

PROSPECTUS

dbInvestor Solutions plc

(Incorporated with limited liability in Ireland)

Programme for the issuance of Secured Securities

Series 108
Up to EUR100,000,000 Index Linked Redemption Secured Notes due 2018

Arranger **Deutsche Bank AG, London Branch**

This Prospectus (the “**Prospectus**”) dated 1 March 2013 constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “**Prospectus Directive**”).

This Prospectus is available on the Irish Stock Exchange's website (www.ise.ie).

The Securities to which this Prospectus relates are as specified above (the “**Securities**”). The Prospectus comprises five sections: (a) Part A (Summary Section), (b) Part B (Risk Factors Section), (c) Part C (General Description of Securities Section), (d) Part D (Securities Section) and (e) Part E (Programme Section) referred to as the “**Summary Section**”, “**Risk Factors Section**”, “**General Description of Securities Section**”, “**Securities Section**” and “**Programme Section**”, respectively.

This Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”) in its capacity as competent authority under the Prospectus Directive 2003/71/EC (the “**Prospectus Directive**”). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Securities to be admitted to the Official List and trading on its regulated market.

Dated 1 March 2013

IMPORTANT INFORMATION

The Issuer accepts responsibility for the information contained in the Prospectus. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the delivery of the Prospectus nor any sale made in connection herewith shall at any time imply that the information contained herein is correct at any time subsequent to the date of the Prospectus or that any further information supplied in connection with the Securities is correct as of any time subsequent to the date indicated in the document containing the same. No person has been authorised to give any information or to make representations other than those contained in the Prospectus in connection with the issue or sale of the Securities and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer or the Arranger.

None of the Prospectus and any further information supplied in connection with the Securities is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer and/or the Arranger and/or the Trustee that any recipient of the Prospectus or any further information supplied in connection with the Securities should purchase any Securities. Each investor contemplating purchasing Securities should make its own independent investigation of the risks involved in an investment in the Securities. Neither the Prospectus nor any other information supplied in connection with the Securities constitutes an offer by or on behalf of the Issuer and/or the Arranger or any other person to purchase any Securities.

Neither the Arranger nor the Trustee has separately verified the information contained herein and accordingly neither the Arranger nor the Trustee makes any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of the information contained herein or in any further information, notice or other document which may at any time be supplied in connection with the Securities or their distribution and none of them accepts any responsibility or liability therefor. Neither the Arranger nor the Trustee undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by the Prospectus nor to advise any investor or potential investor in any Securities of any information coming to the attention of either the Arranger or the Trustee.

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES

Restrictions on Non-exempt offers of Securities in Relevant Member States

*Any person making or intending to make an offer of Securities in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus (a “**Non-exempt Offer**”) in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) may only do so if this Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Prospectus in connection with such offer as provided under “Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)” and the terms of that consent are complied with by the person (the “**Offeror**”) making the Non-exempt Offer of such Securities.*

Save as provided above, neither the Issuer nor the Arranger have authorised, nor do they authorise, the making of any Non-exempt Offer of Securities in circumstances in which an

obligation arises for the Issuer or the Arranger to publish or supplement the Prospectus for such offer.

Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)

Any person (an “**Investor**”) intending to acquire or acquiring any Securities from any Offeror other than the Distributor should be aware that, in the context of a Non-exempt Offer of such Securities, the Issuer will not be responsible to the Investor for this Prospectus under Article 6 of the Prospectus Directive. Neither the Issuer nor the Arranger makes any representation as to the compliance by that Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Non-exempt Offer and neither the Issuer nor the Arranger has any responsibility or liability for the actions of that Offeror. **Save as provided below, neither the Issuer nor the Arranger has authorised the making of any Non-exempt Offer by any Offeror or consented to the use of this Prospectus by any other person in connection with any Non-exempt Offer of the Securities. Any Non-exempt Offer made without the consent of the Issuer is unauthorised and neither the Issuer nor the Arranger accepts any responsibility or liability for the actions of the persons making any such unauthorised offer.**

New information with respect to financial intermediaries unknown at the time of the approval of this Prospectus will be published on the website of the relevant financial intermediary.

The Issuer consents to the use of this Prospectus in connection with a Non-exempt Offer of the Securities subject to the following conditions:

- (i) the consent is only valid during the Offer Period specified herein;
- (ii) the only Offeror authorised to use this Prospectus to make a Non-exempt Offer of the Securities is the Distributor;
- (iii) the consent only extends to the use of this Prospectus to make Non-exempt Offers of the Securities in Spain; and
- (iv) the consent is subject to any other conditions set out herein.

The Issuer accepts responsibility, in Spain, for the content of this Prospectus in relation to any Investor who acquires any Securities in a Non-exempt Offer made by any person to whom consent has been given to use this Prospectus in that connection in accordance with the preceding paragraph, provided that such Non-exempt Offer has been made in accordance with all the conditions attached to that consent.

AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN A NON-EXEMPT OFFER FROM THE DISTRIBUTOR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY THE DISTRIBUTOR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THE DISTRIBUTOR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS IN CONNECTION WITH THE NON-EXEMPT OFFER OR SALE OF THE SECURITIES CONCERNED AND, ACCORDINGLY, THIS PROSPECTUS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE DISTRIBUTOR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE DISTRIBUTOR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NEITHER THE ISSUER NOR THE ARRANGER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFERS OF SECURITIES GENERALLY

The distribution of the Prospectus and the offering or sale of the Securities in certain jurisdictions may be restricted by law. Neither the Issuer, the Arranger nor the Trustee represents that this document may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any distribution or offering. In particular, except as indicated in “Sales Restrictions – Public Offer” in the Programme Section, no action has been taken by the Issuer, the Arranger or the Trustee which is intended to permit a public offering of the Securities or the distribution of the Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Securities may be offered or sold, directly or indirectly, and none of the Prospectus, any advertisement relating to any Securities and any other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession the Prospectus comes are required by the Issuer and the Arranger to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of the Prospectus and the offer or sale of Securities in the United States, the European Economic Area (including the United Kingdom and Ireland), see “Sales Restrictions” in the Programme Section.

*The Prospectus has been prepared on the basis that any offer of Securities in any Relevant Member State other than offers (the “**Permitted Public Offers**”) which are made on or prior to the Primary Market End Date, and for which purpose the Issuer has consented in writing to the use of the Prospectus and which are contemplated in the Prospectus in Spain once the Prospectus has been approved by the competent authority in Ireland and published and notified to the relevant competent authority in accordance with the Prospectus Directive as implemented in Spain will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Securities. Accordingly any person making or intending to make an offer in that Relevant Member State of Securities which are the subject of the offering contemplated in the Prospectus, other than the Permitted Public Offers, may only do so in circumstances in which no obligation arises for the Issuer or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor the Arranger have authorised, nor do they authorise, the making of any offer (other than Permitted Public Offers) of Securities in circumstances in which an obligation arises for the Issuer or the Arranger to publish or supplement a prospectus for such offer.*

This document may contain forward-looking statements. Forward-looking statements are statements that are not historical facts, including statements about the Issuer's beliefs and expectations. Any statement in this document that states the Issuer's intentions, beliefs, expectations or predictions (and the assumptions underlying them) is a forward-looking statement. These statements are based on plans, estimates, and projections as they are currently available to the management of the Issuer. Forward-looking statements involve inherent risks and uncertainties. A number of important factors could therefore cause actual results of the Issuer or of the Securities to differ materially from those contained in any forward-looking statement.

PRESENTATION OF INFORMATION

In this Prospectus, unless otherwise specified or the context otherwise requires, references to “euro”, “EUR” and “€” are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

INDEX DISCLAIMER(S)

Sociedad de Bolsas, owner of the IBEX 35® Index and registered holder of the corresponding trademarks associated with it, does not sponsor, promote, or in any way evaluate the advisability of investing in the financial product **“Up to EUR 100,000,000 Index Linked Redemption Secured Notes due 2018”** and the authorisation granted to **dbInvestor Solutions plc** for the use of IBEX 35® trademark does not imply any approval in relation with the information offered by dbInvestor Solutions plc or with the usefulness or interest in the investment in the above mentioned financial product.

Sociedad de Bolsas does not warrant in any case nor for any reason whatsoever:

- a) The continuity of the composition of the IBEX 35® Index exactly as it is today or at any other time in the past.
- b) The continuity of the method for calculating the IBEX 35® Index exactly as it is calculated today or at any other time in the past.
- c) The continuity of the calculation, formula and publication of the IBEX 35® Index.
- d) The precision, integrity or freedom from errors or mistakes in the composition and calculation of the IBEX 35® Index.
- e) The suitability of the IBEX 35® Index for the anticipated purposes for the above mentioned financial product.

The Securities are not sponsored, endorsed, sold, or promoted by the Index or the index sponsor and no index sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or index sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the index sponsor is under no obligation to advise any person of any error therein. No index sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. Neither the Issuer, the Hedge Counterparty nor the Calculation Agent shall have any liability to the Securityholders for any act or failure to act by the index sponsor in connection with the calculation, adjustment, or maintenance of the Index. None of the Issuer, the Hedge Counterparty, the Calculation Agent or any of their respective affiliates has any affiliation with or control over the Index or index sponsor, or any control over the computation, composition, or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning the Index. In addition, no representation or warranty of any type, as to condition, satisfactory quality, performance or fitness for purpose are given, or duty or liability is assumed, by the Issuer, the Hedge Counterparty, or the Calculation Agent or any of their respective affiliates in respect of the Index or any data included in or omissions from the Index, or the use of the Index in connection with the Securities and all those representations and warranties are excluded, save to the extent that such exclusion is prohibited by law.

TABLE OF CONTENTS

| | | |
|---------------|--|-----|
| PART A | SUMMARY SECTION | 8 |
| | SUMMARY RELATING TO SERIES 108 UP TO EUR 100,000,000 INDEX LINKED REDEMPTION SECURED NOTES DUE 2018 | 9 |
| PART B | RISK FACTORS SECTION | 26 |
| | RISK FACTORS – SECURITIES | 27 |
| | RISK FACTORS – PROGRAMME | 36 |
| PART C | GENERAL DESCRIPTION OF SECURITIES SECTION | 45 |
| | GENERAL DESCRIPTION OF SECURITIES | 46 |
| PART D | SECURITIES SECTION | 51 |
| | PRODUCT CONDITIONS OF THE SECURITIES | 53 |
| | STRUCTURE AND CASH FLOW | 75 |
| | DESCRIPTION OF THE CHARGED PROPERTY | 77 |
| | INFORMATION RELATING TO THE UNDERLYING | 80 |
| | ADDITIONAL INFORMATION | 83 |
| PART E | PROGRAMME SECTION | 89 |
| | GENERAL CONDITIONS | 93 |
| | DESCRIPTION OF THE ISSUER | 125 |
| | DESCRIPTION OF THE HEDGING COUNTERPARTY | 128 |
| | TAXATION | 130 |
| | SALES RESTRICTIONS | 136 |
| | DOCUMENTS INCORPORATED BY REFERENCE | 141 |
| | GENERAL INFORMATION | 144 |

PART A
SUMMARY SECTION

SUMMARY RELATING TO SERIES 108 UP TO EUR 100,000,000 INDEX LINKED REDEMPTION SECURED NOTES DUE 2018

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A – E (A.1 – E.7). This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A — Introduction and warnings

| Element | |
|---------|--|
| A.1 | This summary should be read as an introduction to this Prospectus. Any decision to invest in the Securities should be based on a consideration of this Prospectus as a whole by the investor. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member State, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Securities. |
| A.2 | <p>dbInvestor Solutions plc (the “Issuer”) consents to the use of this Prospectus in connection with an offer of the Securities in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a Prospectus (a “Non-exempt Offer”) subject to the following conditions:</p> <ul style="list-style-type: none"> (i) the consent is only valid during the Offer Period specified herein; (ii) the only Offeror authorised to use this Prospectus to make a Non-exempt Offer of the Securities is the Distributor; (iii) the consent only extends to the use of this Prospectus to make Non-exempt Offers of the Securities in Spain; and (iv) the consent is subject to any other conditions set out herein. <p>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY SECURITIES IN A NON EXEMPT OFFER FROM THE DISTRIBUTOR WILL DO SO, AND OFFERS AND SALES OF SUCH SECURITIES TO AN INVESTOR BY THE DISTRIBUTOR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN THE DISTRIBUTOR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE INVESTOR MUST LOOK TO THE DISTRIBUTOR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE DISTRIBUTOR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NEITHER OF THE ISSUER NOR THE ARRANGER HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF ANY SUCH INFORMATION</p> <p>New information with respect to financial intermediaries unknown at the time of the approval of this Prospectus will be published on the website of the relevant financial intermediary.</p> |

Section B — Issuer

| Element | Disclosure requirement | |
|---------|------------------------|--------------------------|
| B.1 | Legal and commercial | dbInvestor Solutions plc |

| Element | Disclosure requirement | | | | | |
|--|---|---|-------------------------|--|--|---|
| | name of the Issuer | | | | | |
| B.2 | Domicile/ legal form/ legislation/ country of incorporation | The Issuer is domiciled in Dublin, Ireland (for which purposes "domiciled in Dublin, Ireland" means that the registered office of the Issuer is at 5 Harbourmaster Place, Dublin 1, Ireland) and is incorporated as a public limited company under the Companies Acts 1963 to 2012 in Ireland. | | | | |
| B.16 | Ownership of the Issuer | The Issuer has issued 40,000 Shares, all of which are fully paid and held either directly or indirectly by three charitable trust companies, Matsack Trust Limited, Matsack Nominees Limited and Matheson Services Limited (the “Charitable Trusts”), on trust for charitable purposes. Each of the Charitable Trusts directly hold 13,332 Shares. Each of Tara Doyle, Turlough Galvin, Patrick Molloy and Christopher Quinn hold one Share on trust for the Charitable Trusts, which in turn hold such Shares on trust for charitable purposes. Such holders have no beneficial interest in and derive no benefit (other than, in the case of the Charitable Trusts, any fees for acting as Share trustee) from their holding of the Shares. | | | | |
| B.17 | Solicited credit ratings | Not applicable, no credit rating of the Issuer or the Securities has been assigned at the request or with the co-operation of the Issuer. | | | | |
| B.20 | Statement as to whether the Issuer has been established for the purpose of issuing asset backed securities | The Issuer is established in Ireland as a special purpose vehicle for the purpose, inter alia, of issuing asset backed securities. | | | | |
| B.21 | Issuer's principal business activities | <p>The Issuer's business is the issue of securities based on investor demand and earning fees in connection with such activity.</p> <p>Deutsche Bank AG, London Branch (which is the London branch of Deutsche Bank Aktiengesellschaft) is the Arranger, Hedging Counterparty, Principal Agent, Custodian, Paying Agent and Calculation Agent and Deutsche Trustee Company Limited is the Trustee(each such entity a “Programme Party”). Deutsche Trustee Company Limited is directly or indirectly a wholly owned subsidiary of Deutsche Bank Aktiengesellschaft.</p> <p>Each Programme Party’s relationship with the Issuer is to act in its respective capacity described above.</p> | | | | |
| B.22 | Statement regarding non-commencement of operations and no financial statements | Not applicable, the Issuer has commenced operations and prepared financial statements. | | | | |
| B.23 | <p>Selected historical key financial information of the Issuer:</p> <table><tr><td>Income Statement</td><td>Statement of Financial Position</td></tr><tr><td>The summary information below is extracted from the Issuer's audited comprehensive income statement for each of the two years ended 31 December 2011 and 31 December 2010:</td><td>The summary information below is extracted from the Issuer's audited statement of financial position as at 31 December 2011 and 31 December 2010:</td></tr></table> | | Income Statement | Statement of Financial Position | The summary information below is extracted from the Issuer's audited comprehensive income statement for each of the two years ended 31 December 2011 and 31 December 2010: | The summary information below is extracted from the Issuer's audited statement of financial position as at 31 December 2011 and 31 December 2010: |
| Income Statement | Statement of Financial Position | | | | | |
| The summary information below is extracted from the Issuer's audited comprehensive income statement for each of the two years ended 31 December 2011 and 31 December 2010: | The summary information below is extracted from the Issuer's audited statement of financial position as at 31 December 2011 and 31 December 2010: | | | | | |

| Element | Disclosure requirement | | | | |
|---------|--|---|---|---------------------------------|---------------|
| | | 2011 €'000 | 2010 €'000 | 2011 €'000 | 2010 €'000 |
| | Total comprehensive income for the year | 10 | 12 | Total assets | 1,986,848 |
| | | | | Total liabilities | 1,986,773 |
| | | | | Total equity | 75 |
| | | | | Total liabilities and equity | 1,986,848 |
| | The summary information below is extracted from the Issuer's unaudited comprehensive income statement for the six month periods ended 30 June 2012 and 30 June 2011: | | The summary information below is extracted from the Issuer's unaudited statement of financial position for the six month period ended 30 June 2012: | | |
| | Total comprehensive income for the year | 30 June 2012 | 30 June 2011 | Statement of Financial Position | 30 June 2012 |
| | | €'000 | €'000 | | €'000 |
| | | 13 | 4 | Total assets | 2,348,995 |
| | | | | Total liabilities | 2,348,913 |
| | | | | Total equity | 82 |
| | | | | Total liabilities and equity | 2,348,995 |
| B.24 | Description of any material adverse change since the date of the Issuer's last published audited financial statements | Not applicable - there has been no material adverse change in the prospects of the Issuer, since 31 December 2011, the date of the last published audited financial statements. | | | |
| B.25 | Description of the underlying assets | <p>The Charged Property in respect of the Securities comprises, <i>inter alia</i>, the Issuer's rights in respect of the Hedging Agreement and the Collateral.</p> <p>On 22 March 2013 (the “Issue Date”), the Collateral in respect of the Securities on issue will comprise a nominal amount of the EUR 1,800,000,000 5.6 per cent. Notes due 17 September 2018 (ISIN: ES0378641031) issued by Fondo de Titulización del Déficit del Sistema Eléctrico, Fondo de Titulización de Activos (together with the Kingdom of Spain as guarantor of the Collateral, the “Collateral Obligors”) equal to the aggregate Nominal Amount of the Securities.</p> <p>Fondo de Titulización del Déficit del Sistema Eléctrico, Fondo de Titulización de Activos is an asset securitisation fund and the nature of its business is to issue bonds that securitise tariff deficit receivables.</p> <p>The Issuer will enter into an asset swap agreement (the “Hedging Agreement”) with Deutsche Bank AG, London Branch (the “Hedging Counterparty”) the purpose of which is to allow the Issuer to perform its scheduled obligations under the terms of the Securities. The Hedging Agreement will be a limited recourse obligation of the Issuer.</p> <p>Deutsche Bank Aktiengesellschaft is a banking and financial services institution.</p> <p>The Collateral will have a nominal amount equal to 100 per cent. of the</p> | | | |

| Element | Disclosure requirement | |
|-------------|--|---|
| | | aggregate Nominal Amount of the Securities. |
| B.26 | Parameters within which investments in respect of an actively managed pool of assets backing the issue | Not applicable, there is no actively managed pool of assets backing the issue. |
| B.27 | Statement regarding fungible issues | The Issuer may from time to time issue further Securities on the same terms as the existing Securities and on terms that such further Securities shall be consolidated and form a single series with such existing Securities; provided that, unless otherwise approved by a resolution of holders of a minimum nominal amount of the Securities, the Issuer shall provide additional assets as security for such further Securities and existing Securities. |
| B.28 | Description of the structure of the transaction | <p>No Interest is payable in respect of the Securities.</p> <p>The Redemption Amount of the Notes is linked to the performance of the IBEX 35® Index (the “Index”). Information in respect of the Index is set out in item C.20 below.</p> <p>Unless previously redeemed or purchased and cancelled, each nominal amount of Securities equal to the Calculation Amount (as defined in C.18 below) will be redeemed, either:</p> <p>(a) if neither a Collateral Obligor Default Event Date (as defined in C.18 below) nor an Index Event (as defined in C.18 below) has occurred, at the greater of (i) the Calculation Amount and (ii) the product of the Calculation Amount and the Index Return (as defined in C.18 below); or</p> <p>(b) if either or both a Collateral Obligor Default Event Date or an Index Event has occurred, at the Calculation Amount.</p> <p>The Securities may be subject to cancellation on an early termination of the Hedging Agreement, a Collateral Default Event (as defined in C.18 below), a Collateral early redemption or an Event of Default (as described in C.18 below).</p> <p>Under the Hedging Agreement, (a) initially the Issuer shall pay to the Hedging Counterparty the proceeds of issue of the Securities in exchange for the Collateral, and (b) an amount sufficient to fund certain redemption or termination amounts due under the Securities is payable from the Hedging Counterparty to the Issuer in exchange for interest payable on the Collateral and for the Collateral (or the proceeds of redemption thereof).</p> |
| B.29 | Description of cashflows and information on the Hedging Counterparty | <p>See item B.28 above for information on cashflows.</p> <p>The Hedging Counterparty is Deutsche Bank AG, London Branch, whose business is banking and financial services and which is incorporated in Germany.</p> |
| B.30 | Name and a description of the originators of securitised assets | Deutsche Bank AG, London Branch, in respect of the Hedging Agreement and Fondo de Titulización del Déficit del Sistema Eléctrico, Fondo de Titulización de Activos in respect of the Collateral. See items B.25 and B.29 above for a description of these entities. |

Section C — Securities

| Element | Disclosure requirement | |
|---------|------------------------------------|--|
| C.1 | Description of Securities/ISIN | <p>Index Linked Redemption Secured Notes.</p> <p>ISIN: XS0890102253</p> <p>Common Code: 089010225</p> <p>The International Securities Identification Number (“ISIN”) uniquely identifies the Securities.</p> |
| C.2 | Currency | The Securities will be denominated in euro (“ EUR ”). |
| C.5 | Restrictions on transferability | Not applicable, the Securities will be freely transferable. |
| C.8 | Rights attaching to the Securities | <p>The Securities will have terms and conditions relating to, among other matters:</p> <p>Status and Security</p> <p>The Securities will represent secured, limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves.</p> <p>The Securities will be secured by:</p> <ol style="list-style-type: none"> (1) a first fixed charge and/or an assignment by way of first fixed charge in favour of Deutsche Trustee Company Limited as trustee (the “Trustee”) over the Collateral and all of the Issuer's rights in respect of and sums derived from the Collateral (including, without limitation, the proceeds of sale thereof), and an assignment by way of a first fixed charge in favour of the Trustee of all of the Issuer's rights in respect of the Collateral against the Custodian; (2) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Hedging Agreement and any sums of money, securities or other property received or receivable by the Issuer thereunder; (3) a first fixed charge in favour of the Trustee over (i) the Issuer's right to all sums held by the Principal Agent and/or any Paying Agent and/or the Custodian to meet payments due in respect of the Securities and (ii) any sums of money, securities or other property received or receivable by the Issuer under the Hedging Agreement; and (4) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Agency Agreement and all sums derived therefrom in respect of the Securities. <p>Limited Recourse and Non-Petition</p> <p>Claims against the Issuer by Securityholders and the Hedging Counterparty and each Secured Party (as defined below) will be limited to the Charged Property. If the net proceeds of the enforcement of the Charged Property are not sufficient to make all payments due in respect of the Securities and due to the Hedging Counterparty and each Secured Party, no other assets of the Issuer will be available to meet such shortfall and the claims of the holders of the Securities and such Hedging Counterparty or Secured Party in respect of any such shortfall shall be extinguished and no party will be able to petition for the winding-up of, or the appointment of an examiner to, the Issuer as a consequence of any such shortfall.</p> <p>Order of Priorities</p> |

| | | |
|--|--|--|
| | | <p>The respective rankings for priority of the interests of the holders of the Securities and of the Hedging Counterparty and each other party entitled to the benefit of the first fixed charge and/or assignment described above (each a “Secured Party”) in the proceeds of such first fixed charge and/or assignment shall be as follows: all such proceeds shall be applied first in payment of all amounts outstanding to the Trustee (including all its fees, costs, charges, expenses and liabilities), secondly in payment of any amounts owing to the Hedging Counterparty, thirdly <i>pro rata</i> in payment of any amounts outstanding to the Securityholders and fourthly in respect of any balance to the Issuer.</p> <p>Negative Pledge/Restrictions</p> <p>There is no negative pledge. However, so long as any of the Securities remains outstanding, the Issuer will not, without the prior written consent of the Trustee and the Hedging Counterparty incur any indebtedness for moneys borrowed or raised other than in respect of secured securities or debt subject to equivalent enforcement and limited recourse provisions to the Securities, engage in any activity other than certain activities related to the Securities or such permitted securities or debt, have any subsidiaries or employees, purchase, own or otherwise acquire any real property (other than by entering into a lease in respect of office premises, on a strictly limited recourse basis) or consolidate or merge with any other person or issue any shares.</p> <p>Withholding Tax – Securities</p> <p>All payments by the Issuer in respect of the Securities shall be made subject to any withholding or deduction for, or on account of, any applicable taxation.</p> <p>Withholding Tax - Hedging Agreements</p> <p>Neither the Issuer nor the Hedging Counterparty is obliged under the Hedging Agreement to gross up payments to be made by it to the other if withholding taxes are imposed on such payments, but the Hedging Agreement is terminable in such event.</p> <p>Events of Default</p> <p>The terms of the Securities will contain the following events of default:</p> <ul style="list-style-type: none"> (a) default for a period of 14 days or more in the payment of any sum due in respect of the Securities or any of them; or (b) failure by the Issuer to perform or observe any of its other obligations under the Securities or the Trust Instrument, in certain cases continuing for a specified period of time; or (c) events relating to the winding-up or dissolution of the Issuer or appointment of an administrator; or (d) the appointment of an examiner in respect of the Issuer. <p>Meetings</p> <p>The conditions of the Securities will contain provisions for convening meetings of Securityholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p> |
|--|--|--|

| | | |
|-------------|---|--|
| | | Governing Law English law. |
| C.9 | Interest/Redemption | <p>See item C.8 above for information on rights attaching to the Securities.</p> <p>Yield</p> <p>Not Applicable. The Notes do not bear interest.</p> <p>Representative of Securityholders</p> <p>The Trustee will act as trustee for the Securityholders. The Trustee may, without the consent of the Securityholders but only with the prior written consent of the Hedging Counterparty agree to any modification to the Trust Instrument, the Hedging Agreement or any other agreement or document entered into in relation to the Securities (i) which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, (ii) which in the opinion of the Trustee is not materially prejudicial to the interests of the Securityholders or (iii) which is made to satisfy any requirement of any stock exchange on which the Securities are or are proposed to be, listed and which is not in the opinion of the Trustee materially prejudicial to the interests of the Securityholders.</p> |
| C.10 | Derivative component | <p>Not applicable, the Securities do not have a derivative component in the interest payment. See item C.9 above for information on interest in respect of the Securities.</p> |
| C.11 | Listing and Admission to Trading / Distribution | <p><i>Listing and Admission to Trading</i></p> <p>Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Irish Stock Exchange and to be listed on the Official List of the Irish Stock Exchange on or about the Issue Date.</p> <p><i>Distribution</i></p> <p>The Notes may be offered to the public in Spain. See item E.3 below.</p> |
| C.12 | Minimum denomination | <p>The Nominal Amount will be EUR1,000 and integral multiples of EUR1,000.</p> |
| C.15 | Effect of the underlying | <p>The Redemption Amount of the Notes is linked to the performance of the Index.</p> <p>If the Index Level (as defined in C.18 below) on the Issue Date is greater than the Index Level on 12 September 2018 or either or both a Collateral Obligor Default Event Date or an Index Event has occurred, then each nominal amount of Securities equal to the Calculation Amount (as defined in C.18 below) will be redeemed at the Calculation Amount.</p> <p>If the Index Level on the Issue Date is lower than the Index Level on 12 September 2018, and neither a Collateral Obligor Default Event Date nor an Index Event has occurred, then each nominal amount of Securities equal to the Calculation Amount will be redeemed at the product of the Calculation Amount and the Index Return, such amount will be greater than the Calculation Amount and will depend upon how much the Index Level on 12 September 2018 has risen above the Index Level on the Issue Date. However the maximum Index Return is capped at 1.7 and therefore the amount payable on</p> |

| | | |
|-------------|---------------|---|
| | | redemption may not reflect the entirety of any positive performance of the Index. |
| C.16 | Maturity Date | <p><i>Maturity</i></p> <p>The Maturity Date is 17 September 2018 (the “Scheduled Maturity Date”), subject to postponement as described in “Maturity Date Postponement” below.</p> <p><i>Maturity Date Postponement</i></p> <p>If the Calculation Agent determines that a Potential Collateral Default Event has occurred and is continuing as of the Scheduled Maturity Date, the Scheduled Maturity Date will be postponed until the first date on which in the determination of the Calculation Agent the event the subject of the Potential Collateral Default Event either could constitute a Collateral Default Event (as defined in “Collateral Default Event” below) or could not in the passing of time constitute a Collateral Default Event. In such circumstances, provided that a Collateral Default Event does not occur, additional interest shall be payable in respect of each nominal amount of Securities equal to the Calculation Amount on the postponed Maturity Date in an amount equal to such Securities’ <i>pro rata</i> share of any interest received in respect of the Collateral by or on behalf of the Issuer in respect of such period of postponement, and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.</p> <p>“Potential Collateral Default Event” means an event which, with the passing of time, could constitute a Collateral Default Event.</p> <p>If the Calculation Agent determines that 12 September 2018 and each of the consecutive Scheduled Trading Days up to and including the Scheduled Maturity Date is a Disrupted Day, the Scheduled Maturity Date will be postponed to the first succeeding Scheduled Trading Day in respect of the Index (as defined in B.28 above) that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the eight consecutive Scheduled Trading Days immediately following 12 September 2018 is a Disrupted Day in which case the Scheduled Maturity Date will be postponed until such eighth consecutive Scheduled Trading Day. If the Calculation Agent determines that an Index Event (as defined in C.18 below) has occurred during the period commencing on the 10th Business Day immediately preceding the Scheduled Maturity Date and ending on the Scheduled Maturity Date, the Scheduled Maturity Date will be postponed until the day falling 10 Business Days after such occurrence. In each such circumstance, additional interest shall be payable in respect of each nominal amount of Securities equal to the Calculation Amount on the postponed Maturity Date in an amount equal to such Securities’ <i>pro rata</i> share of any interest received in respect of the Collateral by or on behalf of the Issuer in respect of such period of postponement, and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.</p> <p>“Disrupted Day” means the Spanish Continuous Market or any related exchange fails to open for trading during its regular trading session or a market disruption event has occurred.</p> <p>“Scheduled Trading Day” means each day on which the Spanish Continuous Market is scheduled to be open for trading for its regular trading sessions.</p> |
| C.17 | Settlement | The Securities will be cash-settled. |

| | | |
|------|---------------------------|---|
| C.18 | Description of the return | <p>Interest</p> <p>Not applicable. The Notes will not pay any interest amount.</p> <p>Redemption</p> <p><i>Maturity</i></p> <p>The Redemption Amount of the Notes is linked to the performance of the Index. Information in respect of the Index is set out in item C.20 below.</p> <p>Unless previously redeemed or purchased and cancelled, each nominal amount of Securities equal to the Calculation Amount will be redeemed, either:</p> <p>(a) if neither a Collateral Obligor Default Event Date nor an Index Event has occurred, at the greater of (i) the Calculation Amount and (ii) the product of the Calculation Amount and the Index Return; or</p> <p>(b) if either or both a Collateral Obligor Default Event Date or an Index Event has occurred, at the Calculation Amount.</p> <p>The Index Return is capped at 1.7.</p> <p>The Calculation Agent may determine the level of the Index upon the occurrence of certain events including but not limited to the following (i) a relevant exchange or any related exchange fails to open for trading during its regular trading session or a market disruption event occurs, on eight consecutive days on which each exchange and each related exchange for the Index are scheduled to be open for trading for their respective regular trading sessions, or (ii) an event occurs with respect to the Index which, in the Calculation Agent's opinion, is a cancellation of the Index, a disruption of the Index, or a modification of the formula or the method of calculation of the Index or other material modification to the Index.</p> <p>In the event that any relevant level of an Index published by the index sponsor on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the index sponsor by the Business Day prior to the next date on which any relevant payment may have to be made by the Issuer; or if earlier, one Settlement Cycle after the original publication, then the Calculation Agent may determine the amount that is payable or deliverable or make any determination in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.</p> <p>"Calculation Amount" means EUR1,000.</p> <p>"Collateral Obligor Event" means any one or more of a (i) bankruptcy, (ii) failure to pay when and where due, any payments in an aggregate amount of not less than USD 1,000,000 under one or more obligations for the payment or repayment of money, in accordance with the terms of any of such obligation at the time of such failure, or (iii) the occurrence of both of the following events: (A) an authorized officer (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more obligations for the payment or repayment of money or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more obligations or the payment or repayment of money in an aggregate amount of not less than USD 10,000,000 and (B) a failure to pay as described in (ii) above occurs without regard to the USD 1,000,000 minimum amount.</p> |
|------|---------------------------|---|

| | | |
|--|--|--|
| | | <p>"Collateral Obligor Default Event Date" means any date, following the occurrence of a Collateral Obligor Event in respect of a Collateral Obligor as determined by the Calculation Agent and evidenced by publicly available information, designated as being the Collateral Obligor Default Event Date (if any) by the Calculation Agent in its sole and absolute discretion by giving notice to the Securityholders.</p> <p>"Closing Reference Level" means the Index Level on 12 September 2018 subject to adjustment.</p> <p>"Index Level" means, on any day, the official closing level of the Index as of the time at which the official closing level of the Index is calculated and published by the index sponsor on or in respect of the relevant day as calculated and published by the relevant index sponsor or as otherwise determined by the Calculation Agent.</p> <p>"Index Return" means the lesser of (i) Closing Reference Level divided by the Initial Reference Level and (ii) 1.7.</p> <p>"Initial Reference Level" means the Index Level on the Issue Date subject to adjustment.</p> <p>"Settlement Cycle" means the period, measured in business days on which the principal domestic clearance system customarily used for settling trades in the relevant component is open, following a trade in the components underlying the relevant Index on the exchange in which settlement will customarily occur according to the rules of such exchange.</p> <p><i>Index Event Payment</i></p> <p>If (i) an event occurs with respect to the Index which, in the Calculation Agent's opinion, is a disruption of the Index, or a modification of the formula or the method of calculation of the Index or other material modification to the Index and the Calculation Agent determines, in its reasonable commercial discretion, that it is not reasonably practicable (taking into account the costs involved) to calculate or continue to calculate the Index and that there is not an index or basket of indices comparable to the relevant Index to rebase the Securities against, and/or that such actions would not achieve a commercially reasonable result; or (ii) an event occurs with respect to the Index which, in the Calculation Agent's opinion is a cancellation of the Index; or (iii) an event occurs which, in the Calculation Agent's opinion, is a change of law which has or will result in it becoming illegal for the Hedging Counterparty or any of its affiliates to hold, acquire or dispose of any component of the Index and the Calculation Agent so elects; or (iii) an event occurs which, in the Calculation Agent's opinion, is a hedging disruption which will mean that the Hedging Counterparty is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the Issuer issuing and the Issuer performing its obligations with respect to or in connection with the relevant Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s), and the Calculation Agent so elects (each such event, an "Index Event"); the Issuer shall pay the Index Event Amount (if any) in respect of each nominal amount of Securities equal to the Calculation Amount on the day falling 10 Business Days following such election. For the avoidance of doubt, the Index Event Amount may be zero.</p> <p>"Index Event Amount" means the gain (if any) by the Issuer (expressed as a positive amount), that would be realised, in</p> |
|--|--|--|

