrative expenses for treasury business and Japanese government securities | 17,378,928,000 | 17,378,928,000 | 16,900,867,189 | 478,060,811 | -53,547,613 |
| Personnel expenses | 53,063,843,000 | 53,063,843,000 | 52,218,795,681 | 845,047,319 | 603,531,205 |
| Remuneration of the officers | 432,941,000 | 432,941,000 | 432,741,100 | 199,900 | 2,734,100 |
| Remuneration of the employees | 42,084,931,000 | 42,084,931,000 | 41,575,679,608 | 509,251,392 | 473,832,610 |
| Retirement allowances | 10,545,971,000 | 10,545,971,000 | 10,210,374,973 | 335,596,027 | 126,964,495 |
| Expenses for transportation and communications | 4,399,581,000 | 4,399,581,000 | 3,990,208,305 | 409,372,695 | -103,045,439 |
| Expenses for transportation | 2,218,433,000 | 2,218,433,000 | 1,966,204,931 | 252,228,069 | -20,324,957 |
| Expenses for communications | 2,181,148,000 | 2,181,148,000 | 2,024,003,374 | 157,144,626 | -82,720,482 |
| Expenses for maintenance and repairs | 2,686,132,000 | 2,686,132,000 | 2,615,188,203 | 70,943,797 | -215,926,606 |
| Other general and administrative expenses and costs | 54,157,673,000 | 54,157,673,000 | 51,257,652,522 | 2,900,020,478 | -55,710,594 |
| Cost of expendable supplies | 1,298,446,000 | 1,298,446,000 | 1,152,748,354 | 145,697,646 | 33,394,065 |
| Expenses for electricity and water supply | 1,924,561,000 | 1,924,561,000 | 1,662,846,983 | 261,714,017 | -76,654,550 |
| Leasing fees for buildings and equipment | 7,068,033,000 | 7,068,033,000 | 6,713,079,486 | 354,953,514 | -1,278,771,227 |
| Expenses for maintenance of buildings and equipment | 10,579,027,000 | 10,579,027,000 | 10,192,783,319 | 386,243,681 | 471,591,391 |
| Miscellaneous expenses | 33,287,606,000 | 33,287,606,000 | 31,536,194,380 | 1,751,411,620 | 794,729,727 |
| Subtotal | 184,117,497,000 | 184,117,497,000 | 179,409,903,900 | 4,707,593,100 | 616,730,953 |
| Cost of fixed-asset purchases | 21,265,871,000 | 21,265,871,000 | 20,514,726,915 | 751,144,085 | 6,746,822,667 |
| Of which: Subject to the approval of the Minister of Finance ² | 4,993,890,000 | 4,993,890,000 | 4,836,453,448 | 157,436,552 | 582,410,439 |
| Contingency funds | 1,000,000,000 | 1,000,000,000 | 0 | 1,000,000,000 | 0 |
| Total | 206,383,368,000 | 206,383,368,000 | 199,924,630,815 | 6,458,737,185 | 7,363,553,620 |
| Of which: Subject to the approval of the Minister of Finance ² | 190,111,387,000 | 190,111,387,000 | 184,246,357,348 | 5,865,029,652 | 1,199,141,392 |

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 2019¹

mil. yen

| Area of business operation | Expenses | Changes from a year earlier | |
|--|----------------|-----------------------------|--------------------------|
| | | Changes from a year earlier | Share of total (percent) |
| Issuance of banknotes | 84,386 | +275 | 42.5 |
| Monetary policy | 22,612 | -1,122 | 11.4 |
| Financial system policy | 18,442 | +172 | 9.3 |
| Payment and settlement systems | 29,776 | -739 | 15.0 |
| Services relating to the government ² | 43,539 | +2,104 | 21.9 |
| Total | 198,755 | +691 | 100.0 |

Notes: 1. Calculated based on "general and administrative expenses and costs" (198.8 billion yen) in the statement of income for fiscal 2019 (the 135th 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.