**Figure 2.5. Japan: Banks’ Adaptation to the Deposit Rate Lower Bound Period**

1. **Average Asset Maturity, 2000–15** (Years)

   - Major banks
   - Regional banks
   - Shinkin banks

   Smaller banks have taken more interest rate risk.

2. **Share of Foreign Business of Major Banks, 2006–15** (Percent)

   - Fee and commission income
   - Net interest income on loans

   Large banks have expanded abroad.

3. **Operational Cost Ratios, 2000–15** (Percent of total earning assets)

   - Major banks
   - Regional banks
   - Shinkin banks

   Smaller banks have also cut costs ... in part, by closing branches.

4. **Number of Branches, 2005–15** (Index; 2005 = 100)

   - Major banks
   - Regional banks
   - Shinkin banks

   Large banks have expanded abroad.

Sources: Bank of Japan; Fitch Connect; Japanese Bankers’ Association; and IMF staff calculations.