| | | |
|--|--|---|
| | | <p>replacing or in providing for the Issuer the economic equivalent of the material terms of the Index Event Hedging Agreement, including the payments and deliveries by the parties under the Index Event Hedging Agreement that would, but for the occurrence of the relevant Index Event, have been required on or after the date that the Index Event Hedging Agreement is deemed to have been terminated or cancelled (assuming satisfaction of any applicable conditions precedent of the Index Event Hedging Agreement), as determined by the Calculation Agent in its reasonable commercial discretion.</p> <p>"Index Event Hedging Agreement" means, for the purposes of the definition of Index Event Amount only, a hedging arrangement that shall be deemed to have been entered into by the Hedging Counterparty and the Issuer on the same terms as the Hedging Agreement, except that the only payment due under the Index Event Hedging Agreement shall be a payment from the Hedging Counterparty to the Issuer on the Maturity Date which shall be an amount calculated as follows:</p> <p>An amount equal to the greater of:</p> <p>(a) zero; and</p> <p>(b) an amount equal to:</p> <p>(i) the aggregate Nominal Amount of the Securities outstanding multiplied by the Index Return, minus</p> <p>(ii) the aggregate Nominal Amount of the Securities outstanding;</p> <p>provided that, if a Collateral Obligor Event occurs, the amount shall be zero.</p> <p>The Index Event Hedging Agreement shall be deemed to be terminated following the occurrence of the relevant Index Event.</p> <p><i>Early Cancellation of the Securities</i></p> <p>The Securities may be cancelled early in a number of circumstances.</p> <p>(A) Early termination of the Hedging Agreement</p> <p>If there is an early termination of the Hedging Agreement, then the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) in respect of each nominal amount of Securities equal to the Calculation Amount as described below. The Hedging Agreement may be terminated in a number of circumstances, for example (i) if the Securities are cancelled prior to the Maturity Date, (ii) at the option of one party, if there is a failure by the other party to pay any amounts due under the Hedging Agreement, (iii) in certain circumstances if withholding taxes are imposed on payments under the Hedging Agreement or it becomes illegal for either party to perform its obligations under the Hedging Agreement, (iv) in certain circumstances if the implementation or adoption of or change in any applicable law or regulation, or the interpretation or administration of any applicable law or regulation would subject either party to a materially increased regulatory burden or otherwise have a material adverse effect on either party with respect to the Hedging Agreement or more generally, and (v) upon the occurrence of certain other events with respect to either party and the Hedging Agreement, including insolvency.</p> <p>(B) Collateral Default Event</p> <p>If (i) under the terms of the Collateral as at the Issue Date, a default, event of default or other similar event or circumstance has occurred</p> |
|--|--|---|

| | | |
|--|--|---|
| | | <p>under the Collateral (howsoever described and including, without limitation, a failure to pay any principal or interest when and where due in accordance with the terms of the Collateral as at the Issue Date) and the Collateral is capable of being accelerated or (ii) the terms of the Collateral are restructured and/or amended (whether by operation of law or otherwise) such that (as applicable) the interest and/or principal (in each case howsoever described) and/or any other amounts payable thereunder is reduced and/or postponed and/or the priority of payments and/or the maturity date thereunder is amended (a “Collateral Default Event”), the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) in respect of each nominal amount of Securities equal to the Calculation Amount.</p> <p>(C) Collateral early redemption</p> <p>If the Collateral is redeemed prior to the Scheduled Maturity Date for any reason other than a Collateral Default Event, the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) in respect of each nominal amount of Securities equal to the Calculation Amount.</p> <p>In any such case of early cancellation described in (A), (B) or (C) above the Issuer shall give not more than 30 Business Days' nor less than 10 Business Days' notice of the date fixed for cancellation and on expiry of such notice shall cancel all outstanding Securities.</p> <p>Accordingly if any such notice period would not expire on or prior to the Maturity Date, the date fixed for cancellation will fall after the Maturity Date.</p> <p>(D) Event of Default</p> <p>If an Event of Default occurs (as described above), then the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) in respect of each nominal amount of Securities equal to the Calculation Amount.</p> <p>Early Termination Amount</p> <p>(I) The Early Termination Amount (if any) due in respect of each nominal amount of Securities equal to the Calculation Amount following the occurrence of an Event of Default, an early termination of the Hedging Agreement, or a Collateral Default Event, shall be an amount equal to such Securities' <i>pro rata</i> share of an amount in EUR (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula:</p> <p>$(A - B)$</p> <p>Where:</p> <p>“A” is the Market Value Collateral; and</p> <p>“B” is the Early Redemption Unwind Costs.</p> <p>(II) The Early Termination Amount (if any) due in respect of each nominal amount of Securities equal to the Calculation Amount following an early redemption of the Collateral (other than due to a Collateral Default Event) shall be an amount in EUR (which may never be less than zero) determined by the Calculation Agent equal to such Securities' <i>pro rata</i> share of the proceeds of redemption of the Collateral (for the avoidance of doubt excluding any accrued interest paid in respect of such redemption), less the Early Redemption Unwind Costs.</p> <p>Holders of the Securities should note however that following the occurrence of an early termination of the Hedging Agreement or a</p> |
|--|--|---|

| | | |
|--|--|--|
| | | <p>Collateral Default Event the security will become enforceable and the aggregate of all sums secured on the Charged Property in priority to the claims of the Securityholders may represent a considerable portion of the proceeds of realisation of the Collateral.</p> <p>For these purposes:</p> <p>“Collateral Currency” means the currency in which the Collateral is denominated;</p> <p>“Early Redemption Unwind Costs” means:</p> <p>(a) in all circumstances, other than following the occurrence of a Collateral Default Event, the sum of:</p> <ul style="list-style-type: none"> (i) an amount, if any, determined by the Calculation Agent equal to (i) the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Hedging Counterparty (expressed as a positive amount) or (ii) the gain realised by the Hedging Counterparty (expressed as a negative amount), in either case in connection with the cancellation of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position; and (without duplication) (ii) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee or the Hedging Counterparty as a result of the Securities becoming subject to mandatory cancellation under General Condition 5.1 (Mandatory Cancellation), General Condition 5.2 (Cancellation for other reasons), General Condition 10 (Events of Default) or Product Condition 7 (Cancellation on early redemption of the Collateral); or <p>(b) following the occurrence of a Collateral Default Event, the sum of:</p> <ul style="list-style-type: none"> (i) an amount, if any, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Hedging Counterparty (expressed as a positive amount) in connection with the cancellation of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position; and (without duplication) (ii) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee or the Hedging Counterparty as a result of the Securities becoming subject to mandatory cancellation under General Condition 5.1 (Mandatory Cancellation), General Condition 5.2 (Cancellation for other reasons), General Condition 10 (Events of Default) or Product Condition 7 (Cancellation on early redemption of the Collateral); <p>“Early Termination Valuation Date” means:</p> <p>(a) for the purposes of a cancellation under General Condition</p> |
|--|--|--|

| | | |
|-------------|---|---|
| | | <p>5.1 (Mandatory Cancellation) or General Condition 5.2 (Cancellation for other reasons), the Business Day immediately preceding the due date for cancellation; or</p> <p>(b) for the purposes of a cancellation under General Condition 10 (Events of Default), the due date for cancellation;</p> <p>“Market Value Collateral” means an amount in the Collateral Currency calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Dealers for the Collateral (excluding accrued but unpaid interest in respect thereof) on the relevant Early Termination Valuation Date, PROVIDED THAT if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent in good faith and may in certain circumstances be zero.</p> <p>The Calculation Agent shall attempt to obtain firm bid quotations to establish the Market Value Collateral from at least five Reference Dealers; and</p> <p>“Reference Dealers” means leading dealers, banks or banking corporations, which deal in obligations of the type of the Collateral selected by the Calculation Agent, one of which may be Deutsche Bank AG, London Branch.</p> |
| C.19 | The exercise price or the final reference price of the underlying | The Redemption Amount payable in respect of the Securities on the Maturity Date will be calculated using the lesser of (i) Closing Reference Level divided by the Initial Reference Level and (ii) 1.7. (as described in C.18 above). |
| C.20 | Description of the type of underlying | The Redemption Amount of the Notes is linked to the performance of the IBEX 35® Index. The IBEX 35® Index is the official index of the Spanish Continuous Market. Information relating to the underlying may be found on internationally recognised, published or electronically displayed sources (including but not limited to Bloomberg) and Bolsas y Mercados Españoles' website (http://www.bmerv.es/ing/asp/Portada/Portada.aspx). |

Section D — Risks

| Element | Disclosure requirement | |
|------------|--------------------------------|--|
| D.2 | Key risks regarding the Issuer | <p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Securities and in purchasing the Securities investors assume the risk of these. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it may currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. These factors could take effect individually or together and include matters of Irish law (such as an investment in the Securities not being within the scope of the deposit protection scheme operated by the Central Bank of Ireland, any examiner appointed to the Issuer seeking to set aside the restrictions on borrowing under the Securities to enable the examiner to borrow to fund the Issuer, a compromise or scheme of arrangement proposed by an examiner being approved which writes down or reschedules the debt due by the Issuer under the Securities, the remuneration and expenses of any examiner and the claims of other preferential creditors of the Issuer being met in priority to claims of Securityholders in the event of a liquidation of the Issuer, fixed charges in relation to the Charged Property being recharacterised as floating charges, weaknesses in</p> |

| | | |
|------------|------------------------------------|--|
| | | floating charges and the Issuer's tax position adversely affecting cash flows in connection with the Securities), the Securities being limited recourse obligations (meaning that Securityholder's claims may be extinguished if there is a shortfall in funds available to meet payments under the Securities) and related risks, that neither the Trustee nor Securityholders are entitled to petition or take any other step for the winding-up of or the appointment of an examiner to the Issuer and further issues of Securities by the Issuer. |
| D.3 | Key risks regarding the Securities | <p>There are also certain factors which are material for the purpose of assessing the risks associated with Securities. These include the fact that such Securities may not be a suitable investment for all investors (for example if they do not have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Issuer in context of their financial position or are not capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time), the Hedging Agreement (for example its possible early termination in various circumstances which would result in the cancellation of the Securities) and the related credit exposure to the Hedging Counterparty, credit exposure to the Collateral Obligors and the eurozone (as this will affect the value of the Collateral held as security for the Securities and by reference to which amounts payable under the Securities may be calculated), early cancellation of the Securities (including for early termination of the Hedging Agreement, Collateral Default Event and/or restructuring and/or amendment, Collateral early redemption and Issuer event of default) which may lead to a loss of investment, potential postponement of the maturity date of the Securities, fluctuations and decreases in the market value of the Securities and the market value of the Collateral which will also affect the value of the Securities and the amounts paid on any cancellation of the Securities, the index used to calculate the Redemption Amount payable on the Maturity Date in respect of the Securities is the official index of the Spanish Continuous Market which will fluctuate and may fall and the Redemption Amount will therefore be affected by the performance of the index and consequently the performance of the components of the index, that the Redemption Amount will be limited to the Calculation Amount if a Collateral Obligor Event occurs with respect to a Collateral Obligor if the Calculation Agent acting in its sole and absolute discretion so elects or if an Index Event occurs, that if a Collateral Default Event occurs the performance of the Index will have no effect upon the amount (if any) payable in respect of each Security on cancellation, that the Scheduled Maturity Date may be postponed if an Index Event occurs or if 12 September 2018 and each succeeding Scheduled Trading Day up to the Scheduled Maturity Date is a Disrupted Day, that if an event may be both a potential Collateral Obligor Default Event and a Mandatory Redemption Event or other event under the Securities then the Calculation Agent may in its sole and absolute discretion determine whether such event constitutes a Collateral Obligor Default Event Date or a Mandatory Redemption Event or such other event under the Securities, that the level of the index used to calculate the Redemption Amount is capped and therefore the Redemption Amount may not reflect the entirety of any positive performance of the index, that payments to Securityholders under the Securities will be made only after payments due to other transaction parties have been met, tax risks (for example that all payments in respect of the Securities will be made subject to any withholding or deduction for taxes and that the Issuer and other non-US financial institutions through which payments on the Securities are made may be required to withhold amounts pursuant to the U.S. Foreign Account</p> |

| | | |
|------------|--------------|---|
| | | Tax Compliance Act), that no secondary market exists for the Securities (meaning that investors may not be able to realise their investment prior to maturity and business relationships between the parties to the Securities and conflicts of interest which may adversely affect the value of the Securities). |
| D.6 | Risk warning | <p>See item D.3 above for information on the key risks regarding the Securities.</p> <p>An early cancellation of the Securities (including for early termination of the Hedging Agreement, Collateral Default Event and/or restructuring and/or amendment, Collateral early redemption and Issuer event of default) may lead to a loss of the value of the entire investment or part of it.</p> |

Section E — Offer

| Element | Disclosure requirement | |
|-------------|---|--|
| E.2b | Use of proceeds | The net proceeds from the issue of the Securities will be used to acquire the Collateral comprised in the Charged Property, to pay for or enter into the Hedging Agreement and to pay expenses in connection with the administration of the Issuer. |
| E.3 | Terms and conditions of the offer by the Distributor in Spain | <p>An Investor intending to acquire or acquiring any Securities from the Distributor will do so, and offers and sales of Securities to an Investor by the Distributor will be made, in accordance with any terms and other arrangements in place between the Distributor and such Investor including as to price, allocations and settlement arrangements.</p> <p>Offer Period</p> <p>Applications to subscribe for the Securities may be made from 5 March 2013 until the Primary Market End Date of 20 March 2013.</p> <p>Cancellation of the Issuance of the Securities</p> <p>The Issuer reserves the right for any reason to cancel the issuance of the Securities including if the Issuer does not receive valid subscriptions for Securities amounting to an aggregate subscription value of at least EUR2,000,000 in aggregate Nominal Amount of the Securities on or prior to the Primary Market End Date.</p> <p>Early Closing of the Subscription of the Securities</p> <p>The Issuer reserves the right for any reason to close the Offer Period early. If the aggregate subscription of the Securities at any time prior to the Primary Market End Date reaches EUR100,000,000 in aggregate Nominal Amount of the Securities, the Issuer may close the subscription of the Securities at such time. Any early closure will be published on the Irish Stock Exchange's website www.ise.ie.</p> <p>Description of the application and settlement process</p> <p>Applications for the Securities can be made in Spain at participating branches of Deutsche Bank S.A.E. (the “Distributor”). Distribution will be in accordance with the Distributor's usual procedures, notified to investors by the Distributor. The Securities will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.</p> <p>Offer Price</p> <p>In respect of each nominal amount of Securities equal to 100 per cent. of the Calculation Amount, EUR1,000.</p> |

| | | |
|------------|---|---|
| | | <p>Conditions to which the offer is subject and results of the offer</p> <p>Offers of the Securities are conditional on their issue. The Issuer will in its sole discretion determine the final amount of Securities issued up to a limit of EUR100,000,000. Securities will be allotted subject to availability in the order of receipt of investors' applications. The final Aggregate Nominal Amount of the Securities issued will be determined by the Issuer in light of prevailing market conditions, and in its sole and absolute discretion depending on the number of Securities which have been agreed to be purchased as of 20 March 2013. The precise Aggregate Nominal Amount of Securities to be issued will be published on the Irish Stock Exchange's website (www.ise.ie) and filed with the Central Bank in each case on or around the Issue Date.</p> |
| | | <p>Details of the minimum and/or maximum amount of application</p> <p>The minimum allocation per investor will be EUR1,000 in nominal amount of the Securities. The maximum allocation of Securities will be subject only to availability at the time of the application. Each investor will be notified by the Distributor of its allocation of Securities at the time of such investor's application. No dealings in the Securities may take place prior to the Issue Date.</p> |
| E.4 | A description of any interest that is material to the issue/offer including conflicting interests | <p>The Arranger has offered the Securities to the Distributor at a price (the "Re-offer Price") per Security which will be between 95.0% and 100% of the Offer Price, a discount to the Offer Price equivalent to a maximum yearly fee of up to 0.90% per annum thereon and which will be determined by the Arranger and the Distributor at the end of the Offer Period in accordance with market conditions during the Offer Period. The Offer Price is the price at which investors will subscribe for Securities.</p> <p>The Re-offer Price reflects the discount on the Offer Price granted by the Arranger to the Distributor on the sale of the Securities to the Distributor in satisfaction of the distribution-related fee agreed between the Arranger and the Distributor. Further information on the Re-offer Price is available from Deutsche Bank AG.</p> <p>The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may from time to time engage in transactions involving the Collateral, the Index or securities which are comprised in the Index for their proprietary accounts and for accounts under their management, issue other derivative instruments in respect of the Collateral, the Index or securities which are comprised in the Index and the introduction of such competing products into the marketplace, act as market-maker for the Collateral, derivatives investments in respect of the Index or securities which are comprised in the Index, act as underwriter in connection with future offerings of the Collateral, the Index or securities which are comprised in the Index or may act as financial adviser to the Collateral Obligors, acquire non-public information with respect to the Collateral, the Index or securities which are comprised in the Index and/or the Collateral Obligors, and neither the Arranger, the Hedging Counterparty, the Calculation Agent nor any of their respective affiliates undertakes to disclose any such information to any Securityholder. Such activities could present conflicts of interest and may affect the value of the Securities.</p> |
| E.7 | Expenses charged to the investor by the Issuer or an offeror | Not applicable, there are no expenses charged to the investor by the Issuer or an offeror. |

PART B
RISK FACTORS SECTION

RISK FACTORS – SECURITIES

I: The Securities

Prospective purchasers of the Securities should ensure that they understand fully the nature of the Securities, as well as the extent of their exposure to risks associated with an investment in the Securities and should consider the suitability of an investment in the Securities in light of their own particular financial, fiscal and other circumstances. Prospective purchasers of the Securities should refer to the risk factors below and the risk factors set out in Risk Factors - *Programme* of this Risk Factors Section below.

Prospective investors should be aware that the Securities may decline in value and should be prepared to sustain a total loss of their investment in the Securities. In particular, (i) if there is an early termination of the Hedging Agreement or a Collateral Default Event occurs (in each case as more fully described in the Conditions), or (ii) if the market value of the Collateral declines, purchasers of the Securities risk losing their entire investment. Accordingly prospective investors should only invest in the Securities if they are able to bear the risk of losing their entire investment.

The Securities are not guaranteed by the Arranger or any of its affiliates and neither the Arranger nor any of its affiliates has or will have any obligations in respect of the Securities. The Securities will represent secured, limited recourse obligations of the Issuer which will rank *pari passu* in all respects with each other. See General Condition 6.8 (Shortfall after application of proceeds).

(A) Investor Suitability

Investment in the Securities may not be suitable for all investors and is only suitable for investors who:

- (1) have the requisite knowledge and experience in financial and business matters to evaluate the information contained in this Prospectus and the merits and risks of an investment in the Issuer in the context of such investors' financial position and circumstances;
- (2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time;
- (3) are acquiring the Securities for their own account for investment, not with a view to resale, distribution or other disposition of the Securities (subject to any applicable law requiring that the disposition of the investor's property be within its control); and
- (4) recognise that it may not be possible to make any transfer of the Securities for a substantial period of time, if at all.

Further, each prospective purchaser of Securities must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Securities (i) is fully consistent with its (or if it is acquiring the Securities in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Securities as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Securities in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Securities. Neither the Issuer, the

Arranger, the Hedging Counterparty nor any other person has or will make any representation or statement as to the suitability of the Securities for investors.

INVESTORS SHOULD OBTAIN ALL REQUIRED INDEPENDENT PROFESSIONAL ADVICE BEFORE PURCHASING THE SECURITIES.

(B) The Hedging Agreement

The Issuer has entered into an asset swap agreement (the “**Hedging Agreement**”) the purpose of which is to provide funds in order to allow the Issuer to perform its scheduled obligations under the Securities and accordingly investors in the Securities will be exposed to the credit risk of the Hedging Counterparty under the Hedging Agreement.

The Securities are solely obligations of the Issuer and neither the Hedging Counterparty nor any other person has any obligation to the holders of the Securities for payment of any amount due in respect of the Securities.

The Securities are subject to early cancellation if, amongst other things, the Hedging Agreement is terminated early in accordance with its terms (see paragraph (C) below).

The Hedging Agreement may be terminated early (either in whole or, in certain circumstances, in part only), among other circumstances:

- (a) if at any time the Securities are cancelled in accordance with the Conditions prior to the Maturity Date;
- (b) at the option of one party, if there is a failure by the other party to pay any amounts due under the Hedging Agreement;
- (c) if (subject as provided in the Hedging Agreement) withholding taxes are imposed on payment made by the Issuer or the Hedging Counterparty under the Hedging Agreement or it becomes illegal for either party to perform its obligations under the Hedging Agreement;
- (d) if (subject as provided in the Hedging Agreement) the implementation or adoption of or change in any applicable law or regulation, or the interpretation or administration of any applicable law or regulation would subject either party to a materially increased regulatory burden or otherwise have a material adverse effect on either party with respect to the Hedging Agreement or more generally; and
- (e) upon the occurrence of certain other events with respect to either party and the Hedging Agreement, including insolvency of such party.

(C) Cancellations of the Securities

The Securities are subject to cancellation in the event of, amongst other things, (i) a payment default in respect of the Securities, a breach by the Issuer of its obligations under the Securities or the winding-up or dissolution of the Issuer (see “Events of Default” under General Condition 10 as amended by Product Condition 9), (ii) a default or other similar event under the Collateral in accordance with the Collateral terms as of the Issue Date or a restructuring of and/or amendment to certain terms of the Collateral (see “Collateral Default Event” under General Condition 5.1 as amended by Product Condition 8), (iii) an early termination of the Hedging Agreement (see General Condition 5.2 as amended by Product Condition 9), or (iv) the early redemption of the Collateral (other than for a Collateral Default Event) (see Product Condition 7).

The amount payable (if any and which may never be less than zero) in respect of each Security on cancellation following the occurrence of an Event of Default in respect of the Issuer, an early termination of the Hedging Agreement or a Collateral Default Event will be:

- (a) a *pro rata* share of the market value of the Collateral; minus
- (b) a *pro rata* share of the Early Redemption Unwind Costs (see Product Condition 6).

The Early Redemption Unwind Costs will reflect any costs, expenses, taxes and duties incurred (which will be expressed as a positive amount), or (provided that a Collateral Default Event has not occurred) any gain realised (which will be expressed as a negative amount), by the Hedging Counterparty in connection with cancelling the Securities and unwinding any transactions it has entered into in respect of the Securities (for example, if there are any break costs, loss of funding costs or mark to market losses on any related hedge) and any legal and other ancillary costs incurred by the Issuer, the Trustee or the Hedging Counterparty as a result of the Securities being cancelled (see Product Condition 6). Notwithstanding the above, following the occurrence of a Collateral Default Event (if any) any gain realised by the Hedging Counterparty in connection with the cancellation of the Securities and related termination, settlement or re-establishment of any hedge or related trading position shall not be reflected in any calculation of the Early Redemption Unwind Costs and therefore the performance of the Index will have no effect upon the amount (if any) payable in respect of each Security on cancellation in this scenario.

The amount payable (if any and which may never be less than zero) in respect of each Security on cancellation following an early redemption of the Collateral (other than due to a Collateral Default Event) will be:

- (a) a *pro rata* share of the proceeds of redemption of the Collateral (for the avoidance of doubt excluding any accrued interest paid in respect of such redemption); minus
- (b) a *pro rata* share of the Early Redemption Unwind Costs.

Prospective investors of the Securities should note that, on a cancellation as described in this paragraph (C) above, they will receive only a cash payment calculated as described above (if any) and will not be entitled actually to receive any portion of the Collateral. Holders of the Securities should also note that they bear the risk of decline in the value of the Collateral and the risk that the Hedging Counterparty may incur costs in connection with unwinding its hedging arrangements, which will be included in the calculation of the Early Redemption Unwind Costs which will be deducted in the calculation of the amount due on cancellation, as described above. Declines in the value of either (or each) of the Collateral (where the cancellation amount is calculated by reference to its market value) and the Hedging Agreement will adversely impact any payment on a cancellation and may result in investors sustaining a total loss of their investment.

Examples of calculations of the amount that may be payable on cancellation of the Securities are set out in the "General Description of Securities Section" below.

(D) Market Value

The market value of the Securities will be affected by changes in the credit risk of the issuer of the Collateral and (if applicable, as in the case of the case of the Collateral) the guarantor of the Collateral (the "**Collateral Obligors**") and Deutsche Bank AG, London Branch as the Hedging Counterparty, in each case which in turn will fluctuate with, amongst other things, changes in prevailing interest rates, general economic conditions, conditions of financial markets, European and international political events, events in the jurisdiction of

incorporation of the Collateral Obligors and the Hedging Counterparty and the financial condition of the Collateral Obligors and the Hedging Counterparty. A decrease in the credit rating of the Collateral Obligors and/or the Hedging Counterparty is very likely to adversely affect the market value of the Securities. Accordingly, prospective investors in the Securities should ensure that they fully understand how the creditworthiness of the Collateral Obligors and the Hedging Counterparty may affect an investment in the Securities and before making an investment decision with respect to the Securities should carefully consider whether such investment is suitable for them and whether they can sustain a total loss of their investment in the Securities.

Other factors which may affect the market value of the Securities include, without limitation, the market value of the Collateral, exchange rates, interest rates and market volatility as described in paragraph (E) below and “Market Factors” under the “Risk Factors - Programme” section below.

(E) Collateral Market Value Risk

Investors should note that the amount payable on an early cancellation of the Securities may be calculated by reference to the market value of the Collateral as described in paragraph (C) above (see “Market Value Collateral” under the Product Conditions), and accordingly if the market value of the Collateral is less than its outstanding principal balance, the amount payable on cancellation will be lower than would otherwise have been the case.

In addition to affecting the amount payable on cancellation, the market value of the Collateral will also affect the market value of the Securities, although the market value of the Collateral and the Securities will not be the same and in relation to the market value of the Collateral, investors should note that historical prices do not indicate future performance of the Collateral. Investors in the Securities should also note that the market value of the Collateral is only one factor which will affect the market value of the Securities and other relevant factors may include, without limitation, exchange rates, interest rates and market volatility as described in “Market Factors” under the “Risk Factors - Programme” section below.

Investors in the Securities should conduct such independent investigation and analysis regarding the Collateral and the Collateral Obligors as they deem appropriate to evaluate the merits and the risks of an investment in the Securities. Investors should review carefully the Collateral Offering Circular as described in the Securities Section below.

(F) Maturity Date Postponement

Investors should note that the Maturity Date may be postponed if the Calculation Agent determines that a Potential Collateral Default Event (being an event which, with the passing of time, could constitute a Collateral Default Event) has occurred and is continuing as of the Scheduled Maturity Date. In such circumstances, provided that a Collateral Default Event does not occur, additional interest will be payable in respect of each nominal amount of Securities equal to EUR1,000 on the Postponed Maturity Date equal to such Securities' *pro rata* share of any interest that the Issuer receives in respect of the Collateral and such period of postponement. No further or other amount in respect of interest or any additional amount shall be payable in respect of such delay. The latest date to which the Maturity Date may be postponed is the first date on which the event the subject of such Potential Collateral Default Event could constitute a Collateral Default Event.

The Maturity Date may also be postponed if the Calculation Agent determines that the Final Valuation Date and each of the consecutive Scheduled Trading Days up to and including

the Scheduled Maturity Date is a Disrupted Day (in which case the latest date to which the Maturity Date may be postponed is the Maximum Days of Disruption following the Final Valuation Date), or if an Index Event has occurred within the period commencing on the 10th Business Day immediately preceding the Scheduled Maturity Date and ending on the Scheduled Maturity Date. In each such circumstance, additional interest will be payable in respect of each nominal amount of Securities equal to EUR1,000 on the Postponed Maturity Date equal to such Securities' *pro rata* share of any interest that the Issuer receives in respect of the Collateral and such period of postponement. No further or other amount in respect of interest or any additional amount shall be payable in respect of such delay.

(G) Non-Interest bearing Notes

The Notes will pay no interest. Unless the Notes fall due for redemption early for any reason, or an Index Event occurs (as described in paragraph (H) below) no amount shall be payable to Securityholders in respect of the Notes on any date other than the Maturity Date when each nominal amount of Securities equal to the Calculation Amount shall be redeemed at the Redemption Amount.

(H) Index Risk

The Redemption Amount payable on the Maturity Date of the Securities is linked to the performance of the Index. The level of the Index used to calculate the Redemption Amount is capped and therefore the Redemption Amount may not reflect the entirety of any positive performance of the Index. The levels of the Index (and the price of securities or other components comprised in the Index) may go down as well as up throughout the term of the Securities. Such fluctuations may affect the value of the Securities. Furthermore, the levels at any specific date may not reflect the prior or future performance of the Index. There can be no assurance as to the future performance or evolution of the Index. The level at which the Index stands at any time is impossible to predict and therefore prospective investors should be aware that their return on each nominal amount of Securities equal to the Calculation Amount may be limited to the Calculation Amount. Accordingly, before investing in the Securities, prospective purchasers should carefully consider whether any investment linked to the Index is suitable for them. The level of the Index will be affected by the economic, financial and political events in Spain.

Securityholders will have exposure to the risk that returns on the Securities do not reflect direct investment in underlying shares or other assets comprising the Index. The return payable on the Securities may not reflect the return an investor would realise if they owned the relevant assets comprising the components of the Index. For example, in relation to the components of the Index which are shares, Securityholders will not receive any dividends paid on those shares and will not participate in the return on those dividends unless the Index takes such dividends into account for purposes of calculating the relevant level. Similarly, Securityholders will not have any voting rights in the underlying shares which may comprise the components of the Index. Accordingly, investors in the Securities may receive a lower payment upon redemption of such Securities than such investor would have received if they had invested in the components of the Index directly.

The rules governing the composition and calculation of the Index might stipulate that dividends distributed on its components do not lead to a rise in the index level, for example, if it is a "price" index, which may lead to a decrease in the index level if all other circumstances remain the same. As a result, in such cases the Securityholders will not participate in dividends or other distributions paid on the components comprising the Index. Even if the rules of the Index provide that distributed dividends or other distributions of the

components are reinvested in the Index and therefore result in raising its level, in some circumstances the dividends or other distributions may not be fully reinvested in such Index.

The sponsor of the Index can add, delete or substitute the components of such Index or make other methodological changes that could change the level of one or more components. The changing of components of the Index may affect the level of such Index as a newly added component may perform significantly worse or better than the company it replaces, which in turn may affect the payments made by the Issuer to the investors in the Securities. The sponsor of the Index may also alter, discontinue or suspend calculation or dissemination of such Index. The sponsor of the Index will have no involvement in the offer and sale of the Securities and will have no obligation to any investor in such Securities. The sponsor of the Index may take any actions in respect of the Index without regard to the interests of the investor in the Securities, and any of these actions could adversely affect the market value of the Securities.

The Calculation Agent has broad discretion to make certain determinations and adjustments, to replace the original Index with another and/or to determine that an Index Event has occurred, any of which may have an adverse affect on the Securities. The Calculation Agent may also amend the relevant Index level due to corrections in the level reported by the Index Sponsor.

Upon the determination by the Calculation Agent that an Index Event (as defined herein) has occurred, the Redemption Amount payable on the Maturity Date will be limited to the Calculation Amount. Following the occurrence of such an Index Event, an Index Event Amount will be payable to Securityholders. The Index Event Amount may, for the avoidance of doubt, be zero.

Any prospective purchaser of the Securities should have such knowledge and experience in financial and business matters and expertise in assessing such risks and should be capable of evaluating the merits, risks and suitability of investing in the Securities. Neither the Issuer nor the Hedging Counterparty purports to be a source of information and credit or other analysis with respect to the Index.

(I) Credit Risk

The ability of the Issuer to meet its obligations under the Securities will be dependent on the performance by the Hedging Counterparty of all its payment and other obligations under the Hedging Agreement, upon the performance and non-default of the Collateral, upon the Principal Agent, the Paying Agent and the Custodian making the relevant payments when received and upon all other parties to the transaction performing their respective obligations. Accordingly Securityholders are exposed, *inter alia*, to the credit risk of the Hedging Counterparty, the Collateral Obligors, the Principal Agent, the Paying Agent and the Custodian.

(J) Collateral Risk

The Collateral comprises debt securities of Fondo de Titulización del Déficit del Sistema Eléctrico, Fondo de Titulización de Activos, a Spanish asset securitisation fund. An investment in the Securities is subject to the risk that changes in the political and economic environment in Spain may have a negative impact on Fondo de Titulización del Déficit del Sistema Eléctrico, Fondo de Titulización de Activos' ability to perform its obligations under the Collateral. In particular, the government of Spain may pursue economic policies which result in, for example, higher inflation, higher interest rates, recession, hard currency shortage or a downgrade of Spain's credit rating. In addition, certain countries in Europe (including Spain) currently have significant sovereign debt levels and/or fiscal deficits and

this has led to uncertainties in the capital and credit markets as to whether or not the governments of those countries will be able to pay in full and on time the amounts due in respect of those debts. These concerns have led to significant exchange rate volatility, especially with respect to the EUR and USD. Should the declining economic conditions in one EU member state be replicated in other EU member states, the risks in respect of Spain would be exacerbated.

If a Collateral Obligor Event occurs with respect to a Collateral Obligor the Redemption Amount will be limited to the Calculation Amount at the election of the Calculation Agent acting in its sole and absolute discretion. If the Calculation Agent makes such an election, the Redemption Amount will no longer reflect the performance of the Index.

If an event may be both a potential Collateral Obligor Default Event and a Mandatory Redemption Event or other event under the Securities then the Calculation Agent may in its sole and absolute discretion determine whether such event constitutes a Collateral Obligor Default Event or a Mandatory Redemption Event or such other event under the Securities.

(K) Subordination

In the event that the security over the Charged Property becomes enforceable, the Trustee will apply all moneys it receives in connection therewith, in payment of amounts due to the Hedging Counterparty before payment of amounts due to Securityholders, including on the insolvency of the Hedging Counterparty. Payments due to the Trustee will be satisfied prior to payments due to the Hedging Counterparty.

(L) Taxation

Investors should note that the Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Securities as further provided in General Condition 4.4 (Taxation).

(M) US Foreign Account Tax Compliance Withholding

The Issuer and other non-U.S. financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made on or after 1 January 2017 pursuant to the U.S. Foreign Account Tax Compliance Act ("**FATCA**"), related US regulations that took effect on 28 January 2013, or similar law implementing an inter-governmental approach to FATCA, unless FATCA grand-fathering applies. Exemption from FATCA under FATCA grandfathering rules will not apply in respect of (i) any Securities which are treated as debt for U.S. federal tax purposes that are issued (or materially modified) on or after the later of (a) the date that is six months after the date on which final U.S. Treasury regulations that define the term "foreign passthru payment" are filed with the Federal Register and (b) 1 January 2014, and (ii) any Securities which are treated as equity for U.S. federal tax purposes (whenever issued). Certain payments on the Securities may be subject to withholding imposed pursuant to FATCA if the Issuer is considered a foreign financial institution ("**FFI**") under FATCA and either mandatorily becomes a "Partner Jurisdiction FI" due to an intergovernmental agreement between the U.S. and the Issuer's country of incorporation or otherwise enters into an FFI Agreement with the Internal Revenue Service ("**IRS**"). If under such circumstances holders of Securities fail to provide certain information or if a holder of Securities is a nonparticipating FFI, such payments may become subject to withholding tax beginning on 1 January 2017 (at the earliest). The withholding obligation in respect of a nonparticipating FFI may apply whether that FFI is receiving payments for its

own account or on behalf of another person. If such withholding on account of FATCA applies, there will be no additional amount payable by way of compensation to the holder for the deducted amount. In addition, if the Issuer is considered an FFI under FATCA, fails to comply with its obligations arising thereunder and is not otherwise exempted under the terms of an applicable intergovernmental agreement, the Issuer would be considered nonparticipating and would from certain dates starting from 1 January 2014 be subject to 30 per cent. withholding tax on all, or a portion of, payments received from U.S. sources and from participating FFIs. This might result in payments to the Issuer in respect of certain assets of the Issuer being subject to U.S. withholding tax. Any such withholding would, in turn, result in the Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the Securities and/or the Hedging Agreement. No other funds will be available to the Issuer to make up any such shortfall.

THE FATCA PROVISIONS ARE PARTICULARLY COMPLEX AND THEIR APPLICATION TO THE ISSUER IS UNCERTAIN AT THIS TIME. NOTHING IN THIS SECTION CONSTITUTES OR PURPORTS TO CONSTITUTE TAX ADVICE AND HOLDERS ARE NOT ENTITLED TO RELY ON ANY PROVISION SET OUT IN THIS SECTION FOR PURPOSES OF MAKING ANY INVESTMENT DECISION, TAX DECISION OR OTHERWISE. EACH INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF THE FATCA PROVISIONS AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT IT IN ITS PARTICULAR CIRCUMSTANCE.

