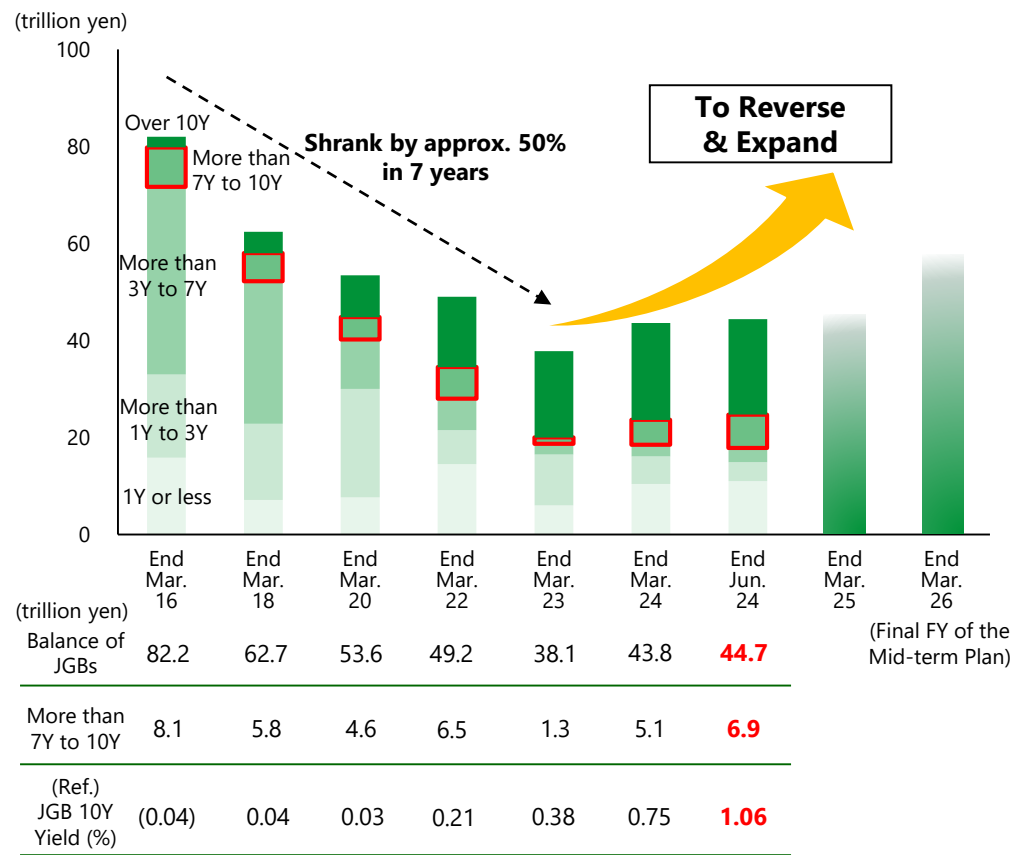


# Executive Summary (4) Restructuring of the Yen Interest Rate Portfolio

Seizing the reversal of the trend in yen interest rates, the Bank is promoting an investment shift from due from banks, etc. to JGBs and is restructuring its yen interest rate portfolio.

The balance of JGBs, which had been decreasing under the low interest rate environment, expanded after bottoming out at the end of June 2023, and is growing steadily.

