

Amendment to "Guidelines on Eligible Collateral"

Table 1 shall be amended as underlined.

Table 1

Categories of Collateral and Collateral Prices

1. Government Bonds (excluding Floating-Rate Bonds, STRIPS, and Inflation-Indexed Bonds)

A residual maturity of:

- | | | |
|-----|---|-------------|
| (1) | } | (No change) |
| 3 | | |
| (5) | | |

1.2. Floating-Rate Bonds

A residual maturity of:

<u>(1) up to 1 year</u>	<u>99% of market price</u>
<u>(2) more than 1 year and up to 5 years</u>	<u>99% of market price</u>
<u>(3) more than 5 years and up to 10 years</u>	<u>98% of market price</u>
<u>(4) more than 10 years and up to 20 years</u>	<u>98% of market price</u>

1.2.3. STRIPS

A residual maturity of:

- | | | |
|-----|---|-------------|
| (1) | } | (No change) |
| 3 | | |
| (4) | | |

134. Inflation-Indexed Bonds

A residual maturity of:

(1) }
 } (No change)
(4) }

2. }
 } (No change)
14. }

15. Loans on Deeds to Companies

An original maturity of:

(1) (No change)	
(2) more than 1 year and up to 3 years	9291% of outstanding principal balance
(3) more than 3 years and up to 5 years	8680% of outstanding principal balance
(4) more than 5 years and up to 7 years	7570% of outstanding principal balance
(5) (No change)	

16. Loans on Deeds to the Government's Special Account for the Allotment of Local Allocation Tax and Local Transfer Tax

An original maturity of:

(1) (No change)	
(2) more than 1 year and up to 3 years	9493% of outstanding principal balance
(3) more than 3 years and up to 5 years	9085% of outstanding principal balance

(4) more than 5 years and up to 7 years	8075% of outstanding principal balance
(5) (No change)	

17. Loans on Deeds to the Deposit Insurance Corporation with Government Guarantee

An original maturity of:

(1) (No change)	
(2) more than 1 year and up to 3 years	9493% of outstanding principal balance
(3) more than 3 years and up to 5 years	9085% of outstanding principal balance
(4) more than 5 years and up to 7 years	8075% of outstanding principal balance
(5) (No change)	

18. Loans on Deeds to the Industrial Revitalization Corporation of Japan with Government Guarantee

An original maturity of:

(1) (No change)	
(2) more than 1 year and up to 3 years	9493% of outstanding principal balance
(3) more than 3 years and up to 5 years	9085% of outstanding principal balance
(4) more than 5 years and up to 7 years	8075% of outstanding principal balance
(5) (No change)	

19. Loans on Deeds to the Banks'

**Shareholdings Purchase Corporation with
Government Guarantee**

An original maturity of:

(1) (No change)

(2) more than 1 year and up to 3 years

9493% of outstanding
principal balance

(3) more than 3 years and up to 5 years

9085% of outstanding
principal balance

(4) more than 5 years and up to 7 years

8075% of outstanding
principal balance

(5) (No change)

<Special Provision>

(No change)

Table 2 shall be amended as underlined.

Table 2

Eligibility Standards for Each Category of Collateral

Collateral Category	Eligibility Standard
Government Bonds (including <u>Floating-Rate Bonds</u> , <u>STRIPS</u> , and Inflation-Indexed Bonds)	Ordinary government bonds except for government bonds specifically designed for individual investors.
Financing Bills	} (No change)
)	
Loans on Deeds to the Banks' Shareholdings	
Purchase Corporation with Government Guarantee	

(Supplementary Provision)

These amendments shall become effective on a day designated by the Governor, which shall be no later than October 31, 2006.

Amendment to "Principal Terms and Conditions for the Purchase/Sale of Japanese Government Securities with Repurchase Agreements"

- 7. (2) shall be amended as underlined.

(2) Margin ratios

Margin ratios shall be as follows;

(a) Securities purchased by the Bank

A residual maturity of:

- (i) } (No change)
- (ii) }

(iii) more than 5 years and up to 10 years	<u>1.0201.019</u>
(iv) more than 10 years and up to 20 years	<u>1.0391.036</u>
(v) more than 20 years	<u>1.0661.057</u>

(b) Securities sold by the Bank

A residual maturity of:

- (i) } (No change)
- (ii) }

(iii) more than 5 years and up to 10 years	<u>0.9840.982</u>
(iv) more than 10 years and up to 20 years	<u>0.9640.967</u>
(v) more than 20 years	<u>0.9440.948</u>

- 8. (5) shall be amended as underlined.

(5) Collateral prices

Collateral prices shall be as follows;

(a) Securities supplied to the Bank

A residual maturity of:

(i)	} (No change)	
(ii)		
(iii)	more than 5 years and up to 10 years	98.4 <u>98.2</u> % of market price
(iv)	more than 10 years and up to 20 years	96.3 <u>96.6</u> % of market price
(v)	more than 20 years	93.8 <u>94.6</u> % of market price

(b) Securities supplied by the Bank

A residual maturity of:

(i)	} (No change)	
(ii)		
(iii)	more than 5 years and up to 10 years	101.9 <u>101.8</u> % of market price
(iv)	more than 10 years and up to 20 years	103.7 <u>103.4</u> % of market price
(v)	more than 20 years	106.2 <u>105.4</u> % of market price

(Special Provision)

These amendments shall become effective on a day designated by the Governor, which shall be no later than October 31, 2006.

Amendment to "Principal Terms and Conditions for the Sale of Japanese Government Securities with Repurchase Agreements to Provide the Markets with a Secondary Source of Japanese Government Securities"

8. (2) shall be amended as underlined.

(2) Margin ratios

Margin ratios shall be as follows;

A residual maturity of:

(i) }
(ii) } (No change)

(iii) more than 5 years and up to 10 years

0.9810.982

(iv) more than 10 years and up to 20 years

0.9640.967

(v) more than 20 years

0.9410.948

(Special Provision)

These amendments shall become effective on a day designated by the Governor, which shall be no later than October 31, 2006.