

December 21, 2011

Bank of Japan

## **Establishment of Temporary Bilateral Liquidity Swap Arrangements with Five Central Banks**

At the Monetary Policy Meeting held today, the Policy Board of the Bank of Japan decided to take the following measures in view of recent developments in global money markets and their potential repercussions on liquidity conditions in the yen money market. The measures aim at further facilitating money market operations as well as ensuring the smooth functioning and stability of financial markets.

### 1. Canadian Dollar-Yen/Yen-Canadian Dollar

(1) The Bank shall establish the “Principal Terms and Conditions for Canadian Dollar Funds-Supplying Operations against Pooled Collateral” (see Attachment 1) and shall enter into a Canadian Dollar-Yen Swap Agreement with the Bank of Canada (see Attachment 2 for the summary of the agreement).

(2) The Bank shall enter into a Yen-Canadian Dollar Swap Agreement with the Bank of Canada (see Attachment 3 for the summary of the agreement).

### 2. Pound Sterling-Yen/Yen-Pound Sterling

(1) The Bank shall establish the “Principal Terms and Conditions for Pound Sterling Funds-Supplying Operations against Pooled Collateral” (see Attachment 4) and shall enter into a Pound

Sterling-Yen Swap Agreement with the Bank of England (see Attachment 5 for the summary of the agreement).

- (2) The Bank shall enter into a Yen-Pound Sterling Swap Agreement with the Bank of England (see Attachment 6 for the summary of the agreement).

### 3. Euro-Yen/Yen-Euro

- (1) The Bank shall establish the “Principal Terms and Conditions for Euro Funds-Supplying Operations against Pooled Collateral” (see Attachment 7) and shall enter into a Euro-Yen Swap Agreement with the European Central Bank (see Attachment 8 for the summary of the agreement).

- (2) The Bank shall enter into a Yen-Euro Swap Agreement with the European Central Bank (see Attachment 9 for the summary of the agreement).

### 4. Swiss Franc-Yen/Yen-Swiss Franc

- (1) The Bank shall establish the “Principal Terms and Conditions for Swiss Franc Funds-Supplying Operations against Pooled Collateral” (see Attachment 10) and shall enter into a Swiss Franc-Yen Swap Agreement with the Swiss National Bank (see Attachment 11 for the summary of the agreement).

- (2) The Bank shall enter into a Yen-Swiss Franc Swap Agreement with the Swiss National Bank (see Attachment 12 for the summary of the agreement).

## 5. Yen-U.S. Dollar

The Bank shall enter into a Yen-U.S. Dollar Swap Agreement with the Federal Reserve Bank of New York (see Attachment 13 for the summary of the agreement). <sup>(Note)</sup>

(Note) The Bank has already established the “[Principal Terms and Conditions for U.S. Dollar Funds-Supplying Operations against Pooled Collateral](#)” and entered into [a U.S. Dollar-Yen Swap Agreement with the Federal Reserve Bank of New York](#).

## Principal Terms and Conditions for Canadian Dollar Funds-Supplying Operations against Pooled Collateral

### 1. Purpose

These Terms and Conditions prescribe the principles for the Bank of Japan's Canadian dollar (CAD) funds-supplying operations against pooled collateral (CAD denominated loans that are made against pooled eligible collateral by way of open market operations) introduced with the aim of further facilitating money market operations and ensuring the smooth functioning and stability of financial markets in view of recent liquidity pressures in the international financial markets and the possible impact of those on liquidity conditions in the yen money market.

### 2. Location of Operations

At the Head Office (International Department) of the Bank.

### 3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No.89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No.34, 1971]), financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997]) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and *tanshi* companies (Article 10, Paragraph 1, Clause 4 of the Order).

### 4. Form of Loans

Loans shall be provided in the form of electronic lending.

### 5. Duration of Loans

Taking account of conditions in financial markets, the Bank shall determine the duration of each loan and the duration shall not exceed three months.

## 6. Loan Rates and Collection of Interest

### (1) Interest rates on the loans

Interest rates on the loans shall be set by the Bank of Canada (BOC).