Balance of JGBs\*



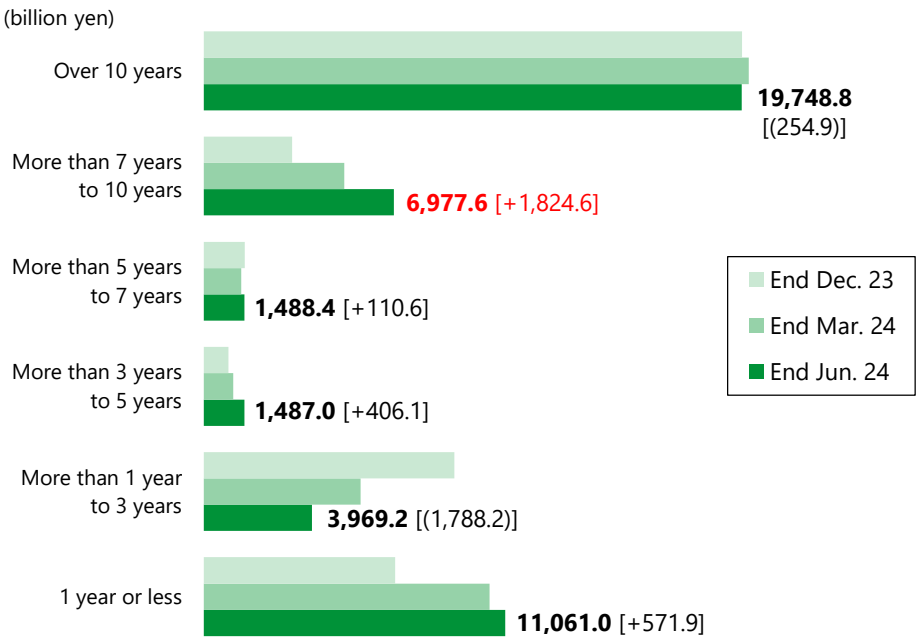
Source: JGB interest rate information – Ministry of Finance Japan

\* Except JGBs in money held in trust.

Balance of JGBs\* Based on the Remaining Time to Maturity (As of Jun. 30, 2024)

Note: Figures in [] represent changes from Mar. 31, 2024.

Balance of JGBs: JPY 44,732.2bn [JPY +870.1bn]



〈Balances based on the holding purpose〉

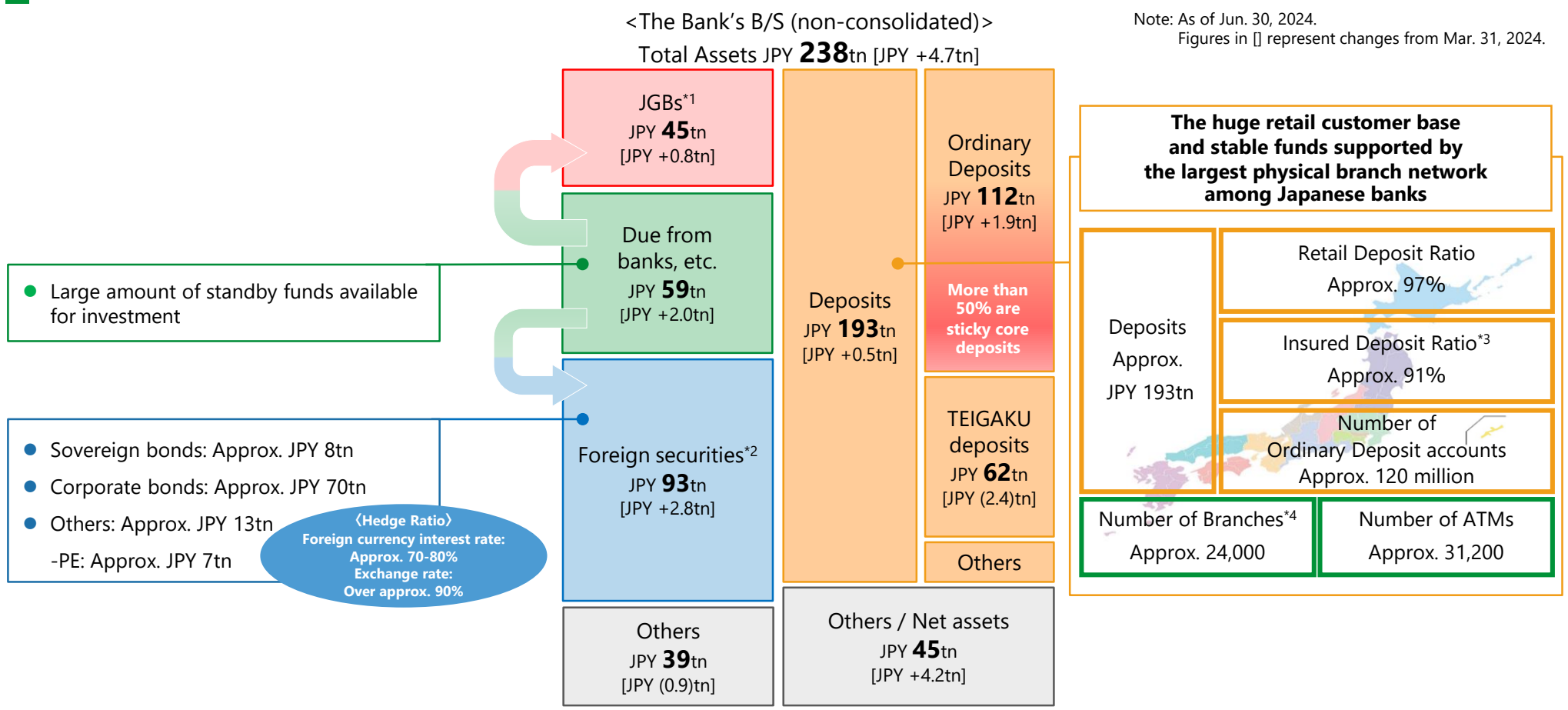
Held-to-maturity: JPY 23,185.9bn [JPY +2,636.8bn]

