



## **U.S.\$5,000,000,000 Euro Medium Term Note Programme**

Under this U.S.\$5,000,000,000 Euro Note Programme (the “**Programme**”), Shinsei Bank, Limited (the “**Issuer**”) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below). This Base Prospectus (the “**Base Prospectus**”) supersedes and replaces the Base Prospectus dated 30 September 2009 and any other offering documents prepared in connection with the Programme.

The Notes will constitute direct, unsecured (subject to Condition 3 as described in “Terms and Conditions of the Notes”), unconditional and unsubordinated obligations of the Issuer. The Notes will have a specified maturity date.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.\$5,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “Overview of the Programme” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a “Dealer” and together the “Dealers”), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the “relevant Dealer” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

Application has been made to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the Official List of the SGX-ST and quotation of any Notes on the SGX-ST is not to be taken as an indication of the merits of the Issuer, its subsidiaries, its associated companies, the Programme or such Notes issued under the Programme.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under “Terms and Conditions of the Notes”) of Notes will be set out in a final terms document (the “**Final Terms**”) which, with respect to Notes to be listed and traded on the Singapore Stock Exchange, will be delivered to the Singapore Stock Exchange. The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or markets as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Notes and Notes which are not admitted to trading on any market.

This Base Prospectus does not constitute a prospectus for the purposes of EU Directive 2003/71/EC, amended (the “**Prospectus Directive**”).

**Prospective investors should have regard to the factors described under the section headed “Risk Factors” in this Base Prospectus.**

*Arranger*

**Shinsei International Limited**

*Dealers*

**Daiwa Capital Markets Europe**

**Shinsei International Limited**

**Nomura**

**SMBC Nikko**

The date of this Base Prospectus is 27 March 2018.

The Issuer, having made all reasonable enquiries, confirms that this Base Prospectus contains or incorporates all information which is material in the context of the issuance and offering of Notes, that the information contained or incorporated in this Base Prospectus is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this Base Prospectus are honestly held and that there are no other facts the omission of which would make this Base Prospectus or any of such information or the expression of any such opinions or intentions misleading. The Issuer accepts responsibility accordingly.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

None of the Arranger, the Dealers or the Agents (as defined herein) have independently verified the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arranger or the Dealers as to the accuracy or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

None of the Arranger, the Dealers or the Agents accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme.

Subject as provided in the applicable Final Terms, the only persons authorised to use this Base Prospectus in connection with an offer of Notes are the persons named in the applicable Final Terms as the relevant Dealer, or as the Managers, as the case may be.

No person is or has been authorised by the Issuer to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Arranger, the Dealers or the Agents.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Arranger, any of the Dealers or the Agents that any recipient of this Base Prospectus or any such information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, the Arranger, any of the Dealers or the Agents to any person to subscribe for or to purchase any Notes.

This Base Prospectus has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”) 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 Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer 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 any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. Persons into whose possession this Base Prospectus or any Notes come are required by the Issuer,

the Dealers and the Arrangers to inform themselves about, and observe, any such restrictions (see “Plan of Distribution”). Furthermore, this Base Prospectus does not constitute, and may not be used for the purposes of an offer, invitation or solicitation by anyone in any jurisdiction or in any circumstances in which such offer, invitation or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the “**Securities Act**”) and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons.

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948, as amended) (the “**FIEA**”) and will be subject to the Special Taxation Measures Act of Japan (Law No. 26 of 1957, as amended) (the “**Special Taxation Measures Act**”). The Notes may not be offered, sold or delivered directly or indirectly in Japan or to residents of Japan, except pursuant to an exemption from the registration requirements of, or otherwise in compliance with, the FIEA and any other applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental or regulatory authorities.

BY PURCHASING ANY NOTES, AN INVESTOR WILL BE DEEMED TO HAVE REPRESENTED THAT IT IS (A) A BENEFICIAL OWNER THAT IS, FOR JAPANESE TAX PURPOSES, NEITHER (X) AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION, NOR (Y) AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER OF THE NOTES AS DESCRIBED IN ARTICLE 6, PARAGRAPH (4) OF THE SPECIAL TAXATION MEASURES ACT, (B) A DESIGNATED JAPANESE FINANCIAL INSTITUTION (AS DEFINED BELOW), OR (C) ANY OTHER EXCLUDED CATEGORY OF PERSONS, CORPORATIONS OR OTHER ENTITIES UNDER THE SPECIAL TAXATION MEASURES ACT; "DESIGNATED JAPANESE FINANCIAL INSTITUTION" FOR THIS PURPOSE MEANS A JAPANESE FINANCIAL INSTITUTION DESIGNATED IN ARTICLE 6, PARAGRAPH (9) OF THE SPECIAL TAXATION MEASURES ACT.

