

Strengthening of the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19)

- The Bank made the following three decisions to strengthen the Special Funds-Supplying Operations to Facilitate Financing in Response to the Novel Coronavirus (COVID-19) (hereinafter referred to as the "Special Operations"). These decisions were made with a view to supporting financial institutions to further fulfill the functioning of financial intermediation for a wide range of private sectors, given that financial conditions have been less accommodative due to the impact of the spread of COVID-19.

1. Expanding the Range of Collateral in Calculating the Maximum Amount of the Loans

- A wide range of private debt, such as a beneficial interest of a trust in housing loans and asset-backed securities, will be included as collateral in calculating the maximum amount of the loans.

2. Increasing the Number of Eligible Counterparties

- The Bank will increase the number of eligible counterparties, mainly by introducing a framework for member financial institutions of central organizations of financial cooperatives without a current account at the Bank (hereinafter referred as "member financial institutions") so that they can use the Special Operations through each of their own central organizations.

(1) Eligible counterparties

- Central organizations of financial cooperatives of member financial institutions

(2) Duration of loans

- Within one year

(3) Loan rate

- 0 percent per annum
- A positive interest rate will be applied to current account balances, and

twice as much as the amounts outstanding of the loans will be added to their Macro Add-on Balances.

(4) Maximum amount of loans for each counterparty

- 50 percent of the face value of private debt pledged as collateral to the central organizations by member financial institutions

(5) Collateral

- Eligible collateral pledged as the standing pool from the central organizations in advance

3. Applying a Positive Interest Rate to Current Account Balances at the Bank

- A positive interest rate of 0.1 percent will be applied to current account balances that correspond to the amounts outstanding of loans provided through the Special Operations.