

## d) Balance Sheet

The assets held by all member life insurers in Japan as of the end of fiscal 2006 amounted to Y220.2170 trillion (\$1,865 billion), an increase of 4.9 percent over the previous year. Liabilities increased by 4.3 percent as a result of the buildup of liability reserves and other reserves, with a slight increase of liability reserves by 4.8 percent. Net assets soared to Y17 trillion (\$147 billion), up by 12.4%.

Table-5 Balance Sheet of Member Companies as a Whole (Amount: Y billion)

Fiscal Year	Assets		Liabilities			Capital
	Total	Nominal GDP (%)	Total <sup>a</sup>	Liability Reserves	Price Fluctuation Reserves	Total
2001	184,370	36.6	177,299	161,221	603	7,071
2002	179,831	36.1	174,276	159,649	467	5,554
2003	184,329	36.7	175,326	160,714	770	9,003
2004	191,523	37.9	181,442	165,705	1,007	10,080
2005	209,879	41.5	194,387	175,388	1,211	15,491
2006	220,217	43.7	202,804	183,891	1,352	17,412 <sup>b</sup>
Growth	4.9%	2.2 percentage points	4.3%	4.8%	11.6%	12.4%

a. The total amount of liabilities includes other liabilities not shown in the above table.

b. Due to a change in accounting standards, the column for FY 2006 represents the amount of "net assets".

## e) Ordinary Profits and Basic Profits

The ordinary profits of the member companies in fiscal 2006 shrank to Y1.7546 trillion due to decreases in net capital gain and net nonrecurring income. Despite the diminution of premium income and a lower return on asset management, the basic profits surpassed the previous year (108.4 percent, y/y) owing to decreases in insurance payments and provisions for liability reserves.

Table-6 Ordinary Profit and Basic Profit (Amount: Y Billion)

Fiscal Year	Ordinary Profit	Basic Profit
2001	631	2,259
2002	521	2,151
2003	1,509	2,191
2004	1,593	2,462
2005	1,822	2,668
2006	1,754	2,893
YY (%)	96.3	108.4

\* Basic profit = ordinary profit - capital gain/loss - nonrecurring income/loss.