Available-for-sale: JPY 21,546.2bn [JPY (1,766.6)bn]

# Executive Summary (5) ALM Policy

We maintain and sustain a stable funding base and balance of deposits, particularly retail deposits.

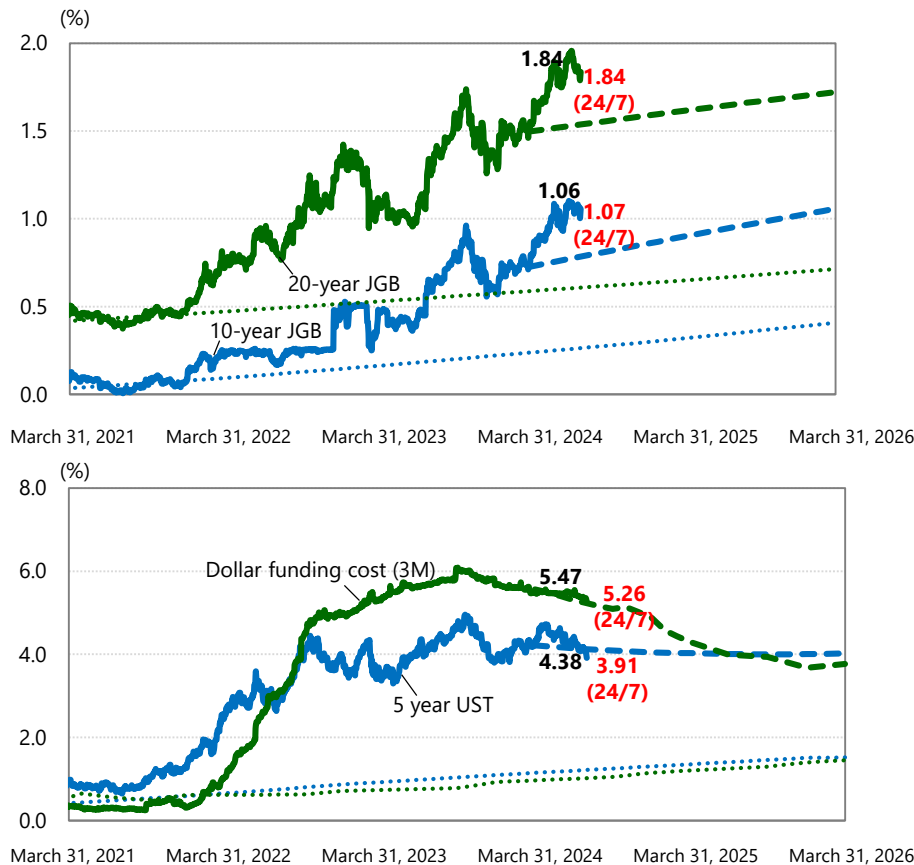
We pursue an optimal investment portfolio that combines yen interest assets (JGBs, due from banks, etc.) and risk assets (foreign securities, etc.) while strengthening risk management.



