

Clearing Notice No 2

Zurich, 25 August 2003

We have received from the Swiss Federal Banking Commission (SFBC) the following information concerning the handling of irregular lien in our participants' accounts:

After consultation with all specialists concerned we have established that, with respect to the handling of irregular lien in the balance sheets of SIS x-clear participants, Rz 29m and Rz 29n respectively of the RRV-SFBC are relevant. Consequently, if the economic right of disposal and the market risk remain with the bank having transferred the lien, which is the case according to the standard contract of SIS x-clear, and if that bank continues to collect the proceeds of the securities concerned, the irregular lien is to be treated in exactly the same way as a "regular" lien. Therefore, the transfer of such securities will not be reflected in the balance sheet in this case.