1 : Treatment of equities that arise from a debt/equity swap (para.206, Footnote54)
   ◇ Since equities that arise from a debt/equity swap are included in the definition of
   equity holdings, these instruments generally do not attract a lower capital charge
   than if the holdings remained in the debt portfolio. To further smooth utilization
   of debt/equity swaps as restructuring of debt, we request reduction in the capital
   charge for these instruments (e.g. the application of the capital charge that would
   be applied if the holdings remained in the debt portfolio).

2 : Transitional measures and easing of requirement for LGD & EAD data holding
   period of seven years at the beginning of implementation of the New Accord
   (para.434, 440)
   ◇ As for LGD/EAD estimates, the requirement of holding seven-year data is
   excessively long at the beginning of implementation of the New Accord. Since
   there is only two year's leeway between the finalization of the New Accord
   proposals at the end of 2003 and their trial implementation at the end of 2005, we
   believe that greater flexibility is necessary for the transitional measures.
   ◇ In addition, we propose data sufficiency for estimating LGD/EAD as an
   alternative requirement for AIRB, in case that the requirement for minimum data
   holding period is not met after the implementation of the New Accord.

3 : Operational risk - Beta value of Standardized Approach (para.617)
   ◇ Since the average Beta (12,15,18%) under the Standardized Approach remains at
   the same level (15%) as the Alpha under the Basic Indicator Approach, there is
   not enough incentive to adopt the Standardized Approach. We request that Beta
   value of Standardized Approach should be lowered for appropriate incentive
   towards more risk sensitive approach.