(N) No Secondary Market

Currently no secondary market exists for the Securities. The Arranger is not under any obligation to make a market in the Securities and it is highly unlikely that any secondary market for the Securities will develop. In the unlikely event that a secondary market in the Securities does develop, there can be no assurance that it will provide the Securityholders with liquidity of investment or that it will continue for the life of the Securities. Accordingly, the purchase of the Securities is suitable only for investors who can bear the risks associated with a lack of liquidity in the Securities and the financial and other risks associated with an investment in the Securities. Investors must be prepared to hold the Securities until maturity.

In addition, the Securities are subject to significant transfer restrictions as described under "Sales Restrictions" below which further limit the liquidity of the Securities.

(O) Potential Conflicts of Interest

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may from time to time engage in transactions involving the Collateral, the Index or securities which are comprised in the Index for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value of the Collateral and consequently upon the value of the Securities.

Furthermore, the Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may also issue other derivative instruments in respect of the Collateral, the Index or securities which are comprised in the Index and the introduction of such competing products into the marketplace may affect the value of the Securities.

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may, in certain cases, act as market-maker for the Collateral, derivatives investments in respect of the Index or securities which are comprised in the Index. By such market-making, the Arranger, the Hedging Counterparty, the Calculation Agent or such

affiliate will, to a large extent, itself determine the price of the Collateral, and consequently influence the value of the Securities. The prices quoted by the Arranger, the Hedging Counterparty, the Calculation Agent or such affiliate in its market-making function will not always correspond to the prices which would have formed without such market-making and in a liquid market.

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may also act as underwriter in connection with future offerings of the Collateral, the Index or securities which are comprised in the Index or may act as financial adviser to the Collateral Obligors. Such activities could present certain conflicts of interest and may affect the value of the Securities.

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may acquire non-public information with respect to the Collateral, the Index or securities which are comprised in the Index and/or the Collateral Obligors, and neither the Arranger, the Hedging Counterparty, the Calculation Agent nor any of their respective affiliates undertakes to disclose any such information to any Securityholder. In addition, one or more of the Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may publish research reports with respect to the Collateral Obligors.

Such activities could present conflicts of interest and may affect the value of the Securities.

RISK FACTORS – PROGRAMME

II: The Programme

General

The discussion below is of general nature and is intended to describe various risk factors associated with an investment in any Securities issued under the Programme. What factors will be of relevance to the Securities will depend upon a number of inter-related matters including, but not limited to, the nature of the Securities, the Underlying, the Collateral, the Charged Property, each Hedging Agreement and the Repurchase Agreement (if any).

Purchasers of Securities should conduct such independent investigation and analysis regarding the terms of the Securities, the Issuer, the Collateral, the security arrangements, each Hedging Counterparty and (if applicable) Repurchase Counterparty, each Hedging Agreement and (if applicable) the Repurchase Agreement or other agreement entered into by the Issuer in respect of the Securities and all other relevant market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Securities. The Issuer, whilst accepting its responsibility to adequately disclose the risks regarding the Securities required pursuant to the Prospectus Directive, the Arranger and the Trustee disclaim any responsibility to advise purchasers of Securities of the risks and investment considerations associated with the purchase of the Securities as they may exist at the date hereof or from time to time thereafter. However, as part of such independent investigation and analysis, prospective purchasers of Securities should consider all the information set forth in the Prospectus, including the considerations set forth below in this Risk Factors - Programme section of the Risk Factors Section.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Securities issued under the Programme. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Securities issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or to deliver any Physical Settlement Amounts or Physical Settlement Units in connection with any Securities may occur for other reasons. Prospective investors should also read the detailed information set out elsewhere in this Risk Factors - Programme section of the Risk Factors Section, in Risk Factors - Securities of this Risk Factors Section, in the Programme Section and in the relevant Securities Section and, in the light of their own financial circumstances and investment objectives, reach their own views prior to making any investment decision.

In addition factors which are material for the purpose of assessing the market risks associated with Securities issued under the Programme are also described below.

Terms and expressions defined in the Conditions shall have the same meaning when used in this discussion.

A. Risks in relation to the Securities

1. Introduction

An investment in the Securities involves risks. These risks may include, among others, equity market, bond market, foreign exchange interest rate, market volatility and political risks and any combination of these and other risks. Some of these are briefly discussed

below. Prospective purchasers should be experienced with respect to transactions involving instruments such as the Securities, in terms of both the risks associated with the economic terms of the Securities and the risks associated with the way in which the issue of the Securities is structured. Prospective purchasers should understand the risks associated with an investment in the Securities and should only reach an investment decision after careful consideration, with their legal, tax, accounting and other advisers, of (i) the suitability of an investment in the Securities in the light of their own particular financial, fiscal and other circumstances, (ii) the information set out in this document and (iii) the Underlying, the Collateral, the Charged Property, each Hedging Agreement and the Repurchase Agreement (if any).

PROSPECTIVE PURCHASERS OF THE SECURITIES SHOULD RECOGNISE THAT THE SECURITIES MAY DECLINE IN VALUE AND SHOULD BE PREPARED TO SUSTAIN A TOTAL LOSS OF THEIR INVESTMENT IN THE SECURITIES.

An investment in the Securities should only be made after assessing the direction, timing and magnitude of potential future changes in the value of the Underlying, as the return of any such investment will be dependent, *inter alia*, upon such changes. More than one risk factor may have simultaneous effect with regard to the Securities such that the effect of a particular risk factor may not be predictable. In addition, more than one risk factor may have a compounding effect which may not be predictable. No assurance can be given as to the effect that any combination of risk factors may have on the value of the Securities.

2. Market Factors

2.1 Valuation of the Underlying

Prospective purchasers of the Securities should be aware that an investment in the Securities involves valuation risk as regards the Underlying. Prospective purchasers should be experienced with respect to transactions in securities with a value derived from underlying securities and/or other assets and/or indices.

The value of the Underlying may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro economic factors and speculation. Where the Underlying is a basket comprised of various assets, fluctuations in the value of any one asset may be offset or intensified by fluctuations in the value of other assets which comprise the Underlying.

2.2 The Historical Performance of the Underlying is Not an Indication of Its Future Performance

The historical price of the Underlying does not indicate the future performance of the Underlying. Changes in the market price of the Underlying will affect the trading price of the Securities, but it is impossible to predict whether the market price of the Underlying will rise or fall.

2.3 Exchange Rates

Prospective purchasers of the Securities should be aware that an investment in the Securities may involve exchange rate risks. For example (i) the Underlying may be denominated in a currency other than that of the Settlement Currency for the Securities, (ii) the Securities may be denominated in a currency other than the currency of the purchaser's home jurisdiction and/or (iii) the Securities may be denominated in a currency other than the currency in which a purchaser wishes to receive funds.

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors, speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities.

2.4 *Interest Rate*

Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macro economic factors, speculation and central bank and government intervention. Fluctuations in short term and/or long term interest rates may affect the value of the Securities. Fluctuations in interest rates of the currency in which the Securities are denominated and/or fluctuations in interest rates of the currency or currencies in which the Underlying is denominated may affect the value of the Securities. If the Underlying is a fixed income security, the value of the Securities would be expected to be affected by interest rate fluctuations.

2.5 *Market Volatility*

Market volatility reflects the degree of instability and expected instability of the performance of the Underlying. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivative markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro economic factors and speculation.

3. **Certain Hedging Considerations**

Prospective purchasers intending to purchase the Securities for the purpose of hedging their exposure to the Underlying should recognise the risks of utilising the Securities in such manner. No assurance is or can be given that the value of the Securities will correlate with movements in the value of the Underlying. Furthermore, it may not be possible to liquidate the Securities at a price which directly reflects the value of the Underlying. Therefore, notwithstanding losses suffered by investors with respect to investments on or exposure to the Underlying, it is possible that investors could also suffer substantial losses in the Securities.

Prospective purchasers of the Securities should be aware that hedging transactions in order to limit the risks associated with the Securities might not be successful.

4. **Collateral and Charged Property**

4.1 *Illiquid Collateral*

The Collateral may comprise or include privately placed, unlisted securities or domestic securities or other assets which are not admitted to any trading market and which are not readily realisable.

4.2 *Credit Risk of Counterparties*

In certain cases, the Charged Property may not include Collateral and, as a consequence, security for the Securities may be limited to the claims of the Issuer against each Hedging Counterparty to the Hedging Agreement(s), or the counterparty to a Repurchase Agreement or other Agreement.

4.3 *Country and Regional Risk*

The price and value of the Collateral may be influenced by the political, financial and economic stability of the country and/or region in which the issuer of or obligor in respect of the Collateral is incorporated or has its principal place of business or of the country in the currency of which the Collateral is denominated. The value of securities and other assets issued by entities located in, or governments of, emerging market countries is generally more volatile than the value of similar assets issued by entities in well-developed markets. However, in certain cases the price and value of assets originating from countries not ordinarily considered to be emerging markets countries may behave in a manner similar to those of assets originating from emerging markets countries.

5. **Secondary Market**

Even if the securities are listed on the Official List of the Irish Stock Exchange or any other stock exchange, it is not possible to predict if and to what extent a secondary market may develop in any Securities or at what price any Securities will trade in the secondary market or whether such market will be liquid or illiquid. In relation to each Series of Securities, if so specified in the relevant Product Conditions, application has been made to list or quote such Securities on the stock exchanges specified. If such Securities are so listed or quoted, no assurance is given that any such listing or quotation will be maintained. The fact that any Securities may be so listed or quoted does not necessarily lead to greater liquidity than if they were not so listed or quoted.

If a Series of Securities is not listed or traded on any exchange, pricing information for such Securities may be more difficult to obtain and the liquidity of such Securities may be adversely affected.

The liquidity of such Securities may also be affected by restrictions on offers and sales of such Securities in some jurisdictions.

The Arranger may, but is not obliged to, at any time purchase Securities at any price in the open market or by tender or private agreement. Any Securities so purchased may be held or resold or surrendered for cancellation. Since the Arranger may be the only market-maker in the Securities of a Series the secondary market may be limited. The more limited the secondary market is, the more difficult it may be for holders of the Securities to realise value for the Securities prior to the exercise, expiration or maturity date.

6. **Potential Conflicts of Interest**

The Arranger, any Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent and their respective affiliates may from time to time engage in transactions involving the Underlying for their proprietary accounts and for accounts under their management. Such transactions may have a positive or negative effect on the value of the Underlying and consequently upon the value of the Securities. In addition, the Arranger, any Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent and their respective affiliates may from time to time act in other capacities with regard to the Securities. Furthermore, the Arranger, any Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent and their respective affiliates may also issue other derivative instruments in respect of the Underlying and the introduction of such competing products into the marketplace may affect the value of the Securities.

The Arranger, any Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent and their respective affiliates may, in certain cases, act as market-maker for the Underlying, which might in particular be the case when the Arranger, such Hedging

Counterparty, the Repurchase Counterparty, the Calculation Agent or such affiliate has also issued the Underlying. By such market-making, the Arranger, such Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent or such affiliate will, to a large extent, itself determine the price of the Underlying, and consequently influence the value of the Securities. The prices quoted by the Arranger, such Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent or such affiliate in its market-making function will not always correspond to the prices which would have formed without such market-making and in a liquid market.

The Arranger, any Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent and their respective affiliates may also act as underwriter in connection with future offerings of the Underlying or may act as financial adviser to the issuer of an Underlying or in a commercial banking capacity for the issuer of an Underlying. Such activities could present certain conflicts of interest and may affect the value of the Securities.

The Arranger, any Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent and their respective affiliates may acquire non-public information with respect to the Underlying, and neither the Arranger, any Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent nor any of their respective affiliates undertakes to disclose any such information to any Securityholder. In addition, one or more of the Arranger, any Hedging Counterparty, the Repurchase Counterparty, the Calculation Agent and their respective affiliates may publish research reports with respect to the Underlying.

Such activities could present conflicts of interest and may affect the value of the Securities.

7. Option to Settle in Cash or by Physical Delivery

If so indicated in the Product Conditions, the Issuer will have the option to settle in cash or by physical delivery.

Prospective purchasers should review the Conditions to ascertain whether and how such provisions apply to the Securities.

8. Market Disruption Events

If so indicated in the Product Conditions, the Calculation Agent may determine that a Market Disruption Event has occurred or exists at a relevant time. Any such determination may have an effect on the value of the Securities and/or may delay settlement in respect of the Securities.

Prospective purchasers should review the Product Conditions to ascertain whether and how such provisions apply to the Securities.

9. Cancellation of Securities

The Issuer may cancel the Securities upon the occurrence of certain adjustment events as set out in Product Condition 7 (Adjustment Provisions) if such Product Condition is specified in the applicable Product Conditions. If the Issuer so cancels the Securities then the Issuer will pay the Early Termination Amount to each Securityholder, determined as provided in the Product Conditions. Such amount may be zero.

10. **Substitution or Adjustment Provisions**

An adjustment of the terms of the Securities as provided in Product Condition 7 (Adjustment Provisions) may result in a change in the quantity, composition and/or identity of the relevant Underlying and may affect the value of the Securities.

11. **Taxation**

Potential purchasers and sellers of the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are transferred. Securityholders are subject to the provisions of General Condition 4.4 and payment and/or delivery of any amount due in respect of the Securities will be conditional upon the payment of any Securityholder Expenses as provided in the Product Conditions.

Potential purchasers who are in any doubt as to their tax position should consult their own independent tax advisers. In addition, potential purchasers should be aware that tax regulations and their application by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time.

12. **EU Savings Directive**

Under EC Council Directive 2003/48/EC (the “**Directive**”) on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

B. Risks in relation to the Issuer

1. **Matters of Irish Law**

1.1 *Not a Bank Deposit*

Any investment in the Securities does not have the status of a bank deposit in Ireland and is not within the scope of the deposit protection scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland by virtue of the issue of the Securities.

1.2 *Examinership*

Examinership is a court procedure available under the Irish Companies (Amendment) Act, 1990, as amended (the “**1990 Act**”) to facilitate the survival of Irish companies in financial difficulties.

The Issuer, the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after this appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to this appointment. Furthermore, the examiner may sell assets, the subject of a fixed charge. However, if such power is exercised the examiner must account to the holders of the fixed charge for the amount realised and discharge the amount due to the holders of the fixed charge out of the proceeds of the sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the Irish High Court when at least one class of creditors has voted in favour of the proposals and the Irish High Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Securityholders. The Trustee would also be entitled to argue at the Irish High Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Securityholders, especially if such proposals included a writing down to the value of amounts due by the Issuer to the Securityholders. The primary risks to the Securityholders if an examiner were appointed to the Issuer are as follows:

- (a) the potential for a compromise or scheme of arrangement being approved involving the writing down or rescheduling of the debt due by the Issuer to the Securityholders as secured by the Trust Instrument;
- (b) the potential for the examiner to seek to set aside any negative pledge in the Securities prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner's remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the Irish High Court) will take priority over the monies and liabilities which from time to time are or may become due, owing or payable by the Issuer to each Secured Party under the Securities or the transaction documents.

1.3 Preferred Creditors under Irish Law and Floating Charges

Under Irish law, upon an insolvency of an Irish company such as the Issuer, when applying the proceeds of assets subject to fixed security which may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (which may include any borrowings made by an examiner to fund the

company's requirements for the duration of his appointment) which have been approved by the Irish courts. (See "*Examinership*" above).

The holder of a fixed security over the book debts of an Irish tax resident company (which would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue Commissioners, to pay to them sums equivalent to those which the holder received in payment of debts due to it by the company.

Where the holder of the security has given notice to the Irish Revenue Commissioners of the creation of the security within 21 days of its creation, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company which are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the person creating the charge does not have liberty to deal with the assets which are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer any charge constituted by the Trust Instrument may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the monies standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security over the Issuer's account and the Collateral would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

- (i) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (ii) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (iii) they rank after certain insolvency remuneration expenses and liabilities;
- (iv) the examiner of a company has certain rights to deal with the property covered by the floating charge; and

(v) they rank after fixed charges.

1.4 Taxation position of the Issuer

The Issuer has been advised that it should fall within the Irish regime for the taxation of qualifying companies as set out in Section 110 of the Taxes Consolidation Act 1997 (“**Section 110**”), and as such should be taxed only on the amount of its retained profit after deducting all amounts of interest and other revenue expenses due to be paid by the Issuer. If, for any reason, the Issuer is not or ceases to be entitled to the benefits of Section 110, then profits or losses could arise in the Issuer which could have tax effects not contemplated in the cash flows connected with the Securities and as such could adversely affect the tax treatment of the Issuer and consequently the payments on the Securities.

2. Limited Recourse Obligations and Related Risks

The Securities will be direct, secured, limited recourse obligations of the Issuer payable solely out of the Charged Property secured by the Issuer in favour of the Trustee on behalf of the Securityholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the relevant Series of Securities. Securityholders will have no right to proceed directly against the Hedging Counterparty in respect of any related Hedging Agreement or take title to, or possession of, the relevant Charged Property unless the Trustee, having become bound to do so, fails to take action against the Issuer within a reasonable time. No assurance can be given that the proceeds available for and allocated to the repayment of the relevant Series of Securities at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Securities. If the proceeds of the realisation of the relevant Charged Property received by the Trustee for the benefit of the relevant Securityholders prove insufficient to make payments on the relevant Series of Securities and the other secured parties, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation in accordance with the relevant Trust Instrument, the Issuer will have no further obligation to pay any amounts in respect of such deficiency.

Further, the Trustee and the Securityholders will not be entitled at any time to petition or take any other step for the winding-up of, or the appointment of an examiner to, the Issuer provided that the Trustee may prove or lodge a claim in the liquidation of the Issuer initiated by another party. No person other than the Issuer will be obliged to make payments on the Securities.

Securityholders should be aware that there are a number of risks associated with the purchase of the Securities, including the risk that the Issuer may become subject to claims or other liabilities (whether in respect of the Securities or otherwise) which are not themselves subject to limited recourse or non-petition provisions as set out above.

3. Further Issues of Securities by the Issuer

Further Securities may be issued subject to the provisions of General Condition 14.

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY SECURITIES.

PART C

GENERAL DESCRIPTION OF SECURITIES SECTION

INVESTORS SHOULD NOTE THAT THIS GENERAL DESCRIPTION OF SECURITIES SECTION CONTAINS AN OVERVIEW OF, AND IS THEREFORE SUBJECT TO AND QUALIFIED ENTIRELY BY, THE PRODUCT CONDITIONS AND THE GENERAL CONDITIONS AS SET OUT IN THIS PROSPECTUS.

GENERAL DESCRIPTION OF SECURITIES

This section provides a brief general description of the terms of the Securities. It briefly describes a number of features of the Securities but does not set out in full these features of the Securities. In addition there are aspects of the Securities to which this general description of the terms of the Securities does not refer. Investors should therefore not rely on this general description of the terms of the Securities but should rely only on the full terms and conditions of the Securities as set out in the Prospectus (see the Product Conditions and the General Conditions).

Nature of the Securities

The Securities are debt obligations of dbInvestor Solutions plc (the “**Issuer**”). The Securities provide exposure, amongst other things, to each of the credit risk of the Issuer, the hedging counterparty and the collateral. This section provides a brief description of how each of these risks operate, as each will affect whether interest and principal is paid to investors, and of the structure of the Securities. Having reviewed this section, investors should also refer to the “Risk Factors” sections above.

Nature of the Issuer

The Issuer, dbInvestor Solutions plc, is a special purpose vehicle established for the purpose of issuing financial products, including the Securities.

Security

The money raised by the Issuer from the initial sale of the Securities will be used by the Issuer to purchase a nominal amount of the EUR 1,800,000,000 5.60 per cent. Notes due 17 September 2018 (ISIN: ES0378641031) issued by Fondo de Titulización del Déficit del Sistema Eléctrico, Fondo de Titulización de Activos and guaranteed by the Kingdom of Spain equal to 100 per cent. of the Aggregate Nominal Amount of the Securities (the “**collateral**”) which will be secured in favour of the Trustee on behalf of Securityholders. The collateral, together with the Issuer's rights under the hedging agreement described below, are referred to as “**charged property**”. Where some of the charged property comprises collateral, Securityholders bear the risk of declines in the value of that collateral. This is because, where the Securities are cancelled early, in certain circumstances the amount payable on cancellation may be calculated by reference to (amongst other things) the market value of the collateral and, if the value of the collateral has declined since the date of purchase, the amounts due to Securityholders on cancellation will be less than the original nominal amount of their Securities.

The charged property will be secured in favour of the Trustee on behalf of Securityholders and will be the only assets of the Issuer available to meet the claims of the holders of the Securities. Therefore, Securityholders bear the risk of a default or decline in value of the collateral and a default by Deutsche Bank AG, London Branch as custodian of the collateral and any amounts received on its redemption.

Hedging Agreement

On or prior to the Issue Date the Issuer will enter into an asset swap agreement (the “**hedging agreement**”) with Deutsche Bank AG, London Branch (the “**hedging counterparty**”).

The principal purpose of the hedging agreement is to ensure that, prior to any early cancellation of the Securities, the income expected to be received by the Issuer from any collateral (which may pay a rate of interest that differs from the rate that the Issuer must pay under the Securities) is exchanged for an income that matches the amounts to be paid under the Securities.

Redemption at Maturity

The Redemption Amount of the Notes is linked to the performance of the IBEX 35® Index (the “Index”).

Unless previously redeemed or purchased and cancelled, each nominal amount of Securities equal to the Calculation Amount will be redeemed, either:

- (a) if neither a Collateral Obligor Default Event Date nor an Index Event has occurred, at the greater of (i) the Calculation Amount and (ii) the product of the Calculation Amount and the Index Return; or
- (b) if either or both a Collateral Obligor Default Event Date or an Index Event has occurred, at the Calculation Amount.

The Index Return means the Index Level on 12 September 2018 divided by the Index Level on the Issue Date. If the Index Level on 12 September 2018 is lower or equal to the Index Level on the Issue Date then each nominal amount of Securities equal to the Calculation Amount will be redeemed at the Calculation Amount.

The Index Return is capped at 1.7.

No Interest is payable in respect of the Securities.

Example Calculations

Set out below are examples of calculations of the amount that may be payable on redemption of the Securities on the Maturity Date.

The examples are included for illustrative purposes only and should not be relied upon. They are not an indication of the likely performance of, or amounts payable in respect of, the Securities. Prospective purchasers should conduct their own independent review and obtain such professional advice as they deem appropriate prior to any acquisition of the Securities.

By way of example calculation on a redemption described above, if the Index Level on the Issue Date was 100 and the Index Level on 12 September 2018 was 180 the Index Return would be 1.7 (being the Index Level on 12 September 2018 divided by the Index Level on the Issue Date subject to a maximum of 1.7), and the amount payable on redemption of each Security would be EUR1,700, calculated as follows:

the greater of:

- (a) EUR 1,700, (being the product of (i) EUR1,000 (being the Calculation Amount) and (ii) 1.7 (being the Index Return)); and
- (b) EUR1,000 (being the Calculation Amount).

If the Index Level on the Issue Date was 100 and the Index Level on 12 September 2018 was 90 the Index Return would be 0.9 (being the Index Level on 12 September 2018 divided by the Index Level on the Issue Date), and the amount payable on redemption of each Security would be EUR1,000, calculated as follows:

the greater of:

- (a) EUR 900, (being the product of (i) EUR1,000 (being the Calculation Amount) and (ii) 0.9 (being the Index Return)); and
- (b) EUR1,000 (being the Calculation Amount).

If a Collateral Obligor Default Event Date has occurred and the Index Level on the Issue Date was 100 and the Index Level on 12 September 2018 was 170 the Index Return would be 1.7 (being the Index Level on 12 September 2018 divided by the Index Level on the Issue Date subject to a maximum of 1.7), and the amount payable on redemption of each Security would be EUR1,000 (being the Calculation Amount).

Early cancellation of the Securities

The hedging agreement may be terminated prior to its scheduled termination date, and the Securities cancelled early if:

- (a) at the option of one party, if there is a failure by the other party to pay any amounts due under the hedging agreement;
- (b) if withholding taxes are imposed on payments made by the Issuer or the hedging counterparty under the hedging agreement or it becomes illegal for either party to perform its obligations under the hedging agreement;
- (c) if the implementation or adoption of or change in any applicable law or regulation, or the interpretation or administration of any applicable law or regulation would subject either party to a materially increased regulatory burden or otherwise have a material adverse effect on either party with respect to the hedging agreement or more generally; or
- (d) upon the occurrence of certain other events with respect to either party and the hedging agreement, including insolvency.

The Securities may also be cancelled early in the event of, amongst other things, (a) a payment default in respect of the Securities, a breach by the Issuer of its obligations under the Securities or the winding-up or dissolution of the Issuer, or (b) an event of default or other similar event under the collateral in accordance with the collateral terms as of the Issue Date or a restructuring of and/or amendment to certain terms of the collateral, or (c) any other early redemption of the collateral.

Amount payable on an early cancellation of the Securities on an event of default of the Issuer, early termination of the hedging agreement, a collateral default event or restructuring of and/or amendment to certain terms of the collateral.

The amount (if any) payable in respect of each Security on cancellation following the occurrence of an event of default of the Issuer, an early termination of the hedging agreement, a collateral default event or a restructuring of and/or amendment to certain terms of the collateral will be:

- (a) a *pro rata* share of the market value of the collateral; minus
- (b) a *pro rata* share of the unwind costs.

The performance of the Index may (provided that a collateral default event or restructuring of and/or amendment to certain terms of the collateral has not occurred) be reflected in the unwind costs and as such may effect the amount (if any) payable in respect of each Security on cancellation. Following the occurrence of a collateral default event or restructuring of and/or amendment to certain terms of the collateral (if any) the performance of the Index will have no effect upon the amount (if any) payable in respect of each Security on cancellation.

Example Calculations

Set out below are examples of calculations of the amount that may be payable on an early cancellation of the Securities in such circumstances.

The examples are included for illustrative purposes only and should not be relied upon. They are not an indication of the likely performance of, or amounts payable in respect of, the Securities. Prospective purchasers should conduct their own independent review and obtain such professional advice as they deem appropriate prior to any acquisition of the Securities.

By way of example calculation on a cancellation described above, if (a) the market value of the collateral were equal to the aggregate nominal amount of the Securities, and (b) the unwind costs when *pro rated* amongst the Securities were EUR200, the amount payable on cancellation of each Security would be EUR800, calculated as follows:

- (a) EUR1,000 (being such Security's *pro rata* share of the market value of the collateral); minus
- (b) EUR200 (being such Security's *pro rata* share of the unwind costs).

If (a) the market value of the collateral were half the aggregate nominal amount of the Securities, and (b) the unwind costs when *pro rated* amongst the Securities were EUR200, the amount payable on cancellation of each Security would be EUR300, calculated as follows:

- (a) EUR500 (being such Security's *pro rata* share of the market value of the collateral); minus
- (b) EUR200 (being such Security's *pro rata* share of the unwind costs).

Amount payable on an early cancellation of the Securities following an early redemption of the collateral (other than due to a collateral default event or a restructuring of and/or amendment to certain terms of the collateral).

The amount (if any) payable in respect of each Security on cancellation following an early redemption of the collateral (other than due to a collateral default event or a restructuring of and/or amendment to certain terms of the collateral) will be:

- (a) a *pro rata* share of the proceeds of redemption of the collateral (for the avoidance of doubt, excluding any accrued interest paid in respect of such redemption); minus
- (b) a *pro rata* share of the unwind costs.

The performance of the Index may be reflected in the unwind costs and as such may effect the amount (if any) payable in respect of each Security on cancellation.

Example Calculations

Set out below are examples of calculations of the amount that may be payable on an early cancellation of the Securities in such circumstances.

The examples are included for illustrative purposes only and should not be relied upon. They are not an indication of the likely performance of, or amounts payable in respect of, the Securities. Prospective purchasers should conduct their own independent review and obtain such professional advice as they deem appropriate prior to any acquisition of the Securities.

By way of example calculation on a cancellation described above, if (a) the proceeds of early redemption of the collateral were equal to the aggregate nominal amount of the Securities, and (b) the unwind costs when *pro rated* amongst the Securities were EUR200, the amount payable on cancellation of each Security would be EUR800, calculated as follows:

- (a) EUR1,000 (being such Security's *pro rata* share of the proceeds of early redemption of the collateral); minus
- (b) EUR200 (being such Security's *pro rata* share of the unwind costs).

If (a) the proceeds of early redemption of the collateral were half the aggregate nominal amount of the Securities, and (b) the unwind costs when *pro rated* amongst the Securities were EUR200, the amount payable on cancellation of each Security would be EUR300, calculated as follows:

- (a) EUR500 (being such Security's *pro rata* share of the proceeds of early redemption of the Collateral); minus
- (b) EUR200 (being such Security's *pro rata* share of the unwind costs).

Early cancellation and Unwind Costs

Where the Securities are cancelled early, the hedging counterparty may incur certain costs ("**unwind costs**") in connection with such cancellation and the termination of its hedging arrangements, and these costs will be deducted from the amount otherwise payable to Securityholders on cancellation. These costs include, among other things, the net losses and costs of the hedging counterparty (i.e. taking into account both the benefit of the payments/deliveries which the hedging counterparty no longer has to make and the cost of the payments/deliveries it will no longer receive) arising from the non-payment or delivery by each party of the sums and assets which would have been paid or delivered under the hedging agreement if it had not been terminated, notwithstanding the above, following the occurrence of a collateral default event or restructuring of and/or amendment to certain terms of the collateral (if any) any gain realised by the hedging counterparty in connection with the cancellation of the Securities and related termination, settlement or re-establishment of any hedge or related trading position shall not be reflected in any calculation of such costs.

Therefore the unwind costs may include a component (and possibly a very large component) representing a loss of potential payment/deliveries under the hedging agreement.

PART D
SECURITIES SECTION

Subject matter of this Securities Section

The subject matter of this Securities Section is the issue of the Securities by the Issuer under the Programme (each capitalised term having the meaning given to it below).

The Programme

Under its Programme for the issuance of Secured Securities (the “**Programme**”), dbInvestor Solutions plc (the “**Issuer**”) may from time to time issue secured notes and secured certificates which may relate to shares and/or indices and/or debt securities and/or commodities and/or currencies and/or other reference basis or assets. The terms of the Programme are set out in the Programme Section.

The Securities

Under the Programme the Issuer has decided to issue the Securities on the terms set out in this Securities Section.

The terms and conditions of the Securities (the “**Conditions**”) are comprised of the General Conditions set out in the Programme Section, as completed, modified and amended by the Product Conditions set out in this Securities Section.

Deutsche Bank AG, London Branch of Winchester House, 1 Great Winchester Street, London EC2N 2DB (the “**Arranger**”) is the Arranger for the Securities.

Sale of the Securities

The Securities will be offered for subscription during the Offer Period at the Offer Price. On the Issue Date, the Securities which have been subscribed by the public will be issued to the investors by using the Distributor as an intermediary. Such Securities will be purchased by the Arranger at the Issue Price and immediately sold on, via the Distributor, at the Offer Price to the investors who have subscribed for them at such price during the Offer Period. Following the Offer Period, the Securities may be offered or sold from time to time in one or more transactions, in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, in each case at the discretion of the Issuer. Neither the Issuer nor the Arranger shall be obliged to sell all or any of the Securities.

Selling Restrictions

The Securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended. Any offer or sale of the Securities must be made in a transaction exempt from the registration requirements of such Act pursuant to Regulation S thereunder. The Securities may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. persons as defined in Regulation S of such Act or persons who do not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended. For a description of further restrictions on the offer, sale and transfer of the Securities, please refer to “Important Information relating to Non-exempt Offers of Securities” on pages 2 and 3 of this Prospectus, to “Important Information relating to the use of this Prospectus and offers of Securities generally” on page 4 of this Prospectus and to “Sales Restrictions” in the Programme Section.

PRODUCT CONDITIONS OF THE SECURITIES

*The Securities shall, upon issue, have the following “**Product Conditions**” which shall complete, modify and amend the General Conditions (the “**General Conditions**”) set forth in the Programme Section. The Product Conditions (which for the avoidance of doubt shall include the Index Provisions Annex) and the General Conditions together constitute the “**Conditions**” of the Securities, and will be attached to the relevant Global Security.*

Words and expressions defined or used in the Trust Instrument, the Agency Agreement or the General Conditions shall have the same meanings where used in the Product Conditions unless the context otherwise requires or unless otherwise stated.

In the event of any inconsistency between the Product Conditions and the General Conditions, the Product Conditions shall prevail. In the event of any inconsistency between the Product Conditions and the Index Provisions Annex, the Product Conditions shall prevail.

1. INTRODUCTION

- | | | |
|-------|---|---|
| (a) | Issuer: | dbInvestor Solutions plc |
| (b) | Type of Securities: | Notes |
| (c) | Series No.: | 108 |
| (d) | Listing and Admission to Trading: | Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Irish Stock Exchange and listing on the Official List of the Irish Stock Exchange on or about the Issue Date. |
| (e) | Ratings: | The Securities will not be rated. |
| (f) | Interest of Natural and Legal Persons involved in the issue | Save for any fees or commissions payable to the Arranger, the Distributor and other relevant transaction parties, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer. (See “Potential Conflicts of Interest” in Risk Factors - Programme) of the Risk Factors Section). |
| (g) | Estimated Net Proceeds and Total expenses | |
| (i) | Reasons for the offer: | The net proceeds from the issue of the Securities will be used to acquire the Collateral comprised in the Charged Property, to pay for or enter into the Hedging Agreement and to pay expenses in connection with the administration of the Issuer. |
| (ii) | Estimated net proceeds: | Up to EUR 100,000,000 |
| (iii) | Estimated total expenses: | The expenses related to the issue will be paid by the Hedging Counterparty. |

- | | | |
|-----|--|---|
| (h) | Yield | Not Applicable. The Notes are Non-Interest bearing index linked redemption Notes. |
| (i) | Security Codes: | ISIN: XS0890102253 Common Code: 089010225 |
| (j) | Name and address of Calculation Agent: | Deutsche Bank AG, London Branch (Asset Repackaging Group) Winchester House 1 Great Winchester Street London EC2N 2DB |

2. DEFINITIONS

(a) General Definitions

“Aggregate Nominal Amount of the Securities” means the aggregate of the Nominal Amounts of the Securities issued on the Issue Date.

“Business Day” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and a day on which each Clearing Agent is open for business and, for the purpose of making payments in euro, if applicable, any day on which the TARGET2 System is open.

“Calculation Amount” means EUR1,000.

“Clearing Agent(s)” means Euroclear Bank SA/NV and Clearstream Banking, société anonyme.

“Early Termination Amount” means, for the purposes of General Condition 5.1 (Mandatory cancellation), General Condition 5.2 (Cancellation for other reasons), General Condition 10 (Events of Default), and Product Condition 7 (Cancellation on Early Redemption of Collateral), the amount specified for each such purpose in Product Condition 6.

“Euro-zone” means the region comprised of member states of the European Union that adopt the euro in accordance with the Treaty.

“Issue Date” means 22 March 2013.

“Issue Price” means per Security, EUR1,000 (100%).

“Nominal Amount” means EUR1,000 and integral multiples of EUR1,000.

“Principal Agent” means Deutsche Bank AG, London Branch.

“TARGET2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System.

“Treaty” means the Treaty on the Functioning of the European Union, as amended.

“Underlying”: Not Applicable.

(b) **Interest Definitions**

"Business Day Convention": Not Applicable.

"Day Count Fraction": Not Applicable.

"Actual/360": Not Applicable.

"Interest Accrual Date": Not Applicable.

"Interest Amount": Not Applicable.

"Interest Determination Date": Not Applicable.

"Interest Payment Date": Not Applicable.

"Interest Period": Not Applicable.

"Interest Rate" : Not Applicable.

"Maximum Interest Rate": Not Applicable.

"Minimum Interest Rate": Not Applicable.

