

Answers to Frequently Asked Questions on "Quantitative and Qualitative Monetary Easing (QQE) with a Negative Interest Rate"

Speech at a Meeting Held by the Yomiuri International Economic Society in Tokyo

March 7, 2016

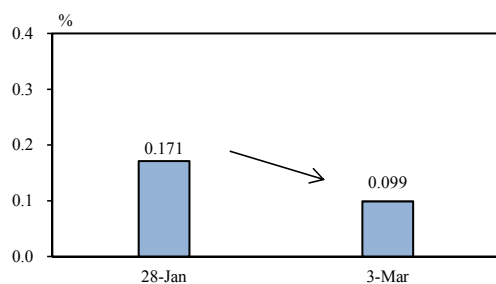
Haruhiko Kuroda
Governor of the Bank of Japan

Chart 1

Lending and Deposit Rates

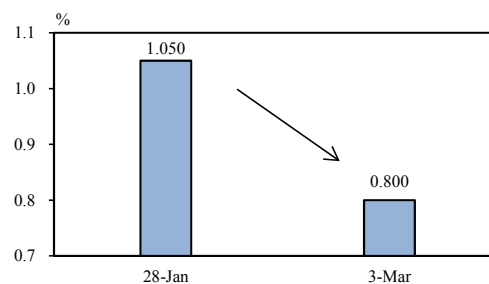
Benchmark Rate for Lending

3-Month TIBOR



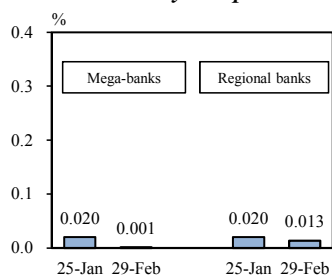
Lending Rates on Housing Loans

Mega-Banks, 10-Year Fixed Rate

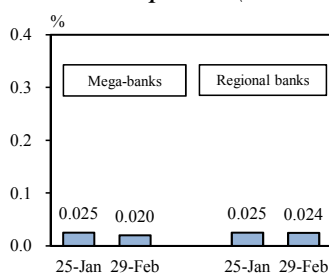


Deposit Rates

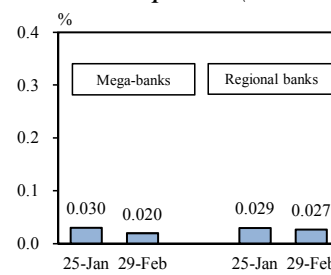
Ordinary Deposits



Time Deposits (1-Year)



Time Deposits (3-Year)

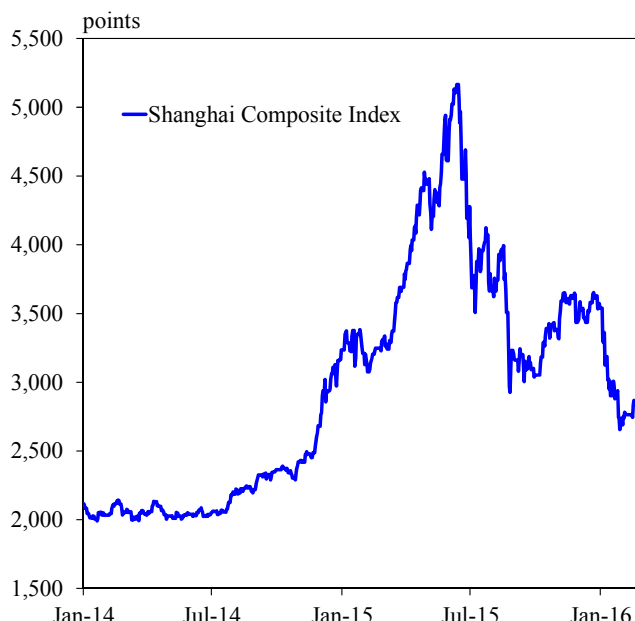
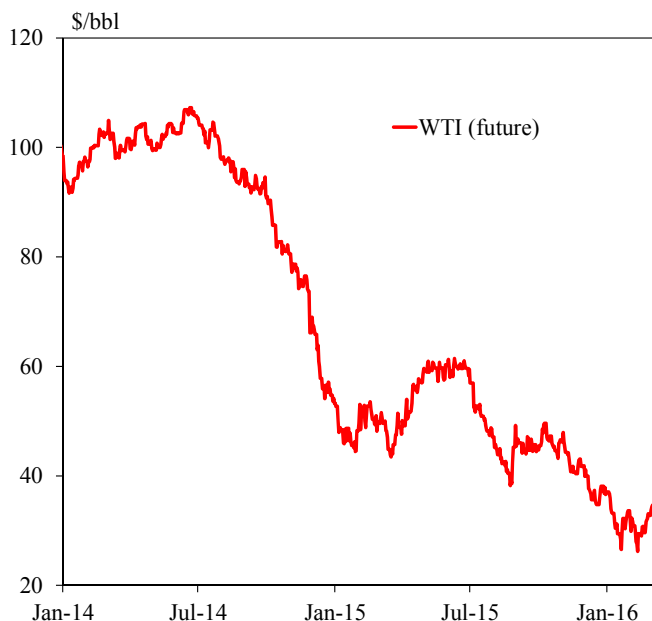