### (2) Collection of interest

The interest on a loan shall be calculated based on the rate determined by the method described in (1) for the number of days from the first day after the disbursement of the loan up to the maturity date, and the interest shall be collected after the loan reaches maturity.

## 7. Date of Loan Disbursement, Amount of Loans, etc.

Taking account of conditions in financial markets, the Bank shall determine specifications necessary for lending, including the date of loan disbursement, the amount, and the counterparties for each loan.

## 8. Collateral

(1) The Bank shall accept eligible collateral from counterparties in advance.

(2) "Guidelines on Eligible Collateral" (Policy Board Decision on October 13, 2000) and "Collateral Guidelines on Eligible Foreign Bonds" (Policy Board Decision on May 22, 2009) shall apply to the collateral for the loans.

(3) The yen denominated amount for which the counterparty shall pledge eligible collateral shall be obtained by multiplying a yen-denominated loan value based on the CAD/yen spot exchange rate prevailing in the market by 1.22 for the loan with a duration of up to one month and by 1.27 for the loan with a duration of more than one month and up to three months respectively.

## 9. Settlement

The payment and receipt of CAD between the Bank and the counterparties shall be made through the accounts at the BOC which each party shall specify in advance.

### (Supplementary Provision)

These terms and conditions shall become effective today and shall be valid until February 1, 2013. To the loans that are disbursed on or before February 1, 2013, these terms and conditions shall be applied until the maturity of the loans.

## Summary of a Canadian Dollar-Yen Swap Agreement with the Bank of Canada

### 1. Purpose

The purpose of the agreement is to obtain Canadian dollar (CAD), which is to be provided to financial institutions for the time being by the Bank of Japan (BoJ), to ensure the smooth functioning and stability of financial markets.

### 2. Parties

The Bank of Canada (BOC) and the BoJ

### 3. Transactions

The BoJ sells yen to the BOC to purchase CAD from the BOC by means of a spot transaction, with a simultaneous agreement by the BoJ to sell CAD to the BOC and to purchase yen from the BOC on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum aggregate amount

Unlimited

## Summary of a Yen-Canadian Dollar Swap Agreement with the Bank of Canada

### 1. Purpose

The purpose of the agreement is to supply yen, which is to be provided to counterparties for the time being by the Bank of Canada (BOC), to ensure the smooth functioning and stability of yen financial markets.

### 2. Parties

The Bank of Japan (BoJ) and the BOC

### 3. Transactions

The BOC sells Canadian dollar (CAD) to the BoJ to purchase yen from the BoJ by means of a spot transaction, with a simultaneous agreement by the BOC to sell yen to the BoJ and to purchase CAD from the BoJ on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum Aggregate Amount

Unlimited

### 6. Maximum Duration of Swap Transactions

88 days

The parties may agree to rollover a swap transaction.

### 7. Exchange Rate

Prevailing market exchange rate on the trade date

Except as otherwise agreed upon by the parties, the exchange rate for any rollover swap transaction shall be the same rate as for the maturing swap transaction. The same exchange rate shall be applied to both the spot and forward legs of the same swap transaction.

## 8. Interest Rate

The interest rate shall be set by the BoJ. Except as otherwise agreed upon by the parties, the interest rate for rollover swap transaction shall be the same rate as for the maturing swap transaction.

## 9. Settlement

### (1) Yen

The receipt and payment of yen between the BoJ and the BOC shall be made through a yen account in the name of the BOC on the books of the BoJ, which account shall be used solely for swap transactions.

### (2) CAD

The receipt and payment of CAD between the BoJ and the BOC shall be made through a CAD account in the name of the BoJ on the books of the BOC, which account shall be used solely for swap transactions.

## Principal Terms and Conditions for Pound Sterling Funds-Supplying Operations against Pooled Collateral

### 1. Purpose

These Terms and Conditions prescribe the principles for the Bank of Japan's pound sterling (GBP) funds-supplying operations against pooled collateral (GBP denominated loans that are made against pooled eligible collateral by way of open market operations) introduced with the aim of further facilitating money market operations and ensuring the smooth functioning and stability of financial markets in view of recent liquidity pressures in the international financial markets and the possible impact of those on liquidity conditions in the yen money market.

