

SCHEDULE

Article 3.

ELIGIBLE LIABILITIES

1. The amount of the eligible institution's liabilities in respect of sterling deposits (other than those evidenced by an instrument falling within paragraph 2 below) made with United Kingdom offices of the eligible institution, except for over two year deposits.

2. The amount of the eligible institution's liabilities in respect of certificates of deposit, commercial paper, bonds, notes and other similar instruments denominated in each case in sterling and issued by United Kingdom offices of the eligible institution on terms requiring repayment not later than five years from the date of issue.

3. The amount of the eligible institution's liabilities to make payments in sterling for the purchase of, or otherwise in return for the transfer to it of, securities or other assets under retransfer agreements entered into by United Kingdom offices of the eligible institution, other than any such agreements entered into with the Bank.

4. The amount of all sterling items in suspense held by United Kingdom offices of the eligible institution.

5. 60% of the amount of sterling credit items in the course of transmission by United Kingdom offices of the eligible institution to the Bank, any other United Kingdom office of the eligible institution or a United Kingdom office of any other eligible institution.

6. The amount of the eligible institution's liabilities to make payments in sterling for the purchase of securities or other assets under sale and repurchase agreements entered into by United Kingdom offices of the eligible institution with the Bank in connection with the Real Time Gross Settlement system operated by the Bank, which the Bank has allowed to remain outstanding overnight.

7. The amount (if any) by which the total liabilities of the United Kingdom offices of the eligible institution denominated in currencies other than sterling, as reported to the Bank, exceed the total assets of those offices denominated in such currencies, as so reported.

LESS

(a) (a) The amount of any sterling deposits made by United Kingdom offices of the eligible institution with the Bank (other than cash ratio deposits made with the Bank pursuant to Schedule 2 to the Act or any such deposits made prior to the commencement of the Act and any other deposits which the institution may from time to time be required by or pursuant to the provisions of any enactment to make with the Bank).

(b) Sterling amounts payable by the Bank to United Kingdom offices of the eligible institution under the terms of any finance lease.

(a) (a) The amount of any sterling deposits made by United Kingdom offices of the eligible institution with, and sterling loans made by such offices to, United Kingdom offices of other eligible institutions (including certificates of deposit and commercial paper which are—

(i) denominated in sterling;

(ii) held by United Kingdom offices of the eligible institution; and

(iii) issued by United Kingdom offices of other eligible institutions;

but excluding any instrument which falls within paragraph 11 below).

(b) Sterling amounts payable to United Kingdom offices of the eligible institution by United Kingdom offices of any other eligible institution under the terms of any finance lease.

(c) The amount of sterling cheques passed by United Kingdom offices of the eligible institution to United Kingdom offices of other eligible institutions for collection.

10. The amount of the eligible institution's claims to receive payments in sterling for the sale of, or otherwise in return for the transfer by it of, securities or other assets under retransfer agreements entered into by United Kingdom offices of the eligible institution with United Kingdom offices of other eligible institutions.

11. The value of the preference shares, bonds, notes and other similar debt instruments (other than certificates of deposit and commercial paper but including subordinated loan capital not represented by the issue of securities) denominated in sterling and issued by a United Kingdom office of any other eligible institution on terms requiring redemption or repayment not later than five years from the date of issue which are held by United Kingdom offices of the eligible institution for its own account.

12. 60% of the amount of sterling debit items in the course of collection by United Kingdom offices of the eligible institution from the Bank, any other United Kingdom office of the eligible institution or a United Kingdom office of any other eligible institution.

13. The amount (if any) by which the eligible institution's sterling deposit liabilities to non-resident offices exceed the institution's net sterling liabilities to non-resident offices.