

✿ The savings insurance system protects your savings! ✿

Savings Insurance System Guidebook



Agricultural and Fishery Co-operative Savings Insurance Corporation



What is SIC?

The Agricultural and Fishery Co-operative Savings Insurance Corporation (“SIC”) is intended to protect your savings in agricultural/fishery cooperatives through the “savings insurance system” .

In case of emergency, SIC protects the savings of depositors to a certain extent by means of financial assistance, etc.



1. Outline of the Savings Insurance System

(1) Insured cooperatives

656 cooperatives(As of the end of June,2023)

- (i) Agricultural cooperatives (539)
- (ii) Fishery cooperatives (74)
- (iii) Credit federations of agricultural cooperatives (32)
- (iv) Credit federations of fishery cooperatives (10)
- (v) The Norinchukin Bank (1)

(2) Eligible Savings and scope of protection

	Type	Savings product	Scope of protection
Eligible savings	Savings for payment and settlement purposes	- Current savings - Ordinary savings (no interest), etc.	Full protection 〔Full amount of principal〕
	General savings, etc.	- Ordinary savings (with interest) - Time savings - Installment savings - Norinchukin Bank debentures (safekeeping instruments such as interest-bearing bank debentures)	Limited protection 〔UP to a total of JPY 10 million plus interest, etc.〕

(Note 1) Foreign-currency savings, negotiable certificates of savings, savings from financial institutions, anonymous savings, etc. are non-eligible savings.

(Note 2) Repayment for the portion in excess of JPY 10 million and the non-eligible savings is made after the assets of the failed cooperative are settled.
However, SIC may make estimated proceeds payment before the settlement.





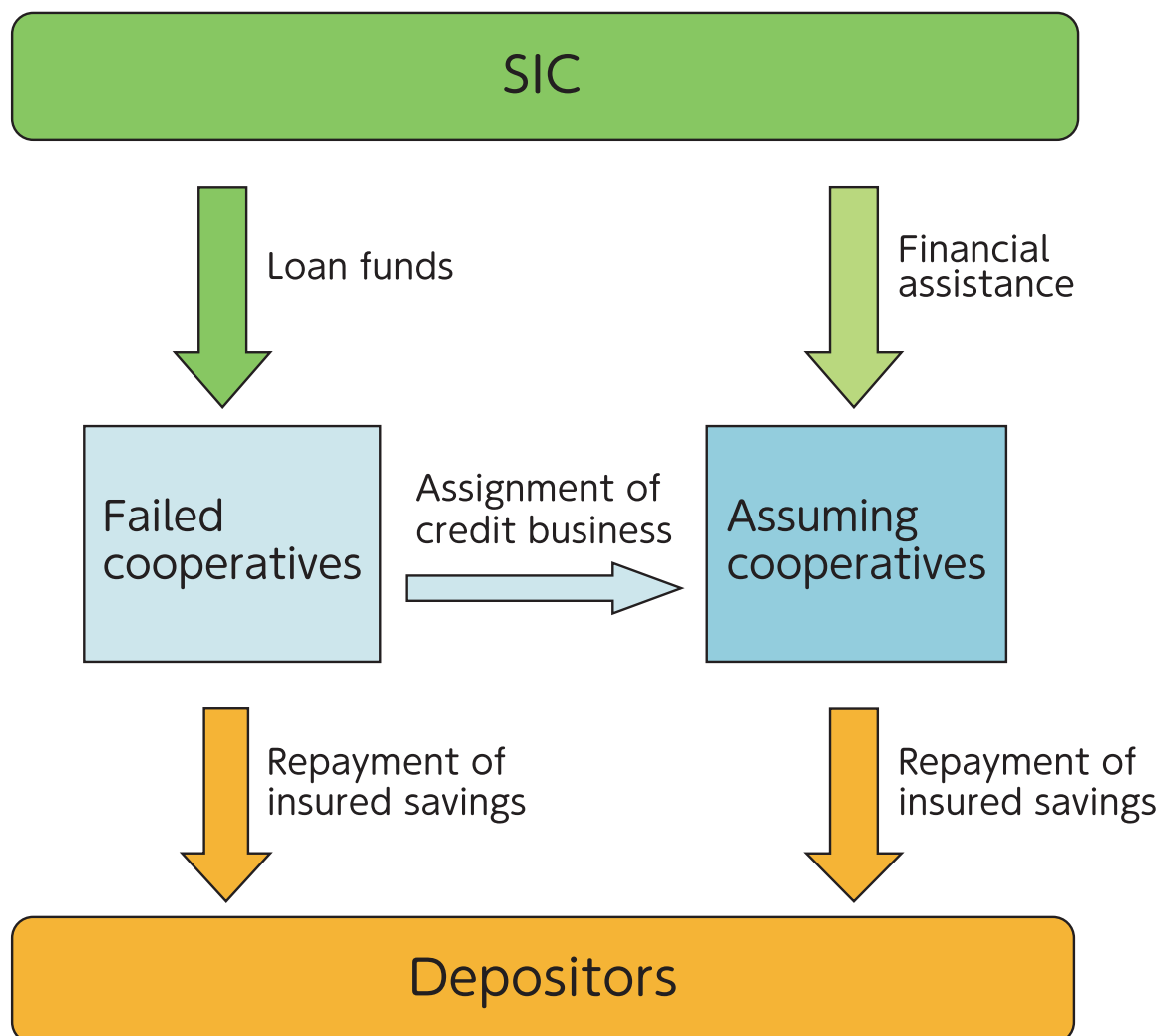
(3) Resolution of failed cooperatives (Protection of depositors)

