

March 17, 2015

Bank of Japan

**Establishment of "Special Rules for Member Financial Institutions of Central Organizations of Financial Cooperatives to Use the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth and the Fund-Provisioning Measure to Stimulate Bank Lending"**

At the Monetary Policy Meeting held today, the Policy Board of the Bank of Japan made the following decisions. The Bank will continue to encourage financial institutions' actions as well as stimulate firms' and households' demand for credit, with a view to stimulating bank lending and strengthening the foundations for economic growth, and to support financial institutions in disaster areas affected by the Great East Japan Earthquake in their efforts in meeting the demand for funds for rebuilding.

The decisions were made in accordance with the decision at the Monetary Policy Meeting held on January 20 and 21, 2015.

1. The Bank shall establish the "Special Rules for Member Financial Institutions of Central Organizations of Financial Cooperatives to Use the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth and the Fund-Provisioning Measure to Stimulate Bank Lending" (see Attachment 1).
2. The Bank shall amend the "Principal Terms and Conditions for the Loan Support Program" (see Attachment 2).
3. The Bank shall amend the "Principal Terms and Conditions for the Fund-Provisioning Measure to Support Strengthening the

Foundations for Economic Growth Conducted through the Loan Support Program" (see Attachment 3).

4. The Bank shall amend the "Special Rules for Equity Investments and Asset-Based Lending to Enhance the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth Conducted through the Loan Support Program" (see Attachment 4).
5. The Bank shall amend the "Special Rules for Small-Lot Investments and Loans to Enhance the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth Conducted through the Loan Support Program" (see Attachment 5).
6. The Bank shall amend the "Special Rules for the U.S. Dollar Lending Arrangement to Enhance the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth Conducted through the Loan Support Program" (see Attachment 6).
7. The Bank shall amend the "Principal Terms and Conditions for the Fund-Provisioning Measure to Stimulate Bank Lending Conducted through the Loan Support Program" (see Attachment 7).
8. The Bank shall amend the "Principal Terms and Conditions for the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas" (see Attachment 8).
9. The Bank shall amend the "Temporary Rules regarding the Eligibility Standards for Debt of Companies in Disaster Areas" (see Attachment 9).

**Special Rules for Member Financial Institutions of Central Organizations of Financial Cooperatives to Use the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth and the Fund-Provisioning Measure to Stimulate Bank Lending**

The Bank established special rules that supplement the principal terms and conditions and their special rules (hereinafter referred to as the "principal terms and conditions, etc.") regarding the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth or the Fund-Provisioning Measure to Stimulate Bank Lending (hereinafter referred to as "the programs") set forth in the "Principal Terms and Conditions for the Loan Support Program" (Policy Board Decision on December 20, 2012). The special rules shall be applied when member financial institutions of *central organizations of financial cooperatives*\* without a current account at the Bank (hereinafter referred to as "member financial institutions") use the programs through their central organizations who are eligible counterparties of the programs.

*\* The Shinkin Central Bank, the Shinkumi Federation Bank, the Rokinren Bank, and the Norinchukin Bank.*

1. Special rules for the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth shall be as follows.
  - (1) The Bank shall provide loans to central organizations of financial cooperatives based on lending or investment carried out by member financial institutions under those institutions' plans to support strengthening the foundation for economic growth formulated as follows.

- (a) Central organizations of financial cooperatives shall formulate a policy on plans for each financial cooperative group to lend or invest with an aim to support strengthening the foundation for economic growth and a management policy on the programs for themselves and member financial institutions (hereinafter referred to as the "management policy"), which shall be admitted by the Bank.
    - (b) Member financial institutions shall formulate plans for lending or investing with an aim to support strengthening the foundation for economic growth in compliance with the management policy described in (a).
  - (2) The maximum amount of loan at each loan disbursement and that of loans to each central organization of financial cooperatives (hereinafter referred to as the "maximum amount of loans, etc.") shall be set as the sum of the maximum amount of loans, etc. for its own use and the maximum amount of loans, etc. calculated for each member financial institution following the principal terms and conditions, etc.
2. Special rules for the Fund-Provisioning Measure to Stimulate Bank Lending shall be as follows.
- (1) The Bank shall provide loans to central organizations of financial cooperatives based on lending of member financial institutions.
  - (2) The maximum amount of loans at each loan disbursement to each central organization of financial cooperatives shall be set as the sum of the maximum amount of loans for its own use and the maximum amount calculated for each member financial institution following the principal terms and conditions, etc.

3. Central organizations of financial cooperatives shall distribute all funds provided by the Bank under the programs to member financial institutions based on their lending or investment. Duration, interest rate, and other conditions of the loans to member financial institutions shall be equivalent to those of the loans disbursed by the Bank to central organizations of financial cooperatives.
4. Central organizations of financial cooperatives, upon requests by their member financial institutions to use the programs, shall ensure adequate credit risk management to their member financial institutions, and shall implement necessary measures to properly carry out their operations under these special rules in compliance with the aim of the programs.
5. The Bank can implement necessary measures such as suspension of loan disbursements under these special rules to specific member financial institutions and central organizations of financial cooperatives in case they are inconsistent with the special rules.