Note: Figures for deposit rates are the simple averages of interest rates posted at financial institutions. Figures for time deposits are for deposits of less than 3 million yen. Mega-banks comprise Mizuho Bank, The Bank of Tokyo-Mitsubishi UFJ, and Sumitomo Mitsui Banking Corporation.
Sources: Bloomberg; Related private banks' web sites, etc.

Financial Markets

Crude Oil Prices

Chinese Stock Prices



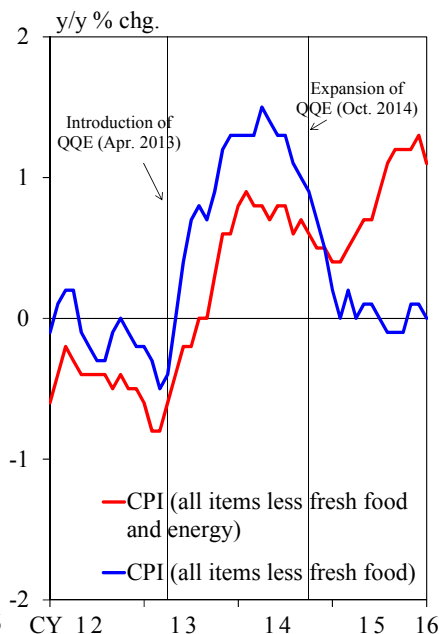
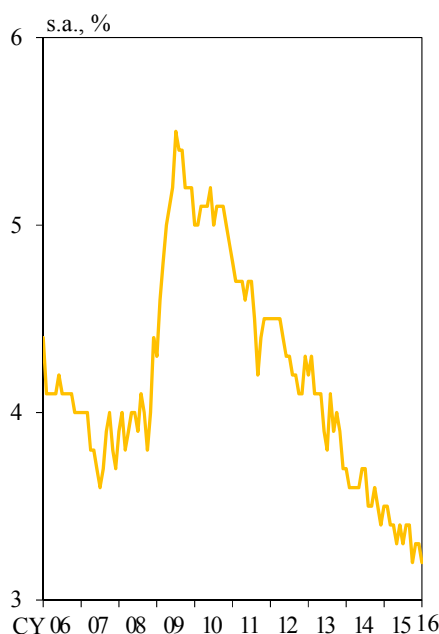
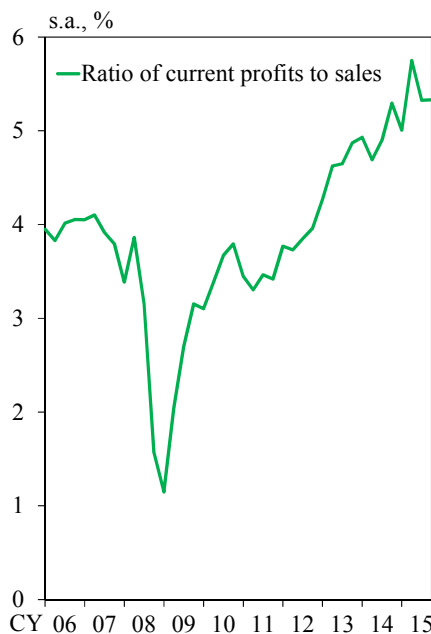
Source: Bloomberg.