### 2. Location of Operations

At the Head Office (International Department) of the Bank.

### 3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No.89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No.34, 1971]), financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997]) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and *tanshi* companies (Article 10, Paragraph 1, Clause 4 of the Order).

### 4. Form of Loans

Loans shall be provided in the form of electronic lending.

### 5. Duration of Loans

Taking account of conditions in financial markets, the Bank shall determine the duration of each loan and the duration shall not exceed three months.

## 6. Loan Rates and Collection of Interest

### (1) Interest rates on the loans

Interest rates on the loans shall be set by the Bank of England (BOE).

### (2) Collection of interest

The interest on a loan shall be calculated based on the rate determined by the method described in (1) for the number of days from the first day after the disbursement of the loan up to the maturity date, and the interest shall be collected after the loan reaches maturity.

## 7. Date of Loan Disbursement, Amount of Loans, etc.

Taking account of conditions in financial markets, the Bank shall determine specifications necessary for lending, including the date of loan disbursement, the amount, and the counterparties for each loan.

## 8. Collateral

(1) The Bank shall accept eligible collateral from counterparties in advance.

(2) "Guidelines on Eligible Collateral" (Policy Board Decision on October 13, 2000) and "Collateral Guidelines on Eligible Foreign Bonds" (Policy Board Decision on May 22, 2009) shall apply to the collateral for the loans.

(3) The yen denominated amount for which the counterparty shall pledge eligible collateral shall be obtained by multiplying a yen-denominated loan value based on the GBP/yen spot exchange rate prevailing in the market by 1.16 for the loan with a duration of up to one month and by 1.22 for the loan with a duration of more than one month and up to three months respectively.

## 9. Settlement

The payment and receipt of GBP between the Bank and the counterparties shall be made through the accounts at the BOE which each party shall specify in advance.

### (Supplementary Provision)

These terms and conditions shall become effective today and shall be valid until February 1, 2013. To the loans that are disbursed on or before February 1, 2013, these terms and conditions shall be applied until the maturity of the loans.

## Summary of a Pound Sterling-Yen Swap Agreement with the Bank of England

### 1. Purpose

The purpose of the agreement is to obtain pound sterling (GBP), which is to be provided to financial institutions for the time being by the Bank of Japan (BoJ), to ensure the smooth functioning and stability of financial markets.

### 2. Parties

The Bank of England (BOE) and the BoJ

### 3. Transactions

The BoJ sells yen to the BOE to purchase GBP from the BOE by means of a spot transaction, with a simultaneous agreement by the BoJ to sell GBP to the BOE and to purchase yen from the BOE on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum aggregate amount

Unlimited

## Summary of a Yen-Pound Sterling Swap Agreement with the Bank of England

### 1. Purpose

The purpose of the agreement is to supply yen, which is to be provided to counterparties for the time being by the Bank of England (BOE), to ensure the smooth functioning and stability of yen financial markets.

### 2. Parties

The Bank of Japan (BoJ) and the BOE

### 3. Transactions

The BOE sells pound sterling (GBP) to the BoJ to purchase yen from the BoJ by means of a spot transaction, with a simultaneous agreement by the BOE to sell yen to the BoJ and to purchase GBP from the BoJ on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum Aggregate Amount

Unlimited

### 6. Maximum Duration of Swap Transactions

88 days

The parties may agree to rollover a swap transaction.

### 7. Exchange Rate Determination

Prevailing market exchange rate on the trade date

Except as otherwise agreed upon by the parties, the exchange rate for any rollover swap transaction shall be the same rate as for the maturing swap transaction. The same exchange rate shall be applied to both the spot and forward legs of the same swap transaction.

## 8. Interest Rate Determination

The interest rate shall be set by the BoJ. Except as otherwise agreed upon by the parties, the interest rate for rollover swap transaction shall be the same rate as for the maturing swap transaction.

## 9. Settlement

### (1) Yen

The receipt and payment of yen between the BoJ and the BOE shall be made through a yen account in the name of the BOE on the books of the BoJ, which account shall be used solely for swap transactions.

