Measures to Ensure Smooth Funding in Foreign Currencies
by Firms and Financial Institutions

1. Enhancement of the Special Rules for the U.S. Dollar Lending Arrangement for the Growth-Supporting Funding Facility

【Outline of the Special Rules for the U.S. Dollar Lending Arrangement】
   (before the change)

── The U.S. Dollar Lending Arrangement is one of the four types of lending under the Growth-Supporting Funding Facility.

> ➢ Upper limit to total amount of loans : 12 billion USD (from the Bank's foreign currency assets)
> ➢ Maximum amount of loans to each counterparty : 1 billion USD
> ➢ Duration of loans : within one year (can be rolled over up to 4 years)
> ➢ Loan rates : 6M USD LIBOR (revised every six months)
> ➢ Collateral : pooled collateral
> ➢ Use of funds : foreign currency-dominated investments and loans with maturities of one year or longer that contribute to strengthening the foundations for economic growth

(Today's decisions)

● The Bank raises the upper limits as the amount of total loans has reached the upper limit since December 2014.

   (1) Total amount of loans : 12 billion USD→24 billion USD

   (2) Loans to each counterparty : 1 billion USD→2 billion USD

2. New facility for lending securities to be pledged as collateral for the U.S. Dollar Funds-Supplying Operations

【Outline of the U.S. Dollar Funds-Supplying Operations】

— The U.S. Dollar denominated loans to the Bank's counterparties funded by a network of bilateral swap lines among six central banks.

> Total amount of loans : unlimited

> Maximum amount of loans to each counterparty : unlimited

> Duration of loans : within three months (one-week loans are executed every week in principle at present)

> Loan rates : set by the FRBNY

> Collateral : pooled collateral

● <u>The Bank provides counterparties of the U.S. Dollar Funds-Supplying Operations with the Bank's JGSs to be pledged as collateral</u> to the Bank.

— The policy rate for the Complementary Deposit Facility shall be applied to the transaction for the time being.

【Tentative operational flow】
(Transaction surrounded by a dotted line is newly introduced)