Japan's Economic Fundamentals

Corporate Profits

Unemployment Rate

Consumer Prices

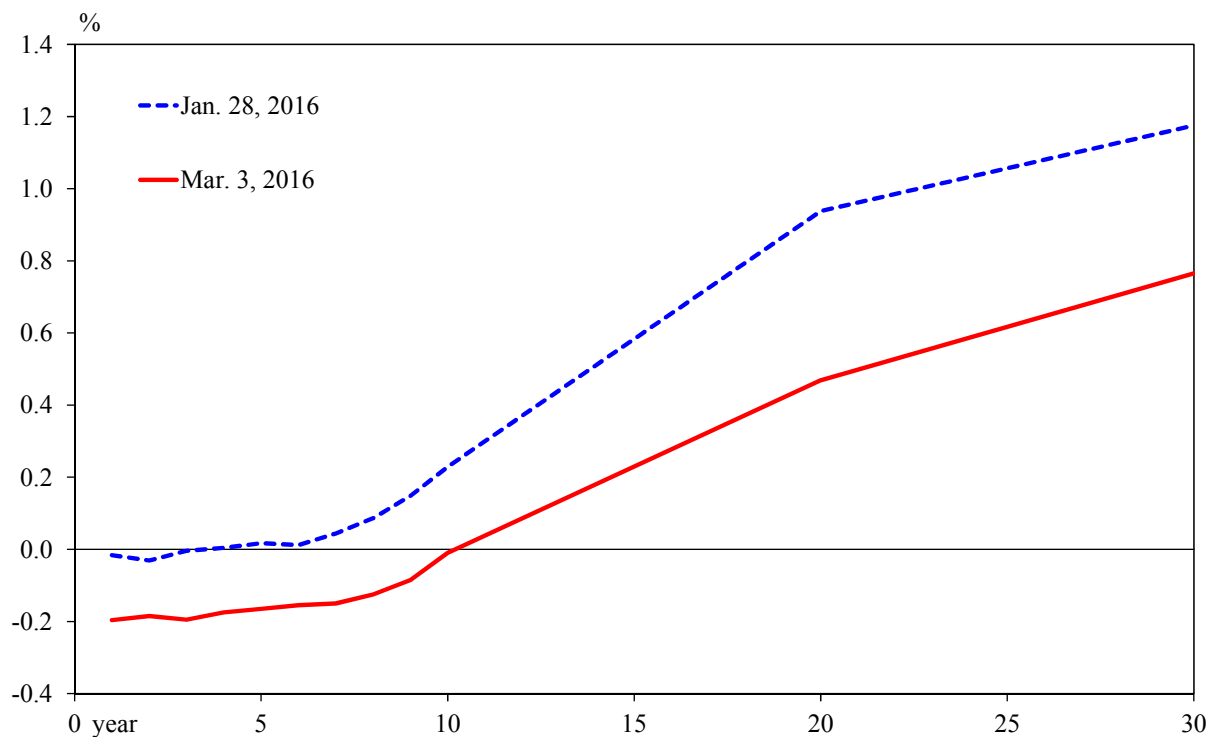


Note: Figures are adjusted to exclude the estimated effects of changes in the consumption tax rate.

Figures for the CPI (all items less fresh food and energy) are calculated by the Research and Statistics Department, Bank of Japan.

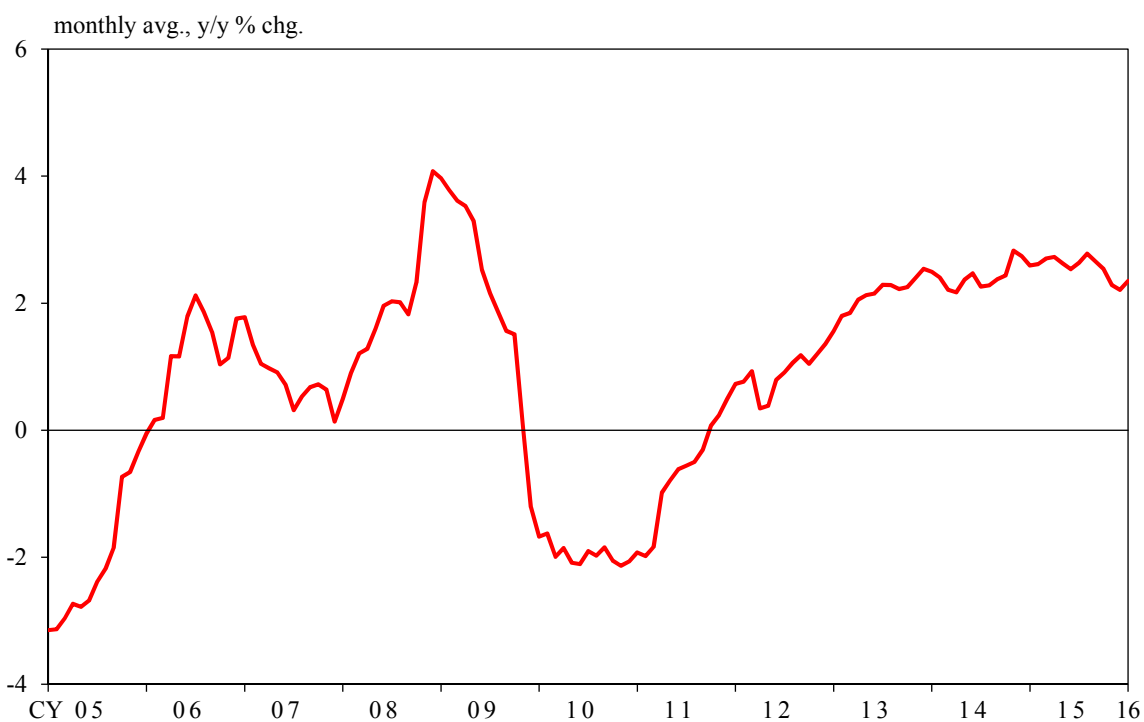
Sources: Ministry of Finance; Ministry of Internal Affairs and Communications.