References herein and/or in the General Conditions to (i) **"principal"** shall be deemed to include all Redemption Amounts and all other amounts in the nature of principal payable pursuant to provisions of the Securities and (ii) **"interest"** shall be deemed to include all Interest Amounts and all other amounts in the nature of interest payable pursuant to the provisions of the Securities.

(c) **Settlement Definitions**

"Affiliate" means, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of a majority of the voting power of the entity or person.

"Bankruptcy" means, in respect of the issuer or guarantor of any of the Collateral, where it (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or

substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

"Closing Reference Level" means the Index Level (as defined in the Index Provisions Annex) on the Reference Date (as defined in the Index Provisions Annex) scheduled to fall on the Final Valuation Date determined in accordance with the Index Provisions Annex.

"Collateral Obligor" means each of the issuer or the guarantor of the Collateral, as applicable.

"Collateral Obligor Event" means any one or more of Bankruptcy, Failure to Pay or Repudiation/Moratorium.

"Collateral Obligor Default Event Date" means any date, following the occurrence of a Collateral Obligor Event in respect of the Collateral Obligor as determined by the Calculation Agent and evidenced by Publicly Available Information, designated as being the Collateral Obligor Default Event Date (if any) by the Calculation Agent in its sole and absolute discretion by giving notice to the Securityholders in accordance with General Condition 15 (Notices).

"Default Requirement" means USD 10,000,000 (or such equivalent amount in the relevant currency).

"Failure to Pay" means, after the expiration of any applicable grace period (after the satisfaction of any conditions precedent to the commencement of such grace period), the failure by the Collateral Obligor to make, when and where due, any payments, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligation, in accordance with the terms of any of such Obligation at the time of such failure.

"Final Valuation Date" means the 12 September 2018 or, if such date is not a Scheduled Trading Day (as defined in the Index Provisions Annex) in respect of the Index (as defined in the Index Provisions Annex), the next following Scheduled Trading Day in respect of the Index.

"Index Return" means the lesser of (i) Closing Reference Level divided by the Initial Reference Level and (ii) 1.7.

"Initial Reference Level" means the Index Level on the Reference Date scheduled to fall on the Initial Valuation Date determined in accordance with the Index Provisions Annex.

"Initial Valuation Date" means the Issue Date or, if such date is not a Scheduled Trading Day (as defined in the Index Provisions Annex) in respect of the Index (as defined in the Index Provisions Annex), the next following Scheduled Trading Day in respect of the Index.

"Maturity Date" means 17 September 2018 (the **"Scheduled Maturity Date"**), subject as provided in Product Condition 8 (Maturity Date Postponement).

"Obligation" means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money of the Collateral Obligor (either directly or as provider of a Qualifying Affiliate Guarantee).

"Payment Requirement" means USD 1,000,000 (or such equivalent amount in the relevant currency).

"Publicly Available Information" means:

(a) information that reasonably confirms any of the facts relevant to the determination that the Collateral Obligor Event has occurred and which (i) has been published in or on not less than the Specified Number of Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if either of the parties or any of their respective Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless such party or its Affiliate is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (ii) is information received from or published by (A) the Collateral Obligor (or a Sovereign Agency in respect of the Collateral Obligor which is a Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, (iii) is information contained in any petition or filing instituting a proceeding described in the subparagraph (d) of the definition of Bankruptcy against or by the issuer or guarantor of any of the Collateral or (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body.

(b) Where the Calculation Agent is (i) the sole source of information in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for the Obligation with respect to which a Collateral Obligor Event has occurred and (ii) a holder of such Obligation, the Calculation Agent shall be required to deliver to the Securityholders a certificate signed by a Managing Director (or other substantively equivalent title) of the Calculation Agent, which shall certify the occurrence of a Collateral Obligor Event with respect to such Obligation.

(c) In relation to any information of the type described in (a)(ii), (iii) and (iv) above, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement or understanding regarding the confidentiality of such information and that the party delivering such information has not taken any action or entered into any agreement or understanding with the Collateral Obligor or any Affiliate of the Collateral Obligor that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

(d) Publicly Available Information need not state (i) the percentage of Voting Shares owned, directly or indirectly, by the issuer or guarantor of any of the Collateral and (ii) that such occurrence (A) has met the Payment Requirement or Default Requirement, (B) is the result of exceeding any applicable grace period or (C) has met the subjective criteria (if any) specified in certain Collateral Obligor Events.

"Public Source" means each of Bloomberg Service, Dow Jones Telerate Service, Reuter Monitor Money Rates Services, Dow Jones News Wire, Wall Street Journal, New York Times, Nihon Keizai Shinbun, Asahi Shinbun, Yomiuri Shinbun, Financial Times, La Tribune, Les Echos and The Australian Financial Review (and successor publications), the main source(s) of business news in the country in which the Collateral is organized and any other internationally recognized published or electronically displayed news sources).

"Qualifying Guarantee" means an arrangement evidenced by a written instrument pursuant to which the Collateral Obligor irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **"Underlying Obligation"**) for which another party is the obligor (the **"Underlying Obligor"**) and that is not at the time of the Collateral Obligor Event subordinated to any unsubordinated payment

obligation of the Underlying Obligor. Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Collateral Obligor can be discharged, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being delivered together with the delivery of the Underlying Obligation.

"Qualifying Affiliate Guarantee" means a Qualifying Guarantee provided by the Collateral Obligor in respect of an Underlying Obligation of a whose outstanding Voting Shares are more than 50 percent owned, directly or indirectly, by the Collateral Obligor.

"Redemption Amount" means, in respect of each nominal amount of Securities equal to the Calculation Amount, either:

(a) if neither a Collateral Obligor Default Event Date nor an Index Event has occurred, the greater of (i) the Calculation Amount; and (ii) the product of the Calculation Amount and the Index Return; or

(b) if either or both a Collateral Obligor Default Event Date or an Index Event has occurred, the Calculation Amount.

"Repudiation/Moratorium" means, in respect of the Collateral Obligor, the occurrence of both of the following events: (i) an authorized officer of the Collateral Obligor (x) disaffirms, disclaims, repudiates or rejects, in whole or in part, or challenges the validity of, one or more Obligations in an aggregate amount of not less than the Default Requirement or (y) declares or imposes a moratorium, standstill, roll-over or deferral, whether de facto or de jure, with respect to one or more Obligations in an aggregate amount of not less than the Default Requirement and (ii) a Failure to Pay, determined without regard to the Payment Requirement with respect to any Obligations occurs.

"Settlement" means cash settlement (**"Cash Settlement"**).

"Settlement Currency" means euro (**"EUR"**).

"Sovereign" means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) thereof.

"Sovereign Agency" means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign.

"Specified Number" means two Public Sources.

"Voting Shares" means those shares or other interests that have the power to elect the board of directors or similar governing body of an entity.

3. INTEREST AND REDEMPTION

(a) Interest

Not Applicable. The Notes are non-interest bearing.

(b) Interest Rate and Accrual

Not Applicable.

(c) **Interest Rates and Rounding**

Not Applicable.

(d) **Interest Calculations**

Not Applicable.

(e) **Business Day Convention**

If any date referred to herein which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is (i) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day, (iii) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (iv) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(f) **Redemption**

Unless previously redeemed or purchased and cancelled and subject as provided in the General Conditions and herein, each Security will be redeemed by the Issuer, in respect of each Security, by payment of the Redemption Amount, such redemption to occur on the Maturity Date.

The Redemption Amount will be determined by the Calculation Agent at the time and on the date in accordance with the Index Provisions Annex and the definition of "Redemption Amount" in Product Condition 2(c) (Settlement Definitions), subject to any adjustment provided for in this paragraph 3(f) (Redemption).

For the purposes of any calculations required pursuant to the provisions hereof (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up) (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up) save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "unit" means, with respect to any currency other than euro, the lowest amount of such currency which is available as legal tender in the country of such currency and, with respect to euro, means 0.01 euro.

The Calculation Agent shall determine the Redemption Amount in respect of each Security on or prior to the Maturity Date, or make such determination or calculation, as the case may be, as may be required for such purposes and cause the Redemption Amount to be notified to the Issuer, the Trustee, the Principal Agent, each of the Paying Agents, the Securityholders and, for so long as the Securities are listed on a stock exchange and the rules of such stock exchange require, such stock exchange, as soon as possible after their determination but in no event later than (i) (except in the case of notices to the Securityholders) the Maturity Date, if determined prior to such time, or (ii) in all other cases,

the fourth Business Day after such determination. The Redemption Amount so notified may subsequently be amended (or appropriate alternative arrangements made with the prior written consent of the Trustee by way of adjustment) without notice.

Following the occurrence of a Collateral Obligor Default Event Date, the Calculation Agent will cause the Collateral Obligor Default Event Date to be notified to the Issuer, the Trustee, the Principal Agent and each of the Paying Agents. For the avoidance of doubt, following the occurrence of a Collateral Obligor Default Event Date each Security will be redeemed on the Maturity Date. Furthermore, if an event may be both a potential Collateral Obligor Default Event and a Mandatory Redemption Event or other event under these Securities then the Calculation Agent may in its sole and absolute discretion determine whether such event constitutes a Collateral Obligor Default Event or a Mandatory Redemption Event or such other event under these Securities.

(g) Determination or Calculation by Trustee

If the Calculation Agent fails at any time for any reason to determine or calculate the Redemption Amount or to comply with any other requirement of it in relation to the Securities, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the provisions of this Product Condition 3 (Interest and Redemption), with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(h) Payments

Payments in respect of the Securities will, subject as mentioned below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Securities, surrender of the Global Security to or to the order of any Paying Agent. A record of each payment so made will be endorsed on the Global Security, which endorsement will be prima facie evidence that such payment has been made in respect of the Securities represented thereby. Payments will be made by transfer to an account denominated in the Settlement Currency with a bank in the principal financial centre of that currency; provided that in the case of euro, the transfer may be to, or the cheque drawn on, a euro account with a bank in the Euro-zone.

Each of the persons shown in the records of the relevant Clearing Agent as the holder of a Security represented by the Global Security must look solely to such Clearing Agent for his share of each payment made by the Issuer to the bearer of the Global Security, subject to and in accordance with the respective rules and procedures of the relevant Clearing Agent. Such persons shall have no claim directly against the Issuer in respect of payments due on the Securities for as long as the Securities are represented by the Global Security, and such obligations of the Issuer will be discharged by payment to the bearer of the Global Security in respect of each amount so paid.

If a payment of any amount to be paid to the bearer of the Global Security for onward payment to a Securityholder as provided above, according to the rules of the relevant Clearing Agent, cannot be made in the Settlement Currency, such payment shall be made in the currency principally used by the relevant Clearing Agent for payments to securityholders holding accounts with such Clearing Agent, following a conversion of the relevant amount from the Settlement Currency, using the rate of exchange determined by the Calculation Agent by reference to such sources as the Calculation Agent may reasonably determine to be appropriate.

If any date for payment in respect of any Security is not a Payment Day, the holder shall not be entitled to payment until the next following Payment Day nor to any interest or other sum in respect of such postponed payment.

As used above, “**Payment Day**” means any day which is (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant place of presentation and London; and (ii) either (1) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of such currency or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

Any payments to be made by the Issuer calculated by reference to Securities deemed to have a nominal amount equal to the Calculation Amount and by reference to such Securities pro rata share of any other amount shall be calculated by (i) determining the pro rata share of any amount attributable to a Security deemed to have a nominal amount equal to the Calculation Amount and (ii) for the purposes of determining any amount payable in respect of any actual Security having a different nominal amount, by multiplying such pro rata share amount by a figure determined by dividing the actual nominal amount of the relevant Security by the Calculation Amount.

(i) **Certificates to be Final**

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Product Condition 3 whether by the Calculation Agent or the Trustee or its appointee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Agent, the Paying Agents, the Calculation Agent, the Trustee and all Securityholders and no liability to the Issuer, the Securityholders or any other person shall attach to (in the absence as aforesaid) the Calculation Agent or (in the absence of wilful default) the Trustee or its appointee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

4. SECURITY

(a) **Security**

- (1) Collateral charged to Trustee.
- (2) General Condition 6.3 (General provisions relating to security) shall apply.

(b) **Collateral**

- (1) Collateral: a nominal amount of the EUR 1,800,000,000 5.60 per cent. Notes due 17 September 2018 (ISIN: ES0378641031) issued by Fondo de Titulización del Déficit del Sistema Eléctrico, Fondo de Titulización de Activos and guaranteed by the Kingdom of Spain equal to 100 per cent. of the Aggregate Nominal Amount of the Securities.
- (2) General Condition 6.5.1 (Replacement of Collateral): shall not apply.

General Condition 6.5.2 (Substitution of Collateral): shall not apply. The Custodian shall pay any proceeds received by it on an early redemption of the Collateral that are to be applied in connection with the cancellation of the Securities and

termination of the Hedging Agreement into such account maintained by the Custodian from time to time for such purposes.

(c) **Custody**

Custodian: Deutsche Bank AG, London Branch.

The Collateral will be delivered to the Custodian on or before the Issue Date.

(d) **Hedging Agreement(s)**

The Issuer has entered into a Hedging Agreement with the Hedging Counterparty, the purpose of which is to allow the Issuer to perform its scheduled obligations under the terms of the Securities. Accordingly, it provides that:

- (i) initially, the Issuer shall pay to the Hedging Counterparty the proceeds of issue of the Securities, in exchange for the Collateral; and
- (ii) over the term of the Securities and at scheduled redemption and on any early cancellation thereof the Issuer shall make payments and/or deliveries to the Hedging Counterparty equal to (i) the scheduled coupons (if any) in respect of the Collateral and (ii) such other cash amounts or assets (if any) as may be specified in the Hedging Agreement, in exchange for payments and/or deliveries by the Hedging Counterparty as specified in the Hedging Agreement which correspond to those which the Issuer is scheduled to make to Securityholders under the Conditions.

Hedging Counterparty: Deutsche Bank AG, London Branch

Hedging Agreement Termination Date: the Maturity Date (subject to adjustment if such day is not a Business Day thereunder).

Early Termination of the Hedging Agreement(s):

The Hedging Agreement(s) may be terminated early (either in whole or, in certain circumstances, in part only), among other circumstances:

- (i) if at any time the Securities are cancelled in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due under the Hedging Agreement;
- (iii) if (subject as provided in the Hedging Agreement) withholding taxes are imposed on payments made by the Issuer or the Hedging Counterparty under the Hedging Agreement or it becomes illegal for either party to perform its obligations under the Hedging Agreement;
- (iv) if (subject as provided in the Hedging Agreement) the implementation or adoption of or change in any applicable law or regulation, or the interpretation or administration of any applicable law or regulation would subject either party to a materially increased regulatory burden or otherwise have a material adverse effect on either party with respect to the Hedging Agreement or more generally; and
- (v) upon the occurrence of certain other events with respect to either party and the Hedging Agreement, including insolvency.

The above summary is qualified in its entirety by the terms of the Hedging Agreement, which will be available for inspection as described in “GENERAL INFORMATION” in the Programme Section.

(e) **Repurchase Agreement**

The Issuer has not entered into a Repurchase Agreement.

Repurchase Counterparty: Not Applicable

5. OPTIONAL CANCELLATION

General Condition 5.3 (Cancellation at the Option of the Issuer) shall not apply.

6. EARLY TERMINATION AMOUNT

- (a) For the purposes of General Condition 5.1 (Mandatory cancellation), General Condition 5.2 (Cancellation for other reasons) and General Condition 10 (Events of Default), the Early Termination Amount (if any) due in respect of each Security shall be an amount equal to such Security's *pro rata* share of an amount in EUR (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula:

$$(A - B)$$

Where:

“**A**” is the Market Value Collateral; and

“**B**” is the Early Redemption Unwind Costs.

- (b) For the purposes of Product Condition 7 (Cancellation on Early Redemption of Collateral), the Early Termination Amount (if any) due in respect of each Security shall be an amount in EUR equal to such Security's *pro rata* share of an amount in EUR (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula:

$$(C - D)$$

Where:

“**C**” is the proceeds of redemption of the Collateral (for the avoidance of doubt excluding any accrued interest paid in respect of such redemption); and

“**D**” is the Early Redemption Unwind Costs.

Holders of the Securities should note however that under General Condition 5.1 and General Condition 5.2 in such circumstances the security will become enforceable and the aggregate of all sums secured on the Charged Property in priority to the claims of the Securityholders may represent a considerable portion of the proceeds of realisation of the Collateral.

For these purposes:

“**Collateral Currency**” means the currency in which the Collateral is denominated;

“Early Redemption Unwind Costs” means:

- (c) in all circumstances, other than following the occurrence of a Collateral Default Event, the sum (the result of which may be positive, negative or zero) of:
 - (i) an amount, if any, determined by the Calculation Agent equal to (i) the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Hedging Counterparty (expressed as a positive amount) or (ii) the gain realised by the Hedging Counterparty (expressed as a negative amount), in either case in connection with the cancellation of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position; and (without duplication)
 - (ii) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee or the Hedging Counterparty as a result of the Securities becoming subject to mandatory cancellation under General Condition 5.1, General Condition 5.2 or General Condition 10 or Product Condition 7; or
- (d) following the occurrence of a Collateral Default Event, the sum (the result of which may be positive or zero) of:
 - (i) an amount, if any, determined by the Calculation Agent equal to the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Hedging Counterparty (expressed as a positive amount) in connection with the cancellation of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position; and (without duplication)
 - (ii) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee or the Hedging Counterparty as a result of the Securities becoming subject to mandatory cancellation under General Condition 5.1, General Condition 5.2 or General Condition 10 or Product Condition 7;

“Early Termination Valuation Date” means:

- (a) for the purposes of a cancellation under General Condition 5.1 or General Condition 5.2, the Business Day immediately preceding the due date for cancellation; or
- (b) for the purposes of a cancellation under General Condition 10, the due date for cancellation;

“Market Value Collateral” means an amount in the Collateral Currency calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Dealers for the Collateral (excluding accrued but unpaid interest in respect thereof) on the relevant Early Termination Valuation Date, PROVIDED THAT if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent in good faith and may in certain circumstances be zero.

The Calculation Agent shall attempt to obtain firm bid quotations as aforesaid from at least five Reference Dealers; and

“Reference Dealers” means leading dealers, banks or banking corporations, which deal in obligations of the type of the Collateral selected by the Calculation Agent, one of which may be Deutsche Bank AG, London Branch.

7. CANCELLATION ON EARLY REDEMPTION OF COLLATERAL

If the Collateral is redeemed prior to the Scheduled Maturity Date other than due to a Collateral Default Event, then the Issuer shall forthwith give not more than 30 Business Days' nor less than 10 Business Days' notice to the Trustee, the Securityholders, the Hedging Counterparty and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and upon expiry of such notice shall cancel all but not some only of the Securities, each nominal amount of Securities equal to the Calculation Amount being cancelled at the Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation.

8. MATURITY DATE POSTPONEMENT

If in the determination of the Calculation Agent a Potential Collateral Default Event has occurred and is continuing as of the Scheduled Maturity Date, the Scheduled Maturity Date will be postponed to the first date on which in the determination of the Calculation Agent the event the subject of such Potential Collateral Default either could constitute a Collateral Default Event (as defined in General Condition 5.1 (Mandatory cancellation)) or could not in the passing of time constitute a Collateral Default Event, and

where:

- (i) a Collateral Default Event has not occurred on or prior to the Postponed Maturity Date (as defined below):
 - (A) subject as provided below each nominal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Redemption Amount on the Postponed Maturity Date; and
 - (B) the Issuer shall be obliged to pay additional interest in respect of each nominal amount of Securities equal to the Calculation Amount on the Postponed Maturity Date in an amount determined by the Calculation Agent equal to such Securities' *pro rata* share of any interest received in respect of the Collateral by or on behalf of the Issuer in respect of the period from (and including) the Scheduled Maturity Date to (but excluding) the Postponed Maturity Date, and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay; or
- (ii) a Collateral Default Event has occurred on or prior to the Postponed Maturity Date, the provisions of General Condition 5.1 (Mandatory cancellation) shall apply to the Securities.

Subject to the provisions of the preceding paragraph, (i) if in the determination of the Calculation Agent the Final Valuation Date and each of the consecutive Scheduled Trading Days (as defined in the Index Provisions Annex) in respect of the Index (as defined in the Index Provisions Annex) up to and including the Scheduled Maturity Date is a Disrupted Day (as defined in the Index Provisions Annex), the Scheduled Maturity Date will be postponed to the first succeeding Scheduled Trading Day in respect of the Index that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days in respect of the Index

equal in number to the Maximum Days of Disruption (as defined in the Index Provisions Annex) immediately following the Final Valuation Date is a Disrupted Day in which case the Scheduled Maturity Date will be postponed until such eighth consecutive Scheduled Trading Day in respect of the Index and (ii) if the Calculation Agent determines that an Index Event has occurred during the period commencing on the 10th Business Day immediately preceding the Scheduled Maturity Date and ending on the Scheduled Maturity Date, the Scheduled Maturity Date will be postponed to the day falling 10 Business Days after the Issuer notifies Securityholders of such determination by the Calculation Agent; and

- (C) subject as provided below each nominal amount of Securities equal to the Calculation Amount will be redeemed by the Issuer by payment of the Redemption Amount on the Postponed Maturity Date; and
- (D) the Issuer shall be obliged to pay additional interest in respect of each nominal amount of Securities equal to the Calculation Amount on the Postponed Maturity Date in an amount determined by the Calculation Agent equal to such Securities' *pro rata* share of any interest received in respect of the Collateral by or on behalf of the Issuer in respect of the period from (and including) the Scheduled Maturity Date to (but excluding) the Postponed Maturity Date, and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.

For these purposes, "**Potential Collateral Default Event**" means an event which, with the passing of time, could constitute a Collateral Default Event.

Any date to which the Scheduled Maturity Date shall be postponed pursuant to this Product Condition 8 (Maturity Date Postponement) shall be the "**Postponed Maturity Date**".

Securityholders will be notified in accordance with General Condition 15 (Notices) as soon as reasonably practicable of any such postponement of the Scheduled Maturity Date to the Postponed Maturity Date.

9. AMENDMENTS TO GENERAL CONDITIONS

- (a) General Condition 4.4 (Taxation) shall be amended by the insertion of the words "For the avoidance of doubt the Issuer shall not assume any responsibility for such withholding or deduction." at the end of General Condition 4.4.
- (b) General Condition 5.1 (Mandatory cancellation) shall be amended:
 - (i) by the deletion of the first two sentences thereof and the substitution of the following therefor:

"If in the determination of the Calculation Agent (such determination to be made within a reasonable time of the Calculation Agent having actual knowledge of the occurrence of event(s) which could constitute a Collateral Default Event), a Collateral Default Event occurs at any time on or after the Issue Date and on or prior to the Maturity Date then the Issuer shall forthwith give not more than 30 Business Days' nor less than 10 Business Days' notice to the Trustee, the Securityholders, the Hedging Counterparty and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, specifying the aggregate Nominal Amount of the Securities to be cancelled and the due date for cancellation and upon expiry of such notice (i) the Issuer shall cancel all but not some only of the outstanding Securities at their Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation and (ii) the

security constituted by or created pursuant to the Trust Instrument over the Charged Property shall become enforceable."; and

- (ii) by the addition of the following as the second paragraph thereof:

"Where:

"Collateral Default Event" means (i) the occurrence, in accordance with the terms of the Collateral as at the Issue Date, of a default, event of default or other similar event or circumstance under the Collateral (howsoever described and including, without limitation, a failure to pay any principal or interest when and where due in accordance with the terms of the Collateral as at the Issue Date) or (ii) the terms of the Collateral are restructured and/or amended (whether by operation of law or otherwise) such that (as applicable) the interest and/or principal (in each case howsoever described) and/or any other amounts payable thereunder is reduced and/or postponed and/or the priority of payments and/or the maturity date thereunder is amended."

- (c) General Condition 5.2 (Cancellation for other reasons) shall be amended:
 - (i) by the deletion of the words "(which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation)" and the substitution of the words "together with interest accrued to the date fixed for cancellation" therefor; and
 - (ii) by the deletion of the words "more than 30 days nor less than 15 days' notice (unless otherwise specified in Trust Instrument)" and the substitution of the words "more than 30 Business Days' nor less than 10 Business Days'" therefor.
- (d) The proviso to General Condition 6.4 (Application of Proceeds of Enforcement of Charged Property) shall be deleted.
- (e) General Condition 7.1 (Hedging Agreement) shall be amended by the deletion of the words "a summary" and the substitution of the words "a brief description" therefor.
- (f) General Condition 10 (Events of Default) shall be amended by the deletion of the words "(which, for the avoidance of doubt, shall include accrued interest (if any) thereon to the date of payment)" and the substitution of the words "together with interest accrued to the date of payment" therefor.
- (g) General Condition 18.1 (Governing Law) shall be amended by the deletion of the word "are" and the substitution of the words "and any non-contractual obligations arising out of or in connection with the Trust Instrument and the Securities shall be" therefor.
- (h) General Condition 18.2 (Jurisdiction) shall be amended by the insertion of the words "(including a dispute relating to any non-contractual obligations arising out of or in connection with the Securities)" after the word "Securities" in the second line thereof.

INDEX PROVISIONS ANNEX

1. Disrupted Days

1.1 Reference Dates

If the Calculation Agent determines that any Reference Date is a Disrupted Day, then the Reference Date shall be the first succeeding Scheduled Trading Day in respect of the Index that the Calculation Agent determines is not a Disrupted Day, unless the Calculation Agent determines that each of the consecutive Scheduled Trading Days in respect of the Index equal in number to the Maximum Days of Disruption immediately following the Scheduled Reference Date is a Disrupted Day. In that case:

- (a) the eighth Scheduled Trading Day in respect of the Index shall be deemed to be the Reference Date, notwithstanding the fact that such day is a Disrupted Day; and
- (b) the Calculation Agent shall determine the level of the Index as of the Valuation Time on or in respect of that last consecutive Scheduled Trading Day in respect of the Index in accordance with Paragraph 1.2 (*Calculating an Index level after the Maximum Days of Disruption*) of this Index Provisions Annex, and such determination by the Calculation Agent pursuant to this paragraph (b) shall be deemed to be the Index Level in respect of the Reference Date.

1.2 Calculating an Index level after the Maximum Days of Disruption

The Calculation Agent shall determine the level of the Index as of the relevant Valuation Time on or in respect of the relevant last consecutive Scheduled Trading Day, pursuant to Paragraph 1.1(b) of this Index Provisions Annex in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the relevant first Disrupted Day, using the Exchange traded or quoted price as of the Valuation Time on the eighth consecutive Scheduled Trading Day of each Component comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of any relevant Component on such last consecutive Scheduled Trading Day for any relevant Component, or such last consecutive Scheduled Trading Day is not a Scheduled Trading Day for any relevant Component, as determined by the Calculation Agent, its good faith estimate of the value for the relevant Component as of the Valuation Time on the eighth consecutive Scheduled Trading Day).

2. Index levels Correction

In the event that any relevant level of an Index published by the Index Sponsor on any date which is utilised for any calculation or determination in connection with the Securities is subsequently corrected and the correction is published by the Index Sponsor by the Business Day prior to the next date on which any relevant payment may have to be made by the Issuer or if earlier, one Settlement Cycle after the original publication, then the Calculation Agent may determine the amount that is payable or deliverable or make any determination in connection with the Securities, after taking into account such correction, and, to the extent necessary, may adjust any relevant terms of the Securities to account for such correction.

3. Successors and Index Adjustment Events

3.1 Consequences of a Successor Index Sponsor or a Successor Index

If an Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent (a "**Successor Index Sponsor**") or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of such Index, then in each case such index (the "**Successor Index**") will be deemed to be the Index. The Calculation Agent may make such adjustment(s) that it determines to be appropriate, if any, to any variable, calculation methodology, valuation, settlement, payment terms or any other terms of the Securities to account for such successor.

3.2 Consequences of an Index Adjustment Event

If an Index Disruption or an Index Modification has occurred, as determined by the Calculation Agent, the Calculation Agent will determine if such Index Disruption or an Index Modification has a material effect on the Securities and, if so, shall calculate the relevant level of the Index using, in lieu of a published level for such Index, the level for such Index as at or in respect of the relevant Reference Date, or any other relevant date as determined by the Calculation Agent, as the case may be, as determined by the Calculation Agent in accordance with the formula for and method of calculating such Index last in effect prior to the relevant Index Disruption or an Index Modification, but using only those Components that comprised such Index immediately prior to such Index Disruption or an Index Modification.

If the Calculation Agent determines, in its reasonable commercial discretion, that application of the preceding paragraph would not achieve a commercially reasonable result, or if an Index Cancellation occurs, the Calculation Agent may determine that the Index Event Amount shall be payable (such determination being an "**Index Adjustment Option**"), in which event the Issuer shall forthwith give 10 Business Days' notice to the Trustee, the Securityholders, the Hedging Counterparty and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and upon expiry of such notice shall pay a pro rata proportion of the Index Event Amount (which for the avoidance of doubt may be zero) in respect of each nominal amount of Securities equal to the Calculation Amount.

On making any such adjustment(s) or determination(s), the Calculation Agent shall give notice as soon as practicable to the Securityholders stating the adjustment to any amount payable under the Securities, the determination and/or any of the other relevant terms and giving brief details of the Index Adjustment Event, provided that any failure to give such notice shall not affect the validity of the Index Adjustment Event or any action taken.

4. Consequences of an Additional Disruption Event

Following the determination by the Calculation Agent that an Additional Disruption Event has occurred, the Calculation Agent may, in its reasonable commercial discretion:

- 4.1.1 determine to make such adjustment to the exercise, settlement, payment or any other terms of the Securities as the Calculation Agent determines appropriate to account for such Additional Disruption Event; and/or
- 4.1.2 determine that the Index Event Amount shall be payable (such determination being an "**Additional Disruption Option**"), in which event the Issuer shall forthwith give 10 Business Days' notice to the Trustee, the Securityholders, the Hedging Counterparty and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and upon expiry of such notice shall pay a pro rata proportion of the Index Event Amount (which for the avoidance of doubt may be zero) in respect of each nominal amount of Securities equal to the Calculation Amount.

5. Index Disclaimer

The Securities are not sponsored, endorsed, sold, or promoted by the Index or the Index Sponsor and no Index Sponsor makes any representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. No Index or Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index and the Index Sponsor is under no obligation to advise any person of any error therein. No Index Sponsor is making any representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the Securities. Neither the Issuer, the Hedge Counterparty nor the Calculation Agent shall have any liability to the Securityholders for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment, or maintenance of the Index. None of the Issuer, the Hedge Counterparty, the Calculation Agent or any of their respective affiliates has any affiliation with or control over the Index or Index Sponsor, or any control over the computation, composition, or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty, or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates, or the Calculation Agent as to the accuracy, completeness, and timeliness of information concerning the Index. In addition, no representation or warranty of any type, as to condition, satisfactory quality, performance or fitness for purpose are given, or duty or liability is assumed, by the Issuer, the Hedge Counterparty, or the Calculation Agent or any of their respective affiliates in respect of the Index or any data included in or omissions from the Index, or the use of the Index in connection with the Securities and all those representations and warranties are excluded, save to the extent that such exclusion is prohibited by law.

6. Definitions

"Additional Disruption Option" has the meaning given in Paragraph 4 (*Consequences of an Additional Disruption Event*) of this Index Provisions Annex.

"Additional Disruption Event" means (a) a Change in Law, and, (b) a Hedging Disruption.

"Change in Law" means that, on or after the Issue Date of the Securities (a) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (b) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has, or it will, within the next 15 calendar days but on or prior to the Maturity Date, become illegal for the Issuer or the Hedging Counterparty, any of its affiliates or any entities which are relevant to the Hedging Arrangements to hold, acquire or dispose of Hedge Positions, unless the illegality is due to an act or omission of such party.

"Component" means, in respect of an Index any component included in such Index, as determined by the Calculation Agent.

"Component Clearance System" means, in respect of a Component of an Index, the principal domestic clearance system customarily used for settling trades in the relevant Component. If the Clearance System ceases to settle trades in such Component, the Clearance System will be determined by the Calculation Agent.

"Component Clearance System Business Day" means, in respect of a Component Clearance System, any day on which such Component Clearance System is (or, but for the occurrence of an Index Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"Disrupted Day" means, any Scheduled Trading Day on which (i) a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or (ii) a Market Disruption Event has occurred.

"Early Closure" means the closure on any Exchange Business Day of any relevant Exchange relating to Components that comprise 20 per cent. or more of the level of the relevant Index or any Related Exchange prior to its Scheduled Closing Time, unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"Exchange" means the Spanish Continuous Market, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Components underlying the Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Components underlying the Index on such temporary substitute exchange or quotation system as on the original Exchange).

"Exchange Business Day" means any Scheduled Trading Day on which each Exchange and each Related Exchange for the Index are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange for the Index closing prior to its Scheduled Closing Time.

"Exchange Disruption" means any event (other than an Early Closure) that disrupts or impairs, as determined by the Calculation Agent, the ability of market participants in general to effect transactions in, or obtain market values for, (i) the Components on any relevant Exchange(s) that comprise 20 per cent. or more of the level of the Index or (ii) futures or options contracts relating to the Index on any relevant Related Exchange.

"Hedging Arrangements" means any hedging arrangements entered into by the Hedging Counterparty and/or its affiliates at any time with respect to the Hedging Counterparty's obligation to pay any amount in accordance with the provisions of the Hedging Agreement, including without limitation the purchase and/or sale of any securities, any options or futures on such securities, any depositary receipts in respect of such securities and any associated foreign exchange transactions.

"Hedging Disruption" means that the Hedging Counterparty is unable, after using commercially reasonable efforts, to (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge the price risk of the Issuer issuing and the Issuer performing its obligations with respect to or in connection with the relevant Securities, or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

"Hedge Positions" means, any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by a party in order to hedge, individually or on a portfolio basis, the Hedging Agreement.

"Index" means, subject to adjustment in accordance with this Index Provisions Annex, the IBEX 35® Index, and related expressions shall be construed accordingly.

"Index Adjustment Option" has the meaning given in Paragraph 3.2 (*Consequences of an Index Adjustment Event*) of this Index Provisions Annex.

"Index Adjustment Event" means an Index Cancellation, an Index Disruption or an Index Modification.

"Index Cancellation" means the Index Sponsor or Successor Index Sponsor, as applicable, on or prior to any Reference Date or any other relevant date, permanently cancelling the Index and no

Successor Index existing as at the date of such cancellation, as determined by the Calculation Agent.

"Index Disruption" means the Index Sponsor or Successor Index Sponsor, as applicable, on any Reference Date or any other relevant date, failing to calculate and announce the Index Level, as determined by the Calculation Agent.

"Index Event" means the occurrence of either an Index Adjustment Option or an Additional Disruption Option.

"Index Event Amount" means the gain (if any) by the Issuer (expressed as a positive amount), that would be realised, in replacing or in providing for the Issuer the economic equivalent of the material terms of the Index Event Hedging Agreement, including the payments and deliveries by the parties under the Index Event Hedging Agreement that would, but for the occurrence of the relevant Index Event, have been required on or after the date that the Index Event Hedging Agreement is deemed to have been terminated or cancelled (assuming satisfaction of any applicable conditions precedent of the Index Event Hedging Agreement), as determined by the Calculation Agent in its reasonable commercial discretion. If the relevant Index Event is an Index Disruption, then the Index Event Hedging Agreement will be valued by the Calculation Agent using the formula or method to calculate the Index in effect immediately prior to such Index Disruption.

"Index Event Hedging Agreement" means, for the purposes of the definition of Index Event Amount only, a hedging arrangement that shall be deemed to have been entered into by the Hedging Counterparty and the Issuer on the same terms as the Hedging Agreement, except that the only payment due under the Index Event Hedging Agreement shall be a payment from the Hedging Counterparty to the Issuer on the Maturity Date which shall be an amount calculated as follows:

An amount equal to the greater of:

(a) zero; and

(b) an amount equal to:

(i) the aggregate Nominal Amount of the Securities outstanding multiplied by the Index Return, minus

(ii) the aggregate Nominal Amount of the Securities outstanding;

provided that, if a Collateral Obligor Event occurs, the amount shall be zero.