### (2) GBP

The receipt and payment of GBP between the BoJ and the BOE shall be made through a GBP account in the name of the BoJ on the books of the BOE, which account shall be used solely for swap transactions.

## Principal Terms and Conditions for Euro Funds-Supplying Operations against Pooled Collateral

### 1. Purpose

These Terms and Conditions prescribe the principles for the Bank of Japan's euro (EUR) funds-supplying operations against pooled collateral (EUR denominated loans that are made against pooled eligible collateral by way of open market operations) introduced with the aim of further facilitating money market operations and ensuring the smooth functioning and stability of financial markets in view of recent liquidity pressures in the international financial markets and the possible impact of those on liquidity conditions in the yen money market.

### 2. Location of Operations

At the Head Office (International Department) of the Bank.

### 3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No.89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No.34, 1971]), financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997]) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and *tanshi* companies (Article 10, Paragraph 1, Clause 4 of the Order).

### 4. Form of Loans

Loans shall be provided in the form of electronic lending.

### 5. Duration of Loans

Taking account of conditions in financial markets, the Bank shall determine the duration of each loan and the duration shall not exceed three months.

## 6. Loan Rates and Collection of Interest

### (1) Interest rates on the loans

Interest rates on the loans shall be set by the European Central Bank.

### (2) Collection of interest

The interest on a loan shall be calculated based on the rate determined by the method described in (1) for the number of days from the first day after the disbursement of the loan up to the maturity date, and the interest shall be collected after the loan reaches maturity.

## 7. Date of Loan Disbursement, Amount of Loans, etc.

Taking account of conditions in financial markets, the Bank shall determine specifications necessary for lending, including the date of loan disbursement, the amount, and the counterparties for each loan.

## 8. Collateral

(1) The Bank shall accept eligible collateral from counterparties in advance.

(2) "Guidelines on Eligible Collateral" (Policy Board Decision on October 13, 2000) and "Collateral Guidelines on Eligible Foreign Bonds" (Policy Board Decision on May 22, 2009) shall apply to the collateral for the loans.

(3) The yen denominated amount for which the counterparty shall pledge eligible collateral shall be obtained by multiplying a yen-denominated loan value based on the EUR/yen spot exchange rate prevailing in the market by 1.16 for the loan with a duration of up to one month and by 1.26 for the loan with a duration of more than one month and up to three months respectively.

## 9. Settlement

The payment and receipt of EUR between the Bank and the counterparties shall be made through the accounts at the ECB and the national central banks which constitute the Eurosystem which each party shall specify in advance.

### (Supplementary Provision)

These terms and conditions shall become effective today and shall be valid until February 1, 2013. To the loans that are disbursed on or before February 1, 2013, these terms and conditions shall be applied until the maturity of the loans.

## Summary of a Euro-Yen Swap Agreement with the European Central Bank

### 1. Purpose

The purpose of the agreement is to obtain euro (EUR), which is to be provided to financial institutions for the time being by the Bank of Japan (BoJ), to ensure the smooth functioning and stability of financial markets.

### 2. Parties

The European Central Bank (ECB) and the BoJ

### 3. Transactions

The BoJ sells yen to the ECB to purchase EUR from the ECB by means of a spot transaction, with a simultaneous agreement by the BoJ to sell EUR to the ECB and to purchase yen from the ECB on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum aggregate amount

Unlimited

## Summary of a Yen-Euro Swap Agreement with the European Central Bank

### 1. Purpose

The purpose of the agreement is to supply yen, which is to be provided to counterparties for the time being by the European Central Bank (ECB), to ensure the smooth functioning and stability of yen financial markets.

### 2. Parties

The Bank of Japan (BoJ) and the ECB

### 3. Transactions

The ECB sells euro (EUR) to the BoJ to purchase yen from the BoJ by means of a spot transaction, with a simultaneous agreement by the ECB to sell yen to the BoJ and to purchase EUR from the BoJ on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum Aggregate Amount

Unlimited

### 6. Maximum Duration of Swap Transactions

88 days

The parties may agree to rollover a swap transaction.