JGB Yield Curve



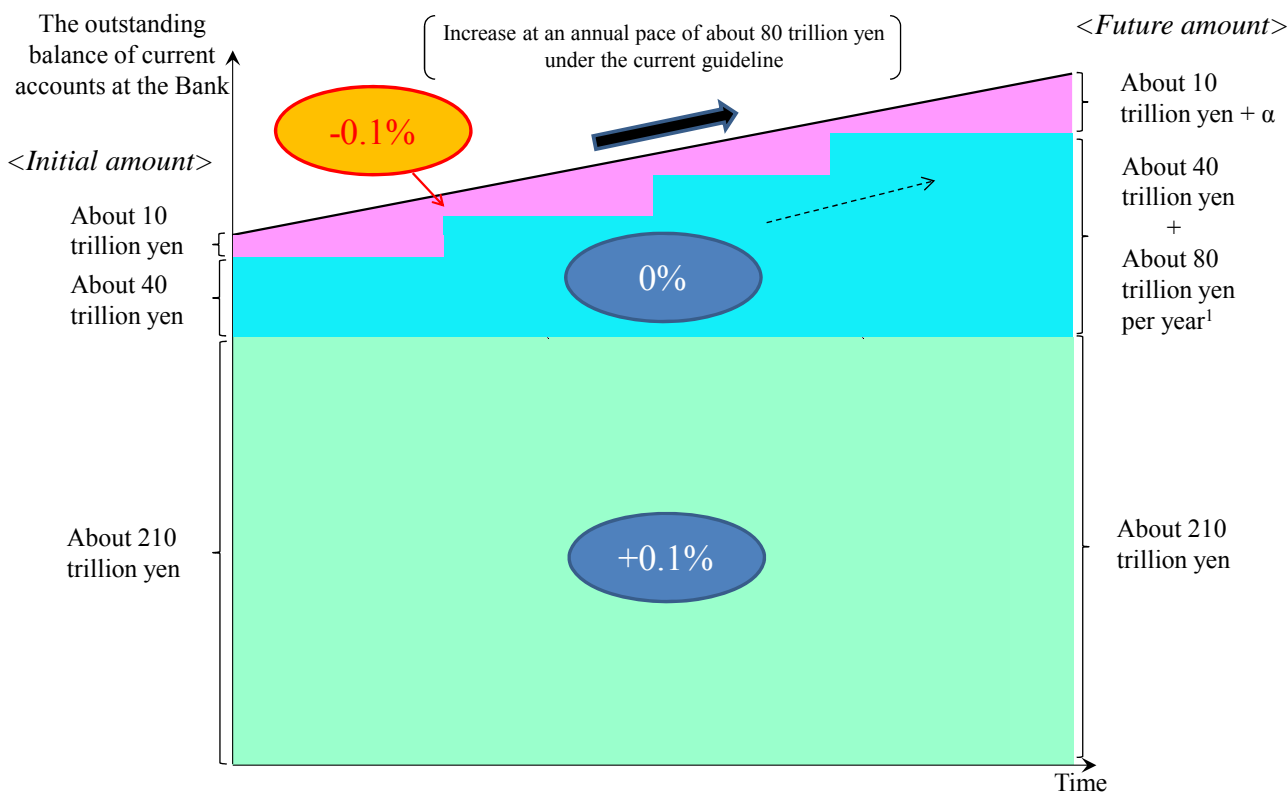
Source: Bloomberg.

Amount Outstanding of Lending by Domestic Commercial Banks



Source: Bank of Japan.

Three-Tier System



Note: 1. Assuming that the Bank will increase the amount outstanding of the tier to which a zero interest rate is applied at the same pace as the increase in the total outstanding balances of current accounts that financial institutions hold at the Bank, the pace of increase will be about 80 trillion yen per year.