(Supplementary Provision)

The special rules shall become effective today and shall be valid through June 30, 2020.

**Amendment to "Principal Terms and Conditions for the Loan Support Program"**

- Paragraph 3. (1) shall be amended as follows.

(1) The maximum outstanding amount of loans under the Growth-Supporting Funding Facility shall be as follows.

(a) Loans not pursuant to the special rules stipulated in 2. (2)

710 trillion yen

(b) }  
c } (No change)  
(d) }

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

These terms and conditions shall become effective today and shall be valid through June 30, ~~2019~~2020.

(Supplementary Provision)

These amendments shall become effective today.

**Amendment to "Principal Terms and Conditions for the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth Conducted through the Loan Support Program"**

- Paragraph 7. shall be amended as follows.

7. Date of Each Loan Disbursement and Rollover of Loans

(1) The date of each loan disbursement shall be specified by the Bank.  
No loan shall be disbursed on or after July 1, ~~2015~~2016 except for the rollover of loans as described in (2).

(2) (No change)

- Paragraph 9. shall be amended as follows.

9. Maximum Amount of Loans, etc.

(1) The maximum amount of loans to each counterparty

The total amount of loans to each counterparty shall not exceed ~~4~~2 trillion yen.

(2) (No change)

- Paragraph 11. shall be amended as follows.

11. Deadline for New Applications for Loans

The period for calculating the amount of loans prescribed in 9.(2) shall

end on or before March 31, ~~2015~~2016.

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

These terms and conditions shall become effective today and shall be valid through June 30, ~~2019~~2020.

(Supplementary Provision)

These amendments shall become effective today.



**Amendment to "Special Rules for Equity Investments and Asset-Based Lending to Enhance the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth Conducted through the Loan Support Program"**

- Paragraph 6. shall be amended as follows.

6. Deadline for Applications for New Loans

The date stipulated in 4.(2) shall be, except for the rollover of loans stipulated in 7.(2) of the Principal Terms and Conditions, not later than March 31, ~~2015~~2016.

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

The special rules shall become effective today and shall be valid through June 30, ~~2019~~2020.

(Supplementary Provision)

These amendments shall become effective today.

**Amendment to "Special Rules for Small-Lot Investments and Loans to Enhance the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth Conducted through the Loan Support Program"**

- Paragraph 5. shall be amended as follows.

5. Deadline for Applications for New Loans

The date stipulated in 3.(2) shall be, except for the rollover of loans, not later than March 31, ~~2015~~2016.

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

The special rules shall become effective today and shall be valid through June 30, ~~2019~~2020.

(Supplementary Provision)

These amendments shall become effective today.

**Amendment to "Special Rules for the U.S. Dollar Lending Arrangement to Enhance the Fund-Provisioning Measure to Support Strengthening the Foundations for Economic Growth Conducted through the Loan Support Program"**

- Paragraph 9. shall be amended as follows.

9. Deadline for Applications for New Loans

The date stipulated in 7.(2) shall be, except for the rollover of loans, not later than March 31, ~~2015~~2016.

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

The special rules shall become effective today and shall be valid through June 30, ~~2019~~2020.

(Supplementary Provision)

These amendments shall become effective today.

**Amendment to "Principal Terms and Conditions for the Fund-Provisioning Measure to Stimulate Bank Lending Conducted through the Loan Support Program"**

- Paragraph 6. shall be amended as follows.

6. Loans Initially Disbursed on or after April 1, 2014

(1) }  
(2) } (No change)

(3) Date of Each Loan Disbursement

The date of each loan disbursement shall be specified by the Bank.

No loan shall be disbursed after June 30, ~~2015~~2016.

(4) }  
(5) } (No change)  
(6) }

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

These terms and conditions shall become effective today and shall be valid through June 30, ~~2019~~2020.

(Supplementary Provision)

These amendments shall become effective today.

**Amendment to "Principal Terms and Conditions for the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas"**

- Paragraph 9. shall be amended as follows.

9. Deadline for New Application for Loans

The period for new application for loans shall end on April 30, ~~2015~~2016.

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

1. These terms and conditions shall become effective today and shall be valid through April 30, ~~2015~~2016. To the loans that are disbursed on or before April 30, ~~2015~~2016, these terms and conditions shall be applied until the maturity of the loans.

2. (No change)

(Supplementary Provision)

These amendments shall become effective today.

**Amendment to "Temporary Rules regarding the Eligibility Standards for Debt of Companies in Disaster Areas"**

- Supplementary Provision shall be amended as follows.

(Supplementary Provision)

The temporary rules shall become effective on the date designated by the Governor, which shall be no later than May 31, 2011, and shall be valid through April 30, ~~2016~~2017.

(Supplementary Provision)

This amendment shall become effective today.