### 7. Exchange Rate

Prevailing market exchange rate on the trade date

Except as otherwise agreed upon by the parties, the exchange rate for any rollover swap transaction shall be the same rate as for the maturing swap transaction. The same exchange rate shall be applied to both the spot and forward legs of the same swap transaction.

### 8. Interest Rate

The interest rate shall be set by the BoJ. Except as otherwise agreed upon by the parties, the interest rate for rollover swap transaction shall be the same rate as for the maturing swap transaction.

## 9. Settlement

### (1) Yen

The receipt and payment of yen between the BoJ and the central banks constituting the Eurosystem (i.e. the ECB and the national central banks which constitute the Eurosystem) shall be made through a yen account in the name of a central bank constituting the Eurosystem on the books of the BoJ, which account shall be used solely for swap transactions.

### (2) EUR

The receipt and payment of EUR between the BoJ and the central banks constituting the Eurosystem shall be made through a EUR account in the name of the BoJ on the books of a central bank constituting the Eurosystem, which account shall be used solely for swap transactions.

## Principal Terms and Conditions for Swiss Franc Funds-Supplying Operations against Pooled Collateral

### 1. Purpose

These Terms and Conditions prescribe the principles for the Bank of Japan's Swiss franc (CHF) funds-supplying operations against pooled collateral (CHF denominated loans that are made against pooled eligible collateral by way of open market operations) introduced with the aim of further facilitating money market operations and ensuring the smooth functioning and stability of financial markets in view of recent liquidity pressures in the international financial markets and the possible impact of those on liquidity conditions in the yen money market.

### 2. Location of Operations

At the Head Office (International Department) of the Bank.

### 3. Eligible Counterparties

Eligible counterparties shall, pursuant to the Bank's relevant rules, be selected from financial institutions (as defined in Article 37, Paragraph 1 of the Bank of Japan Law, Law No.89, 1997, excluding the Resolution and Collection Corporation and bridge banks [as defined in Article 2, Paragraph 13 of the Deposit Insurance Law, Law No.34, 1971]), financial instruments firms (Article 10, Paragraph 1, Clause 2 of the Bank of Japan Law Enforcement Order [Order No. 385 of 1997]) that conduct the first financial instruments business (Article 28, Paragraph 1 of the Financial Instruments and Exchange Law, Law No. 25, 1948), securities finance companies (Article 10, Paragraph 1, Clause 3 of the Order), and *tanshi* companies (Article 10, Paragraph 1, Clause 4 of the Order).

### 4. Form of Loans

Loans shall be provided in the form of electronic lending.

### 5. Duration of Loans

Taking account of conditions in financial markets, the Bank shall determine the duration of each loan and the duration shall not exceed three months.

## 6. Loan Rates and Collection of Interest

### (1) Interest rates on the loans

Interest rates on the loans shall be set by the Swiss National Bank (SNB).

### (2) Collection of interest

The interest on a loan shall be calculated based on the rate determined by the method described in (1) for the number of days from the first day after the disbursement of the loan up to the maturity date, and the interest shall be collected after the loan reaches maturity.

## 7. Date of Loan Disbursement, Amount of Loans, etc.

Taking account of conditions in financial markets, the Bank shall determine specifications necessary for lending, including the date of loan disbursement, the amount, and the counterparties for each loan.

## 8. Collateral

(1) The Bank shall accept eligible collateral from counterparties in advance.

(2) "Guidelines on Eligible Collateral" (Policy Board Decision on October 13, 2000) and "Collateral Guidelines on Eligible Foreign Bonds" (Policy Board Decision on May 22, 2009) shall apply to the collateral for the loans.

(3) The yen denominated amount for which the counterparty shall pledge eligible collateral shall be obtained by multiplying a yen-denominated loan value based on the CHF/yen spot exchange rate prevailing in the market by 1.16 for the loan with a duration of up to one month and by 1.24 for the loan with a duration of more than one month and up to three months respectively.

## 9. Settlement

The payment and receipt of CHF between the Bank and the counterparties shall be made through the accounts at the SNB which each party shall specify in advance.

### (Supplementary Provision)

These terms and conditions shall become effective today and shall be valid until February 1, 2013. To the loans that are disbursed on or before February 1, 2013, these terms and conditions shall be applied until the maturity of the loans.

