JFSA-ADBI-IMF Joint Conference
January 27, 2014

Attachment

Current Situation, Challenges and Future of Regional Finance

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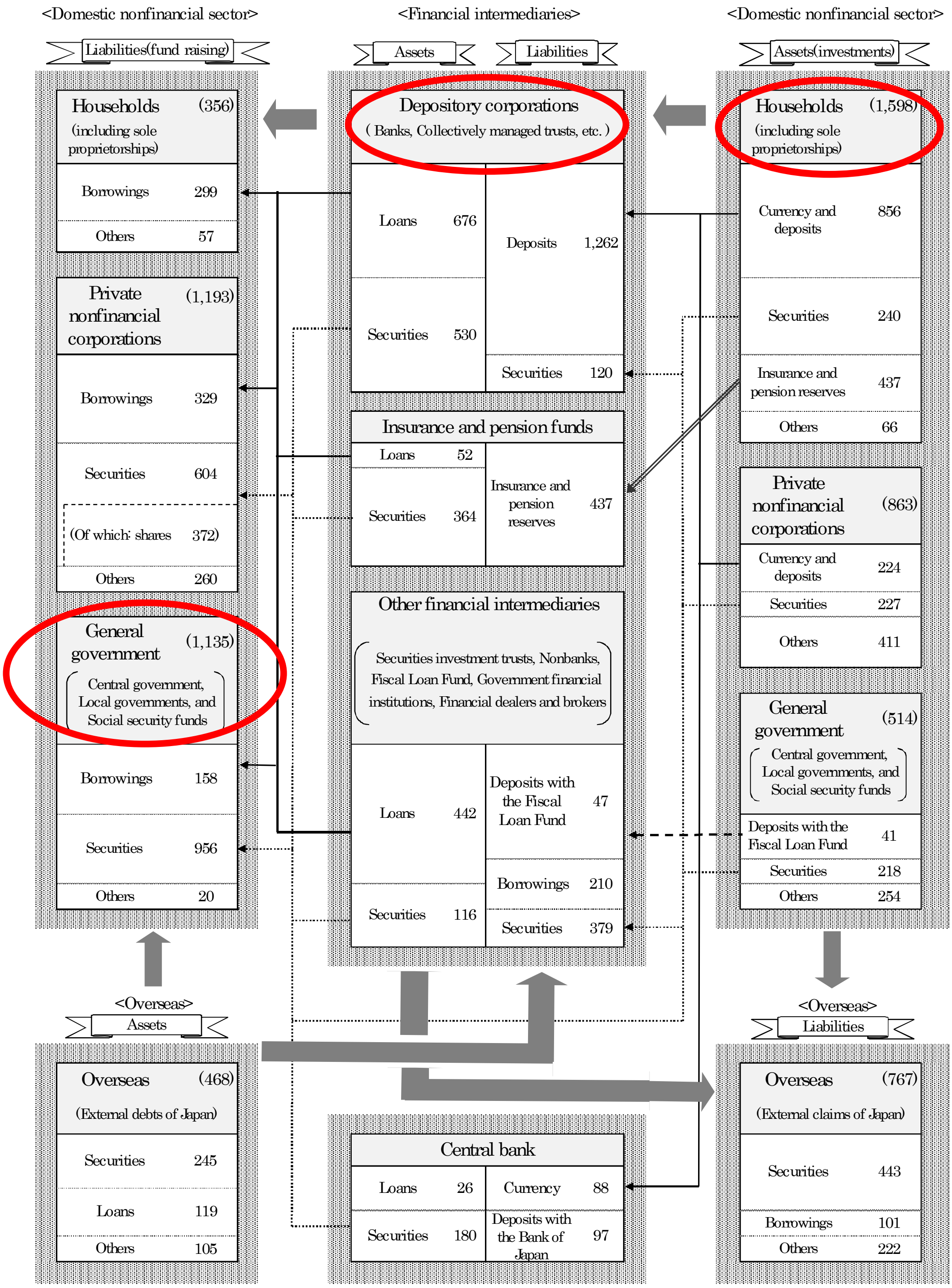
Attachment 1

(Chart 1-1) Financial assets and liabilities by sector (end of September 2013)

Unit: trillion yen



Notes: 1. Major sectors and transaction items are selected to show the overview of the flow of funds.
2. Loans and borrowings include "Bank of Japan loans," "Call loans and money," "Bills purchased and sold," "Loans by private financial institutions," "Loans by public financial institutions," "Loans by the nonfinancial sector," "Installment credit," and "Repurchase agreement and securities lending transactions."
3. Securities include "Shares and other equities" and "Securities other than shares." The latter consists of "Central government securities and FILP bonds," "Bank debentures," "Industrial securities," "Investment trust beneficiary certificates," "Trust beneficiary rights," etc. (Securities in external claims of Japan is "Outward investments in securities.")
4. The sum of the transaction items which are not shown individually is represented by Others in the above charts.

Source: Bank of Japan

Attachment 2

Reference: Active Utilization of ABL (Lending backed by Movable Properties/Accounts Receivable)

•ABL (Asset Based Lending: Lending backed by movable properties/accounts receivable) refers to lending using "inventories" and/or "accounts receivable," etc., held by companies as collateral.

Current situation

● Collateral for financial institutions is mainly "mortgage collateral." "Movable property/account receivable collateral" is rarely utilized.

(Reference 1)
In the case of regional financial institutions, more than 90% of collateral for lending is "mortgage collateral."

(Reference 2)

Inventory / Accounts receivable (297 trillion yen) > Land (186 trillion yen)

Measures

Clarification of the **requirements for "ordinary collateral"** in the financial inspection manual
- An example of the method of collateral management deemed appropriate is provided to clarify specifically what kind of collateral management methods will meet the requirements of "ordinary collateral" (collateral that is objectively deemed as disposable) based on financial practices.

