Amendment to the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas

1. Purpose of the Amendment

The Bank decided to reshape the operations to support financial institutions in disaster areas through integrating the two existing operations\(^1\) into the new one\(^2\) and abolishing the deadline of the operations\(^3\), with the aim of continuing to support efforts toward restoration and reconstruction made by financial institutions in a more stable manner.

Note1: The two existing operations refer to the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas, and the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas of the 2016 Kumamoto Earthquake.

Note2: The new operation refers to the Funds-Supplying Operation to Support Financial Institutions in Disaster Areas.

Note3: The deadlines have been updated every year under the current scheme.

2. Outline of the Amendment

(1) Deadline of the scheme

- The new operations do not set the deadline.

(2) Duration of loans

- The duration of loans in the new operations is extended from within 1 year to within 2 years, with the aim of supporting financial institutions in disaster areas in a more stable manner.

(3) Review of the maximum amount of loans to each counterparty

- The maximum amount of loans to each counterparty will be reviewed annually, taking account of the demand for funds for restoration and reconstruction.

(4) Calculation of interest of the complementary deposit facility

- As with the existing operations, twice as much as the increase in the amount outstanding of loans disbursed under the new operations will be included in the Macro Add-on balances at the Bank.

3. Effective date

- The new operations will become effective on July 1, 2020, while the current ones will be extended until June 30.