## Summary of a Swiss Franc-Yen Swap Agreement with the Swiss National Bank

### 1. Purpose

The purpose of the agreement is to obtain Swiss franc (CHF), which is to be provided to financial institutions for the time being by the Bank of Japan (BoJ), to ensure the smooth functioning and stability of financial markets.

### 2. Parties

The Swiss National Bank (SNB) and the BoJ

### 3. Transactions

The BoJ sells yen to the SNB to purchase CHF from the SNB by means of a spot transaction, with a simultaneous agreement by the BoJ to sell CHF to the SNB and to purchase yen from the SNB on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum aggregate amount

Unlimited

## Summary of a Yen-Swiss Franc Swap Agreement with the Swiss National Bank

### 1. Purpose

The purpose of the agreement is to supply yen, which is to be provided to counterparties for the time being by the Swiss National Bank (SNB), to ensure the smooth functioning and stability of yen financial markets.

### 2. Parties

The Bank of Japan (BoJ) and the SNB

### 3. Transactions

The SNB sells Swiss franc (CHF) to the BoJ to purchase yen from the BoJ by means of a spot transaction, with a simultaneous agreement by the SNB to sell yen to the BoJ and to purchase CHF from the BoJ on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum Aggregate Amount

Unlimited

### 6. Maximum Duration of Swap Transactions

88 days

The parties may agree to rollover a swap transaction.

### 7. Exchange Rate Determination

Prevailing market exchange rate on the trade date

Except as otherwise agreed upon by the parties, the exchange rate for any rollover swap transaction shall be the same rate as for the maturing swap transaction. The same exchange rate shall be applied to both the spot and forward legs of the same swap transaction.

## 8. Interest Rate Determination

The interest rate shall be set by the BoJ. Except as otherwise agreed upon by the parties, the interest rate for rollover swap transaction shall be the same rate as for the maturing swap transaction.

## 9. Settlement

### (1) Yen

The receipt and payment of yen between the BoJ and the SNB shall be made through a yen account in the name of the SNB on the books of the BoJ, which account shall be used solely for swap transactions.

### (2) CHF

The receipt and payment of CHF between the BoJ and the SNB shall be made through a CHF account in the name of the BoJ on the books of the SNB, which account shall be used solely for swap transactions.

## Summary of a Yen-U.S. Dollar Swap Agreement with the Federal Reserve Bank of New York

### 1. Purpose

The purpose of the agreement is to supply yen, which is to be provided to counterparties for the time being by the Federal Reserve Bank of New York (FRBNY), to ensure the smooth functioning and stability of yen financial markets.

### 2. Parties

The Bank of Japan (BoJ) and the FRBNY

### 3. Transactions

The FRBNY sells U.S. dollar (USD) to the BoJ to purchase yen from the BoJ by means of a spot transaction, with a simultaneous agreement by the FRBNY to sell yen to the BoJ and to purchase USD from the BoJ on the maturity date of such swap transaction by means of a forward transaction.

### 4. End of Drawing Period

February 1, 2013

### 5. Maximum Aggregate Amount

Unlimited

### 6. Maximum Duration of Swap Transactions

88 days

The parties may agree to rollover a swap transaction.

### 7. Exchange Rate Determination

Prevailing market exchange rate on the trade date

Except as otherwise agreed upon by the parties, the exchange rate for any rollover swap transaction shall be the same rate as for the maturing swap transaction. The same exchange rate shall be applied to both the spot and forward legs of the same swap transaction.

### 8. Interest Rate Determination

The interest rate shall be set by the BoJ. Except as otherwise agreed upon by the parties, the interest rate for rollover swap transaction shall be the same rate as for the maturing swap transaction.

## 9. Settlement

### (1) Yen

The receipt and payment of yen between the BoJ and the FRBNY shall be made through a yen account in the name of the FRBNY on the books of the BoJ, which account shall be used solely for swap transactions.

### (2) USD

The receipt and payment of USD between the BoJ and the FRBNY shall be made through a USD account in the name of the BoJ on the books of the FRBNY, which account shall be used solely for swap transactions.