Clarification **of verification policies** in the financial inspection
- This clarifies the FSA's principle that when a financial inspection is undertaken into the appropriateness of using "movable property/account receivable collateral" as "ordinary collateral," the practices of financial institutions will be accepted for now if the PDCA cycle is functioning.

Clarification of the **assessment rates of collateral** in "Self-Assessment Criteria"
- The financial inspection manual newly describes the standard assessment rate of "movable property/account receivable collateral." (Movable property collateral: 70% of the amount appraised; account receivable collateral: 80% of the amount appraised)

Others
- Clarification of the handling of "Electronically Recorded Monetary Claims" in self-assessment*1
- Clarification of the handling of the loans that do not fall under "restructured loans"*2

Effects

● Customer enterprises
- ➢ Financing facilities will be expanded through the utilization of "movable property/account receivable collateral" that has been rarely been utilized as collateral before now.

● Financial institutions
- ➢ New loans will increase.
- ➢ Credit risk management will be enhanced because ABL helps financial institutions understand the actual conditions of their customer enterprises.

*1 The financial inspection manual clarifies that the electronically recorded monetary claims that meet the requirements for "commercial bills certain to be settled" can be "superior collateral."

*2 The financial inspection manual also clarifies that even in cases where SMEs have not developed any business reconstruction plans, if financial institutions have prepared documents for business improvement with an understanding of the actual conditions of such companies through ABL, the claims do not fall under "restructured loans" because such documents can be deemed a "highly feasible, fundamental business reconstruction plan" according to the point of view of the current financial inspection manual in "Lending for SMEs."

Attachment 3

Reference: "Equity-like Debt"

What is "equity-like debt"?

Debt that can be considered **capital, not a liability,** when financial institutions assess the financial conditions of their customers

Advantages of the utilization of "equity-like debt"

By making existing "debts" into debts that meet the requirements for "equity-like debt"

Advantage 1:
Cash management will be improved.
• Since "equity-like debt" is repaid through "bullet repayment at maturity," in principle, cash management will become easier.
• Since the interest rate setting is performance-based, in principle, interest rates will be lower at the time of poor business performance.

Advantage 2:
It will be easier for customers to receive new loans from financial institutions.
- Substantial financial conditions will improve when "equity-like debt" is considered capital. Thus, it is easier for customers to receive new loans.

For promoting the utilization of "equity-like debt"

Requirements for deeming "debt" from financial institutions as "equity-like debt"

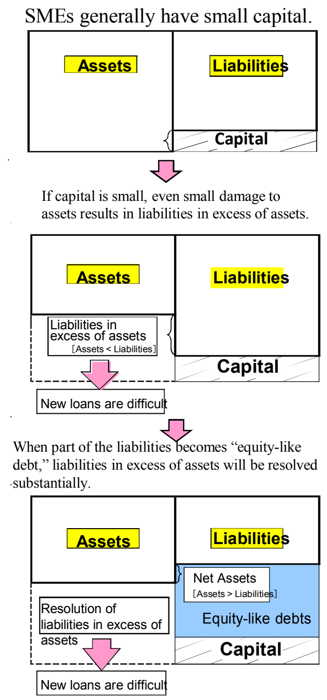
Before amendment:
Specific lending forms are illustrated.
(Examples)
• Amortization period: 15 years
• Interest rates: The upper limit of interest rates at the time of poor business performance is 0.4%.
• Subordinated nature: Unsecured (subordinated at the time of legal failure)

The requirement has been specified.

After amendment:
• Amortization period: More than five years (bullet repayment at maturity)
• Interest rate: Lower interest rate at the time of poor business performance
• Subordinated nature: When it meets specific conditions, the release of "collateral" is not required.

Effect of "equity-like debt"

B/S of SMEs (as treated in the Financial Inspection)



The FSA has clarified the tax treatment of "equity-like debt" by financial institutions (requirements for deductible expenses) to promote the further utilization of "equity-like debt" (in February 2013, those requirements were agreed to by the National Tax Agency).

Initiatives by Regional Financial Institutions

Asset Based Lending

(Unit: number, hundred thousand yen)

		End of March 2012	End of March 2013
Regional Financial Institutions	Number	3,351	3,716
	Balance	3,699	4,701
Regional Bank	Number	2,281	2,533
	Balance	3,159	4,003
Credit Cooperative Shinkin Bank	Number	1,070	1,183
	Balance	540	697

*Round-off in Balance

Equity-like Debt

(Unit: number, hundred thousand yen)

		End of March 2012	End of March 2013
Regional Financial Institutions	Number	335	497
	Balance	1,290	2,961
Regional Bank	Number	250	362
	Balance	1,099	2,572
Credit Cooperative Shinkin Bank	Number	85	135
	Balance	192	389

*Round-off in Balance

Business Matching

(Unit: number, hundred thousand yen)

	FY2010	FY2011	FY2012
Regional Financial Institutions	34,437	36,503	46,305
Regional Bank	26,823	28,925	38,850
Credit Cooperative / Shinkin Bank	7,614	7,578	7,455

Attachment 5

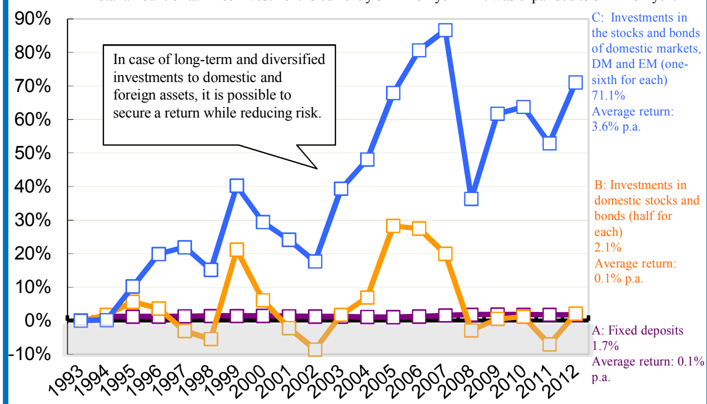
Reference: Measures for the Effective Utilization of Financial Assets

(1) Effective utilization of financial assets held by the household sector

Provide opportunities for asset formation to Japan's households through medium- and long-term and diversified investments in domestic and foreign assets, and seek to both provide funds for growth and enable Japan's households to stably build up their assets.

