

July 31, 2018  
Bank of Japan  
Financial Markets Department

## **Review of the Benchmark Ratio Used to Calculate the Macro Add-on Balance in Current Account Balances at the Bank of Japan**

At the Monetary Policy Meeting held on July 30 and 31, 2018, the Policy Board of the Bank of Japan decided "Strengthening the Framework for Continuous Powerful Monetary Easing."

In accordance with this decision, the Bank reviewed the Benchmark Ratio <sup>(Note 1)</sup> used to calculate the Macro Add-on Balance in financial institutions' current account balances at the Bank, to which a zero interest rate is applied, as follows (no change for the Benchmark Ratio during the July 2018 reserve maintenance period).

Note 1: The Benchmark Ratio stipulated in Paragraph 4. (3) (a) of the "Principal Terms and Conditions of Complementary Deposit Facility."

The Benchmark Ratio during the August 2018 reserve maintenance period: 33.0% (originally 30.5%) <sup>(Note 2)</sup>

The Policy-Rate Balance in financial institutions' current account balances at the Bank, to which a negative interest rate is applied, will be about 5 trillion yen during the above maintenance period, if arbitrage transactions take place in full among financial institutions.

The Benchmark Ratio during the September, October, and November 2018 reserve maintenance periods will be announced on September 10, 2018 at 5 p.m.

Note 2: The amount stipulated in Paragraph 4. (3) (a) of the "Principal Terms and Conditions of Complementary Deposit Facility" for the above reserve maintenance period will be calculated by multiplying the Benchmark Balance by the Benchmark Ratio.