Exhibits

1.1 Control of foreign exchange dealing in the UK 10
1.2 Recommendations of the working group 17
1.3 The White Paper on Banking Supervision 34
1.4 Components of primary capital under the US/UK accord 41
1.5 Risk weights for on-balance-sheet items proposed under the US/UK accord 42
1.6 Conversion factors for off-balance-sheet items under the US/UK accord 43
1.7 Adjustments to be made to primary capital for calculation of the risk asset ratio (RAR) under the US/UK accord 45
1.8 Definition of capital included in the capital base under the BIS proposals 46
1.9 Risk weights by category of on-balance-sheet assets under the BIS proposals 47
1.10 Credit conversion factors for off-balance-sheet items under the BIS proposals 48
1.11 Credit conversion factors for interest rate- and exchange rate-related activities under the BIS proposals 49
1.12 The risk asset ratio methodology to be employed by banking regulators under the G10 capital accord of 1988 50
1.13 Transitional arrangements under the BIS proposals 52
1.14 Minimum standards for netting schemes set out in the Lamfalussy Report 53
1.15 Concessionary conversion factors which may be (temporarily) employed by banks adopting the original exposure method to calculate the loan equivalents arising from netted off-balance-sheet transactions 55
1.16 The expanded matrix of add-ons used from the end of 1995 by banks adopting the current exposure method to calculate the loan equivalents arising from non-netted off-balance-sheet transactions 56
1.17 Net replacement values 59
1.18 Primary loss allocations 60
1.19 The calculation of the capital charge for market risk under the internal models approach allowed, at national discretion, by the Basle Committee
1.20 The new RAR methodology to be employed under the Basle capital accord to accommodate market risk
1.21 Weighting factors to be employed in the calculation of general market risk capital charges for debt securities under the ‘maturity’ method
1.22 The Basle Committee’s proposed capital requirements for dealing with commodities risk
1.23 The Basle Committee’s principles for interest rate risk management
1.24 List of core principles for effective banking supervision
1.25 SRO structure under the Financial Services Act 1986
1.26 The Financial Services Act 1986
1.27 The structure of UK financial regulation pre-June 1998: a simplified model
1.28 The structure of UK financial regulation under the new Financial Services Act
1.29 Differences between the Basle agreement on capital adequacy assessment and the EC Directives on own funds and solvency ratios
1.30 The services covered by the ‘single passport’ under the Investment Services Directive
1.31 Alternative definition of own funds allowed, at national discretion, under the CAD
1.32 The RAR methodology employed by EU banking regulators since the implementation of the CAD on 1 January 1996
1.33 Differences between the EC and Basle Committee approaches to measuring and assessing market risk for firms engaged in investment business
1.34 BCCI: timetable of events 1972–98
1.35 BCCI: a comparison of suggested supervisory reforms
1.36 A summary of Lord Justice Bingham’s recommendations
1.37 The Bank’s response to the Bingham Report
1.39 Barings: the lessons to be learnt by the Bank according to the (independent members of the) Board
1.40 Arthur Andersen’s summary of recommendations
1.41 The proposed new organizational structure for S&S
2.1 S&S organogram (as at 1 March 1997)
2.2 List of institutions authorized as at 28 February 1998
Exhibits

2.3 The definition of ‘primary capital’ prior to the UK/US accord 245
2.4 Definitions of the ‘capital base’ and ‘adjusted capital base’ used by the Bank in assessing the capital adequacy of authorized institutions 245
2.5 The Bank’s approach to defining capital under the Own Funds Directive 249
2.6 The Bank’s approach to defining capital under the CAD 252
2.7 Risk weights applied to on-balance-sheet assets by the Bank pre-CAD 258
2.8 Potential credit exposure: proposed conversion factors for interest rate and foreign exchange rate contracts 263
2.9 Calculation of credit equivalent amounts: interest rate- and foreign exchange rate-related transactions 264
2.10 Credit conversion factors for off-balance-sheet risk applied by the Bank 265
2.11 The Bank’s treatment of interest rate- and foreign exchange rate-related instruments 267
2.12 Prudential return form (CAD1) 269
2.13 Capital requirements imposed under the CAD to deal with position risk 284
2.14 Scaling factors to be applied to net underwriting positions to derive the ‘reduced underwriting positions’ under the Bank’s proposals 292
2.15 Capital requirements imposed under the CAD to deal with settlement risk 293
2.16 Capital requirements imposed under the CAD to deal with counterparty risk 294
2.17 Capital requirements imposed under the CAD to deal with large exposures risk arising from intermediaries’ trading book business 296
2.18 Capital requirements imposed under the CAD to deal with foreign exchange risk 298
2.19 The new RAR methodology to be employed by UK-incorporated banks under the CAD 303
2.20 SLR1 form 305
2.21 Procedures adopted in the assessment of liquidity adequacy for banks other than large UK retail banks 308
2.22 LR form 311
2.23 The S3 return 329
2.24 The treatment of large exposures under the CAD: calculation of the incremental capital requirements for excess exposures extant for more than 10 days 336
2.25 Revised large exposures return 337
2.26 Country debt provisioning matrix 354