- Expansion of NISA (the Japanese version of the ISA; i.e., tax exemption for small amount investment)
- Improvement and promotion of investment trust products (development and sales of products that really help customers build their assets)

* The revision of tax this time for NISA is as follows.
- The period for NISA opening is currently three years (temporary measure) ⇒ It was extended to 10 years.
- Total amount of tax-free investment is currently 3 million yen ⇒ It was expanded to 5 million yen.

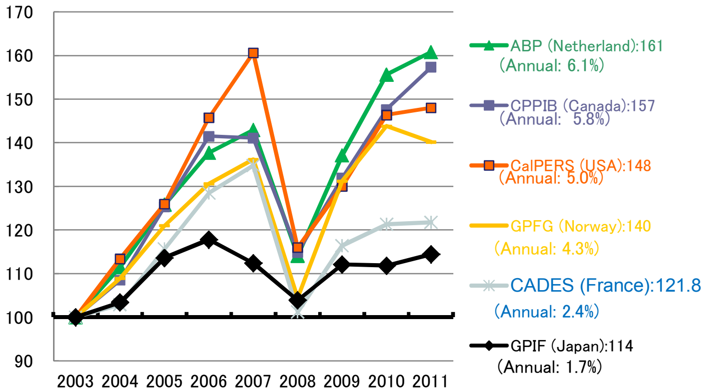


Note: The average return is the cumulative return on investments of the same amount every year at the end of each year.

(2) Effective utilization of public/quasi-public funds

Seek to provide funds to growing areas from Japan's huge amount of financial assets and to enable Japan's households to stably build up their assets. At the same time, aim to be the No. 1 market in Asia, and in order to construct a more advanced asset management/risk management system for public/quasi-public funds such as pension and mutual aid programs, examine improvement measures appropriate to the scale and characteristics of each fund.

Comparison of asset management performance such as in the pensions of various countries (End of FY2003 = 100)



* Fiscal year: April to March for GPIF and Canada, July to June for Harvard University

Reference: British ISA (Individual Saving Account)
The U.K. introduced ISA in 1999. It was initially a temporary measure for 10 years, but was made permanent in 2007.
Eligible assets: Deposits, stocks, bonds, life insurance
Tax-exempted: Interests, dividends, and capital gains
Tax-exempt period: No limits
Contribution limit: 11,280 pounds a year (approximately 1.47 million yen)
Investment balance: FY2011: 192.7 billion pounds (approximately 25.1 trillion yen)

✓ **Improve the return of assets held by the people in Japan while diversifying risk.**
✓ **Build a market with depth and breadth in which not only foreign investors but Japanese investors also invest.**
✓ **Develop markets whereby financial assets are invested in Japan.**

Reference: Viewpoints for supervising the performance of financial intermediary functions

Attachment 6

(1) Promotion of Initiatives of New Loans by Financial Institutions which Emphasize Growth Potential

The FSA will encourage the active involvement of regional financial institutions in the provision of new loans, by verifying their efforts to promote new loans that will likely result in business improvement, business recovery, development and growth of their customer enterprises. The FSA will intensively check the following points.

Points

(1) Management policies for active provision of new loans (especially lending to SMEs and other small business owners); and how such management policies are disseminated to front line sales staff

(2) Whether regional financial institutions set their lending policy based on an analysis of the outlook regarding the additional money demand in the economic recovery phase in the future

(3) Whether regional financial institutions regularly conduct analyses regarding business categories and regions with potential growth of money demand, and set their strategy, policy, and specific goals of new loans based on the results of such analyses

(4) Specific efforts or devices to identify funding needs

(5) Whether regional financial institutions respond to requests for new loans by borrowers even having changed loan terms or other measures, based on a full understanding of the borrower's financial conditions; in case of denial, whether regional financial institutions clarify specific reasons to the borrower, and whether they do not refuse consultation and requests for new loans solely on the basis of past changes in loan terms

(6) Specific efforts or devices by regional financial institutions to execute new financing through performing effective consulting functions aligned with the business life stage of the customer enterprise (support for developing sales channels, expanding into foreign markets)

(7) Types of new loans that require mortgage collateral and guarantee (Credit Guarantee Association or personal guarantee)

(8) Specific efforts or devices for promoting ABL (including the use of electronically recorded monetary claims) and other measures of loans not dependent on mortgage collateral and guarantee, and for utilizing equity-like-debt borrowings

(9) Details of the credit screening standard for new loans, especially efforts or devices related to credit screening of SMEs and small business owners

(10) Specific devices (such as qualitative assessment) and efforts for preventing excessive reliance on quantitative credit screening using scoring (screening on P/L and B/S)

(11) Details of the system for processing complaints and consultation related to new loans

(12) Whether regional financial institutions consider efforts for promoting new loans when providing performance or personnel evaluations

(13) Approach to analyze and disclose information in relation to the promotion of new loans and the status of regional financial institutions' portfolios, including the loan-to-deposit ratio

Reference: Viewpoints for supervising the performance of financial intermediary functions

Attachment 7

(2) Deepen Region-based Relationship Banking

Regional financial institutions should continue and reinforce the efforts to promote region-based relationship banking involving an entire organization, by setting up a business model looking ahead to the future, recognizing that region-based relationship banking is a way to contribute to users, the economy, and society in the relevant region, as well as improving their own financial profiles.