The Index Event Hedging Agreement shall be deemed to be terminated (i) in the case of an Index Disruption, on the relevant Reference Date or other relevant date, (ii) in the case of an Index Cancellation, on the later of the Exchange Business Day immediately prior to the effectiveness of the Index Cancellation and the date the Index Cancellation is announced by the Index Sponsor, (iii) in the case of an Index Modification or and Additional Disruption Event, the date that the Index Adjustment Option or Additional Disruption Option as applicable is exercised upon the occurrence of the relevant Index Event.

"Index Level" means, on any day in respect of an Index, the official closing level of such Index as of the Valuation Time on or in respect of the relevant day as calculated and published by the relevant Index Sponsor or as otherwise determined by the Calculation Agent subject as provided in the Index Provisions Annex.

"Index Modification" means the Index Sponsor or Successor Index Sponsor, as applicable, on or prior to any Reference Date or any other relevant date, making or announcing that it will make a material change in the formula for, or the method of, calculating the Index, or in any other way materially modifying such Index (other than a modification prescribed in that formula or method to maintain such Index in the event of changes in the Components, capitalisation and/or other routine events), as determined by the Calculation Agent.

"Index Settlement Disruption Event" means, in respect of a Component of an Index, an event that the Calculation Agent determines is beyond the control of the Issuer and/or its affiliates as a result of which the relevant Component Clearance System cannot clear the transfer of such Component.

"Index Sponsor" means, subject to adjustment in accordance with this Index Provisions Annex, Sociedad de Bolsas, and related expressions shall be construed accordingly.

"Market Disruption Event" means the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one-hour period that ends at the relevant Valuation Time, or (iii) an Early Closure.

For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a Component included in the Index at any time, then the relevant percentage contribution of such Component to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to such Component and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

"Maximum Days of Disruption" means eight Scheduled Trading Days.

"Reference Date" means the Initial Valuation Date or Final Valuation Date, in each case, subject to adjustment in accordance with the Index Provisions Annex.

"Related Exchange" means each exchange or quotation system (as determined by the Calculation Agent) where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to the Index.

"Scheduled Closing Time" means, in respect of an Index and in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"Scheduled Initial Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been an Initial Valuation Date.

"Scheduled Reference Date" means the Scheduled Initial Valuation Date or the Scheduled Final Valuation Date.

"Scheduled Trading Day" means, in respect of any Index, any day on which each Exchange and each Related Exchange for the Index are scheduled to be open for trading for their respective regular trading sessions.

"Scheduled Final Valuation Date" means any original date that, but for the occurrence of an event causing a Disrupted Day, would have been a Final Valuation Date.

"Settlement Cycle" means the period of Component Clearance System Business Days following a trade in the Components underlying the relevant Index on the Exchange in which settlement will customarily occur according to the rules of such Exchange.

"Share" means, in respect of an Index, any share included in such Index, as determined by the Calculation Agent.

"Successor Index" has the meaning given in Paragraph 3.1 (*Successor Index Sponsor or Successor Index*) of this Index Provisions Annex.

"Successor Index Sponsor" has the meaning given in Paragraph 3.1 (*Successor Index Sponsor or Successor Index*) of this Index Provisions Annex.

"Trading Disruption" means any suspension of, or limitation imposed on, trading by any relevant Exchange or Related Exchange or otherwise, and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise, (i) relating to Components that comprise 20 per cent. or more of the level of the Index on any relevant Exchange or (ii) in futures or options contracts relating to the Index on any relevant Related Exchange.

"Valuation Time" means (i) for the purposes of determining whether an Early Closure, an Exchange Disruption or a Trading Disruption has occurred in respect of (I) any Exchange, the Scheduled Closing Time of the Exchange (provided that, if the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time), and (II) any options contracts or futures contracts on such Index, the close of trading on the Related Exchange, and (ii) in all other circumstances, the time at which the official closing level of the Index is calculated and published by the Index Sponsor.

STRUCTURE AND CASH FLOW

Structure

The Notes are index linked redemption Notes and will not pay any Interest Amount.

Unless previously redeemed or purchased and cancelled, each Security will be redeemed, either (a) upon the occurrence of either or both a Collateral Obligor Default Event Date or an Index Event, at the Calculation Amount or (b) if neither a Collateral Obligor Default Event Date nor an Index Event has occurred, at the greater of (i) the Calculation Amount and (ii) the product of the Calculation Amount and the Index Return.

The Index Return is capped at 1.7.

If an Index Event occurs an Index Event Amount will be payable to Securityholders 10 Business Days following the election by the Calculation Agent to determine such Index Event. The Index Event Amount may reflect the performance of the Index and may for the avoidance of doubt be zero.

If the Securities are subject to early cancellation pursuant to General Condition 5.1, General Condition 5.2 or General Condition 10, each Security will be cancelled at an Early Termination Amount (if any) determined by the Calculation Agent to be an amount in EUR (which may never be less than zero) equal to such Securities' *pro rata* share of (a) the Market Value Collateral, less (b) the Early Redemption Unwind Costs.

If the Securities are subject to early cancellation pursuant to General Condition 5.1 or 5.2, the security constituted over the Charged Property will become enforceable and the proceeds of realisation will be applied, subject to the priorities of payment specified in General Condition 6.4, to meet the Issuer's obligations in respect of the Securities.

If the Securities are subject to early cancellation pursuant to Product Condition 7, each Security will be cancelled at an Early Termination Amount (if any) determined by the Calculation Agent to be an amount in EUR (which may never be less than zero) equal to such Security's *pro rata* share of (a) the proceeds of redemption of the Collateral (for the avoidance of doubt excluding any accrued interest paid in respect of such redemption), less (b) the Early Redemption Unwind Costs.

The Maturity Date may be postponed if in the determination of the Calculation Agent a Potential Collateral Default Event has occurred and is continuing as of the Scheduled Maturity Date. In such circumstances, provided that a Collateral Default Event does not occur, additional interest shall be payable in respect of each nominal amount of Securities equal to the Calculation Amount on the Postponed Maturity Date in an amount equal to such Securities' *pro rata* share of any interest received in respect of the Collateral by or on behalf of the Issuer in respect of such period of postponement. No further or other amount in respect of interest or any additional amount shall be payable in respect of such delay.

The Maturity Date may also be postponed if the Calculation Agent determines that the Final Valuation Date and each of the consecutive Scheduled Trading Days up to and including the Scheduled Maturity Date is a Disrupted Day (in which case the latest date to which the Maturity Date may be postponed will be the Maximum Days of Disruption following the Final Valuation Date), or if an Index Event has occurred during the period commencing on the 10th Business Day immediately preceding the Scheduled Maturity Date and ending on the Scheduled Maturity Date. In each such circumstance, additional interest will be payable in respect of each nominal amount of Securities equal to EUR1,000 on the Postponed Maturity Date equal to such Securities' *pro rata* share of any interest that the Issuer receives in respect of the Collateral and such period of

postponement. No further or other amount in respect of interest or any additional amount shall be payable in respect of such delay.

Under the Hedging Agreement, (a) initially the Issuer shall pay to the Hedging Counterparty the proceeds of issue of the Securities in exchange for the Collateral, (b) an amount sufficient to fund certain redemption or termination amounts due under the Securities is payable from the Hedging Counterparty to the Issuer in exchange for interest payable on the Collateral and for the Collateral (or the proceeds of redemption thereof).

The Arranger confirms that the securitised assets backing the issue have characteristics that demonstrate capacity to produce funds to service any payments due and payable on the Securities. However, this is not a guarantee given by the Arranger and the Issuer as a special purpose vehicle has only limited resources available (see "Limited Recourse Obligations and Related Risks" under the heading "Risk Factors - Programme"). Investors are advised that this confirmation is based on the information available to the Arranger at the date of this Prospectus and may be affected by the future performance of such assets backing the issue of Securities.

The Issuer will appoint Deutsche Bank AG, London Branch as Paying Agent to effect payments in respect of the Securities and Deutsche Bank AG, London Branch as Custodian in respect of the Collateral. The bank accounts relating to this offer of the Securities will be held with Deutsche Bank AG, Frankfurt, Deutsche Bank AG, Taunusanlage 12, 60325 FRANKFURT AM MAIN, GERMANY.

CHARGED PROPERTY

| | | | | | | |
|----|--|--|--|---------------------------------|--------------------------------|--|
| 1. | Nature of the Collateral: | The Collateral (ISIN: ES0378641031) will comprise debt securities as specified in the Product Conditions. Such debt securities are of a type which in normal market conditions may be readily realised in the international capital markets, if necessary by or on behalf of the Trustee in a situation where the security for the Securities is realised or enforced. | | | | |
| 2. | Description of Obligor(s): | | | | | |
| | | Full Legal Name | Address | Country of Incorporation | Nature of Business | Nature of Market on which Securities are Traded |
| | Hedging Counterparty | Deutsche Bank AG, London Branch | Winchester House, 1 Great Winchester Street, London EC2N 2DB | Germany | Banking and financial services | Regulated Market of the Frankfurt Stock Exchange |
| | Issuer of the Collateral | Fondo de Titulización del Déficit del Sistema Eléctrico, Fondo de Titulización de Activos | Calle Orense 69, 28020 Madrid, Spain | Spain | Banking and financial services | Regulated Market of the AIAF Stock Exchange |
| 3. | Maturity or expiry date(s) of the Collateral | 17 September 2018. | | | | |
| 4. | The amount of the Collateral | A nominal amount equal to 100 per cent. of the Aggregate Nominal Amount of the Securities. | | | | |
| 5. | The loan to value ratio or collateralisation level | The Collateral will have a nominal amount equal to 100 per cent. of the Aggregate Nominal Amount of the Securities. | | | | |
| 6. | Method of creation of the Collateral | The Collateral was issued by the issuer of the Collateral in the normal course of its business. | | | | |
| 7. | Representations/additional collateral given to the Issuer relating to the Collateral | Not applicable | | | | |
| 8. | Replacement and/or substitution of the Collateral | Not Applicable | | | | |
| 9. | Insurance policies relating to the Charged Property | Not applicable | | | | |

| | | |
|------------|--|--|
| 10. | Material concentration with one insurer | Not applicable |
| 11. | Material relationships between the Issuer and any obligor | Other than the payment of fees and normal payments in connection with the Securities, or other issues of securities under the Programme, the Issuer has no material relationships with any obligor listed in 2. above. |
| 12. | Principal terms and conditions of the Collateral where it has not traded on a regulated or equivalent market | <p>The Collateral has been admitted to trading on the Regulated Market of AIAF Mercado de Renta Fija.</p> <p>The Collateral will bear interest from the issue date at a rate of 5.60 per cent. per annum, payable annually in arrears on 17 September, commencing on 17 September 2013, or if any such date is not a payment day, such date shall be postponed to the next day which is a payment day. Interest will be computed on the basis of the actual number of calendar days that have elapsed in the relevant period. The issue date of the Collateral is 28 December 2012, and there will be a short first interest payment.</p> <p>On the maturity date of the Collateral each EUR100,000 in nominal amount thereof will be redeemed by payment of EUR100,000 <i>plus</i> any accrued but unpaid interest.</p> |
| 13. | Details of the return on and/or repayment of the Securities if linked to the performance of credit or other assets not belonging to the Issuer | Not applicable |
| 14. | Description of the Collateral, if the Collateral comprises equity securities that are admitted to trading on a regulated or equivalent market | Not applicable |
| 15. | Description of Collateral if more than 10% comprises equity securities, which are not traded on a regulated market | Not applicable |

| | | |
|-----|---|--|
| 16. | Valuation report on property, if Collateral comprises real property | Not applicable |
| 17. | Details of Charged Property, where the Charged Property is actively managed | Not applicable |
| 18. | Details of the Portfolio Manager | Not applicable |
| 19. | Transfer of the Collateral | The Collateral will be acquired by the Issuer on or about the Issue Date from the Hedging Counterparty. |
| 20. | Originators of the Collateral | See item 2 above. |
| 21. | Governing law of the Collateral | <p>The Collateral is governed by and construed in accordance with Spanish law.</p> <p>The Kingdom of Spain is guarantor of the Collateral, and this guarantee is governed by and construed in accordance with Spanish law.</p> |

The information set out above has been extracted from the Final Terms dated 27 December 2012 and the base prospectus dated 27 November 2012 together with the supplemental base prospectus dated 20 December 2012, issued by the issuer of the Collateral (together, the **"Collateral Offering Circular"**). The Issuer accepts responsibility for the accurate extraction of such information. So far as the Issuer is aware and is able to ascertain from information published by the obligor(s) of the Collateral, no facts have been omitted which would render the reproduced information inaccurate or misleading. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, none of the Issuer, the Hedging Counterparty, the Trustee, the Arranger, the Agents or any of their affiliates (each a **"Transaction Participant"**) has verified such information and, accordingly, none of them makes any representation or warranty, express or implied, as to its accuracy or completeness. None of the Transaction Participants has made any investigation of the obligor(s) in respect of the Collateral or has taken any steps to verify the validity and binding nature of the Collateral. Prospective purchasers of the Securities should make their own investigation of the obligor(s) in respect of the Collateral (including, without limitation, with regard to its financial condition and creditworthiness) and the full terms of the Collateral.

The above summary is qualified in its entirety by the information contained in the Collateral Offering Circular. A physical copy of the Collateral Offering Circular will be available free of charge during the usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) from the specified office of the Paying Agent for the time being in London.

INFORMATION RELATING TO THE UNDERLYING

The Index Underlying

General

The IBEX 35® (Bloomberg Code IBEX:IND) is the official index of the Spanish Continuous Market. Sociedad de Bolsas ("Bolsas") calculates, publishes and disseminates in real-time the IBEX 35® Index. IBEX 35®, is a tradable index suitable for investment products, designed to represent the performance of the largest securities traded on the Spanish Stock Market.

The IBEX 35® indices measure the performance of securities listed on the Spanish Stock Market. The IBEX 35® indices are Euro denominated and calculated in real-time within the European time zone. IBEX 35® is the domestic and international benchmark for the Spanish Stock Market. IBEX 35® is made up by the 35 most liquid securities traded on the Spanish Stock Market. Selection criteria of constituents has no sector diversification bias. IBEX 35® constituents are weighted by market capitalisation adjusted by free float. IBEX 35® is a price return index.

The above has been extracted from the Bolsas y Mercados Españoles' (BME) website (<http://www.bmerv.es/ing/asp/Portada/Portada.aspx>) (Bolsas belongs to the BME Group) and from Bloomberg. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bolsas and Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Historical Index Levels

The table below shows the range of closing levels for the Index quoted by Bloomberg for the month indicated.

| Date | Price |
|-----------|----------|
| 8-Feb-13 | 8,174.90 |
| 7-Feb-13 | 8,014.60 |
| 6-Feb-13 | 8,056.20 |
| 5-Feb-13 | 8,093.60 |
| 4-Feb-13 | 7,919.60 |
| 1-Feb-13 | 8,229.70 |
| 31-Jan-13 | 8,362.30 |
| 30-Jan-13 | 8,571.90 |
| 29-Jan-13 | 8,643.00 |
| 28-Jan-13 | 8,672.50 |
| 25-Jan-13 | 8,724.60 |
| 24-Jan-13 | 8,665.60 |
| 23-Jan-13 | 8,613.30 |
| 22-Jan-13 | 8,632.10 |
| 21-Jan-13 | 8,665.90 |
| 18-Jan-13 | 8,604.00 |
| 17-Jan-13 | 8,628.90 |
| 16-Jan-13 | 8,581.10 |
| 15-Jan-13 | 8,601.00 |
| 14-Jan-13 | 8,632.10 |
| 11-Jan-13 | 8,664.70 |

| | |
|-----------|----------|
| 10-Jan-13 | 8,618.90 |
| 9-Jan-13 | 8,606.40 |
| 8-Jan-13 | 8,453.00 |
| 7-Jan-13 | 8,419.00 |
| 4-Jan-13 | 8,435.80 |
| 3-Jan-13 | 8,403.40 |
| 2-Jan-13 | 8,447.60 |
| 31-Dec-12 | 8,167.50 |
| 28-Dec-12 | 8,131.00 |

The above has been extracted from Bloomberg on 8 February 2013. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by Bloomberg, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Further Information Relating to the Index

Further information on past and future performance of the Index Underlying and its volatility can be obtained from internationally recognised published or electronically displayed sources (including, but not limited to, Bloomberg) and Bolsas y Mercados Españoles' (BME) website (<http://www.bmerv.es/ing/asp/Portada/Portada.aspx>).

INDEX DISCLAIMER(S)

Sociedad de Bolsas, owner of the IBEX 35® Index and registered holder of the corresponding trademarks associated with it, does not sponsor, promote, or in any way evaluate the advisability of investing in the financial product **“Up to EUR100,000,000 Index Linked Redemption Secured Notes due 2018”** and the authorisation granted to **dbInvestor Solutions plc** for the use of IBEX 35® trademark does not imply any approval in relation with the information offered by dbInvestor Solutions plc or with the usefulness or interest in the investment in the above mentioned financial product.

Sociedad de Bolsas does not warrant in any case nor for any reason whatsoever:

- a) The continuity of the composition of the IBEX 35® Index exactly as it is today or at any other time in the past.
- b) The continuity of the method for calculating the IBEX 35® Index exactly as it is calculated today or at any other time in the past.
- c) The continuity of the calculation, formula and publication of the IBEX 35® Index.
- d) The precision, integrity or freedom from errors or mistakes in the composition and calculation of the IBEX 35® Index.
- e) The suitability of the IBEX 35® Index for the anticipated purposes for the above mentioned financial product.

ADDITIONAL INFORMATION

A. ADDITIONAL INFORMATION IN RELATION TO THE ISSUER

1. Capitalisation

The following table sets out the capitalisation of the Issuer as at the date of this Prospectus (excluding, for the avoidance of doubt, the issue of the Securities):

Shareholders' Funds:

Share capital: EUR40,000

(Authorised EUR10,000,000; Issued 40,000 Ordinary Shares of EUR1 each)

Indebtedness

Series 1 Securities: EUR32,587,000

Series 5 Securities: EUR45,206,000

Series 8 Securities: EUR85,050,000

Series 9 Securities: EUR29,500,000

Series 13 Securities: EUR61,301,000

Series 14 Securities: EUR30,000,000

Series 15 Securities: EUR3,900,000

Series 16 Securities: EUR40,000,000

Series 17 Securities: EUR50,000,000

Series 18 Securities: EUR27,162,000

Series 20 Securities: EUR45,000,000

Series 22 Securities: EUR18,020,000

Series 23 Securities: EUR15,000,000

Series 25 Securities: EUR20,000,000

Series 26 Securities: EUR15,000,000

Series 27 Securities: EUR22,000,000

Series 28 Securities: EUR3,900,000

Series 29 Securities: EUR25,000,000

Series 30 Securities: EUR46,780,000

Series 31 Securities: EUR13,000,000
Series 32 Securities: EUR16,000,000
Series 33 Securities: EUR5,000,000
Series 34 Securities: EUR51,000,000
Series 35 Securities: EUR14,350,000
Series 37 Securities: EUR10,000,000
Series 38 Securities: EUR97,000,000
Series 39 Securities: EUR15,000,000
Series 40 Securities: EUR32,000,000
Series 41 Securities: EUR47,000,000
Series 42 Securities: EUR35,000,000
Series 43 Securities: EUR15,000,000
Series 44 Securities: EUR50,000,000
Series 45 Securities: EUR40,079,000
Series 46 Securities: EUR40,550,000
Series 47 Securities: EUR40,000,000
Series 48 Securities: EUR5,000,000
Series 49 Securities: EUR38,100,000
Series 50 Securities: EUR35,000,000
Series 51 Securities: EUR15,500,000
Series 52 Securities: EUR10,000,000
Series 53 Securities: EUR17,500,000
Series 54 Securities: EUR57,077,000
Series 55 Securities: EUR14,500,000
Series 56 Securities: EUR1,777,000
Series 57 Securities: EUR49,469,000
Series 58 Securities: EUR10,000,000
Series 59 Securities: EUR5,000,000

Series 60 Securities: EUR29,933,000
Series 61 Securities: EUR50,000,000
Series 62 Securities: EUR82,320,000
Series 63 Securities: EUR22,250,000
Series 64 Securities: EUR38,000,000
Series 65 Securities: EUR6,000,000
Series 66 Securities: EUR8,026,000
Series 67 Securities: EUR1,884,267.23
Series 69 Securities: EUR8,150,000
Series 70 Securities: EUR49,152,000
Series 71 Securities: EUR1,725,283.06
Series 72 Securities: EUR39,342,000
Series 73 Securities: EUR33,040,000
Series 74 Securities: EUR13,280,000
Series 75 Securities: EUR24,900,000
Series 76 Securities: EUR2,455,000
Series 77 Securities: EUR33,633,000
Series 78 Securities: EUR15,000,000
Series 79 Securities: EUR30,000,000
Series 80 Securities: EUR30,000,000
Series 81 Securities: EUR11,500,000
Series 82 Securities: EUR25,000,000
Series 83 Securities: EUR10,000,000
Series 84 Securities: EUR24,259,800
Series 85 Securities: EUR21,100,000
Series 86 Securities: EUR100,000,000
Series 87 Securities: EUR30,000,000
Series 88 Securities: EUR5,000,000

Series 89 Securities: EUR30,000,000
Series 90 Securities: EUR18,493,493
Series 91 Securities: EUR25,000,000
Series 92 Securities: EUR110,000,000
Series 93 Securities: EUR35,000,000
Series 94 Securities: EUR10,000,000
Series 95 Securities: EUR45,000,000
Series 96 Securities: EUR20,000,000
Series 98 Securities: EUR10,000,000
Series 99 Securities: EUR5,125,008
Series 100 Securities: EUR25,000,000
Series 101 Securities: EUR40,000,000
Series 102 Securities: EUR10,000,000
Series 103 Securities: EUR15,000,000
Series 104 Securities: EUR10,000,000
Series 105 Securities: EUR100,000,000

Save for the issues of securities described above and their related arrangements, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

2. Other

The issue of the Securities was approved pursuant to a resolution of the Board of Directors dated 1 March 2013. The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Ireland at the date of this Securities Section in connection with the issue and performance of the Securities.

The estimated amount of the expenses of the Issuer in connection with the admission to trading of the Securities on the regulated market of the Irish Stock Exchange is EUR 5,000, such amount to be discharged on behalf of the Issuer by the Arranger.

B. ADDITIONAL INFORMATION FOR IRELAND

1. Notices

Notices to Securityholders shall be given in accordance with General Condition 15. In addition, and for so long as the Securities are listed on the Official List of the Irish Stock Exchange, notices will be given in accordance with the rules of the Irish Stock Exchange which for so long as the rules

of the Irish Stock Exchange so require, by publication through the Company Announcements Office of the Irish Stock Exchange.

2. Settlement and Clearing

The Global Security will be deposited with a depositary and has been accepted for clearing by Euroclear Bank SA/NV ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream**") under the security and clearing codes set out below.

ISIN Code: XS0890102253

Common Code: 089010225

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

C. ADDITIONAL INFORMATION IN RELATION TO THE PARTIES TO THE STRUCTURE

1. General

Deutsche Bank AG, London Branch, which is the London branch of Deutsche Bank Aktiengesellschaft ("**DB AG**"), is the Arranger, Hedging Counterparty, Principal Agent, Custodian and Paying Agent. The Arranger's relationship with the Issuer is to act in its capacity as arranger in respect of the Securities, the Hedging Counterparty's relationship with the Issuer is to act in its capacity as counterparty under the Hedging Agreement and the Principal Agent, Custodian and the Paying Agent's relationship with the Issuer is to act as principal agent, custodian and paying agent under the Agency Agreement in relation to the Securities.

Deutsche Trustee Company Limited is the Trustee. The Trustee's relationship with the Issuer is to act as trustee in relation to the Securities under the Trust Instrument.

Deutsche Trustee Company Limited is directly or indirectly a wholly owned subsidiary of DB AG.

DB AG is the parent company of a group consisting of banks, capital market companies, research and consultancy companies, property finance company, instalment financing companies, research and consulting companies and other domestic and foreign companies.

2. Calculation Agent

Deutsche Bank AG, London Branch, which is the London branch of DB AG, is the Calculation Agent. The Calculation Agent's address is Winchester House, 1 Great Winchester Street, London, EC2N 2DB. The Calculation Agent's relationship with the Issuer is to act as its calculation agent in relation to the Securities. DB AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies.

The objects of DB AG, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. DB AG may realise these objectives itself or through subsidiaries and affiliated companies.

Calculation Agent's Responsibilities

The Calculation Agent is responsible for making any determination or calculation required to be made by it pursuant to the Conditions and performing such other duties as it may be required to perform pursuant to the Conditions.

Termination of Appointment of Calculation Agent and Appointment of Successor Calculation Agent

The appointment of the Calculation Agent will terminate, *inter alia*, if the Calculation Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy.

The Issuer may appoint a successor Calculation Agent and/or terminate the appointment of any Calculation Agent by giving at least 60 days' notice to that effect provided that no such termination of the appointment of the Calculation Agent shall take effect until a successor Calculation Agent has been appointed.

3. The Hedging Counterparty and the Custodian

Deutsche Bank AG, London Branch is the Hedging Counterparty and the Custodian as described above. The address of the Hedging Counterparty and the Custodian is Winchester House, 1 Great Winchester Street, London EC2N 2DB.

PART E
PROGRAMME SECTION

General

Under its Programme for the issuance of Secured Securities (the “**Programme**”) described in this Programme Section (the “**Programme Section**”), dbInvestor Solutions plc (the “**Issuer**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue secured notes (“**Notes**”) and secured certificates (“**Certificates**” and, together with Notes, “**Securities**”) and in conjunction therewith may from time to time buy, sell or enter into options, swaps or repurchases, substantially on the terms set out herein, as supplemented in respect of each issue by specific terms applicable to that issue (each, the “**Product Conditions**” for that issue). The Securities may relate to shares and/or indices and/or debt securities and/or commodities and/or currencies and/or any other reference basis (each an “**Underlying**”).

The terms and conditions of the Securities (the “Conditions”) are comprised of the General Conditions set out in this Programme Section, as completed, modified and amended by the Product Conditions set out in the relevant Securities Section.

Security

Securities will be issued in Series (as defined in the “General Conditions”) and, unless otherwise stated in the relevant Product Conditions, each Series will be secured by:

- (1) a first fixed charge and/or an assignment by way of first fixed charge in favour of Deutsche Trustee Company Limited as trustee (the “**Trustee**”) acting under the relevant trust instrument (the “**Trust Instrument**”) over or in respect of certain bonds, notes, shares, gilts, cash deposits denominated in any currency, futures, options, swaps, derivatives and similar instruments, commodity futures, commodity options, invoices, receivables, leases and loan and lease portfolios, bills of exchange, acceptance credits and all other documents of title relating to the movement of goods, commercial paper, promissory notes and any other negotiable or transferable instruments and/or any other financial obligations assigned to or acquired by the Issuer or any other agreed assets (the “**Collateral**”) and all of the Issuer's rights in respect of and sums derived from the Collateral (including, without limitation, the proceeds of sale thereof), and an assignment by way of a first fixed charge in favour of the Trustee of all of the Issuer's rights in respect of the Collateral against the Custodian (as defined in “General Conditions”);
- (2) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under each interest rate and/or currency and/or other exchange agreement (each a “**Hedging Agreement**”) and/or a repurchase agreement (the “**Repurchase Agreement**”) and any sums of money, securities or other property received or receivable by the Issuer thereunder;
- (3) a first fixed charge in favour of the Trustee over (i) the Issuer's right to all sums held by the Principal Agent (as defined in “General Conditions”) and/or any Paying Agent (as defined in “General Conditions”) and/or the Custodian to meet payments due in respect of the Securities, (ii) any sums of money, securities or other property received or receivable by the Issuer under any relevant Hedging Agreement(s) and/or Repurchase Agreement and (iii) all of the Issuer's rights as against the Custodian in respect of any sum standing to the credit of the Deposit Account or the Repurchase Account (each as defined in “General Conditions”); and
- (4) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Agency Agreement (as defined in “General Conditions”) and all sums derived therefrom in respect of the Securities,

together with such additional security, if any, as may be described in the relevant Product Conditions (together the **"Charged Property"**).

In relation to certain Series, the Charged Property may not include Collateral and as a consequence, security for the Securities may be limited to the claims of the Issuer against each counterparty (each a **"Hedging Counterparty"**) to each Hedging Agreement, or the counterparty to a Repurchase Agreement or other agreement. In respect of each Series, the respective rankings for priority of the interests of the holders of the Securities of such Series and of each Hedging Counterparty and each other party entitled to the benefit of such first fixed charge and/or assignment and/or other security interest in favour of the Trustee (each a **"Secured Party"**) in the proceeds of such first fixed charge and/or assignment and/or other security interest shall be as follows: all such proceeds shall be applied first in payment of all amounts outstanding to the Trustee (including all its fees, costs, charges, expenses and liabilities), secondly in payment of any amounts owing to each Hedging Counterparty, thirdly *pro rata* in payment of any amounts outstanding to the Securityholders and fourthly in respect of any balance to the Issuer all in accordance with General Condition 6.4 and subject to the provisions of the Trust Instrument. The obligations of the Issuer under each Hedging Agreement to the relevant Hedging Counterparty under such Hedging Agreement may also be secured by certain assets comprised in the Charged Property. The Issuer may, if specified in the relevant Product Conditions in relation to the Securities of a particular Series, enter into a Repurchase Agreement subject to such terms as each Relevant Rating Agency (as defined in "General Conditions") may require if such Securities either have been or will be rated by such Relevant Rating Agency, and such other terms and conditions as are specified herein and in the terms of such Securities.

Claims against the Issuer by holders of the Securities of a particular Series and, if applicable, each Hedging Counterparty and each other Secured Party will be limited to the Charged Property applicable to that Series. If the net proceeds of the enforcement of the Charged Property for any Series are not sufficient to make all payments due in respect of the Securities of that Series and, if applicable, due to each Hedging Counterparty and each Secured Party, no other assets of the Issuer will be available to meet such shortfall and the claims of holders of the Securities and, if applicable, any such Hedging Counterparty or Secured Party in respect of any such shortfall shall be extinguished and no such party will be able to petition for the winding-up of the Issuer as a consequence of any such shortfall.

Listing and Admission to Trading

References in this Programme Section to Securities which are intended to be "listed" (and all related references) shall mean that such Securities are admitted to trading on the Irish Stock Exchange's regulated market and are listed on the Official List of the Irish Stock Exchange. The Irish Stock Exchange's regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC.

The relevant Product Conditions in respect of a Series of Securities will specify whether Securities will be listed on the Official List of the Irish Stock Exchange. Securities may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets or may be unlisted and/or not admitted to trading on any market as may be specified in the applicable Securities Section relating to such Series.

Form

Each Series of Securities will be represented by a global security (a **"Global Security"**). Definitive Securities will not be issued.

Each Global Security will be deposited with the relevant depositary on behalf of the Clearing Agent(s) (as specified in the relevant Product Conditions) on the date of issue of the Securities.

Ratings

Each Series of Securities may be rated by one or more Relevant Rating Agencies. Unrated Securities may also be issued provided that each Relevant Rating Agency has reviewed the terms of such Securities and confirmed in writing that all its current rating(s) of Securities then in force will not be adversely affected by the issue of such unrated Securities. Any rating of any Securities will be specified in the relevant Product Conditions. Whether or not each such rating will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 will also be disclosed in the relevant Product Conditions. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency at its own discretion.

Currency References

In this Programme Section, unless otherwise specified or the context otherwise requires, references to “dollars”, “U.S. dollars”, “USD” and “U.S.\$” are to United States dollars and references to “euro”, “EUR” and “€” are to the lawful currency of the member states of the European Union that adopt the single currency in accordance with the Treaty on the Functioning of the European Union, as amended.

Selling Restrictions

The Securities will not be registered under the United States Securities Act of 1933, as amended. Any offer or sale of the Securities must be made in a transaction exempt from the registration requirements of such Act pursuant to Regulation S thereunder. The Securities may not be offered, sold or otherwise transferred in the United States or to persons who are either U.S. persons as defined in Regulation S of such Act or persons who do not come within the definition of a non-United States person under Rule 4.7 of the United States Commodity Exchange Act, as amended. For a description of further restrictions on the offer, sale and transfer of the Securities, please refer to “Sales Restrictions” below.

GENERAL CONDITIONS

*The following (other than the text in italics) is the text of the general conditions (the “**General Conditions**” and, together with the Product Conditions, the “**Conditions**”) which, together with the provisions of the relevant Product Conditions, will be applicable to such Series and will be attached to the relevant Global Security. The relevant Product Conditions will complete and supplement the General Conditions in relation to each Series and may modify and/or vary the General Conditions in relation to such Series.*

This Series of Securities is constituted and secured by the Trust Instrument.

By executing the Trust Instrument, the Issuer and the Trustee have entered into the Agency Agreement on the terms set out in and/or incorporated by reference into the Trust Instrument with the persons (if any) executing the Trust Instrument as the Principal Agent and/or as the Custodian and/or as the Calculation Agent and/or as the Selling Agent and/or in such other capacity as may be specified in the Trust Instrument.

If any person has executed the Trust Instrument in the capacity of a Hedging Counterparty, the Issuer and such Hedging Counterparty have, by executing the Trust Instrument, entered into a Hedging Agreement.

If any person has executed the Trust Instrument in the capacity of the Repurchase Counterparty, the Issuer and the Repurchase Counterparty have, by executing the Trust Instrument, entered into the Repurchase Agreement.

If any person or persons have executed the Trust Instrument in the capacity of the Purchaser, the Issuer and the Purchaser have by executing the Trust Instrument, entered into a Purchase Agreement.

These General Conditions apply in relation to the Securities, in each case as completed, modified and/or amended by the provisions of the relevant Product Conditions and the provisions of the Trust Instrument. Each reference herein to a specific numbered General Condition is to such General Condition as so completed, modified or amended. These General Conditions include summaries of, and are subject to, the detailed provisions of the Trust Instrument and the Product Conditions. Copies of the Trust Instrument and the documents incorporated by reference therein (including the provisions of the Agency Agreement, each Hedging Agreement (if any) and the Repurchase Agreement (if any) are available for inspection during normal office hours at the registered office of the Trustee and the specified office of each of the Paying Agents save that where this Series of Securities is unlisted, the aforementioned documents may only be inspected by a holder of such Securities and such holder must produce evidence satisfactory to the Trustee or the relevant Paying Agent, as the case may be, as to its holding of such Securities and identity. The Securityholders are deemed to have notice of, and shall be bound by, all of the provisions of the Trust Instrument and the documents incorporated by reference therein (including the provisions of the Agency Agreement, each Hedging Agreement (if any) and the Repurchase Agreement (if any)) applicable to them.

Where no reference is made in the Product Conditions to any Hedging Agreement, Repurchase Agreement, Custodian or Selling Agent, references in these General Conditions to any such document or agreement and to any Hedging Counterparty, Repurchase Counterparty, Custodian or Selling Agent, as the case may be, shall not be applicable.

1. Definitions and Interpretation

1.1 Definitions

In these General Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“Additional Security Document” has the meaning given to that term in General Condition 6.2.

“Agency Agreement” means the agency agreement in respect of the Securities entered into by the Issuer, the Trustee and the Agents, as amended, restated and/or supplemented from time to time.

“Agents” means the Principal Agent, the Paying Agents, the Custodian, the Calculation Agent, the Selling Agent or any of them and shall include such further or other person or persons as may be appointed from time to time an agent under the Agency Agreement with the prior written approval of the Trustee under the Trust Instrument.

“Calculation Agent” means the person (if any) executing the Trust Instrument in the capacity of calculation agent.

“Clearing Agent” means the person specified as such in the Product Conditions.

“Collateral” means, in respect of each Series of Securities, certain bonds, notes, shares, gilts, cash deposits denominated in any currency, futures, options, swaps, derivatives and similar instruments, commodity futures, commodity options, invoices, receivables, leases and loans and lease portfolios, bills of exchange, acceptance credits and all other documents of title relating to the movement of goods, commercial paper, any other negotiable or transferable instruments and/or any other financial obligations assigned to or acquired by the Issuer or any other agreed assets, as specified in the relevant Product Conditions.