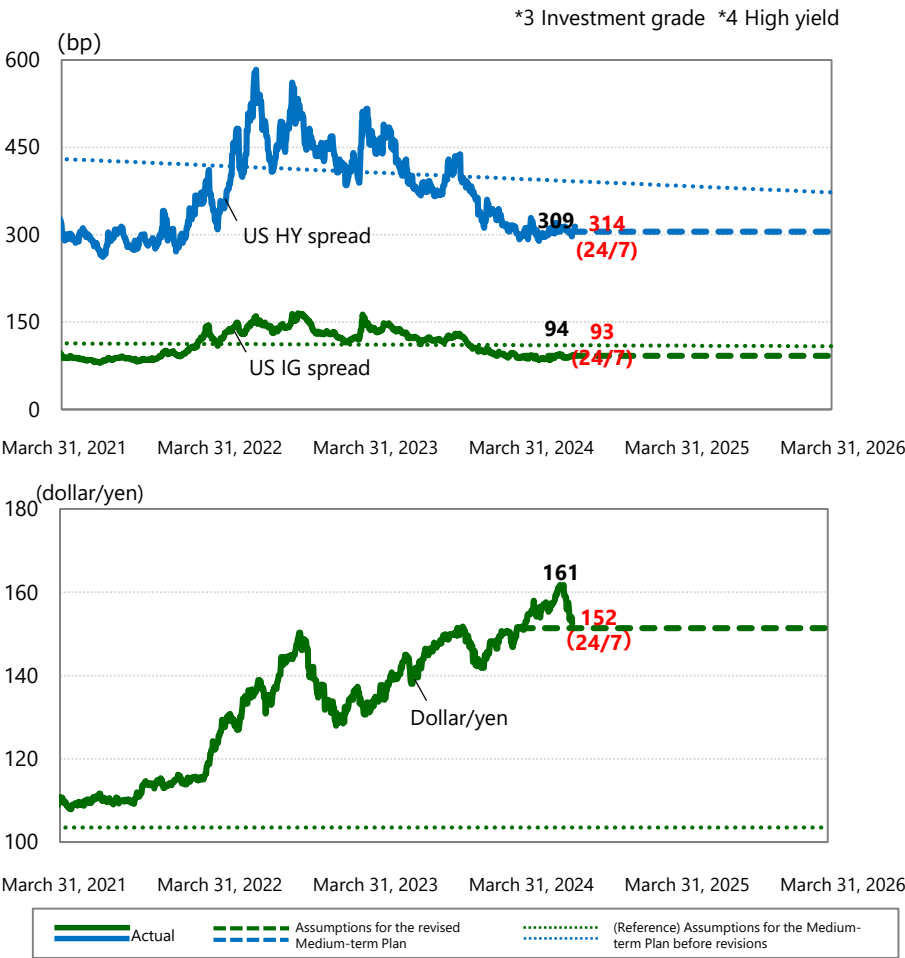
# Assumptions for Profit Plan

- Domestic and foreign interest rates are projected to trend in line with implied forward rates\*<sup>1</sup> as of March 31, 2024.
- Foreign credit spreads\*<sup>2</sup> and foreign exchange rates are expected to remain largely stable at levels as of March 31, 2024.

## Domestic and foreign interest rates / Dollar funding cost



## US IG\*<sup>3</sup> and HY\*<sup>4</sup> spreads / Dollar-yen rate



\*1 Theoretically calculated projected future interest rates based on the market interest rate (yield curve) as of March 31, 2024.

\*2 An interest rate that is added to the base interest rate for government bonds and other securities in accordance with the debt repayment capacity of the issuer.