Points

(1) Demonstrating Active Consulting Functions in Accordance with the Life Stage of Customer Enterprises

The FSA will assess whether regional financial institutions find and analyze challenges not only in finance but also in businesses of their customer enterprises, while cooperating as necessary with outside experts and organizations, and timely propose optimum solutions, and implement such proposals in cooperation with the customers.

Example of solutions:

- Whether regional financial institutions provide new money for initiating or expanding new businesses, and provide positive support for new sales channel exploration and business development efforts as well as identify potential demand based on the above initiatives for their customer enterprises.
- Whether regional financial institutions provide services that will enhance the value of customer enterprises without plunging into a race to cut interest rates.
- Whether regional financial institutions support their customer enterprises for profit improvement in their main business, business turnaround, business changes, etc. by proactively utilizing third party viewpoints, expertise, and functions of outside organizations, etc.

(2) Contribution to Stimulating the Local Economies

- The FSA will assess whether regional financial institutions undertake the necessary coordination with local governments, economic organizations, and other regional financial institutions, and proactively participate in efforts by structuring regional revitalization funds, etc., and other regional efforts, in order to add value through developing growth areas.
- In order to enable such contributions, they should attempt to collect regional information, and accumulate knowhow and human resources, etc., through daily and ongoing contact with users, relevant regional organizations, etc., from a medium- and long-term perspective.

(3) Active Transmission of Information to Regions and to Users

- The FSA will verify whether regional financial institutions make efforts to actively provide information concerning the specific goals and the expected outcome of their initiatives related to region-based relationship banking to relevant regions and to users.
- The FSA will verify whether the information concerning the initiatives for business improvement of SMEs and revitalization of regional communities (disclosure) is disclosed clearly and specifically for the benefit of the users of financial services, etc.

Reference: Viewpoints for supervising the performance of financial intermediary functions

Attachment 8

(3) Support for Business Improvement, etc., to SMEs

This fiscal year is considered crucial for financial institutions to start their full scale support for improvement of SMEs' business profiles, and reinforcement of business structure.

Each financial institution should work towards real improvement of SMEs' business profiles, by providing greater support for business improvement and recovery, such as support for devising highly effective business rehabilitation plans through performing an active consulting function while coordinating and cooperating with outside experts and other financial institutions.

Points

(1) (i) Whether regional financial institutions are actively performing consulting functions for customer enterprises to make efforts for business improvement, etc., while cooperating with outside experts and organizations, and actively coordinating and cooperating through bank meetings, etc., with other financial institutions leading the support for business recovery.

(ii) Whether regional financial institutions give appropriate advice and intermediary on not only financial aspects but also issues concerning the management of the customer enterprises, such as increasing sales and business succession.

(iii) Do regional financial institutions proactively utilize third-party viewpoints, expertise and functions of outside organizations, etc., without postponing judgment?

(iv) Have regional financial institutions expanded the scope of their support to include small and micro enterprises that are looking for assistance, while cooperating as necessary with outside organizations and experts?

(2) Whether regional financial institutions provide support to SMEs that allowed changes to their loan terms or other measures with modified lending conditions for devising management reconstruction plans that are truly effective, and periodically follow upon the progress of such plans.

(3) Whether regional financial institutions are working in coordination with REVIC and other related organizations to contribute to the invigoration of regional economies and finance facilitation in the region

(4) Whether regional financial institutions establish and utilize business turnaround funds in cooperation with other regional financial institutions, REVIC, and the Organization for Small & Medium Enterprises and Regional Innovation (SME Support Japan).

Whether they are facilitating corporate growth by way of company foundations and new businesses by using equity funds such as regional revitalization fund.

(5) Whether regional financial institutions are making efforts to develop and improve the skill sets of personnel who are engaged in business improvement, business turnaround and the support for primary business of their customer enterprises by utilizing outside organizations such as REVIC.

Whether their performance reviews and personnel evaluation frameworks incorporate efforts for business improvement, etc., as one of the parameters for review/evaluation.

(6) Whether regional financial institutions provide various financing methods (debt-debt-swaps, including equity-like debt, debt-equity swap and asset-based lending, electronically recorded monetary claims, etc.).

(7) Whether regional financial institutions are implementing appropriate initiatives to establish loan practices which in principle do not require third party joint and several guarantee, except for managers of the customer enterprise, and to consider the guarantor's ability to pay when executing guarantee obligations.

Attachment 9

1. Overview, Main Points of Supervisory Policy (Regional Financial Institutions)

1. Expected roles of Regional Financial Institutions

・Under the appropriate risk management, **active provision of funds to growth areas** to pull out of deflation, and **full scale support for improvement of SMEs' business profiles, and reinforcement of business structure.**

⇒To respond to sudden social and economic changes, **management personnel should make responsible and prompt business judgments,** and **formulate medium to long-term business strategies covering the next 5–10 year period**.

2. Approach taken by supervisory authority

・The FSA will confirm whether Regional Financial Institutions **verify the sustainability of their business models appropriately** and **devise short, medium, and long-term business strategies**.