“Custodian” means the person(s) (if any) executing the Trust Instrument in the capacity of custodian.

“Deed of Floating Charge” means the Deed of Floating Charge dated 10 March, 2004 between the Issuer and Deutsche Trustee Company Limited (for the benefit of all Securityholders and Hedging Counterparties for each Series), as amended and/or supplemented from time to time.

“Delivery Date” has the meaning given to that term in General Condition 7.2.1.

“Deposit Account” has the meaning given to that term in General Condition 6.5.2.

“Early Termination Amount” means the amount, or as the case may be, the method of determining such amount, specified in the Product Conditions.

“Eligible Securities” means securities or other assets of the type or types, and in the amount or amounts, specified for this purpose in the Product Conditions.

“Entitled Beneficiary” has the meaning given to that term in General Condition 6.7.1.

“Equivalent Rating” has the meaning given in Product Condition 4.

“Event of Default” means each of the events specified as such in General Condition 10.

“Exercise Date” means the date (if any) specified as such in the Product Conditions.

“Extraordinary Resolution” means a resolution passed at a meeting duly convened and held in accordance with the Trust Instrument by a majority of at least 75 per cent. of the votes cast or a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in aggregate Nominal Amount of the Securities for the time being outstanding.

“Fungible Collateral” means an amount of debt or equity securities equivalent to the Purchased Collateral the subject of the relevant Purchase Transaction (provided that, if and to the extent that such Purchased Collateral has been redeemed, such expression shall mean a sum of money equivalent to (and in the same currency as) the proceeds of such redemption) and debt or equity securities are “equivalent to” Purchased Collateral if they (i) are of the same issuer or obligor, (ii) are part of the same issue, series or class, (iii) are of an identical type, nominal value and description and amount as the Purchased Collateral and (iv) have the same terms and conditions and rank in all respects *pari passu* and equally with the Purchased Collateral.

“Global Security” has the meaning given to that term in General Condition 2.1.

“Hedging Agreement” means each hedging agreement between the Issuer and a Hedging Counterparty in respect of the Securities on the terms set out in and/or incorporated by reference into the Trust Instrument, as supplemented by a confirmation entered into by the Issuer and such Hedging Counterparty and dated the Issue Date and as amended, restated and/or supplemented from time to time.

“Hedging Agreement Termination Date” means the date specified as such in the Product Conditions.

“Hedging Counterparty” means a person (if any) executing the Trust Instrument in the capacity of Hedging Counterparty.

“Income Payment” has the meaning given to that term in General Condition 7.2.1.

“Issue Date” means the date specified as such in the Product Conditions.

“Issuer” means dbInvestor Solutions plc.

“Maturing Collateral” has the meaning given to that term in General Condition 6.5.2.

“Maturing Purchased Collateral” has the meaning given to that term in General Condition 7.2.3.

“Maturity Date” means, in the case of Notes, the maturity date of the Notes, as specified in the Product Conditions.

“Net Proceeds” means the net proceeds of the realisation of the security created pursuant to the Trust Instrument and/or any Additional Security Document.

“Nominal Amount” means, in relation to any Security, the nominal amount of such Security, as specified in the Product Conditions.

“Paying Agent” means each of the Agent and any substitute or additional paying agents appointed in accordance with the Trust Instrument.

“Permitted Indebtedness” has the meaning given to that term in General Condition 8.1.1.

“Permitted Investments” has the meaning given to that term in General Condition 8.1.1.

“Potential Event of Default” means an event which, with the giving of notice and/or lapse of time and/or the forming of an opinion, would become an Event of Default.

“Principal Agent” means the person executing the Trust Instrument in the capacity of issuing and paying agent.

“Product Conditions” means the product conditions relating to a Series of Securities as attached to the Global Security representing such Series.

“Purchase Notice” has the meaning given to that term in General Condition 7.2.1.

“Purchase Option” has the meaning given to that term in General Condition 7.2.1.

“Purchase Price” has the meaning given to that term in General Condition 7.2.1.

“Purchase Transaction” has the meaning given to that term in General Condition 7.2.1.

“Purchased Collateral” has the meaning given to that term in General Condition 7.2.1.

“Redelivery Date” has the meaning given to that term in General Condition 7.2.1.

“Relevant Rating Agency” means each rating agency specified as such in the Product Conditions.

“Replaced Collateral” has the meaning given to that term in General Condition 6.5.1.

“Replaced Purchased Collateral” has the meaning given to that term in General Condition 7.2.2.

“Replacement” has the meaning given to that term in General Condition 6.5.1 or, as the case may be, General Condition 7.2.2.

“Replacement Collateral” has the meaning given to that term in General Condition 6.5.1.

“Replacement Purchased Collateral” has the meaning given to that term in General Condition 7.2.2.

“Repurchase Account” has the meaning given to that term in General Condition 7.2.1.

“Repurchase Agreement” means a repurchase agreement between the Issuer and the Repurchase Counterparty in respect of the Securities on the terms set out in and/or incorporated by reference into the Trust Instrument, as amended, restated and/or supplemented from time to time.

“Repurchase Counterparty” means the person (if any) executing the Trust Instrument in the capacity of repurchase counterparty.

“Repurchase Counterparty Deposit Account” has the meaning given to that term in General Condition 7.2.3.

“Repurchase Price” has the meaning given to that term in Condition 7.2.1.

“Securityholder Expenses” means, in respect of a Security, all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, in each case payable by or on behalf of the Issuer and arising in connection

with (i) the exercise of such Security and/or (ii) any payment and/or delivery due following exercise, cancellation, repurchase, redemption or otherwise in respect of such Security.

"Selling Agent" means Deutsche Bank AG, London Branch.

"Settlement Date" means, in the case of Certificates, the date upon which the Cash Settlement Amount is payable, or, as the case may be, the Physical Settlement Amount is deliverable, in each case as specified in the Product Conditions.

"Shortfall" means the amount, if any, by which the amount of the Net Proceeds is less than the payments which would, but for the provisions of General Condition 6.8, have been due under the Securities and each Hedging Agreement and/or to any other person entitled to the benefit of the security created pursuant to the Trust Instrument and/or the Additional Security Document.

"Substitute Collateral" has the meaning given to that term in General Condition 6.5.2.

"Substitute Company" has the meaning given to that term in General Condition 12.4.

"Substitute Purchased Collateral" has the meaning given to that term in General Condition 7.2.3.

"Substitution" has the meaning given to that term in General Condition 6.5.2 or, as the case may be, General Condition 7.2.3.

"Trustee" means Deutsche Trustee Company Limited of Winchester House, One Great Winchester Street, London EC2N 2DB.

"Trust Instrument" means the trust instrument dated the Issue Date of the relevant Series made between, *inter alios*, the Issuer and the Trustee, by which the Series of Securities is constituted and secured, as amended, restated and/or supplemented from time to time.

"Underlying" means any underlying asset and/or basket of underlying assets and/or index comprising one or more underlying assets or other reference basis, in each case by reference to which the amount payable in relation to the Securities is determined.

1.2 Interpretation

Words and expressions defined in the Trust Instrument or the Agency Agreement or used in the Product Conditions shall have the same meanings where used in these General Conditions unless the context otherwise requires or unless otherwise stated. In the event of inconsistency between the Agency Agreement and the Trust Instrument, the Trust Instrument shall prevail and in the event of inconsistency between the Agency Agreement or the Trust Instrument and the Product Conditions, the Product Conditions shall prevail.

Reference in these General Conditions to **"Securities"** means the Securities of the same Series unless express reference is made to another or more than one Series and these General Conditions therefore apply separately to each Series. A **"Series"** of Securities comprises Securities issued by the Issuer on the same date, and on the same terms (including as to interest (if any)) and identified in the Product Conditions as forming a Series, together with any Further Securities issued pursuant to General Condition 14 and being consolidated and forming a single series with such Securities.

The terms **"Securities"**, **"holder of Securities"** and **"Securityholder"** shall be construed in accordance with General Condition 2.2.

In these General Conditions, in the Trust Instrument and in the Product Conditions, the term “**outstanding**” means, in relation to a Series of Securities, all the Securities of that Series issued except (a) those which have been redeemed in accordance with the General Conditions, (b) those in respect of which the date for redemption in accordance with the General Conditions has occurred and the redemption moneys (including premium, if any, and all interest accrued thereon to the date for such redemption and any interest payable under the General Conditions after such date) have been duly paid to the Trustee or to the Principal Agent as provided in the Trust Instrument and remain available for payment against presentation and surrender of Securities, (c) those which have become void and those in respect of which claims have become prescribed in accordance with the General Conditions, (d) those which have been purchased and cancelled as provided in the General Conditions, (e) those mutilated or defaced Securities which have been surrendered in exchange for replacement Securities, and (f) (for the purpose only of determining how many Securities are outstanding and without prejudice to their status for any other purpose) those Notes alleged to have been lost, stolen or destroyed and in respect of which replacement Notes have been issued; provided that for the purposes of (1) the exercise of any right of the relevant Securityholders (other than to payment), (2) the determination of how many Securities are outstanding for the purposes of the provisions in the Trust Instrument relating to the holding of meetings of Securityholders, the provision by the Securityholders of a resolution in writing, or any other direction or request thereof, or ascertaining whether a requirement under the Trust Instrument or the General Conditions for a specified percentage of the aggregate Nominal Amount of the Securities outstanding has been satisfied and (3) the exercise of any discretion, power or authority which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of the Securityholders, those Securities which are beneficially held by or on behalf of the Issuer and not cancelled shall (unless no longer so held) be deemed not to remain outstanding.

In these General Conditions, in the Trust Instrument and in the Product Conditions, the terms “**rated**” and “**rating**” shall denote ratings by each Relevant Rating Agency.

In these General Conditions, in the Trust Instrument and in the Product Conditions, “**Charged Property**” means the Collateral and the other property, assets and/or rights of the Issuer which have been charged, assigned, pledged and/or otherwise made subject to the security created by the Issuer in favour of the Trustee pursuant to the Trust Instrument and/or any Additional Security Document.

2. Form and Title

The Securities may be Notes or Certificates as specified in the Product Conditions and provisions in these General Conditions relating to Notes only or Certificates only shall only apply to Securities identified as such in the Product Conditions.

2.1 Form of Securities

The Securities are in bearer form and in the case of Notes are in the Nominal Amount specified in the Product Conditions.

Each Series of Securities will be represented by a Global Security (a “**Global Security**”). No definitive Securities will be issued.

2.2 Global Securities

In relation to each Series, the Global Security will be deposited with the relevant depository on behalf of the Clearing Agent(s) specified in the Product Conditions on the Issue Date of

the first issue of the Securities of such Series. In the event that Euroclear and/or Clearstream are appointed as Clearing Agent(s), Deutsche Bank AG, London Branch will act as common depositary.

Securities as represented by a Global Security will be transferable in accordance with applicable law and any rules and procedures for the time being of any Clearing Agent through whose books such Securities are transferred. Each person (other than another Clearing Agent) who is for the time being shown in the records of the relevant Clearing Agent as the holder of an aggregate Nominal Amount of the Securities (in which regard any certificate or other document issued by the relevant Clearing Agent as to the aggregate Nominal Amount of Securities standing to the account of any person shall be conclusive and binding for all purposes except in the case of manifest error) shall be treated by the Issuer, the Trustee and the Agents as the holder of such aggregate Nominal Amount of the Securities (and the terms “**Securities**”, “**holder of Securities**”, “**Securityholder**” and related expressions shall be construed accordingly) for all purposes other than in relation to any payments in respect of the Securities, the right for which shall be vested, as against the Issuer and the Agents, solely in the bearer of the relevant Global Security.

3. Status

The Securities are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, which are secured in the manner described in General Condition 6 and recourse in respect of which is limited in the manner described in General Condition 6.8.

4. Payments, Deliveries, Securityholder Expenses and Taxation

4.1 Payments and/or deliveries in respect of Securities

Payments and/or deliveries, as the case may be, in respect of the Securities will be made as provided in the Product Conditions.

4.2 Payments and deliveries subject to law, etc.

All payments and/or deliveries are subject in all cases to any applicable fiscal or other laws, regulations and directives. Exercise, settlement and redemption of the Securities is subject to all applicable laws, regulations and practices in force on any relevant date of exercise, settlement or redemption, as the case may be, and neither the Issuer nor any Agent shall incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. Neither the Issuer nor the Principal Agent shall under any circumstances be liable for any acts or defaults of any Clearing Agent in relation to the performance of its duties in relation to the Securities.

4.3 Securityholder Expenses

In respect of each Security, all Securityholder Expenses in respect thereof shall be for the account of the relevant Securityholder and any payment or delivery in respect of a Security shall only be made after all Securityholder Expenses in respect thereof have been paid or otherwise accounted for to the satisfaction of the Issuer.

4.4 Taxation

All payments and/or deliveries in respect of the Securities will be subject in all cases to all applicable fiscal and other laws and regulations (including, where applicable, laws requiring

the deduction or withholding for, or on account of, any tax, duty or other charge whatsoever). The Issuer shall not be liable for or otherwise obliged to pay, and the relevant Securityholder shall be liable for and/or pay, any tax, duty, charge, withholding or other payment whatsoever which may arise as a result of, or in connection with, the ownership, any transfer, any payment and/or any delivery in respect of the Securities held by such Securityholder. The Issuer shall have the right, but shall not be obliged, to withhold or deduct from any amount payable or, as the case may be, any delivery due to the Securityholder, such amount or portion as shall be necessary to account for or to pay any such tax, duty, charge, withholding or other payment.

4.5 No rights to Underlying

The purchase and/or holding of Securities does not confer on any holder of any Securities any rights (whether in respect of voting, distributions or otherwise) in relation to the Underlying or any asset of any kind whatsoever by reference to which any amount calculated in relation to the Securities is calculated.

5. Early Cancellation, Purchases and Options

5.1 Mandatory cancellation

If:

- 5.1.1 any of the Collateral becomes repayable or becomes capable of being declared due and repayable prior to its stated date of maturity for whatever reason (provided that if any of the Collateral comprises asset-backed securities then if any amount of principal in respect thereof becomes repayable prior to the stated maturity of the security but in accordance with the terms thereof, such circumstances shall not be a relevant event for the purpose of this paragraph 5.1.1); or
- 5.1.2 (unless the Trustee otherwise agrees) there is a payment default in respect of any of the Collateral (provided that if any of the Collateral comprises asset-backed securities then any deferral of interest or other payment thereunder in accordance with the terms thereof shall not constitute a “default” for the purposes of this paragraph 5.1.2),

then such Collateral together with all remaining Collateral shall be deemed to have become immediately repayable. The Issuer shall then forthwith give not more than 30 nor less than 15 days' notice (unless otherwise specified in the Product Conditions) to the Trustee, the Securityholders, each Hedging Counterparty, the Repurchase Counterparty and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, specifying the aggregate Nominal Amount of the Securities to be cancelled and the due date for cancellation and upon expiry of such notice (i) the Issuer shall cancel all but not some only of the outstanding Securities at their Early Termination Amount (which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation) and (ii) (in the case of Securities secured in the manner described in General Condition 6.2.1 or 6.2.2) the security constituted by or created pursuant to the Trust Instrument over the Charged Property shall become enforceable.

In the event of such cancellation and the security constituted by or created pursuant to the Trust Instrument becoming enforceable the Trustee may take such action as is provided in General Condition 6.7.1 and shall do so if so requested or directed in accordance with the provisions of such General Condition (subject in each case to its being indemnified in

accordance with such General Condition and provided always that the Trustee shall not be required to do anything which is contrary to any applicable law).

5.2 Cancellation for other reasons

If:

- 5.2.1 any Hedging Agreement is terminated in accordance with its terms prior to the Hedging Agreement Termination Date; and/or
- 5.2.2 the Repurchase Agreement is terminated as a result of a failure by the Repurchase Counterparty to make payments due to the Issuer under the Repurchase Agreement, or to deliver Purchased Collateral or Fungible Collateral to the Issuer when required under the Repurchase Agreement,

then the Issuer shall forthwith give not more than 30 nor less than 15 days' notice (unless otherwise specified in Trust Instrument) to the Trustee, the Securityholders, each Hedging Counterparty, the Repurchase Counterparty and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, and upon expiry of such notice (i) the Issuer shall cancel all but not some only of the Securities at their Early Termination Amount (which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation) and (ii) (in the case of Securities secured in the manner described in General Condition 6.2.1 or 6.2.2) the security constituted by or created pursuant to the Trust Instrument shall become enforceable (if the same shall not already have become enforceable in accordance with these General Conditions).

In the event of such cancellation and the security constituted by the Trust Instrument becoming enforceable, the Trustee may take such action as is provided in General Condition 6.7.1 and shall do so if so requested or directed in accordance with the provisions of such General Condition (subject in each case to its being indemnified in accordance with such General Condition and provided that the Trustee shall not be required to do anything which is contrary to applicable law).

5.3 Cancellation at the Option of the Issuer

If so provided in the Product Conditions, the Issuer may, on giving irrevocable notice (a) on a date within the Issuer's Optional Cancellation Period and/or (b) at least ten Business Days prior to an Issuer's Optional Cancellation Date (each as specified in the Product Conditions) to the Securityholders, the Trustee and, for as long as the Securities are listed on a stock exchange and the rules of such stock exchange so require, such stock exchange, cancel all (but not some only) of the Securities (1) in the case of (a) above, on the date specified in such notice, such date not falling prior to the date on which such notice is effective in accordance with General Condition 15 and (2) in the case of (b) above, on the relevant Issuer Optional Cancellation Date or, in each case if such day does not fall on a Business Day, then the following Business Day. Any such cancellation of Securities shall be at their Early Termination Amount (which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation).

All Securities in respect of which any such notice is given shall be cancelled on the date specified in such notice in accordance with this General Condition.

5.4 **Purchases**

Unless otherwise provided in the Product Conditions, and subject to receipt by the Issuer of an amount (whether by sale of the Collateral (or in the case of a purchase of some only of the Securities, a proportion of the Collateral corresponding to the proportion of the Securities to be purchased) or otherwise) which, plus or minus any termination payment payable to or by the Issuer from or to any Hedging Counterparty on the termination (or as the case may be partial termination) of each Hedging Agreement, is sufficient to fund the purchase price payable by the Issuer, the Issuer may purchase Securities in the open market or otherwise at any price.

5.5 **Cancellation**

All Securities purchased by or on behalf of the Issuer must be cancelled by surrendering for endorsement the relevant Global Security to, or to the order of, the Principal Agent and, when so surrendered, the Global Security will be endorsed to reflect such cancellation. Any Securities cancelled or so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Securities shall be discharged.

6. **Security**

6.1 **Collateral**

The Collateral (if any) will be identified in the Product Conditions. Except where the context otherwise requires, references in these General Conditions to the “**Collateral**” include any Replacement Collateral or Substitute Collateral (each as defined in General Condition 6.5) delivered, transferred or assigned to the Issuer in accordance with General Condition 6.5 and any Purchased Collateral (as defined in General Condition 7.2.1) or Fungible Collateral delivered to the Issuer pursuant to General Condition 7.2.

Unless otherwise specified in the Product Conditions, the Issuer will procure that the Collateral is delivered to the Custodian on the Issue Date or within the period thereafter specified in the Product Conditions and, with effect from such delivery, the Collateral will be held by the Custodian on behalf of the Issuer, subject to the security created by or pursuant to the Trust Instrument.

If the Issuer acquires Collateral after the Issue Date, until such acquisition the Securities will not be secured on the Collateral but only on the rights of the Issuer under the other Charged Property.

6.2 **Security**

6.2.1 If it is stated in the Product Conditions that the security for the Securities is “Collateral charged to Trustee”, the Issuer has in the Trust Instrument created the following security:

6.2.1.1 (i) a first fixed charge and/or assignment by way of first fixed charge in favour of the Trustee of the Collateral and all of the Issuer's rights in respect of and sums derived from the Collateral (including, without limitation, any proceeds of the sale thereof) and (ii) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights in respect of the Collateral against the Custodian;

6.2.1.2 an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under each relevant Hedging Agreement

and/or Repurchase Agreement and any sums of money, securities or other property received or receivable by the Issuer thereunder;

6.2.1.3 a first fixed charge in favour of the Trustee over (i) the Issuer's right to all sums held by the Principal Agent and/or any Paying Agent and/or the Custodian to meet payments due in respect of the Securities, (ii) any sums of money, securities or other property received or receivable by the Issuer under any relevant Hedging Agreement and/or Repurchase Agreement and (iii) all of the Issuer's rights as against the Custodian in respect of any sum standing to the credit of the Deposit Account (as defined in General Condition 6.5) or the Repurchase Account (as defined in General Condition 7.2); and

6.2.1.4 an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Agency Agreement and all sums derived therefrom in respect of the Securities.

6.2.2 If it is stated in the Product Conditions that the security for the Securities is "Collateral charged to Trustee; additional foreign law security", the Issuer has in the Trust Instrument created the security specified in General Condition 6.2.1 and has in addition, and without prejudice to the security specified in General Condition 6.2.1.1, executed in favour of the Trustee the pledge or security or other agreement or document specified in the Product Conditions (each, an "**Additional Security Document**").

6.3 General provisions relating to security

Unless otherwise specified in the Product Conditions, the security constituted or created pursuant to the Trust Instrument and any Additional Security Document will be granted to the Trustee for itself and as trustee under the Trust Instrument as continuing security (i) for the payment of all sums due to the Trustee or any receiver under the Trust Instrument and/or any Additional Security Document (ii) for the payment of all sums due under the Securities, (iii) for the performance of the Issuer's obligations under each Hedging Agreement, (iv) for the payment of all sums payable to the Custodian for reimbursement in respect of payments made to any Hedging Counterparty by the Custodian relating to sums receivable on or in respect of the Collateral pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Custodian for any payment made by the Custodian to any Hedging Counterparty relating to sums receivable on or in respect of the Collateral before actual payment to the Custodian of the amount receivable on or in respect of the Collateral and (v) for the payment of all sums payable to the Principal Agent pursuant to any provision of the Agency Agreement which requires the Issuer to reimburse (and to pay interest on the amount reimbursed as provided in the Agency Agreement) the Principal Agent for any amount paid out by the Principal Agent to the holders of Securities before receipt of the corresponding amount due from the Issuer.

Enforceability

Unless otherwise specified in the Product Conditions, the security constituted by or created pursuant to the Trust Instrument and any Additional Security Document shall become enforceable (i) in the circumstances specified in General Condition 5.1 or 5.2, (ii) upon the occurrence of an Event of Default (as defined in General Condition 10) and (iii) on the Hedging Agreement Termination Date if sums remain owing to a Hedging Counterparty under a Hedging Agreement.

Holder of Collateral

Unless otherwise specified in the Product Conditions, the Collateral will be held by the Custodian (which expression shall include any additional or other Custodians from time to time appointed) on behalf of the Issuer on and subject to the terms and conditions of the Agency Agreement and, where applicable, subject to the security referred to in General Condition 6.2.1 or 6.2.2. The Issuer reserves the right at any time with the prior written consent of the Trustee to change the Custodian, provided that, in respect of Securities which are rated by one or more Relevant Rating Agencies, each Relevant Rating Agency will have confirmed in writing that such change will not adversely affect its current rating of such Securities. Notice of such change shall be given to the Securityholders in accordance with General Condition 15. Under the terms of the Agency Agreement, the Custodian may appoint a sub-custodian in relation to the Collateral, but such appointment shall not relieve the Custodian of any of its duties under the Agency Agreement.

Deed of Floating Charge

The obligations of the Issuer in relation to all Series of Securities will also be secured pursuant to the Deed of Floating Charge over the whole of its undertaking and assets to the extent that such undertaking and assets are not subject to any other security created by the Issuer in relation to any Series. The principal purpose of the aforementioned security is to ensure that the Trustee has security over substantially the whole of the assets of the Issuer, so allowing the Trustee to appoint an administrative receiver (as defined in Section 29 of the Insolvency Act 1986) relying on the capital markets exception (in section 72B of the Insolvency Act 1986) to the general prohibition on appointing administrative receivers. The Trustee is entitled to enforce the security created by the Deed of Floating Charge only if an Event of Default referred to in General Condition 10.3 of the Securities of any Series has occurred and the security in respect of all Series of Securities then outstanding constituted by the relevant Trust Instrument and/or Additional Security Documents has become enforceable. The obligations of the Issuer are, however, limited in recourse as provided in General Condition 11, and accordingly, even if the security created by the Deed of Floating Charge may become enforceable, the amounts due to the Securityholders and any Hedging Counterparty will not be increased as a result thereof and shall be limited to the net proceeds of realisation of the Charged Property and subject to the provisions of General Condition 6 as to application of such net proceeds and to the provisions of General Condition 11.

The Trust Instrument provides that the Trustee shall not be bound or concerned to make any investigation into, or be responsible for:

- (1) the creditworthiness of the Collateral or any obligor or guarantor in respect of the Collateral or of any Hedging Counterparty, Repurchase Counterparty or other person which is a party to any other agreement or document constituting or evidencing any of the Collateral or the Charged Property; or*
- (2) the validity, sufficiency or enforceability of the obligations of any such person as is referred to in sub-paragraph (1) above or of the security constituted by or pursuant to the Trust Instrument or any other agreement or document constituting the security for the Securities; or*
- (3) whether the cashflows relating to the Collateral and/or the Charged Property and the Securities are matched.*

None of the Issuer, any Hedging Counterparty, the Custodian and the Trustee will have any responsibility for the performance by any clearing system (or its participants or indirect

participants) of any of their respective obligations under the rules and procedures governing their operations. None of the Issuer, the Trustee and any Hedging Counterparty will have any responsibility for the performance by the Custodian of its obligations under the Agency Agreement.

6.4 Application of Proceeds of Enforcement of Charged Property

The Trustee shall (subject to the provisions of the Trust Instrument) apply all moneys received by it under the provisions of the Trust Instrument and any Additional Security Document in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Instrument and any Additional Security Document in accordance with the following provisions of this General Condition 6.4:

- 6.4.1 first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any taxes required to be paid, the costs of realising any security and the Trustee's remuneration);
- 6.4.2 secondly, *pro rata* in payment of any amounts owing to each Hedging Counterparty under a Hedging Agreement (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amounts owing to the Custodian for reimbursement in respect of payments made to a Hedging Counterparty relating to sums receivable on or in respect of the Collateral);
- 6.4.3 thirdly, *pro rata* in payment of any amounts owing to the holders of the Securities (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amount owing to the Principal Agent for reimbursement in respect of any payment made to holders of the Securities or to a Clearing Agent on behalf of such holders); and
- 6.4.4 fourthly, in payment of the balance (if any) to the Issuer,

PROVIDED THAT, if the realisation or enforcement of the security constituted by or pursuant to the Trust Instrument and any Additional Security Document has arisen as a result of any event of default (as defined in a Hedging Agreement) relating to any Hedging Counterparty, then the Trustee shall apply all moneys received by it under the provisions of the Trust Instrument and any Additional Security Document, either:

- (A) if "Pari Passu Basis" is specified in the Product Conditions:
 - (1) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any taxes required to be paid, the costs of realising any security and the Trustee's remuneration);
 - (2) secondly, *pro rata* in payment of any amounts owing to each Hedging Counterparty under a Hedging Agreement (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amounts owing to the Custodian for reimbursement in respect of payments made to a Hedging Counterparty relating to sums receivable on or in respect of the Collateral) and the holders of the Securities; and

- (3) thirdly, in payment of the balance (if any) to the Issuer, or
- (B) if “Securityholder Priority Basis” is specified in the Product Conditions:
 - (1) first, in payment or satisfaction of all fees, costs, charges, expenses, liabilities and other amounts incurred by or payable to the Trustee or any receiver under or pursuant to the Trust Instrument and/or any Additional Security Document (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any taxes required to be paid, the costs of realising any security and the Trustee's remuneration);
 - (2) secondly, *pro rata* in payment of any amounts owing to the holders of the Securities (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amount owing to the Principal Agent for reimbursement in respect of any payment made to holders of the Securities or to a Clearing Agent on behalf of such holders);
 - (3) thirdly, *pro rata* in payment of any amounts owing to each Hedging Counterparty under a Hedging Agreement (which for the purpose of this General Condition 6.4 and the Trust Instrument shall include any amounts owing to the Custodian for reimbursement in respect of payments made to a Hedging Counterparty relating to sums receivable on or in respect of the Collateral); and
 - (4) fourthly, in payment of the balance (if any) to the Issuer,

6.5 Replacement and/or Substitution of Collateral

6.5.1 If it is specified in the Product Conditions that this General Condition 6.5.1 applies to the Securities and the security for the Securities is as described in General Condition 6.2.1 or 6.2.2, the Issuer may from time to time, subject to and in accordance with the provisions of the Trust Instrument, require that any securities or other assets for the time being comprising all or part of the Collateral (but excluding any Collateral which has been transferred to the Repurchase Counterparty pursuant to an exercise of the Purchase Option (as defined in General Condition 7.2)) (hereinafter referred to as the “**Replaced Collateral**”) be replaced (a “**Replacement**”) by Eligible Securities (“**Replacement Collateral**”); provided however that:

- (1) upon any release of the Replaced Collateral from the security created by or pursuant to the Trust Instrument and/or any Additional Security Document, any such Replacement Collateral being substituted for the Replaced Collateral has been delivered, transferred or assigned to the Issuer on the same terms (*mutatis mutandis*) as the Replaced Collateral and is subject to the charge or other security interest created by or pursuant to the Trust Instrument and/or any Additional Security Document;
- (2) in respect of rated Securities, either (x) the Replacement Collateral is comprised of Eligible Securities which have an Equivalent Rating or (y) the Issuer shall have received written confirmation from each Relevant Rating Agency that its current rating of the Securities will not be adversely affected by the Replacement; and
- (3) such other conditions as may be specified in the Product Conditions are satisfied.

If the Issuer has so agreed with any Hedging Counterparty, such Hedging Counterparty shall deliver the Replacement Collateral to the Issuer in exchange for the Replaced Collateral.

The Trustee shall not be liable to the Issuer, any Hedging Counterparty, the Securityholders or any other person and the Issuer shall not be liable to the Trustee, any Hedging Counterparty or the Securityholders for any loss arising from any Replacement pursuant to the foregoing.

The Trust Instrument provides that, in connection with any Replacement relating to Securities the security for which is as described in General Condition 6.2.1 or 6.2.2, the Trustee shall receive a certificate from the Issuer (or the relevant Hedging Counterparty (acting on its behalf)) describing the Replacement and confirming that sub-paragraphs (1), (2) and (3) above have been complied with, and that it may rely absolutely upon such certificate for all purposes and need make no enquiry of any nature. By subscription for, or acquisition of, any Security, each Securityholder accepts and is bound by this provision.

The Trust Instrument provides that the Trustee shall not be liable to the Issuer, any Hedging Counterparty, the Repurchase Counterparty, any Securityholder or any other person, nor shall the Issuer be liable to the Trustee, any Securityholder, any Hedging Counterparty, the Repurchase Counterparty or any other person, for any loss arising from Replacement pursuant to the foregoing.

- 6.5.2 If securities and/or other assets which comprise all or part of the Collateral have a maturity date or are otherwise redeemed (in whole or in part) on a date which falls prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes) ("**Maturing Collateral**") and it is provided in the Product Conditions that this General Condition 6.5.2 applies to the Securities and the security for the Securities is as described in General Condition 6.2.1 or 6.2.2, the proceeds of redemption received upon maturity of such Maturing Collateral shall be applied by the Custodian on behalf of the Issuer:

6.5.2.1 in the purchase of Eligible Securities ("**Substitute Collateral**") and each such purchase a "**Substitution**"; and/or

6.5.2.2 by crediting such proceeds of redemption to an interest bearing account with the Custodian (the "**Deposit Account**") on terms that the funds standing to the credit of such Deposit Account shall earn the rate or rates of interest (which may be a floating rate or rates) specified in the Product Conditions or, if no rate is so specified, such rate or rates as may be determined from time to time by the Custodian. The Custodian may from time to time apply the funds standing to the credit of the Deposit Account in the purchase of Eligible Securities, in which case such purchase, and the Eligible Securities so purchased, will be deemed to be a Substitution and Substitute Collateral, respectively, for the purposes of this General Condition 6.5.2. Subject to any such application by the Custodian, the Issuer and the Custodian will procure that funds credited to the Deposit Account from time to time (including capitalised interest) shall be debited from the Deposit Account as and when necessary to be applied, in accordance with the provisions of the Trust Instrument, by the Issuer in connection with paying sums when due under the Securities or as otherwise specified in the Trust Instrument.

Notwithstanding the foregoing, a Substitution may only be made if:

- (a) the Substitute Collateral has been delivered, transferred or assigned to the Issuer on the same terms (*mutatis mutandis*) as the Maturing Collateral and is subject to the charge or other security interest created by or pursuant to the Trust Instrument and/or any Additional Security Document;
- (b) in respect of rated Securities, each Relevant Rating Agency is notified of the Substitution or the crediting of funds to the Deposit Account, as the case may be, and (if applicable) either (i) the Substitute Collateral is comprised of Eligible Securities which have an Equivalent Rating or (ii) the Issuer has received written confirmation from each Relevant Rating Agency that its current rating of the Securities will not be adversely affected by the Substitution; and
- (c) such other conditions as may be specified in the Product Conditions are satisfied.

All determinations of the availability of Substitute Collateral, and all determinations and calculations of the purchase price and applicable date for purchase thereof shall be made by the relevant Hedging Counterparty in accordance with the Trust Instrument and all such determinations and calculations shall be binding on the Issuer, the Trustee, the Securityholders and all other persons. The Trustee shall not be liable to the Issuer, the Securityholders or any other person, nor shall the Issuer be liable to the Trustee or any Securityholders, for any loss arising from any Substitution pursuant to the foregoing.

The Trust Instrument provides that, in connection with any Substitution, the Trustee shall receive a certificate from the Issuer (or the relevant Hedging Counterparty (acting on its behalf)) describing the Substitution and confirming that sub-paragraphs (a), (b) and (c) above have been complied with, and it may rely absolutely upon such certificate for all purposes and need make no enquiry of any nature. By subscription for, or acquisition of, any Security, each Securityholder accepts and is bound by this provision.

The Trust Instrument provides that the Trustee shall not be liable to the Issuer, any Hedging Counterparty, the Repurchase Counterparty, any Securityholders or any other person, nor shall the Issuer be liable to the Trustee, any Securityholders, any Hedging Counterparty, the Repurchase Counterparty or any other person, for any loss arising from any Substitution pursuant to the foregoing.

- 6.5.3 All rights of Replacement and/or Substitution under General Condition 6.5 shall cease forthwith upon the security constituted by the Trust Instrument becoming enforceable whether in whole or in part.

6.6 Purchase of Collateral maturing after the Settlement Date and/or Maturity Date

If any securities forming all or part of the Collateral have a maturity date falling after the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes), the Issuer may agree to sell such Collateral to any Hedging Counterparty for value on the Settlement Date or, as the case may be, the Maturity Date at a price equal to the principal amount thereof.

6.7 Realisation of the Charged Property

6.7.1 Realisation of security

In the event of the security constituted by or created pursuant to the Trust Instrument over the Charged Property becoming enforceable, the Trustee may at its discretion and shall:

6.7.1.1 if requested in writing by the holders of at least one-fifth in aggregate Nominal Amount of the Securities then outstanding; or

6.7.1.2 if directed by an Extraordinary Resolution (as defined in the Trust Instrument) of the Securityholders; or

6.7.1.3 if directed in writing by each Hedging Counterparty but only if the Hedging Agreement(s) have each terminated in accordance with their respective terms prior to the respective Hedging Agreement Termination Dates or, on or after the latest Hedging Agreement Termination Date, if sums remain owing to any Hedging Counterparty under the Hedging Agreement(s),

do one or more of the following:

- (i) where General Condition 6.2.1 or 6.2.2 applies, instruct the Selling Agent to endeavour to sell or otherwise realise the Collateral in accordance with General Condition 6.7.2 and the provisions of the Agency Agreement;
- (ii) where General Condition 6.2.1 or 6.2.2 applies, take other steps to realise all or some of the Collateral;
- (iii) terminate and/or enforce and/or realise each Hedging Agreement, Repurchase Agreement or other agreement entered into by the Issuer, the rights of the Issuer in respect of which form part of the Charged Property; and
- (iv) otherwise enforce the security constituted by or pursuant to the Trust Instrument and/or any Additional Security Document,

in each case without any liability as to the consequences of such action and without having regard to the effect of such action on individual Securityholders and provided that the Trustee shall not be required to take any action without first being indemnified to its satisfaction or to do anything which is or may be contrary to any applicable law. Subject as provided in the following paragraph, any request or direction given by the person or persons ranking in priority immediately after the Trustee (the “**Entitled Beneficiary**”) pursuant to the provisions of General Condition 6.4 will have priority over any conflicting direction given under this General Condition 6.7.1 and, in the absence of any such request or direction, the Trustee may at its discretion decline to act on any request or direction given by any other person.

