

Fund Management Strategy

Rebuilding Securities Portfolio

We will work to rebuild our securities portfolio by securing stable sources of revenue through diversified investment and maintaining a portfolio balance matching market trends.

Hyakugo Bank's Securities Investment

Securities investment is carried out to accumulate safe and good assets to (1) secure good payment reserve assets, (2) obtain stable interest and dividend revenue, and (3) form unrealized gains from a medium- to long-term perspective.

Along with loans, this plays an important role in the Bank's asset management.

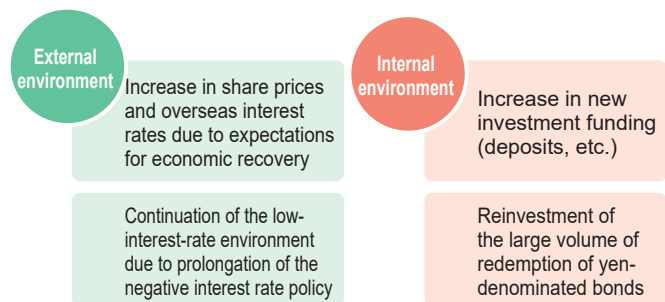
Environment and issues

While there has been an increase in funds for reinvestment due to the redemption of a large volume of yen-denominated bonds (¥260 billion in FY2019 and ¥330 billion in FY2020), maintaining and increasing returns has become an issue to the prolongation of the negative interest rate policy.

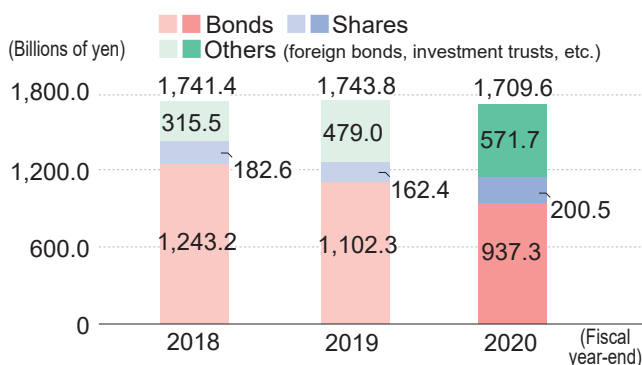
Policy

Securities investment is aimed at securing stable sources of revenue through diversified investment utilizing foreign instruments such as currency-denominated bonds and investment trusts amid the prolongation of the negative interest rate policy. We aim to increase unrealized gains in the medium to long term by rebalancing our portfolio according to market trends.

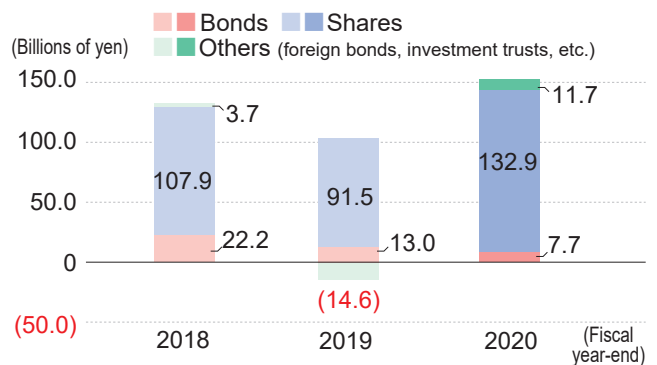
Furthermore, the reinvestment of large redemptions covers not only securities, but also all aspects of investment including loans to small and medium-sized companies in the region and housing loans.



Trends in securities balance



Unrealized gains and losses on securities



Management based on securities action plan

Based on the market environment and changes in the make-up of our securities portfolio, we are continually working to improve prediction management on each investment target of domestic and overseas interest rates, equities and REITs, as well as our action plans.