・Under the basic policy to **make Better Regulation further embedded and enhanced**, the FSA will take the following approaches as the supervisory authority. Financial administration, **if implemented through regulations only, may cause distortions in the regulatory regime and result in excessive control, which may negatively impact the real economy**. In view of this, **the FSA will endeavor to improve the quality of supervisory administration while reducing regulatory costs on a medium to long-term basis by improving the self-discipline of financial institutions and its own capabilities as supervisory authority**.

1) Financial supervision and administration with high risk sensitivity (identify and understand the risks that can accumulate in each financial institution and in the financial system with a forward looking perspective, inspect IT systems and business continuity systems).
2) Financial supervision and administration from a citizen's and user's point of view (improvement of customer protection and convenience for users).
3) Supervisory response with a forward-looking perspective (being aware of the progress in international discussions, monitoring environmental changes, and considering common structural issues faced by Japanese financial institutions)
4) Supervisory response which contributes to financial institutions' improvement of their management and better business judgments (straightforward and in-depth dialogue with financial institutions, promotion of the innovative initiatives by financial institutions to other institutions)

* **In order to promptly and accurately understand and enable quick response to risks faced by financial institutions and the financial system, the FSA, as supervisory authority, will cooperate with the Inspection Bureau to improve and reinforce the integration of on-site and off-site monitoring.**

* **Financial supervision integral to Local Finance Bureaus** (strengthen supervision by solid data analysis, provision of clues and business analysis using reports from Local Finance Bureaus, etc.)

2. Areas to Be Emphasized in Supervision

1. Performing an Active Financial Intermediary Function, including Management Support for SMEs

(1) Support toward Reconstruction following the Great East Japan Earthquake from Financial Aspects
- Handle the double loan problem (utilize Corporation for Revitalizing Earthquake Affected Business, Individual Debtor Guidelines for Out-of-Court Workouts, etc.)
- Check the response to meet money demand toward restoration and reconstruction, etc.

(2) Promotion of Initiatives of New Loans by Financial Institutions whch Enphasize Growth Potential
- Proactive performance in new loans that will likely result in business improvements, business recovery, development, and growth of customer enterprises

(3) Deepen Region-based Relationship Banking
- Demonstrate active consulting functions in accordance with the life stage
- Contribute to stimulating the local economies
- Active transmission of information to the regions and to users

(4) Support for Business Improvement, etc. to SMEs
- **This program year is a critical year for financial institutions to start full-scale support for the improvement of SMEs' business profiles and strengthen soundness**
- Active consulting function in coordination with outside experts and organizations
- Support for devising highly effective business rehabilitation plans for SMEs with their loan terms changed and follow up on the progress of such plans, etc.
- Develop and improve skill sets of personnel engaged in support for business improvement, including business turnaround and regional revitalization in coordination with REVIC, etc.
- Promote establishment/utilization of business turnaround funds, support for company set ups through equity funds, etc.

(5) Initiatives for Loans to Individuals
- Appropriate and detailed customer explanation concerning the product characteristics of mortgage loans

2. Risk Management and Regional Financial Systems Stability

(1) Supervision Based on the Macro-prudential Point of View

① Risk Areas which Should Be Focused on
- Bond holding reflects economic and market conditions in Japan and overseas, the appropriate risk management system of mortgage loans, etc.
- Credit risk associated with large borrowers (development/follow-up of business rehabilitation plans, loss provisioning aligned with the customer's credit risk), etc.

② Improved Risk Management Techniques
- Implementation of stress tests to capture tail risks appropriately

③ Enhancement of Financial Foundations
- Encourage improvement/enhancement of capital bases in a forward looking manner, in order to perform financial intermediary functions in regions
- Promote active use of the Act on Special Measures for Strengthening Financial Functions
  For cooperative financial institutions, further promotion of coordination with central organizations to discuss issues such as strengthening financial bases of affiliate financial institutions.

(2) Enhanced Risk Management Systems to Support Initiatives for Stronger Profitability
- Solid earnings foundation from a medium and long-term perspective (support for profit improvement for corporate enterprises, support for entry to Asia including overseas development of regional financial institutions)
- Risk management system covering non-Japanese credit and overseas locations
- Appropriate risk management following development of new businesses, etc.

3. Improvement of Customer Protection and Convenience for Users

(1) Ensuring Business Continuity
- Development of internal management systems for IT system risk assessment (including outsourcing contractors such as joint centers)
- Establishment of business continuity system assuming large-scale disasters or cyber-attacks, etc.

(2)Thorough Management of Information Security
- Thorough and strict management of customer information, etc.

(3) Establishment of Systems for People with Disabilities, etc.
- Development of facilities and systems to allow people with disabilities to use financial services securely

(4) Enhancement of the Systems for Selling Risky Products
- The status of compliance with the suitability principle, sales system for risky products to elderly customers, sales system for NISA, etc.

(5) Enhancing Systems for Processing Consultations and Complaints from Customers

(6) Preventing Abuse of Financial Functions
- Establishment of a system to eliminate the furikome fraud, to prevent unauthorized withdrawals through Internet banking, etc. and to prevent money laundering and terrorism financing transactions, etc.

Source:
http://www.fsa.go.jp/en/refer/measures/20131206-4/02.pdf

Attachment 10

Reference: Operations of the Regional Economy Vitalization Corporation of Japan
(1) Support for Business Turnaround

• REVIC mainly supports the core companies in regions where business turnaround is highly difficult.
 Support for devising business turnaround plans, arrangement among creditors, and purchase of claims
 Capital injection, loans and guarantees of obligations, and the dispatch of experts

• When deciding to provide support for SMEs, as a general rule, it is not necessary to publicly announce the company name.

• SMEs bear one-tenth of the due diligence costs.
 Note: REVIC aims to reduce the cost and time required for processing procedures to the furthest extent possible.