Where there is a conflict between any request and/or direction given pursuant to General Condition 6.7.1 and “**Securityholder Priority Basis**” is specified in the Product Conditions and is applicable, any request or direction given by the Entitled Beneficiary will have priority over any conflicting request or direction given under this General Condition 6.7.1 and, in the absence of any such request or direction by the Entitled Beneficiary, the Trustee may at its discretion decline to act on any

request or direction given by any other person. If “**Pari Passu Basis**” is specified in the Product Conditions and is applicable, any request of the kind referred to in General Condition 6.7.1.1 or direction of the kind referred to in General Condition 6.7.1.2 shall have priority over any conflicting request or direction under this General Condition 6.7.1 and the Trustee may at its discretion decline to act on any other request or direction.

6.7.2 Selling Agent

If the Selling Agent is instructed by the Trustee in accordance with General Condition 6.7.1 to endeavour to sell or otherwise realise the Collateral, the Selling Agent shall, on behalf of and as the agent of the Trustee pursuant to, and in accordance with, the provisions of the Agency Agreement, use all reasonable endeavours to sell or otherwise realise the Collateral as soon as reasonably practicable on or after the date on which it receives such instruction at its best execution price less any commissions or expenses charged by the Selling Agent and specified for this purpose in the Trust Instrument.

If, however, the Selling Agent determines that there is no available market for the Collateral, or if the Selling Agent otherwise determines that it is impossible to sell or otherwise realise the Collateral or any part of it, the Selling Agent will promptly notify the Issuer, the Trustee and each Hedging Counterparty of such lack of availability or impossibility and the Selling Agent shall not be required to effect the sale or other realisation of the Collateral or any further part of it. Any such determination by the Selling Agent shall be in its sole discretion and shall be binding on the Issuer, the Trustee, each Hedging Counterparty and the Securityholders. In the event that the Selling Agent makes such determination the Trustee at its discretion may, and shall if so requested or directed in accordance with General Condition 6.7.1 (but subject in each case to its being indemnified in accordance with such General Condition) realise all or part of the Collateral by other means.

In order to obtain its best execution price for the above purposes, the Selling Agent shall be required to take reasonable care to ascertain the price which is the best available for the sale or other realisation of the Collateral at the time of the sale or other realisation for transactions of the kind and size concerned and, unless circumstances require the Selling Agent to do otherwise in the interests of the Securityholders, to deal at a price which is not less advantageous to the Securityholders.

The Trustee shall have no responsibility or liability for the performance by the Selling Agent of its duties under this General Condition 6.7.2 or for the price at which any of the Collateral may be sold or otherwise realised.

6.8 Shortfall after application of proceeds

If the Net Proceeds are not sufficient to make all payments due in respect of the Securities and for the Issuer to meet its obligations, if any, in respect of the termination of each Hedging Agreement (or a part of any such Hedging Agreement) and/or any other obligations secured thereby, then the obligations of the Issuer in respect of the Securities and each Hedging Agreement and/or any such other obligations will be limited to such net proceeds. The other assets of the Issuer will not be available for payment of any Shortfall arising therefrom. Any Shortfall shall be borne by the Securityholders, each Hedging Counterparty and any other persons entitled to the benefit of such security according to the priorities specified in the General Conditions (as modified by the Product Conditions if applicable and applied in reverse order).

The Issuer will not be obliged to make any further payment in excess of the Net Proceeds and any right to receive any further sum in each case in respect of any Shortfall remaining after realisation of the security under General Condition 6.7 and application of the proceeds in accordance with the Trust Instrument shall be extinguished and neither the Trustee nor any Hedging Counterparty nor any Securityholders nor any other person entitled to the benefit of such security (nor any person acting on behalf of any of them) may take any further action to recover such Shortfall. In particular, no such party will be able to petition for the winding-up of, or the appointment of an examiner to, the Issuer. Failure to make any payment in respect of any Shortfall shall in no circumstances constitute an Event of Default under General Condition 10.

Where General Condition 6.2.1 or 6.2.2 applies, the realisation of some only of the Collateral where there is a shortfall will not extinguish any claims in respect of the remaining Collateral.

6.9 Issuer's rights as holder of Collateral

The Issuer may exercise any rights in its capacity as holder of the Collateral only with the prior written consent of the Trustee (which consent may be given by the Trustee in its absolute discretion) or as directed by an Extraordinary Resolution of the Securityholders and, if such consent or direction is given, the Issuer will act only in accordance with such consent or direction. In particular, the Issuer will not attend or vote at any meeting of holders of the Collateral, or give any consent or notification or make any declaration in relation to the Collateral, unless the Trustee shall give its prior written consent (which consent may be given by the Trustee in its absolute discretion) or by direction of any Extraordinary Resolution of the Securityholders.

7. Hedging Agreements; Repurchase Agreement

7.1 Hedging Agreements

The Hedging Agreements

The Hedging Agreement(s) is/are entered into by the execution of the Trust Instrument by the Issuer and the Hedging Counterpart(y)(ies). A summary of the terms of the Hedging Agreement(s) is set out in the Product Conditions.

Termination

Each Hedging Agreement will terminate on the Hedging Agreement Termination Date, unless terminated earlier in accordance with its terms. Unless otherwise specified in the Product Conditions, (i) each Hedging Agreement will terminate in full if all the Securities are cancelled prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes) pursuant to any provision of General Condition 5 or upon the occurrence of an Event of Default and (ii) each Hedging Agreement will terminate in part (on a *pro rata* basis in a proportion of its nominal amount equal to the proportion that the Nominal Amount of the Securities being cancelled bears to the aggregate Nominal Amount of all the Securities immediately prior to such cancellation) if some of the Securities are cancelled prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes) pursuant to any provision of General Condition 5. Each Hedging Agreement may also terminate in other circumstances as set out in such Hedging Agreement. In the event of an early termination of any Hedging Agreement, either the Issuer or the relevant Hedging Counterparty may be liable to make a termination payment to the other party in an amount determined in accordance with the provisions of such Hedging Agreement. The termination payment will be determined by the relevant Hedging Counterparty on the basis of such

Hedging Counterparty's reasonable determination in good faith of its total losses and costs in connection with the termination of such Hedging Agreement. Unless otherwise specified in the Product Conditions, in the event of an early termination of any Hedging Agreement as a result of the cancellation of the Securities pursuant to General Condition 5.1, any obligation of the Issuer at any time to deliver the Collateral to the relevant Hedging Counterparty shall for the purposes of the calculation of such termination payment be deemed to be replaced by an obligation of the Issuer to pay to the relevant Hedging Counterparty a sum equal to the nominal amount of such Collateral.

Taxation

Neither the Issuer nor any Hedging Counterparty is obliged under any Hedging Agreement to gross up payments to be made by it to the other if withholding taxes are imposed on such payments, but the Hedging Agreement(s) is terminable in such event. If the Issuer, on the occasion of the next payment due under a Hedging Agreement, would be required by law to withhold or account for tax such that it would be rendered unable to make payment of the full amount due or would be required to account for tax or would suffer tax on its income in respect of the amount paid to it, the Issuer shall so inform the Trustee in writing.

Downgrade

If so specified in the Product Conditions, in respect of rated Securities, if the long-term debt rating of any Hedging Counterparty is or may be downgraded with the result that the current rating of the Securities by any Relevant Rating Agency is or may be adversely affected, such Hedging Counterparty will be entitled to transfer its rights and obligations under the relevant Hedging Agreement to another entity or to obtain a guarantee from another entity or to take such other action as may be specified in the relevant Hedging Agreement, subject as provided in this General Condition 7.1.

Transfer by Hedging Counterparty

Any transfer of the rights and obligations of any Hedging Counterparty or any guarantee of the obligations of any Hedging Counterparty (or of any transferee of the rights and obligations of Hedging Counterparty) in respect of any Hedging Agreement will be subject to:

- 7.1.1 the Trustee being satisfied that such rights and obligations have been effectively transferred to and/or guaranteed by, as the case may be, the transferee and/or guarantor selected by such Hedging Counterparty and that all the Issuer's right, title, benefit and interest in, to, under and in respect of the relevant Hedging Agreement following any such transfer and/or guarantee in respect of the obligations of such Hedging Counterparty (or, as the case may be, any transferee to whom the obligations of such Hedging Counterparty are transferred), are effectively secured in favour of the Trustee for the benefit of the Securityholders, in each case in form and substance reasonably satisfactory to the Trustee;
- 7.1.2 in respect of rated Securities, the Trustee having received written confirmation from each Relevant Rating Agency that its current rating of the Securities will not be adversely affected by any transfer and/or guarantee as is referred to above; and
- 7.1.3 the relevant Hedging Counterparty having indemnified the Issuer and the Trustee against any stamp or other documentary charges and all expenses (if any) incurred by the Issuer and/or the Trustee in connection with such transfer.

To the extent that any Hedging Counterparty fails to make payments due to the Issuer under a Hedging Agreement, the Issuer will be unable to meet its obligations in respect of the Securities. In such event, each Hedging Agreement will be terminated and the Securities will be cancelled in accordance with General Condition 5.2. Upon enforcement of the security in respect of the Charged Property, the net proceeds thereof may be less than the claims of the Hedging Counterparty(ies), the Securityholders and the other persons entitled to the benefit of such security.

7.2 Repurchase Agreement

7.2.1 Purchases

If it is stated in the Product Conditions that the Issuer has entered into the Repurchase Agreement, the Repurchase Counterparty may, subject to the provisions thereof, at any time and from time to time prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes) (and provided that the Securities have not been cancelled prior to the Settlement Date (in the case of Certificates) or the Maturity Date (in the case of Notes)), by giving written notice to the Issuer, the Trustee and the Custodian (a **"Purchase Notice"**), request the Issuer (the **"Purchase Option"**) to transfer any amount of the assets comprised in the Collateral (the **"Purchased Collateral"**) to the Repurchase Counterparty against payment to the Issuer of the purchase price (the **"Purchase Price"**) (if any) specified in, or determined in accordance with the provisions of, the Product Conditions.

Such transfer shall be on terms that:

- (a) full legal and beneficial ownership of such Purchased Collateral shall vest in the Repurchase Counterparty on the date specified in the Purchase Notice (the **"Delivery Date"**) free and clear of all charges, liens and encumbrances created by the Trust Instrument with respect thereto or otherwise by the Issuer and together with the benefit of all the Issuer's rights and entitlements thereto and therein subsisting at the time the Purchase Option is exercised
- (b) the Repurchase Counterparty shall be obliged to deliver the Purchased Collateral or Fungible Collateral to the Issuer on the date specified in the relevant Purchase Notice or, if no date is so specified, on the date specified in the absolute discretion of the Repurchase Counterparty (each, a **"Redelivery Date"**) against payment of the repurchase price (the **"Repurchase Price"**) (if any) specified in, or determined in accordance with the provisions of, the Product Conditions; and
- (c) until the Purchased Collateral or Fungible Collateral is so delivered, all payments of principal, interest or other sums in respect of the Purchased Collateral will be made to the Repurchase Counterparty (each, a **"Purchase Transaction"**).

Unless otherwise provided in the Product Conditions, the Repurchase Price may not exceed the amount for the time being standing to the credit of the Repurchase Account (as defined below).

Notwithstanding the foregoing, in the case of Securities which are rated by one or more Relevant Rating Agencies the Issuer may enter into a Repurchase Agreement only if the Trustee shall have received written confirmation from each such Relevant Rating Agency that (i) its current

rating of the Securities will not be adversely affected by the Issuer entering into the Repurchase Agreement and (ii) the Repurchase Agreement satisfies such conditions as such Relevant Rating Agencies may have specified as a condition of such rating(s).

Income Payments

Under the Repurchase Agreement, the Repurchase Counterparty in respect of a Purchase Transaction will be required to make payments to the Issuer equal to each payment of principal, interest, dividends or other distributions made by an obligor of the relevant Purchased Collateral (each an “**Income Payment**”) on the date on which such payments under such Purchased Collateral are made by the obligor of such Purchased Collateral.

Release of Collateral

Unless otherwise specified in the Product Conditions, if the Issuer agrees to the terms of a Purchase Notice, the Issuer will be deemed to be authorised by the Trustee (and by all other persons entitled to the benefit of the security created by or pursuant to the Trust Instrument) to release from the security created by or pursuant to the Trust Instrument the Collateral which is the subject of the Purchase Transaction. If any Purchased Collateral or Fungible Collateral is redelivered to the Issuer pursuant to the Repurchase Agreement, the right of the Issuer to receive payments from the Repurchase Counterparty equal to the Income Payments made on or in respect of such Purchased Collateral or Fungible Collateral shall terminate and, upon redelivery of such Purchased Collateral or Fungible Collateral, such Purchased Collateral or Fungible Collateral shall be subject to the security constituted by or created pursuant to the Trust Instrument.

Repurchase Account

Any amount of Purchase Price paid by the Repurchase Counterparty to the Issuer pursuant to the Repurchase Agreement shall be credited to an interest bearing account with the Custodian (the “**Repurchase Account**”) on terms that the funds standing to the credit of the Repurchase Account shall earn the rate or rates of interest (which may be a floating rate) specified in the Product Conditions. Funds credited to the Repurchase Account from time to time (including capitalised interest) shall be debited from the Repurchase Account on each Repurchase Date to be applied in payment of the Repurchase Price then due or as otherwise provided in the Trust Instrument.

Termination

To the extent that the Repurchase Counterparty fails to make payments due to the Issuer under the Repurchase Agreement, or to deliver Purchased Collateral or Fungible Collateral to the Issuer when required under the Repurchase Agreement, the Issuer will be unable to meet its obligations in respect of the Securities. In such event, the Repurchase Agreement will be terminated and the Early Termination Amount in respect of each Security will become payable in accordance with General Condition 5.2. Upon enforcement of the security in respect of the Charged Property, the net proceeds thereof may be less than the claims of the Hedging

Counterparty(ies), the Securityholders and the other persons entitled to the benefit of such security.

Trustee not liable

The Trustee shall not be liable to the Issuer, the Securityholders, any Hedging Counterparty or any other person for any loss arising from the exercise of any Purchase Option, any Purchase Transaction or any release of Charged Property in connection therewith.

- 7.2.2 If it is specified in the Product Conditions that General Condition 6.5.1 applies to the Securities, and the security for the Securities is as described in General Condition 6.2.1 or 6.2.2, and unless otherwise specified in the Trust Instrument, the Repurchase Counterparty may request authorisation from the Issuer that any securities or other assets for the time being comprising all or part of the Purchased Collateral (hereinafter referred to as the “**Replaced Purchased Collateral**”) be replaced (a “**Replacement**”) by other securities or assets of a type or types (or combination thereof), having the features specified in respect of Replacement Collateral in the Trust Instrument (or, if no features are so specified, having such features as the Repurchase Counterparty shall in its sole discretion determine) (“**Replacement Purchased Collateral**”) and on terms that such other conditions as may be specified in the Trust Instrument in respect of a Replacement (as defined herein) are satisfied.

Any Replacement in respect of rated Securities is further conditional on either (i) the Replacement Purchased Collateral being comprised of Eligible Securities which have an Equivalent Rating or (ii) the Issuer having received written confirmation from each Relevant Rating Agency that its current ratings of the Securities will not be adversely affected by the Replacement. Subject to the Issuer authorising the Replacement (and subject as provided in respect of rated Securities), any such Replacement Purchased Collateral shall (to the extent delivered by the Repurchase Counterparty to the Issuer when required under the Repurchase Agreement) constitute Replacement Purchased Collateral.

Subject as provided in respect of rated Securities, if the Issuer has determined (acting in its sole discretion) that it will authorise the Replacement, the Issuer shall forthwith notify the Trustee, each Hedging Counterparty, the Principal Agent, the Custodian, the Calculation Agent and, in accordance with General Condition 15, the Securityholders of the Replacement.

The Trustee shall not be liable to the Issuer, the Securityholders, any Hedging Counterparty or any other person and the Issuer shall not be liable to the Trustee, the Securityholders, any Hedging Counterparty or any other person for any loss arising from any Replacement pursuant to the foregoing.

- 7.2.3 If it is specified in the Product Conditions that General Condition 6.5.2 applies to the Securities, and the security for the Securities is as described in General Condition 6.2.1 or 6.2.2, and securities and/or other assets which comprise all or part of the Purchased Collateral have a maturity date which falls prior to the Settlement Date (in the case of Certificates) or, the Maturity Date (in the case of Notes) (“**Maturing Purchased Collateral**”), then unless provided otherwise in the Trust Instrument, the proceeds of redemption received upon maturity of such Maturing Purchased Collateral may, upon request to the Issuer and if such request is authorised, be applied by the Repurchase Counterparty:

7.2.3.1 in the purchase of further securities and/or other assets of a type or types (or combination thereof) identified by the Repurchase Counterparty and having the features (if any) specified in respect of Substitute Collateral in the Trust Instrument (or, if no features are so specified, having such features as the Repurchase Counterparty shall in its sole discretion determine), but subject as provided below in respect of rated Securities (“**Substitute Purchased Collateral**” and each such purchase a “**Substitution**”). Any such Substitute Purchased Collateral so specified shall (to the extent delivered by the Repurchase Counterparty to the Issuer when required under the Repurchase Agreement) constitute Substitute Purchased Collateral for the purposes of the Securities; and/or

7.2.3.2 by crediting such proceeds of redemption to an interest bearing account in the name of the Repurchase Counterparty (the “**Repurchase Counterparty Deposit Account**”) opened by the Repurchase Counterparty with a bank or other financial institution selected by the Repurchase Counterparty in respect of the proceeds of redemption of Substitute Purchased Collateral. Subject to any contrary provision in the Product Conditions or in the Purchase Notice, the Repurchase Counterparty will procure that funds credited to the Repurchase Counterparty Deposit Account from time to time (including capitalised interest) shall be debited from the Repurchase Counterparty Deposit Account as and when necessary and paid to the Issuer for application by the Issuer in connection with paying sums when due under the Securities.

Notwithstanding the foregoing, a Substitution may only be made if such conditions as are specified in the Trust Instrument in respect of a Substitution (as defined herein) are satisfied and, in respect of rated Securities if, each Relevant Rating Agency is notified of the Substitution or the credit of funds to the Repurchase Counterparty Deposit Account, as the case may be, and either (i) (if applicable) the Substitute Purchased Collateral is comprised of Eligible Securities which have an Equivalent Rating or (ii) the Issuer has received written confirmation from each Relevant Rating Agency that its current ratings of the Securities will not be adversely affected by the Substitution.

8. Restrictions

The Issuer has covenanted in the Trust Instrument that, *inter alia*, so long as any of the Securities remains outstanding, it will not, without the consent of the Trustee and each Hedging Counterparty:

8.1 engage in any activity or do any thing whatsoever except:

8.1.1 issue Securities (which as defined in the Trust Instrument include further securities) which are subject to the enforcement and limited recourse provisions contained in the Trust Instrument (“**Permitted Investments**”) or otherwise incur indebtedness in respect of moneys borrowed or raised where such indebtedness is incurred on terms that it is secured on specified assets of the Issuer (other than its share capital) which do not form part of the Charged Property and on terms which provide for the extinguishment of all claims in respect of such indebtedness after application of the proceeds of the assets on which such indebtedness is secured (“**Permitted Indebtedness**”);

- 8.1.2 enter into any agency agreement, trust instrument, hedging agreement, repurchase agreement, deed of floating charge or any deed or agreement of any other kind related to any Permitted Investment or Permitted Indebtedness, but provided always that any such deed or agreement is entered into on terms that the obligations of the Issuer thereunder are secured on specified assets of the Issuer (other than its share capital) which do not form part of the Charged Property and on terms which provide for extinguishment of all claims in respect of such obligations after application of the assets on which such indebtedness is secured;
- 8.1.3 acquire, or enter into any agreement constituting, the Collateral in respect of any Permitted Investment or the assets securing any Permitted Indebtedness;
- 8.1.4 perform its obligations under each Permitted Investment or Permitted Indebtedness, agency agreement, trust instrument, hedging agreement, repurchase agreement, deed of floating charge or other deeds or agreements incidental to the issue and constitution of, or the granting of security for, any Permitted Investment or Permitted Indebtedness;
- 8.1.5 enforce any of its rights under each agency agreement, trust instrument, hedging agreement, repurchase agreement, the deed of floating charge or any other deed or agreement entered into in relation to any Permitted Investment or Permitted Indebtedness;
- 8.1.6 perform any act incidental to or necessary in connection with any of the above;
- 8.1.7 as permitted by the Conditions;
- 8.2 have any subsidiaries or employees;
- 8.3 subject to General Condition 8.1 above, dispose of any of its property or other assets or any part thereof or interest therein (subject as provided in the General Conditions relating to any Permitted Investment or the terms and conditions of any Permitted Indebtedness);
- 8.4 issue or create any other Series of Securities unless either (a) the trustee thereof is the same person as the Trustee for the Securities or (b) the Trustee has received legal advice satisfactory to it from reputable legal advisers in England and the jurisdiction of incorporation of the Issuer to the effect that the appointment of a person other than the Trustee as trustee of such Series of Securities will not adversely affect the ability of the Trustee to appoint an administrative receiver over the assets of the Issuer pursuant to the Deed of Floating Charge, unless in the case of rated Securities, each Relevant Rating Agency has confirmed in writing that such change would not adversely affect its current rating(s) of any of the rated Securities issued by the Issuer;
- 8.5 purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), unless in the case of rated Securities, each Relevant Rating Agency has confirmed in writing that such change would not adversely affect its current rating of such Securities;
- 8.6 consolidate or merge with any other person;

- 8.7 issue any shares (other than such shares as were in issue on the date of the first Trust Instrument executed by the Issuer and the Trustee);
- 8.8 declare or pay any dividend or make any other distribution to its members; or
- 8.9 incur any indebtedness for borrowed money other than in respect of the Securities or any Permitted Investment or any Permitted Indebtedness.

9. Prescription

Claims against the Issuer for payment in respect of the Securities shall be prescribed and become void unless made within 10 years or, where applicable, five years (in the case of interest) from the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which notice is duly given to the Securityholders in accordance with General Condition 15 that, upon further presentation of the Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

10. Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in aggregate Nominal Amount of the Securities then outstanding, or if so directed by an Extraordinary Resolution of such holders, shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that, in respect of each such Security, the Early Termination Amount (which, for the avoidance of doubt, shall include accrued interest (if any) thereon to the date of payment) is, and shall accordingly forthwith become, immediately due and payable, and the security constituted by or created pursuant to the Trust Instrument shall become enforceable, as provided in the Trust Instrument, in any of the following events (each an “**Event of Default**”):

- 10.1 if default is made for a period of 14 days or more in the payment of any sum due in respect of the Securities or any of them; or
- 10.2 if the Issuer fails to perform or observe any of its other obligations under the Securities or the Trust Instrument and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this paragraph shall be required) such failure continues for a period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied (and for these purposes, a failure to perform or observe an obligation shall be deemed to be remediable notwithstanding that the failure results from not doing an act or thing by a particular time); or
- 10.3 if any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or formal notice is given of an intention to appoint an administrator or any application is made or petition is lodged or documents are filed with the court or administrator in relation to the Issuer; or
- 10.4 if an examiner is appointed in respect of the Issuer.

The Issuer has undertaken in the Trust Instrument that, on each anniversary of the date of first entry into of a Trust Instrument between the Issuer and the Trustee and also within 14

days after any request by the Trustee, it will send to the Trustee a certificate signed by a Director of the Issuer to the effect that, after making all reasonable enquiries by such Director, to the best of the knowledge, information and belief of the Issuer there did not exist, as at a date not more than five days prior to the date of the certificate, nor had there existed at any time prior thereto since the date of the Trust Instrument or the date of the last such certificate if any, any Event of Default or Potential Event of Default or, if such an Event of Default or Potential Event of Default did then exist or had existed, specifying the same and to such other effect as the Trustee may require.

The Trust Instrument provides that the Trustee shall not be under any obligation to monitor whether or not an Event of Default or a Potential Event of Default has occurred or is continuing.

11. Enforcement

At any time after any of the Securities becomes due and payable or in any of the circumstances specified in General Condition 6.3, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Instrument and the Securities and, to the extent provided in the Trust Instrument, to enforce the security constituted by the Trust Instrument, but it shall not be obliged to take any such proceedings unless (a) it shall have been so requested or directed by any person entitled to make such request or give such direction pursuant to General Condition 6.7.1 and (b) it shall have been indemnified to its satisfaction and provided that it shall not be obliged to take any action if it would be against any applicable law.

Only the Trustee (or, to the extent provided in General Condition 6.7.2, the Selling Agent) may pursue the remedies available under the Trust Instrument to enforce the rights of the Securityholders and/or any Hedging Counterparty and/or the Custodian in respect of the security and no Securityholder, no Hedging Counterparty, the Custodian or the Principal Agent is entitled to proceed against the Issuer with respect to the security unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Instrument, fails or neglects to do so.

The Trustee, each Hedging Counterparty, the Securityholders, the Custodian and the Principal Agent shall have recourse only to the Charged Property and the Selling Agent or the Trustee having realised the same and distributed the net proceeds in accordance with Condition 6.4, the Trustee, each Hedging Counterparty, the Securityholders, the Custodian, the Principal Agent or anyone acting on behalf of any of them shall not be entitled to take any further steps against the Issuer or the Trustee to recover any further sum (save for lodging a claim in the liquidation of the Issuer initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer) and the right to receive any such sum shall be extinguished. In particular, none of the Trustee, any Hedging Counterparty, the Custodian, the Principal Agent, any Securityholder nor any other party to the Trust Instrument shall be entitled to petition or take any other step for the winding-up of the Issuer or the appointment of an examiner in respect of the Issuer, nor shall any of them have any claim in respect of any asset of the Issuer not forming part of the Charged Property.

12. Meeting of Securityholders; Modifications; Waiver; and Substitution

12.1 Meetings of Securityholders

The Trust Instrument contains provisions for convening meetings of Securityholders to consider any matter affecting their interests, including modification by Extraordinary

Resolution of the Securities (including these General Conditions or the provisions of the Trust Instrument insofar as the same may apply to such Securities). The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons holding or representing a clear majority in aggregate Nominal Amount of the Securities for the time being outstanding or, at any adjourned such meeting, one or more persons being or representing Securityholders, whatever the aggregate Nominal Amount of the Securities so held or represented, and an Extraordinary Resolution duly passed at any such meeting shall be binding on all the Securityholders, whether present or not, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity of the Securities, or any date for any payment in respect thereof, (ii) to cancel any Security or reduce the Nominal Amount of any Note or reduce any amount payable on redemption or cancellation of, the Securities, (iii) to reduce the rate or rates of interest or where applicable, to modify, except where such modification will, in the opinion of the Trustee, result in an increase, the method of calculating the amount payable or to modify of the date of payment or, where applicable the method of calculating the date of payment in respect of any principal, premium or interest (if any) in respect of the Securities, (iv) if a Minimum and/or a Maximum Interest Rate is shown in the Product Conditions, to reduce any such Minimum and/or Maximum Interest Rate, (v) to change any method of calculating the Early Termination Amount or, any other amount payable in respect thereof, (vi) to change the currency or currencies of payment or denomination of the Securities, (vii) to modify or amend or cancel the exercise rights in respect of any Certificate, (viii) to take any steps which as specified in the Trust Instrument may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (ix) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution, (x) to modify the provisions of the Trust Instrument concerning this exception or (xi) to modify any other provisions specifically identified for this purpose in the Trust Instrument, will only be binding if passed at a meeting of the Securityholders, the quorum at which shall be one or more persons holding or representing 75 per cent. or, at any adjourned meeting, not less than 25 per cent., in aggregate Nominal Amount of the Securities for the time being outstanding.

12.2 **Modification**

The Trustee may, without the consent of the Securityholders but only with the prior written consent of each Hedging Counterparty agree to (i) any modification to the Trust Instrument, any Hedging Agreement, the Repurchase Agreement, the Deed of Floating Charge or any other agreement or document entered into in relation to the Securities which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, (ii) any modification of any of the provisions of the Trust Instrument, any Hedging Agreement, the Repurchase Agreement, the Deed of Floating Charge or any other agreement or document entered into in relation to the Securities which in the opinion of the Trustee is not materially prejudicial to the interests of the Securityholders and provided that, in the case of rated Securities, each Relevant Rating Agency has confirmed in writing that its current rating of such Securities will not be adversely affected and (iii) any modification of the provisions of the Trust Instrument, any Hedging Agreement, the Repurchase Agreement, the Deed of Floating Charge or any other agreement or document entered into in relation to the Securities which is made to satisfy any requirement of (in the case of rated Securities) any Relevant Rating Agency or any stock exchange on which the Securities are or are proposed to be, listed and which, in each case, is not in the opinion of the Trustee materially prejudicial to the interests of the Securityholders. The Trust Instrument provides that the Issuer shall not agree to any amendment or modification of the Trust Instrument without first obtaining the consent in writing of each Hedging Counterparty, which consent shall not be unreasonably withheld or delayed.

If the Trustee shall so require, any such modification shall be notified by the Issuer to the Securityholders as soon as practicable thereafter in accordance with General Condition 15.

12.3 **Waiver**

The Trustee may, without the consent of the Securityholders but only with the prior written consent of each Hedging Counterparty and without prejudice to its rights in respect of any subsequent breach, from time to time and at any time, but only if and in so far as in its opinion the interests of the Securityholders shall not be materially prejudiced thereby, waive or authorise, on such terms and conditions as to it shall seem expedient, any breach or proposed breach by the Issuer of any of the covenants or provisions in the Trust Instrument or these Securities or determine that any Event of Default or Potential Event of Default shall not be treated as such provided always that the Trustee shall not exercise any powers conferred on it by this General Condition 12.3 in contravention of any express direction given by an Extraordinary Resolution of the Securityholders but no such direction shall affect any waiver, authorisation or determination previously given or made. Any such waiver, authorisation or determination shall be binding on the Securityholders and each Hedging Counterparty.

12.4 **Substitution**

The Trust Instrument contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Instrument and such other conditions as the Trustee may require but without the consent of the Securityholders but subject to the prior written consent of each Hedging Counterparty, to the substitution of any other company (a “**Substitute Company**”) in place of the Issuer or of any previous substituted company, as principal obligor under the Trust Instrument and all of the Securities then outstanding (subject, in the case of rated Securities, to each Relevant Rating Agency having confirmed in writing that its current rating of such Securities will not be adversely affected by such substitution) provided that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Securityholders. In the case of such a substitution the Trustee may agree, without the consent of the Securityholders but subject to the prior written consent of each Hedging Counterparty, to a change of the law governing the Securities and/or the Trust Instrument provided that (i) such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Securityholders and (ii) in the case of rated Securities, each Relevant Rating Agency has confirmed in writing that such change would not adversely affect its current rating of such Securities.

The Trust Instrument provides that, if a Director or other authorised officer of any Substitute Company certifies that the Substitute Company will be solvent immediately after the time at which the substitution is to be effected, the Trustee shall not have regard to the financial condition, profits or prospects of such Substitute Company or compare the same with those of the Issuer (or any previously substituted company).

12.5 **Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in this General Condition) the Trustee shall have regard to the interests of the holders of the Securities as a class and shall not have regard to the consequences of such exercise for individual Securityholders and the Trustee shall not be entitled to require, nor shall any Securityholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of such Securities.

13. Replacement of Securities

If a Security is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws at the specified office of the Principal Agent in London or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Securityholders in accordance with General Condition 15, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity and otherwise as the Issuer may require. Mutilated or defaced Securities must be surrendered before replacements will be issued.

14. Further Issues

The Issuer may from time to time without the consent of the Securityholders, create and issue further securities so as to be consolidated and form a single series with the existing Securities subject to General Condition 8 and subject, (1) in the case of rated Securities, to each Relevant Rating Agency having confirmed in writing that its current rating of such Securities will not be adversely affected and (2) in the case of unrated Securities, the Trustee being satisfied that the value of the Charged Property relating to the relevant Series is correspondingly increased.

Any such securities shall be constituted in accordance with the Trust Instrument.

15. Notices

For so long as the Securities are all represented by one or more Global Securities, notices to the Securityholders will be valid if delivered to the Clearing Agent(s) for communication by them to the Securityholders, provided that so long as the Securities are listed on any stock exchange or publicly offered in any jurisdiction, any notice to the Securityholders shall be published in accordance with the rules and regulations of each such stock exchange and each such jurisdiction.

Notices given pursuant to the preceding paragraph will become effective on, if delivered to the relevant Clearing Agent(s), the third day after such delivery to the Clearing Agent or all the Clearing Agents (if more than one) or, if published (whether or not also so given), on the date of such publication, or, if published more than once, on the date of the first such publication or, if required to be published in more than one newspaper, on the date of the first such publication in all the required newspapers.

16. Agents

The Agents act solely as agents of the Issuer and do not assume any obligation or duty to, or any relationship of agency or trust for or with, any Securityholder. Subject as provided in General Condition 6.5 relating to the Custodian the Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of any of the Agents and to appoint additional or other Paying Agents, provided that the Issuer will at all times maintain (i) a Principal Agent, (ii) a Calculation Agent where the Product Conditions so require one, (iii) a Paying Agent having a specified office in a European city approved by the Trustee, (iv) a Custodian where the Product Conditions so require, and (v) a Selling Agent where the Product Conditions so require. If and to the extent that any of the Securities are listed on any stock exchange or publicly offered in any jurisdiction, a Paying Agent will be maintained in each country required by the rules and regulations of each such stock exchange and each such jurisdiction. Notice of any such change or any change of any specified office of any Paying Agent will promptly be given to the Securityholders in accordance with General Condition 15.

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of the Product Conditions whether by the Calculation Agent or the Trustee or its appointee shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Agent, the Paying Agents, the Calculation Agent and all Securityholders and no liability to the Issuer, the Securityholders or any other person shall attach to (in the absence as aforesaid) the Calculation Agent or (in the absence of wilful default) the Trustee or its appointee (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

17. Indemnification and Obligations of the Trustee; Replacement of the Trustee

The Trust Instrument contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any voting rights in respect of the Collateral or for the value, validity, sufficiency and enforceability (which the Trustee has not investigated) of the security created over the Charged Property. The Trustee is not obliged to take any action under the Trust Instrument unless indemnified to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, any issuer or guarantor (where applicable) of any of the Collateral, any Hedging Counterparty, or any of their subsidiary, holding or associated companies without accounting to the Securityholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Collateral, from any obligation to insure or to procure the insuring of the Collateral (or any documents evidencing, constituting or representing the same or transferring any rights or obligations thereunder) and from any claim arising from the fact that the Collateral is held in an account with Euroclear, Clearstream or any other clearance system in accordance with that system's rules or otherwise held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by any other person of their obligations to the Issuer.

The Trust Instrument provides that the Trustee will be under no obligation or duty to act on any directions of the Securityholders or the Hedging Counterparty(ies) (save in each case as expressly provided in the Trust Instrument) and (save as aforesaid) in the event of any conflict between directions given by the Securityholders and the Hedging Counterparty(ies) (in any case where it is expressly provided in the Trust Instrument that the Securityholders and the Hedging Counterparty(ies) are entitled to give directions to the Trustee) it shall be entitled to act in accordance only with the directions of the Securityholders (but without prejudice to the provisions concerning the enforcement of security under General Conditions 6.7 and 11 and the Trust Instrument and to the provisions concerning the application of moneys received by the Trustee upon such enforcement under General Condition 6.4 and the Trust Instrument).