There are restrictions on the offer and sale of the Notes in the United Kingdom. All applicable provisions of the Financial Services and Markets Act 2000 (“**FSMA**”) with respect to anything done by any person in relation to the Notes in, from or otherwise involving the United Kingdom must be complied with.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the “**Insurance Mediation Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been or will be prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

**MIFID II product governance / target market** – The Final Terms in respect of any Notes may include a legend entitled “**MiFID II Product Governance**” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the “**MiFID Product Governance Rules**”), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

For a description of certain restrictions on offers and sales of Notes and on distribution of this Base Prospectus, see “Subscription and Sale”.

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the issue date. However, there may be no obligation on the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) to do this. Such stabilising, if commenced, may be discontinued at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over allotment must be conducted by the relevant Stabilising Manager(s) (or any person) acting on behalf of any Stabilising Manager(s) in accordance with all applicable laws and rules.**

All references in this document to “U.S. dollars”, “U.S.\$” and “\$” refer to United States dollars, those to “Japanese Yen”, “yen” and “¥” refer to the currency of Japan, those to “Sterling” and “£” refer to pounds sterling, those to “euro” and “€” refer to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and those to “S\$” refer to Singapore dollars.

In this Base Prospectus, where information is presented in thousands, millions or billions of yen, amounts of less than one thousand, one million or one billion, as the case may be, have been truncated. Amounts presented as percentages have been rounded to the nearest tenth of a percent. Accordingly, any discrepancies in any table between totals and the sums of the amounts listed are due to such truncating or rounding.

## **DOCUMENTS INCORPORATED BY REFERENCE**

This Base Prospectus should be read and construed in conjunction with:

- (a) the audited consolidated financial statements of the Issuer and its consolidated subsidiaries as of and for the year ended 31 March 2017, which comprise the consolidated balance sheet and the related consolidated statements of income, comprehensive income, changes in equity and cash flows as of and for the year ended 31 March 2017 and the related notes to the consolidated financial statements with corresponding figures as comparative information as of and for the year ended 31 March 2016, including the independent auditor's report thereon; and
- (b) the most recent audited consolidated financial statements and unaudited interim consolidated financial statements of the Issuer and its consolidated subsidiaries published through the SGX-ST subsequent to the audited consolidated financial statements referred to in (a) above.

Such documents shall be incorporated in and form part of this Base Prospectus, save that any statement contained in a document which is incorporated by reference in this Base Prospectus shall be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

The Issuer will provide, without charge, to each person to whom a copy of this Base Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of such documents deemed to be incorporated herein by reference and issued by it unless such documents have been modified or superseded as specified above. Written requests for such documents should be directed to the Issuer at its office set out at the end of this Base Prospectus.

## **SUPPLEMENTARY BASE PROSPECTUS**

The Issuer has given an undertaking to the Dealers that if at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer, and the rights attaching to the Notes, the Issuer shall prepare an amendment or supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes and shall supply to each Dealer such number of copies of such supplement hereto as such Dealer may reasonably request.

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## OVERVIEW OF THE PROGRAMME

*The following overview is qualified in its entirety by the remainder of this Base Prospectus.*

<b>Issuer:</b>	Shinsei Bank, Limited
<b>Description:</b>	Euro Medium Term Note Programme
<b>Size:</b>	Up to U.S.\$5,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of Notes outstanding at any one time.
<b>Arranger:</b>	Shinsei International Limited
<b>Dealers:</b>	Daiwa Capital Markets Europe Limited Nomura International plc SMBC Nikko Capital Markets Limited Shinsei International Limited

The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “**Permanent Dealers**” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “**Dealers**” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.

<b>Fiscal Agent and Paying Agent:</b>	The Bank of New York Mellon, London Branch
<b>Registrar and Transfer Agent</b>	The Bank of New York Mellon SA/NV, Luxembourg Branch
<b>Calculation Agent:</b>	Shinsei Securities Co., Ltd.
<b>Method of Issue:</b>	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in series (each a “ <b>Series</b> ”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a “ <b>Tranche</b> ”) on the same or different issue dates. The specific terms of each Tranche (which will be completed, where necessary, with the relevant terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be completed in the final terms (the “ <b>Final Terms</b> ”).
<b>Issue Price:</b>	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
<b>Form of Notes:</b>	The Notes may be issued in bearer form (“ <b>Bearer Notes</b> ”) or in registered form (“ <b>Registered Notes</b> ”). Each Tranche of Bearer

Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year, otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".

**Clearing Systems:**

Clearstream, Luxembourg, Euroclear and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent, the Registrar and the relevant Dealer.

**Initial Delivery of Notes:**

On or before the issue date for each Tranche, the Global Note representing Bearer Notes or the Certificate representing Registered Notes may be deposited with a common depository for Euroclear and Clearstream, Luxembourg. Global Notes or Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

**Currencies:**

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers.

**Maturities:**

The Notes will have such maturities as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required by law or regulations applicable to the Issuer or the relevant Dealer.