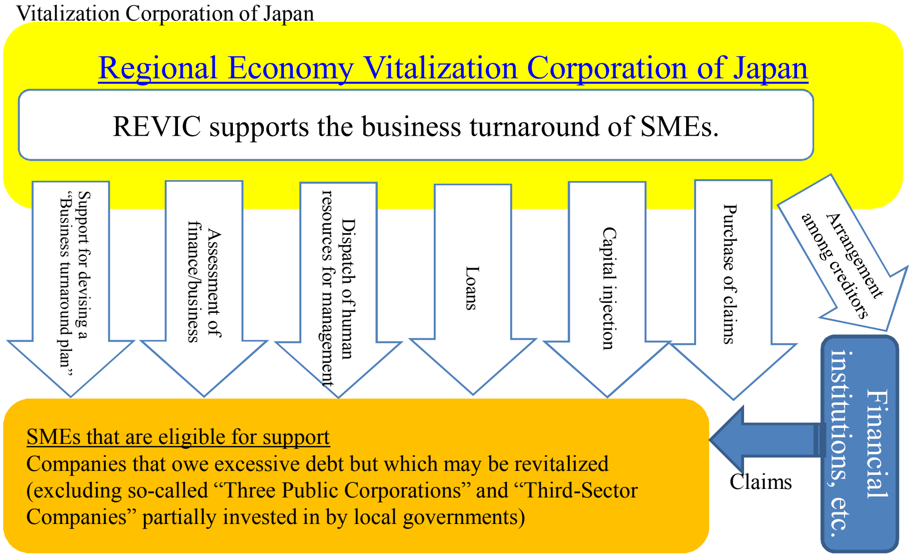
Number of recent consultations

Number of consultations (from April 2012 to the end of October, 2013)	395
Cases that are being arranged between financial institutions and companies	80
Cases that are now being surveyed/discussed (including due diligence) among REVIC, companies, and financial institutions	21

Actual results of support

Actual results of support (as of October 31, 2013, including support by older corporations)	36
Support for mid-sized companies and large companies	8
Support for SMEs	16
Support for medical/educational corporations	12

Summary of support for business turnaround provided by the Regional Economy Vitalization Corporation of Japan



Attachment 11

Reference: Operations of the Regional Economy Vitalization Corporation of Japan
(2) New Operations

Summary of New Operations

Dispatch of experts to financial institutions, etc.	REVIC provides specialist knowledge by dispatching experts with experience in business turnaround/revitalization of regional economies to financial institutions, business-turnaround subsidiaries and fund-management subsidiaries.
Setup/management control of fund-management subsidiaries	REVIC supports the management of funds for business turnaround/regional revitalization through the utilization of the know-how of REVIC experts in cooperation with private companies such as financial institutions.
Capital injection/loans to subsidiaries for business turnaround	REVIC supports the continuous and focused business turnaround of SMEs by conducting capital injection/loans to business-turnaround subsidiaries in conjunction with the provision of know-how through the dispatch of experts.
Acceptance of trust of non-main banks' loan assets	REVIC supports the speedy and smooth turnaround of SMEs and helps reduce the burden on SMEs by: consolidating non-main banks' loan assets into REVIC through trusts; and by limiting creditors to main banks and REVIC.

Images of new business, business transformation, and regional revitalization business (examples)

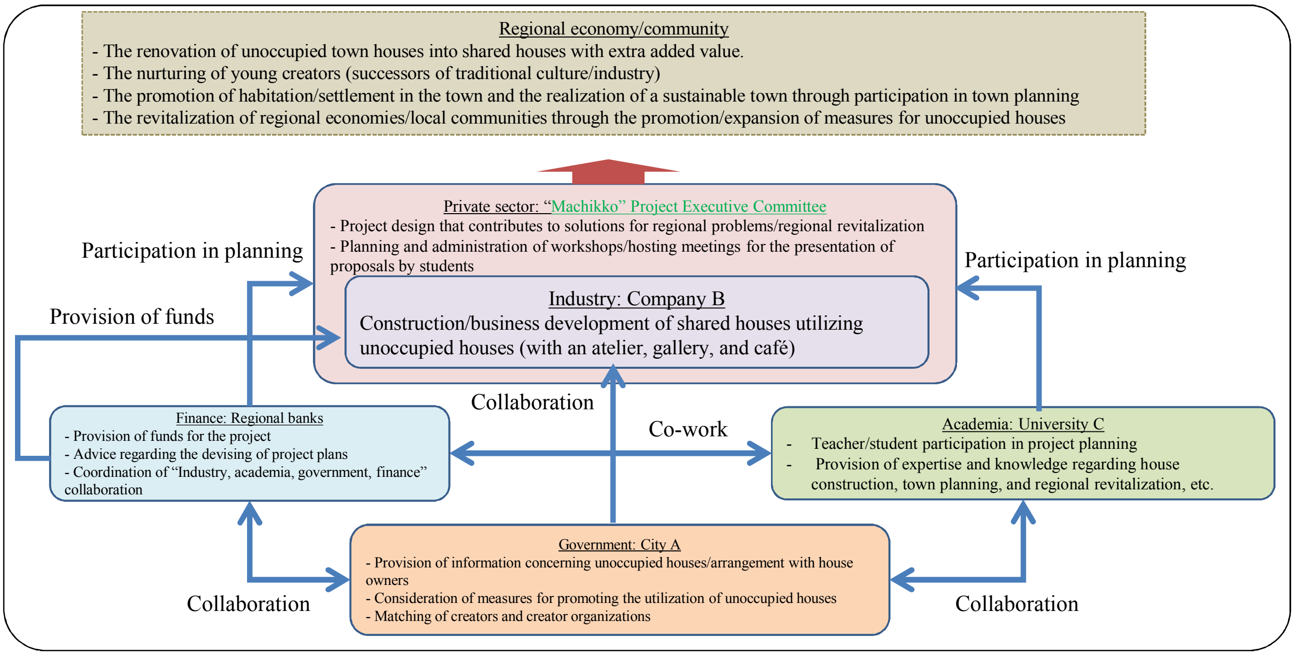
Companies that create industries that are expected to become major new industries in the region	Companies involved in the redevelopment/revitalization of station front areas and/or shopping streets
Companies that engage in new business in cooperation with research organizations such as universities	Companies that utilize regional resources such as solar energy and geothermal energy
Companies that operate "medical care/nursing facilities" in response to regional needs	Companies that revitalize tourist facilities and hot springs hotels in an integrated manner
Companies that advance into/transform business, from construction/manufacturing to agribusiness, etc.	