The Trust Instrument provides that the Issuer may replace the Trustee subject to the prior approval by Extraordinary Resolution of the Securityholders and by each Hedging Counterparty.

18. Governing Law and Jurisdiction

18.1 Governing Law

The Trust Instrument and the Securities are governed by, and shall be construed in accordance with, English law.

18.2 Jurisdiction

The courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Securities and accordingly any legal action or proceedings arising out of or in conjunction with the Securities may be brought in such courts. The Issuer has in the Trust Instrument irrevocably submitted to the jurisdiction of such courts.

18.3 Agent for Service of Process

The Issuer has irrevocably appointed the person specified in the Trust Instrument as its Agent for Service of Process, at its registered office for the time being, as its agent to receive, for it and on its behalf, service of process in any proceedings in England.

DESCRIPTION OF THE ISSUER

General

The Issuer was incorporated in Ireland as a public limited company with unlimited duration on 28 August 2003. It is registered at the Companies Registration Office, Dublin, Ireland, under number 375106 under the name dbInvestor Solutions public limited company, under the Companies Acts 1963 to 2012.

The registered office of the Issuer is at 5 Harbourmaster Place, Dublin 1, Ireland and the telephone number of the Issuer is +353 1680 6000. The Issuer has been established as a special purpose vehicle for the purpose, inter alia, of issuing asset backed securities. The authorised share capital of the Issuer is EUR10,000,000 divided into 10,000,000 Ordinary Shares of EUR1 each ("**Shares**" and each a "**Share**").

The Issuer has issued 40,000 Shares, all of which are fully paid. Each is held either directly or indirectly by three charitable trust companies, Matsack Trust Limited, Matsack Nominees Limited and Matheson Services Limited (the "**Charitable Trusts**") on trust for charitable purposes. Each of the Charitable Trusts directly hold 13,332 Shares. Each of Tara Doyle, Turlough Galvin, Patrick Molloy and Christopher Quinn hold one Share on trust for the Charitable Trusts, which in, turn hold such Shares on trust for charitable purposes.

Each of the issued Shares are held on trust by the holders thereof (each holder a "**Share Trustee**" and, together, the "**Share Trustees**") under the terms of a declaration of trust (each a "**Declaration of Trust**" and, together, the "**Declarations of Trust**"), under which the relevant Share Trustee holds its Shares on trust for charitable purposes. The Share Trustees have no beneficial interest in and derive no benefit (other than, in the case of the Charitable Trusts, any fees for acting as Share Trustee) from their holding of the Shares.

Business

So long as any of the Securities remain outstanding, the Issuer will be subject to the restrictions set out in General Condition 8 and each Trust Instrument.

The Issuer has, and will have, no assets other than the sum of EUR40,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Securities or the purchase, sale or incurring of other obligations and any Charged Property and any other assets on which the Securities are secured. Save in respect of the fees generated in connection with each issue of Securities, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses.

The Issuer has made no principal investments since 31 December 2011 and the management body of the Issuer has made no firm commitments for any principal future investments, in each case other than issuing Securities, if applicable, and entering into related arrangements. The objects of the Issuer are set out in its Memorandum and Articles of Association, which are available as described in "General Information". The Issuer's business is the issue of securities based on investor demand and earning fees in connection with such activity.

The Issuer has issued securities listed on the Luxembourg Stock Exchange and is compliant with the rules and regulations thereof.

The Securities are obligations of the Issuer alone and not of, or guaranteed in any way by, the Share Trustees or the Trustee. Furthermore, they are not obligations of, or guaranteed in any way by, the Arranger, any Hedging Counterparty, any Repurchase Counterparty or any Agent.

There are no recent events which are to a material extent relevant to the evaluation of the Issuer's solvency.

Capitalisation

The capitalisation of the Issuer as at the date of this Programme Section is as follows.

Shareholders' Funds:

Share capital: EUR40,000

(Authorised EUR10,000,000; Issued 40,000 Ordinary Shares of EUR1 each). Save for the issues of Securities described in the Securities Section and their related arrangements, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Directors and Company Secretary

The Directors of the Issuer are as follows:

| <i>Director</i> | <i>principal outside activities</i> |
|-----------------|---|
| Michael Whelan | Employee of Deutsche International Corporate Services (Ireland) Limited |
| Liam Quirke | Solicitor, Matheson |
| Niall O'Carroll | Retired Accountant and Company Director |

The business address of Liam Quirke is 70 Sir John Rogerson's Quay, Dublin 2, Ireland, the business address of Niall O'Carroll is "Thurleigh", Upper Churchtown Road, Dundrum, Dublin 14, Ireland and the business address of Michael Whelan is c/o Deutsche International Corporate Services (Ireland) Limited, 5 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland.

The Company Secretary is Deutsche International Corporate Services (Ireland) Limited.

The administrator of the Issuer is Deutsche International Corporate Services (Ireland) Limited, 5 Harbourmaster Place, International Financial Services Centre, Dublin 1, Ireland. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator.

Financial Statements

The financial year of the Issuer is the calendar year.

Each year, a copy of the audited profit and loss account and balance sheet of the Issuer together with the report of the directors and the auditors thereon is required to be filed in the Irish Companies Registration Office within 28 days of the annual return date of the Issuer and is

available for inspection. The profit and loss account and balance sheet can be obtained free of charge from the specified office of the Principal Paying Agent. The Issuer must hold an annual general meeting in each calendar year and the gap between its annual general meetings must not exceed 15 months.

The auditors of the Issuer are KPMG Chartered Accountants and Statutory Audit Firm, 1 Harbourmaster Place, IFSC, Dublin 1, Ireland (a member of the Institute of Chartered Accountants in Ireland) whose responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board and by their profession's ethical guidance. The auditors of the Issuer have audited the Issuer's accounts, without qualification, in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) for the financial years ended on 31 December 2010 and 31 December 2011 and have no material interest in the Issuer.

The audited financial statements of the Issuer for the financial years ended 31 December 2010 and 31 December 2011 are included in the form and context in which they are included in Part A and Part B, respectively, of the Schedule to this Programme Section, with the consent of the auditors who have authorised the contents of that part of this Programme Section. The unaudited interim financial statements of the Issuer for the period 1 January 2012 to 30 June 2012 are included in Part C of the Schedule to this Programme Section.

DESCRIPTION OF THE HEDGING COUNTERPARTY

Unless otherwise described in the relevant Prospectus the hedging counterparty (the “**Hedging Counterparty**”) in relation to this series will be Deutsche Bank AG, London Branch.

Deutsche Bank AG, London Branch is the London branch of Deutsche Bank Aktiengesellschaft. The information contained in this Prospectus regarding Deutsche Bank Aktiengesellschaft and the Deutsche Bank Group (as defined below) has been reproduced from information supplied by the Hedging Counterparty, and, as far as the Issuer is aware and is able to ascertain from information published by the Hedging Counterparty, no facts have been omitted which would render the reproduced information inaccurate or misleading.

The audited annual financial statements and unaudited interim quarterly financial statements of Deutsche Bank Aktiengesellschaft and the Deutsche Bank Group will be delivered after they are published to and will be obtainable from the Paying Agent throughout the term of any Securities issued pursuant to this Prospectus.

DEUTSCHE BANK AKTIENGESSELLSCHAFT

Incorporation, Registered Office and Objectives

Deutsche Bank Aktiengesellschaft (“**Deutsche Bank**” or the “**Bank**”) originated from the reunification of Norddeutsche Bank Aktiengesellschaft, Hamburg, Rheinisch-Westfälische Bank Aktiengesellschaft, Duesseldorf and Süddeutsche Bank Aktiengesellschaft, Munich; pursuant to the Law on the Regional Scope of Credit Institutions, these had been disincorporated in 1952 from Deutsche Bank which was founded in 1870. The merger and the name were entered in the Commercial Register of the District Court Frankfurt am Main on 2 May 1957. Deutsche Bank is a banking institution and a stock corporation incorporated under the laws of Germany under registration number HRB 30 000. The Bank has its registered office in Frankfurt am Main, Germany. It maintains its head office at Taunusanlage 12, 60325 Frankfurt am Main and branch offices in Germany and abroad including in London, New York, Sydney, Tokyo and an Asia-Pacific Head Office in Singapore which serve as hubs for its operations in the respective regions.

Deutsche Bank is the parent company of a group consisting of banks, capital market companies, fund management companies, a real-estate finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies (the “**Deutsche Bank Group**”).

The objects of Deutsche Bank, as laid down in its Articles of Association, include the transaction of all kinds of banking business, the provision of financial and other services and the promotion of international economic relations. The Bank may realise these objectives itself or through subsidiaries and affiliated companies. To the extent permitted by law, the Bank is entitled to transact all business and to take all steps which appear likely to promote the objectives of the Bank, in particular: to acquire and dispose of real estate, to establish branches at home and abroad, to acquire, administer and dispose of participations in other enterprises, and to conclude company-transfer agreements.

Deutsche Bank AG, London Branch

“**Deutsche Bank AG London Branch**” is the London branch of Deutsche Bank AG. On 12 January 1973, Deutsche Bank AG filed in the United Kingdom the documents required pursuant to section 407 of the Companies Act 1948 to establish a place of business within Great Britain. On 14 January 1993, Deutsche Bank registered under Schedule 21A to the Companies Act 1985 as having established a branch (Registration No. BR000005) in England and Wales. Deutsche Bank

AG London Branch is an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000. In the United Kingdom, it conducts wholesale banking business and through its Private Wealth Management division, it provides holistic wealth management advice and integrated financial solutions for wealthy individuals, their families and selected institutions.

Share Capital, Capitalisation and Indebtedness

As of 30 September 2012, Deutsche Bank's issued share capital amounted to € 2,379,519,078.40 consisting of 929,499,640 ordinary shares without par value. The shares are fully paid up and in registered form. The shares are listed for trading and official quotation on all German stock exchanges. They are also listed on the New York Stock Exchange. Further information regarding Deutsche Bank can be obtained from the website http://www.db.com/ir/index_e.htm.

As of 30 September 2012, Deutsche Bank Group had total assets of € 2,185,646 million, total liabilities of € 2,128,238 million and total equity of € 57,408 million on the basis of International Financial Reporting Standards (unaudited).

No websites that are cited or referred to in this Prospectus shall be deemed to form part of, or to be incorporated by reference into this Prospectus.

TAXATION

Country Specific Taxation

Potential purchasers of Securities are advised to consult their own tax advisors as to the tax consequences of transactions involving the Securities. In addition to the information below potential purchasers of Securities should consider the section “Additional Information” set out in the relevant Securities Section (if such section is included).

Irish Taxation

The following is a description of certain Irish tax consequences of the purchase, ownership and disposition of the Securities. This description does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase, own or dispose of the Securities. This description relates only to the position of persons who are the absolute beneficial owners of the Securities and may not apply to certain other classes of persons such as dealers in securities.

This description is based upon Irish tax laws and the practice of the Irish Revenue Commissioners as in effect on the date of this Prospectus, which are subject to prospective or retroactive change. This description does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Securities should consult their own advisors as to the Irish or other tax consequences of the purchase, beneficial ownership and disposition of the Securities including, in particular, the effect of any state or local tax laws.

Income Tax

In general, persons who are resident in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident in Ireland are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish taxation on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

A Security issued by the Issuer may be regarded as property situate in Ireland (and hence Irish source income) on the grounds that a debt is deemed to be situate where the debtor resides. However, the interest earned on such Securities is exempt from income tax if paid to a person who is not a resident of Ireland and who for the purposes of Section 198 of the Taxes Consolidation Act 1997 (as amended) (“**TCA 1997**”) is regarded as being a resident of a relevant territory. A relevant territory for this purpose is a Member State of the European Communities (other than Ireland) or not being such a Member State a territory with which Ireland has entered into a double tax treaty that has the force of law or, on completion of the necessary procedures, will have the force of law and such double tax treaty contains an article dealing with interest or income from debt claims. A list of the countries with which Ireland has entered into a double tax treaty is available on the website of the Irish Revenue Commissioners.

Relief from Irish income tax may also be available under other exemptions contained in Irish tax legislation or under the specific provisions of a double tax treaty between Ireland and the country of residence of the holder of the Securities.

If the above exemptions do not apply it is understood that there is a long standing unpublished practice whereby no action will be taken to pursue any liability to such Irish tax in respect of persons who are regarded as not being resident in Ireland except where such persons:

- (a) are chargeable in the name of a person (including a trustee) or in the name of an agent or branch in Ireland having the management or control of the interest; or
- (b) seek to claim relief and/or repayment of tax deducted at source in respect of taxed income from Irish sources; or
- (c) are chargeable to Irish corporation tax on the income of an Irish branch or agency or to income tax on the profits of a trade carried on in Ireland to which the interest is attributable.

There can be no assurance that this practice will continue to apply.

Withholding Taxes

In general, withholding tax (currently at the rate of 20 per cent.) must be deducted from interest payments made by an Irish company such as the Issuer. However, Section 246 TCA 1997 ("**Section 246**") provides that this general obligation to withhold tax does not apply in respect of, inter alia, interest payments made by the Issuer to a person, who by virtue of the law of the relevant territory, is resident for the purposes of tax in a relevant territory (see above for details). This exemption does not apply if the interest is paid to a company in connection with a trade or business which is carried on in Ireland by the company through a branch or agency.

Apart from Section 246, Section 64 TCA 1997 ("**Section 64**") provides for the payment of interest on a "Quoted Eurobond" without deduction of tax in certain circumstances. A Quoted Eurobond is defined in Section 64 as a security which:

- (a) is issued by a company;
- (b) is quoted on a recognised stock exchange (this term is not defined but is understood to mean an exchange which is recognised in the country in which it is established such as the Irish Stock Exchange); and
- (c) carries a right to interest.

There is no obligation to withhold tax on Quoted Eurobonds where:

- (a) the person by or through whom the payment is made is not in Ireland, or
- (b) the payment is made by or through a person in Ireland, and
 - (i) the Quoted Eurobond is held in a recognised clearing system (Euroclear, Clearstream Banking SA, Clearstream Banking AG and the Depository Trust Company of New York have, amongst others, been designated as recognised clearing systems); or
 - (ii) the person who is the beneficial owner of the Quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made an appropriate written declaration to this effect.

In certain circumstances, Irish encashment tax may be required to be withheld at the standard rate (currently at the rate of 20 per cent.) from interest on any Security, where such interest is collected by a person in Ireland on behalf of any holder of Securities.

Capital Gains Tax

A Securityholder will not be subject to Irish taxes on capital gains provided that such Securityholder

is neither resident nor ordinarily resident in Ireland and such Securityholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Securities are attributable.

Capital Acquisitions Tax

If the Securities are comprised in a gift or inheritance taken from an Irish domiciled, resident or ordinarily resident disponer or if the donee/successor is resident or ordinarily resident in Ireland, or if any of the Securities are regarded as property situate in Ireland, the donee/successor may be liable to Irish capital acquisitions tax. As a result, a donee/successor may be liable to Irish capital acquisitions tax, even though neither the disponer nor the donee/successor may be domiciled, resident or ordinarily resident in Ireland at the relevant time.

Stamp Duty

For as long as the Issuer is a qualifying company within the meaning of Section 110, no Irish stamp duty will be payable on either the issue or transfer of the Securities, provided that the money raised by the issue of the Securities is used in the course of the Issuer's business.

Spanish Taxation

The following description is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Spain, though it is not intended to be, legal or tax advice. This section does not constitute a complete description of all tax issues that may be relevant in making the decision to invest in the Securities or of all the tax consequences that may derive from the subscription, acquisition, holding, transfer, redemption or reimbursement of the Securities and does not purport to describe the tax consequences applicable to categories of investors subject to special tax rules. Prospective investors in the Securities should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Spanish tax law, to which they may be subject.

Individuals with Tax Residence in Spain

Personal Income Tax

Personal Income Tax is levied on an annual basis on the worldwide income obtained by Spanish resident individuals, whatever the source is and wherever the relevant payer is established. Therefore any income that Spanish investors may receive under the Securities will be subject to Spanish taxation.

Both interest periodically received, if any, and income arising on the disposal, redemption or reimbursement of the Securities obtained by individuals who are tax resident in Spain will be regarded as financial income for tax purposes (i.e. a return on investment derived from the transfer of own capital to third parties).

Both types of income will be included in the savings part of the taxable income subject to Personal Income Tax currently at the following three tax rates applicable during 2012 and 2013: annual financial income up to EUR6,000 will be taxed at a rate of 21 per cent., annual financial income from EUR6,000 to EUR24,000 will be taxed at a rate of 25 per cent. and any annual excess over EUR24,000 will be subject to a rate of 27 per cent. From 1 January 2014 onwards it is currently expected that the rates applicable on financial income will be 19 per cent. for taxable income up to EUR6,000 and 21 per cent. for any taxable income in excess.

Spanish investors shall compute the gross interest obtained in the savings part of the taxable base of the tax period in which it is due, including amounts withheld, if any.

Income arising on the disposal, redemption or reimbursement of the Securities will be calculated as the difference between (a) their disposal, redemption or reimbursement value and (b) their acquisition or subscription value. Costs and expenses effectively borne on the acquisition and transfer of the Securities may be taken into account for calculating the relevant taxable income, provided that they can be duly justified.

Likewise, expenses related to the management and deposit of the Securities, if any, will be tax-deductible, excluding those pertaining to discretionary or individual portfolio management.

Losses that may derive from the transfer of the Securities cannot be offset if the investor acquires homogeneous securities within the two month period prior or subsequent to the transfer of the Securities, until he/she transfers such homogeneous securities.

Additionally, tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Securities, if any.

Spanish Inheritance and Gift Tax

Spanish Inheritance and Gift Tax is levied on transfers of Securities upon death or by gift to Spanish tax resident individuals, with the taxpayer being the transferee. General effective tax rates currently range from 7.65 to 81.60 per cent., although the tax situation may vary depending on any applicable regional tax laws.

Spanish Wealth Tax

Spanish tax resident individuals are subject to an annual Wealth Tax each 31 December on their total net wealth, regardless of the location of their assets (such as the Securities) or of where their rights may be exercised.

Wealth Tax has been restored temporarily and so will apply during 2013. At this stage, it is scheduled to be removed with effects from 01 January 2014. The general marginal tax rates currently range between 0.2 per cent. and 2.5 per cent., although the tax situation may vary depending on any applicable regional tax laws, and some reductions could apply. Individuals with tax residence in Spain who are under the obligation to pay Wealth Tax must take into account the amount of the Securities which they hold as at 31 December in each year, when calculating their Wealth Tax liabilities.

Legal Entities with Tax Residence in Spain

Corporate Income Tax

Both interest periodically received, if any, and income arising on the disposal, redemption or reimbursement of the Securities obtained by entities which are tax resident in Spain shall be computed as taxable income of the tax period in which they accrue.

The general tax rate is currently 30 per cent. However small sized companies (those companies whose net business income is lower than EUR10,000,000) could benefit from the reduced tax rate of 25 per cent. on the first EUR300,000 of their taxable profits. In addition to this and for any tax years starting in 2013, companies with a net business income lower than EUR5,000,000 and an average staff lower than 25 employees could benefit from the reduced rate of 20 per cent. on the first EUR300,000 of their taxable profits, being the rest of the taxable profits subject to the tax rate

of 25 per cent. Special rates apply in respect of certain types of entities (such as qualifying collective investment institutions).

Tax credits for the avoidance of international double taxation may apply in respect of taxes paid outside Spain on income deriving from the Securities, if any.

Individuals and Legal Entities with no Tax Residence in Spain

A non-resident investor who has a permanent establishment in Spain to which such Securities are attributable is subject to Spanish Non-Residents' Income Tax on any income under the Securities, including both interest periodically received, if any and income arising on the disposal, redemption or reimbursement of the Securities. In general terms, the tax rules applicable to individuals and legal entities with no tax residence in Spain but acting through a permanent establishment in Spain are the same as those applicable to Spanish resident corporate taxpayers.

Spanish Withholding Tax

Where a financial institution (either resident in Spain or acting through a permanent establishment in Spain) acts as depositary of the Securities or acts as manager on the collection of any income under the Securities, such financial institution will be responsible for making the relevant withholding on account of Spanish tax on any income deriving from the Securities.

The current withholding tax rate in Spain is 21 per cent. (it is currently expected that from 1 January 2014 onwards the former withholding tax rate of 19% will be restored). Amounts withheld in Spain, if any, can be credited against the final Spanish Personal Income Tax liability, in the case of Spanish resident individuals, or against Spanish final Corporate Income Tax liability, in the case of Spanish corporates, or against Spanish Non-Residents' Income Tax, in the case of Spanish permanent establishments of non resident entities. However, investors who are Corporate Income Taxpayers or Non-Resident acting through a permanent establishment in Spain to which the Securities are attributable can benefit from a withholding tax exemption when the Securities are listed in an Organisation for Economic Co-operation and Development official stock exchange. This will be the case as the Securities are expected to trade on the Irish Stock Exchange.

Furthermore, such financial institution may become obliged to comply with the formalities set out in the Spanish Personal Income Tax and Corporate Income Tax regulations when intervening in the transfer or reimbursement of the Securities.

Indirect Taxation

The acquisition, transfer, redemption, reimbursement and exchange of the Securities will be exempt from Transfer Tax and Stamp Duty as well as Value Added Tax.

United Kingdom Taxation

The following applies only to persons who are the beneficial owners of Securities and is information based on analysis of current United Kingdom law and published HM Revenue & Customs ("HMRC") practice relating only to United Kingdom withholding tax treatment of payments of principal and interest in respect of Securities. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Securities. The United Kingdom tax treatment of prospective Securityholders depends on their individual circumstances and may be subject to change in the future. Prospective Securityholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payments under the Securities

Payments made in respect of Securities which are listed on a “recognised stock exchange” within the meaning of section 1005 Income Tax Act 2007 (“**ITA 2007**”) may be made without withholding or deduction for or on account of United Kingdom income tax. Section 1005(3) of ITA 2007 provides that securities are listed on a recognised stock exchange if (and only if) they are admitted to trading on that exchange, and either they are included in the United Kingdom official list (within the meaning of Part 6 of the Financial Services and Markets Act 2000) or they are officially listed, in accordance with provisions corresponding to those generally applicable in European Economic Area states, in a country outside the United Kingdom in which there is a recognised stock exchange. The Irish Stock Exchange is a recognised stock exchange.

HMRC has powers in certain circumstances to require persons paying or crediting interest in the ordinary course of its business to provide information to HMRC in respect of the interest paid or credited and the persons to whom the interest was so paid or credited. In certain circumstances, HMRC may be entitled to exchange such information with the tax authorities of other jurisdictions. Interest for this purpose includes any amount to which a person holding a deeply discounted security is entitled on redemption of that security.

EU Savings Directive

Under EC Council Directive 2003/48/EC (the “**Directive**”) on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

SALES RESTRICTIONS

General

The distribution of this document and the offering of the Securities in certain jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the Issuer to inform themselves about and to observe any such restrictions.

The Issuer will enter into a Purchase Agreement with the Arranger in respect of the Securities, pursuant to which the Arranger will agree, among other things, to procure purchasers for the Securities.

The Securities will be offered for subscription during the Offer Period at the Offer Price. On the Issue Date, the Securities which have been subscribed by the public will be issued to the investors by using the Distributor as an intermediary. Such Securities will be purchased by the Arranger at the Issue Price and immediately sold on, via the Distributor at the Offer Price to the investors who have subscribed for them at such price during the Offer Period. Following the Offer Period, the Securities may then be sold by the Arranger at such times and at such prices as the Arranger may select provided that where the Securities are listed on any stock exchange this shall be subject to applicable regulations of any such stock exchange. The Securities may be offered or sold from time to time in one or more transactions, in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, in each case at the discretion of the Arranger. Neither the Issuer nor the Arranger shall be obliged to sell all or any of the Securities.

Unless otherwise provided in the Purchase Agreement, the Arranger will in the Purchase Agreement agree that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Securities or has in its possession or distributes this Prospectus or any part thereof or any other offering material in all cases at its own expense unless otherwise agreed and the Issuer shall have no responsibility therefor.

United States

The Arranger understands that the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and the Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Consequently, the Securities may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. Residents (as defined below) or U.S. persons (as such term is defined in Regulation S under the Securities Act) except in accordance with the Securities Act or an exemption therefrom and under circumstances which will not require the Issuer to register under the Investment Company Act.

Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder.

This document has been prepared by the Issuer for use in connection with the offer and sale of the Securities outside the United States to non-U.S. Residents or non-U.S. persons.

“**U.S. Resident**” means:

- (a) any natural person resident in the United States (for purposes of the definition of “U.S. Resident,” the term “United States” means the United States of America, its territories and

possessions, any state of the United States, the District of Columbia and any enclave of the United States government, its agencies or instrumentalities);

- (b) any partnership, corporation or other business entity organized or incorporated under the laws of the United States or any state thereof;
- (c) any estate of which any executor or administrator is a resident of the United States;
- (d) any trust of which any trustee, beneficiary or, if the trust is revocable, any settlor is a resident of the United States;
- (e) any agency or branch of a foreign entity located in the United States;
- (f) any discretionary or non-discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary for the benefit or account of a resident of the United States;
- (g) any discretionary account or similar account (other than an estate or trust) held by a dealer or fiduciary organized or incorporated in the United States, or (if an individual) a resident of the United States; or
- (h) any partnership, corporation or other entity organized or incorporated under the laws of any foreign jurisdiction formed by or for a resident of the United States principally for the purpose of engaging in one or more transactions described in the Volcker Rule's permitted activity exemptions for certain activities conducted solely outside of the United States (the "Volcker Rule" refers to Section 13 of the U.S. Bank Holding Company Act of 1956 and its implementing regulations).

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") and in the Purchase Agreement, the Arranger will represent and agree that with effect from (and including) the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Securities which are the subject of the offering contemplated by the Prospectus to the public in that Relevant Member State, except that it may, with effect from (and including) the Relevant Implementation Date, make an offer of Securities to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 natural or legal persons or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive); or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall require the Issuer or the Arranger to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an “**offer of Securities to the public**” in relation to any Securities in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe the Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State; and

the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

United Kingdom

In the Purchase Agreement the Arranger will agree that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”), received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

Ireland

In the Purchase Agreement, the Arranger will represent, warrant and agree that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Securities, or do anything in Ireland in respect of the Securities, otherwise than in conformity with the provisions of:

- (i) the Irish Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland (“**Central Bank**”) under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the “**2005 Act**”);
- (ii) the Irish Companies Acts 1963 to 2012;
- (iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank; and
- (iv) the Irish Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank under Section 34 of the 2005 Act and will assist the Issuer in complying with its obligations thereunder.

Public Offer

Upon submission of the Prospectus to the Central Bank for approval, the Issuer intends to request that the Central Bank provides to the competent authority in Spain (the “**Public Offer Jurisdiction**”) a certificate of approval attesting that the Prospectus has been drawn up in accordance with the Prospectus Directive. Upon provision of such certificate, an offer of the Securities may be made by Deutsche Bank S.A.E. (the “**Distributor**”) other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdiction during the period set out in paragraph (a) below. The Securities may only be offered or sold in any jurisdictions (including, without limitation, the Public Offer Jurisdiction), in accordance with the requirements of the relevant securities laws and regulations applicable in such jurisdiction.

(a) Offer Period:

From 5 March 2013 until 20 March 2013.

The Issuer reserves the right for any reason to close the Offer Period early. If the aggregate subscription of the Securities at any time prior to the Primary Market End Date reaches EUR100,000,000 in aggregate Nominal Amount of the Securities, the Issuer may close the subscription of the Securities at such time. Any early closure will be published on the Irish Stock Exchange's website (www.ise.ie).

(b) Primary Market End Date: 20 March 2013.

(c) Offer Price:

In respect of each nominal amount of Securities equal to 100 per cent. of the Calculation Amount, EUR1,000.

(d) Conditions to which the offer is subject:

Offers of the Securities are conditional on their issue. The Issuer will in its sole discretion determine the final amount of Securities issued up to a limit of EUR100,000,000. The final amount that are issued on the Issue Date will be listed on the Official List of the Irish Stock Exchange. Securities will be allotted subject to availability in the order of receipt of investors' applications. The final Aggregate Nominal Amount of the Securities issued will be determined by the Issuer in light of prevailing market conditions, and in its sole and absolute discretion depending on the number of Securities which have been agreed to be purchased as of 20 March 2013.

(e) Description of the application process:

Applications for the Securities can be made in Spain at participating branches of the Distributor.

Distribution will be in accordance with the Distributor's usual procedures, notified to investors by the Distributor.

(f) Details of the minimum and/or maximum amount of application:

The minimum allocation per investor will be EUR1,000 in nominal amount of the Securities. The maximum allocation of Securities will be subject only to availability at the time of the application.

(g) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:

Not applicable.

(h) Details of the method and time limits for paying up and delivering the Securities:

The Securities will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.

(i) Manner and date in which results of the offer are to be made public:

The precise Aggregate Nominal Amount of Securities to be issued will be published on the Irish Stock Exchange's website (www.ise.ie) and filed with the Central Bank in accordance with Article 10 of the Prospectus Act 2005 in each case on or around the Issue Date.

(j) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

Not Applicable.

(k) Categories of potential investors to which the Securities are offered:

Offers may be made by the Distributor in the Public Offer Jurisdiction to any person during the Offer Period. In other EEA countries and in all jurisdictions (including the Public Offer Jurisdiction) outside of the Offer Period, offers will only be made by the Distributor or the Arranger pursuant to an exemption from the obligation under the Prospectus Directive, as implemented in such countries, to publish a prospectus.

(l) Process for notification to applicants of the amount allotted and indication whether dealing may begin before notification is made:

Each investor will be notified by the Distributor of its allocation of Securities at the time of such investor's application.

No dealings in the Securities may take place prior to the Issue Date.

(m) Name(s) and address(es) of the placers in the various countries where the offer takes place:

The address of Deutsche Bank, S.A.E as Distributor is Paseo DE LA CASTELLANA N.18 - 28046 Madrid, Spain.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus incorporates by reference the following documents of the Issuer which have previously been published or filed with the Central Bank.

1. Certificate of Incorporation, Certificate of a Public Company entitled to do business, Memorandum and Articles of Association of the Issuer;
2. Directors' Report and Financial Statements for year ended 31 December 2010;
3. Directors' Report and Financial Statements for year ended 31 December 2011; and
4. Directors' report and Interim annual account for the period from January 1, 2012 to 30 June 2012

The table below sets out the relevant page references for the information incorporated herein by reference:

| From the Certificate of Incorporation, Certificate of a Public Company entitled to do business, Memorandum and Articles of Association of the Issuer | |
|---|-----------------|
| Section | Page(s) |
| Certificate of Incorporation, Certificate of a Public Company entitled to do business, Memorandum and Articles of Association of the Issuer | All pages |
| | |
| From the Directors' Report and Financial Statements for year ended 31 December 2010 | |
| Section | Page (s) |
| Directors and other information | 1 |
| Directors' report | 2 to 6 |
| Statement of directors' responsibilities | 7 |
| Independent auditor's report | 8 to 9 |
| Statement of financial position | 10 |
| Statement of comprehensive income | 11 |
| Statement of cash flows | 12 |
| Statement of changes in equity | 13 |
| Notes to the financial statements | 14 to 51 |

| | |
|---|-----------------|
| | |
| Directors' Report and Financial Statements for year ended 31 December 2011 | |
| Section | Page (s) |
| Directors and other information | 1 |
| Directors' report | 2 to 6 |
| Statement of directors' responsibilities | 7 |
| Independent auditor's report | 8 to 9 |
| Statement of financial position | 10 |
| Statement of comprehensive income | 11 |
| Statement of cash flows | 12 |
| Statement of changes in equity | 13 |
| Notes to the financial statements | 14 to 53 |
| | |
| Directors' report and Interim annual account for the period from January 1, 2012 to 30 June 2012 | |
| Section | Page (s) |
| Directors and other information | 1 |
| Interim management report | 2 to 3 |
| Responsibility statement | 4 |
| Statement of financial position | 5 |
| Statement of comprehensive income | 6 |
| Notes to interim annual accounts | 7 to 18 |

The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are deemed to be incorporated herein by reference (to the extent that they relate to the Issuer). Requests for such documents should be directed to the principal office of the Issuer, being in the case of the Issuer, the address set out at the end of this Prospectus. In addition, such documents will be available free of charge from the specified offices of the Paying Agent for the time being in London and on the Irish Stock Exchange's website (www.ise.ie).

The documents incorporated by reference are available at:

Certificate of Incorporation, Certificate of a Public Company entitled to do business, Memorandum and Articles of Association of the Issuer; [http://www.ise.ie/debt_documents/MemArts%20dbIS%20\(14646918_1\)_74669f18-2985-4c5e-8e6f-d47e3d837fda.pdf](http://www.ise.ie/debt_documents/MemArts%20dbIS%20(14646918_1)_74669f18-2985-4c5e-8e6f-d47e3d837fda.pdf)

Directors' Report and Financial Statements for year ended 31 December 2010 http://www.ise.ie/debt_documents/2010_089b933b-c9a2-4956-9cd8-025d0b099140.pdf

Directors' Report and Financial Statements for year ended 31 December 2011 http://www.ise.ie/debt_documents/2011_6a66bb13-a4c5-4ab7-b1ee-28afb11fe52b.pdf

Directors' report and Interim annual account for the period from January 1, 2012 to 30 June 2012 [http://www.ise.ie/debt_documents/dbInvestor%20Solutions%20Plc%20-%20Interim%20Account%2030%20June%202012%20\(14568235_1\)_a26f2257-5788-46b1-aa2b-1e4447e696bc.pdf](http://www.ise.ie/debt_documents/dbInvestor%20Solutions%20Plc%20-%20Interim%20Account%2030%20June%202012%20(14568235_1)_a26f2257-5788-46b1-aa2b-1e4447e696bc.pdf)

No websites that are cited or referred to in this Prospectus shall be deemed to form part of, or to be incorporated by reference into this Prospectus.

GENERAL INFORMATION

- (1) The issue of the Securities was authorised by a resolution of the Board of Directors passed on 1 March 2013.
- (2) There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.
- (3) The Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had during the previous 12 months, a significant effect on its financial position or profitability, nor is the Issuer aware that such proceedings are pending or threatened.
- (4) The Securities have been accepted for clearance through the Clearing Agent stipulated as such in the Product Conditions. The International Securities Identification Number (ISIN) is set out in the Product Conditions.
- (5) The following documents (when executed and/or published, as applicable) will be available in physical form during usual business hours on any day (Saturdays, Sundays and public holidays excepted) for inspection at the specified offices of each of the Paying Agents and at the specified office of the Issuer (and copies of the documents specified in subparagraphs (iii), and (v) below may be obtained free of charge from the specified office of each of the Paying Agents):
 - (i) the Memorandum and Articles of Association of the Issuer;
 - (ii) the Declarations of Trust;
 - (iii) this Prospectus;
 - (iv) the Trust Instrument and each document incorporated by reference into such Trust Instrument (including, for the avoidance of doubt, the Hedging Agreement and details of the terms and conditions on which the Trustee has been appointed);
 - (v) the published annual audited financial statements of the Issuer in respect of the financial years ended 31 December 2010 and 31 December 2011 in each case together with the audit reports prepared in connection therewith;
 - (vi) the interim management report and unaudited financial statements of the Issuer in respect of the period from 1 January 2012 to 30 June 2012; and
 - (vii) such other documents (if any) as may be required by the rules of any stock exchange on which the Securities are at the relevant time listed.
- (6) The Issuer does not intend to provide any post-issuance transaction information in relation to the Securities or the performance of the Collateral.
- (7) The Prospectus will be published on the Irish Stock Exchange's website (www.ise.ie).

REGISTERED OFFICE OF THE ISSUER

dblInvestor Solutions plc
5 Harbourmaster Place
International Financial Services Centre
Dublin 1
Ireland

ARRANGER

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

TRUSTEE

Deutsche Trustee Company Limited
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

PRINCIPAL AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

CUSTODIAN

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

PAYING AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
England

CALCULATION AGENT

Deutsche Bank AG, London Branch
Winchester House
1 Great Winchester Street
London EC2N 2DB
England