(i) Financial assistance method (when there are assuming cooperatives)

This method is based on the Agricultural and Fishery Cooperatives Savings Insurance Act (hereinafter “Savings Insurance Act”) and the Civil Rehabilitation Act.

SIC loans funds to the failed cooperatives for repayment of savings and provides financial assistance (e.g. monetary grant) to the cooperatives which assume the failed cooperatives in order to protect the depositors.

Conceptual diagram of financial assistance method

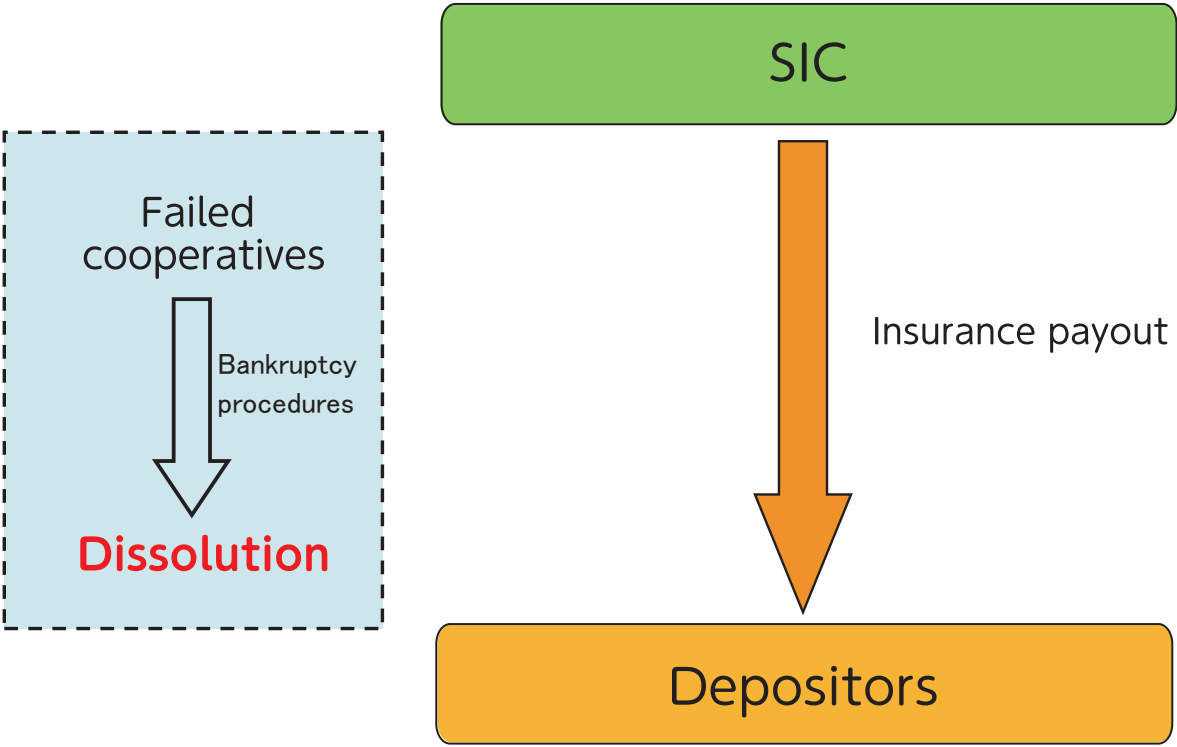




(ii) Insurance payout method (when there are no assuming cooperatives)

This method is based on the Savings Insurance Act and the Bankruptcy Act. SIC directly pays the insurance to the depositors of the failed cooperatives to protect them.

Conceptual diagram of insurance payout





(4) Operations of administrator

When the liabilities of cooperatives are in excess of the assets the prefectural governor or competent ministers issue an order for the management of business and assets by administrators.

In that case, SIC itself is appointed as an administrator and sends the SIC employees to the relevant cooperatives (cooperatives under management) to undertake the following operations in cooperation with other selected administrators in accordance with the Savings Insurance Act and the Civil Rehabilitation Act.