Attachment 12

Example of the casebook 1: New loans

New Loans and Support for the Commercialization of Projects to Solve Regional Problems

• The bank participated in a private-sector-led project to solve various problems in the region, such as declining inner city areas, and coordinated with the "Industry, academia, government, finance" collaboration.
• The bank has proactively contributed to regional revitalization through the provision of loans and help to devise new business plans to solve regional problems.

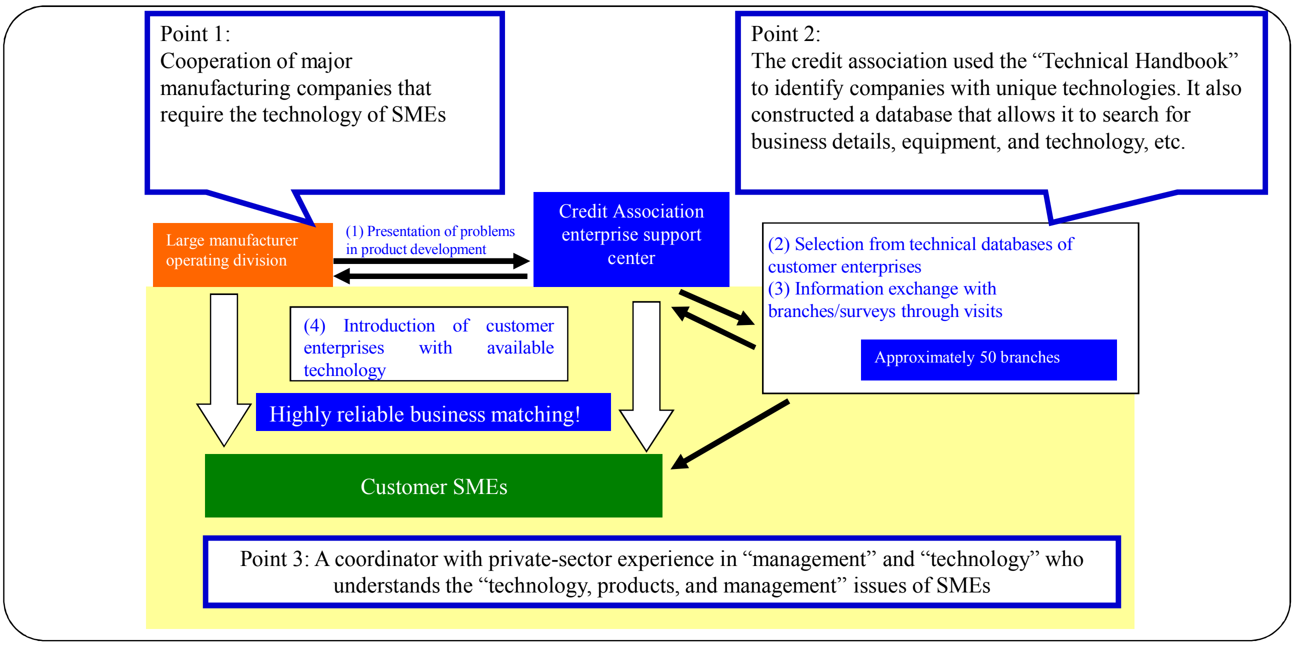


Attachment 13

Example of the casebook 2: Improving Profit of Main Business

Matching Through the Utilization of Databases

• Using its own unique database, the bank developed a highly-precise matching support system that takes into account the customer enterprise's technological capacity.
• The credit association matched up a major manufacturer with a company with the technology to meet the manufacturer's demands, thus satisfying the needs of both parties.

