

EXPLANATORY NOTES

1. Eligible Short Term Liabilities

Amounts owed to Banks

In addition to items detailed in the Rule, currency swaps and loans received under agreements to repurchase and with a maturity period of three months or less are to be reported with amounts owed to Banks.

2. Deductions

Deduct loans received under agreements to repurchase securities which are eligible as liquid assets and the value of currency swaps. Such agreements are deducted because the underlying assets are considered carrying a lien or charge due to the contract and not eligible as liquid assets.

3. Short Term Liabilities as Reduced

Eligible Short Term Liabilities less deductions.

4. Liquid Asset Requirement

This is 30% of the Short Term Liabilities as reduced.

5. Eligible Liquid Assets

Eligible liquid assets received under agreements to resell and the value of currency swaps are to be reported only if the agreement or the said swaps are for a maturity period of three months or less. Specified Assets are only eligible for liquidity purposes if they are free from any lien or charge of any kind.

6. Proportion of Liquid-Assets

Report the proportion of eligible liquid-assets to short term liabilities as reduced. This should equal or exceed the liquid-asset requirement in paragraph 15 of the Rule.