- (i) Manage operations and assets of the cooperatives under management on behalf of the former executives.
- (ii) Take necessary procedures related to merger, etc. of the cooperatives under management in a prompt manner.
- (iii) Pursue liability of the former executives of the cooperatives under management.

(5) On-site inspection

In the failure resolution of any cooperative, the repayment of insured savings and insurance payout are made to the depositors whose name-based aggregation based on the depositor data is completed. If the depositor data is defective and the name-based aggregation is not completed, the depositor is not eligible for the above protection methods. The same applies to the depositors with identical names to those of the depositors whose name-based aggregation are not completed. Repayment of savings or account transfer is not performed for such depositors.

As described, it is important that there is no flaw in the depositor data in failure resolution of cooperatives, in order to protect depositors. Therefore, SIC inspects the entries of the depositor data in cooperatives during on-site inspection.



2. Corporate Profile

- (1) Corporate name** Agricultural and Fishery Co-operative Savings Insurance Corporation
- (2) Establishment** Established as an authorized corporation on September 1 1973 under the Agricultural and Fishery Co-operative Savings Insurance Act (July 1973, No. 53). The competent ministers are the Minister of Agriculture, Forestry and Fisheries, the Minister of Finance and the Prime Minister (delegated to the Commissioner of the Financial Services Agency).
- (3) Capital and liability reserve** Capital: JPY 2,280 million (As of the end of March 2023)
Liability reserve: JPY 470.8 billion (As of the end of March 2023)
- (4) Executives/Employees** Policy board members: Seven
Executives: Three, including one President,
one Vice President and one part-time Auditor
Employees: 18 (As of the end of March 2023)
- (5) Business results**
- (i) Balance of eligible savings: JPY 116 trillion (average daily balance in FY 2022)
 - (ii) Financial assistance: JPY 09.82 billion in total (Financial assistance in 22 cases out of the resolutions of 32 cooperatives since 1987)

(Breakdown)

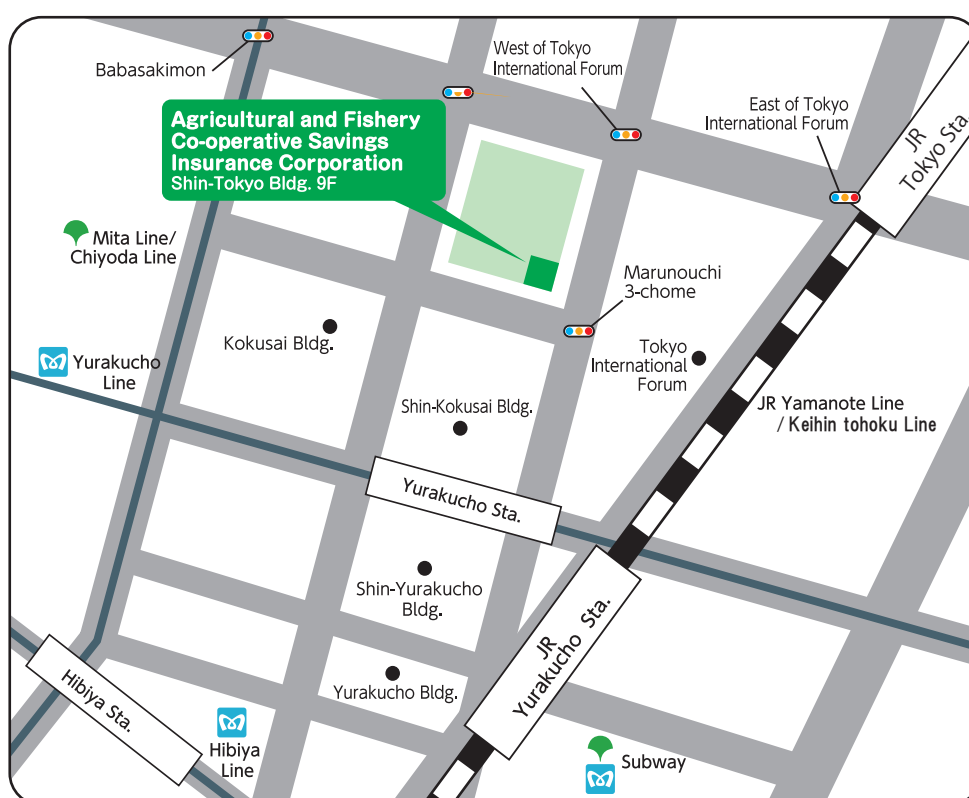
Monetary grant	JPY 93.96 billion
Asset purchase	JPY 8.86 billion
Performance of guarantee of liabilities	JPY 4.17 billion
Grant of subordinated loans	JPY 2.77 billion
Loan of repayment funds	JPY 60 million

- (iii) On-site inspection (FY 2002–FY 2022) : 551 cooperatives, including 45 fishery cooperatives
- (iv) Capital subscription to the Corporation for Revitalizing Earthquake -Affected Business: JPY 1.98 billion





Access



Contact

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