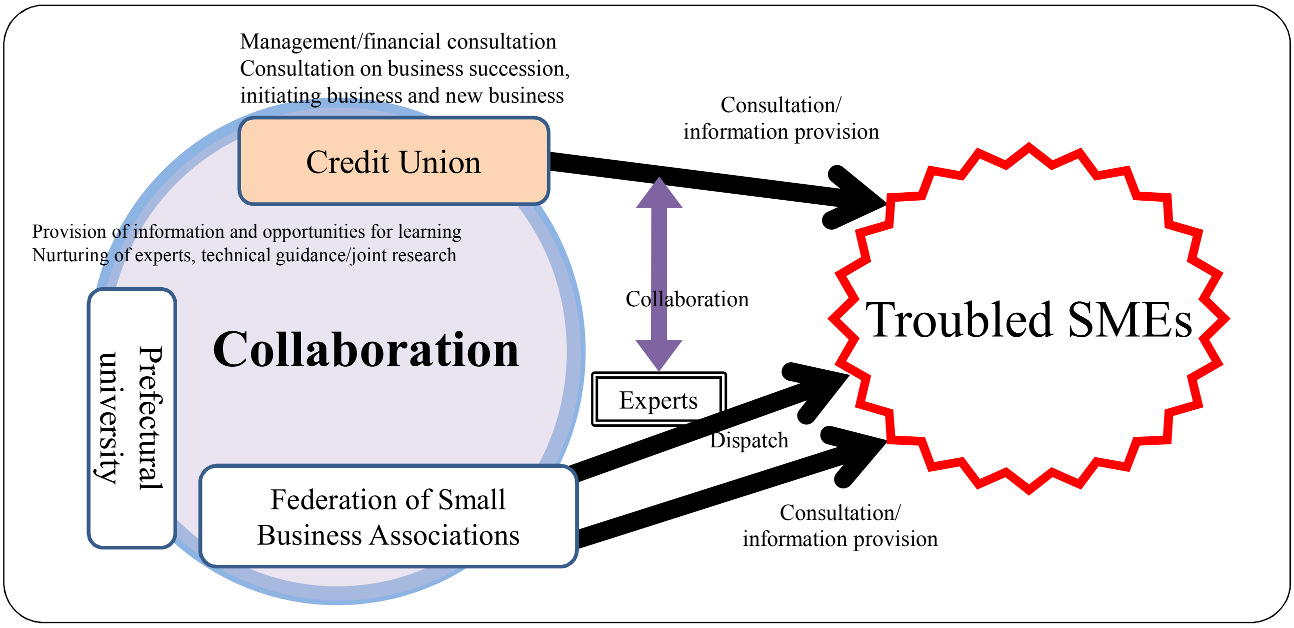


Attachment 14

Example of the casebook 3: Support for Business Improvement/Business Turnaround, etc.

Consultation and Information Provision in Cooperation with the Federation of Small Business Associations

• The credit union established a management support structure to solve the management issues and problems of SMEs in cooperation with the Federation of Small Business Associations, etc.
• The credit union conducts management support through: various consultation projects; the dispatch of experts; business matching; and the provision of information through seminars.

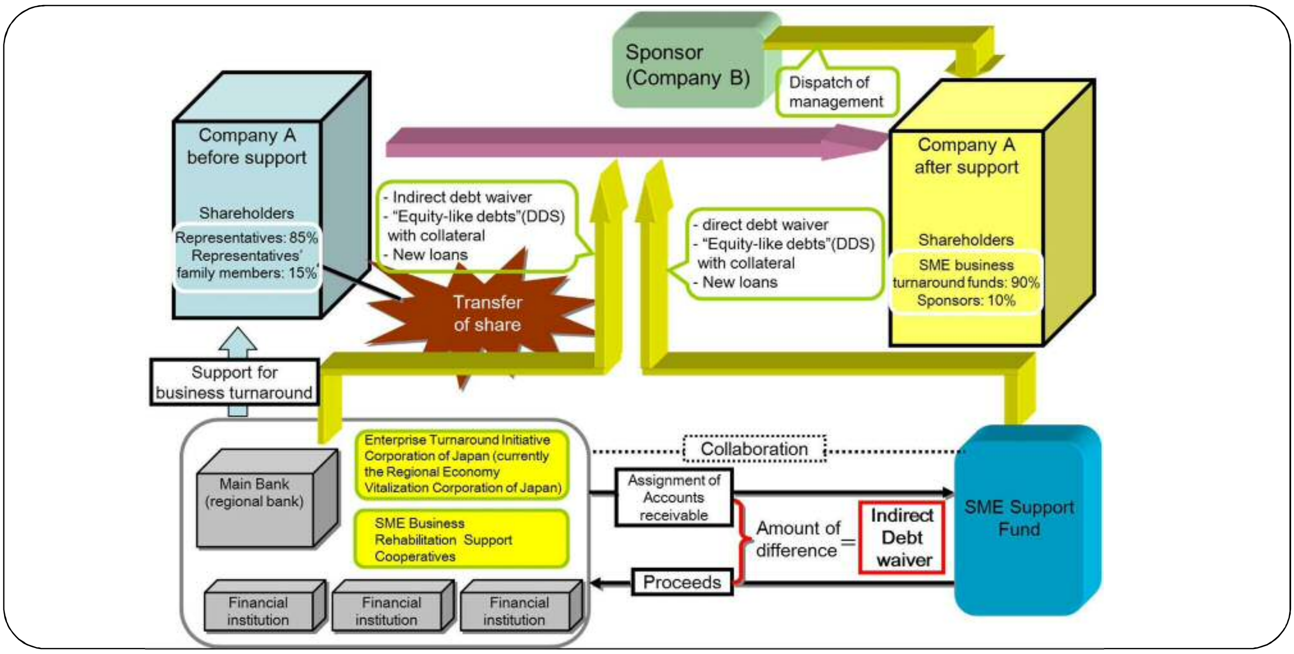


Attachment 15

Example of the casebook 4: Support for Business Improvement/Business Turnaround, etc.

Support for business turnaround through utilization of regional revitalization funds and conversion to "equity-like debts" (DDS)

• The main bank shall swiftly devise a business turnaround plan for customers whose liabilities exceed assets but who are nonetheless expected to turnaround. This plan shall include: the utilization of regional revitalization funds and DDS; and drastic financial assistance such as the provision of new loans.
• The bank can also cooperate with other financial institutions with knowledge of business turnaround plans. This will ensure business continuity and save jobs.



Attachment 16

Example of the casebook 5: Support for Start-up Business Operations

Support for the launch of public-private joint entities through project finance

• The bank helps to devise a start-up plan for the joint public/private establishment of complex facilities for the purposes of new urban development.
• The bank constructs a lending scheme for the public-private joint entity through project finance.