**Specified Denomination:**

Definitive Notes will be in such denominations as may be specified in the relevant Final Terms save that (i) in the case of any Notes which are to be offered to the public in a European Economic Area state in circumstances which would otherwise require the publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes); and (ii) unless otherwise permitted by then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the Financial Services and Markets Act 2000 ("FSMA") will have a minimum denomination of £100,000 (or its equivalent in other currencies). Subject to the above, Notes will be issued in such denominations



as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

**Fixed Rate Notes:**

Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.

**Floating Rate Notes:**

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. or
- (ii) by reference to LIBOR, EURIBOR or such other benchmark as may be specified in the relevant Final Terms, as adjusted for any applicable margin.

Floating Rate Notes may have a maximum and/or minimum rate of interest.

Interest periods will be specified in the relevant Final Terms.

**Zero Coupon Notes:**

Zero Coupon Notes (as defined in “Terms and Conditions of the Notes”) may be issued at their nominal amount or at a discount to it and will not bear interest.

**Dual Currency Notes:**

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes (as defined in “Terms and Conditions of the Notes”) will be made in such currencies, and based on such rates of exchange as may be specified in the relevant Final Terms.

**Index Linked Notes:**

Payments of principal in respect of Index Linked Redemption Notes (as defined in “Terms and Conditions of the Notes”) or of interest in respect of Index Linked Interest Notes (as defined in “Terms and Conditions of the Notes”) will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms.

**Credit Linked Notes:**

The Issuer may from time to time issue Credit Linked Notes (as defined in the Credit Linked Notes Supplement) which are linked to a Reference Entity (as defined in the Credit Linked Notes Supplement). The terms and conditions of the Credit Linked Notes shall be the Conditions, as amended and supplemented by the Credit Linked Notes Conditions (as defined in the Credit Linked Notes Supplement), and further amended and supplemented by the applicable Final Terms (the form of which is attached to the Credit Linked Notes Supplement). If a Credit Event (as defined in the Credit Linked Notes Supplement) occurs in relation to the relevant Reference Entity, the interest amount and/or redemption amount will be calculated in accordance with the terms set out in the Credit Linked Notes Supplement.

<b>Interest Periods and Interest Rates:</b>	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
<b>Redemption:</b>	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Unless permitted by then current laws and regulations, Notes which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
<b>Redemption by Instalments:</b>	The Final Terms issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
<b>Other Notes:</b>	Terms applicable to step-up Notes, step-down Notes, reverse dual currency Notes, optional dual currency Notes, Partly Paid Notes, equity linked Notes, credit linked Notes and any other type of Note that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the Final Terms or a supplementary Base Prospectus, as applicable.
<b>Optional Redemption:</b>	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
<b>Early Redemption:</b>	Except as provided in “– Optional Redemption” above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons. See “Terms and Conditions of the Notes – Redemption, Purchase and Options”.
<b>Status of Notes:</b>	The Notes will constitute direct, unsecured, unconditional and unsubordinated obligations of the Issuer all as further described in “Terms and Conditions of the Notes – Status”.
<b>Negative Pledge:</b>	See “Terms and Conditions of the Notes – Negative Pledge”.
<b>Cross Default:</b>	See “Terms and Conditions of the Notes – Events of Default”.
<b>Ratings:</b>	The Programme has been rated A- by Rating and Investment Information, Inc.  Tranches of Notes may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.  A 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.

**Withholding Tax:**

All payments of principal and interest in respect of the Notes will be made without withholding or deduction for or on account of taxes of Japan, unless such withholding is required by law. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts as will result in receipt by the holders of such amounts as would have been received by them had no such withholding or deduction been required, all as described in “Terms and Conditions of the Notes – Taxation”.

**Governing Law:**

English.

**Listing and Admission to Trading:**

Application has been made to the SGX-ST for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at or prior to the time of issue thereof to be so listed on the SGX-ST, or as otherwise specified in the relevant Final Terms and references to listing shall be construed accordingly. As specified in the relevant Final Terms, a Series of Notes may be unlisted.

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of S\$200,000 (or the equivalent in other currencies).

**Selling Restrictions:**

The United States, the European Economic Area, the United Kingdom, Japan and Singapore. See “Subscription and Sale”.

Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purpose of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the “**D Rules**”) unless (i) the relevant Final Terms state that the Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purpose of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the “**C Rules**”) or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the U.S. Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

## RISK FACTORS

*Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the industry in which it operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this section.*

*Prospective investors should note that the risks relating to the Issuer, the industry in which it operates and the Notes are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider among other things, the risks and uncertainties described below.*

*The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer that are not currently known to the Issuer, or that the Issuer currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.*

### **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

#### *Risks related to the structure of a particular issue of Notes*

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

#### *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “**Relevant Factor**”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;

- (iv) the amount of principal payable at redemption may be less than the nominal amount of such Notes or even zero;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index or other Relevant Factor should not be viewed as an indication of the future performance of such Relevant Factor during the term of any Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Notes linked to a Relevant Factor and the suitability of such Notes in light of its particular circumstances.

#### *Credit Linked Notes*

The Issuer may issue Credit Linked Notes where the amount of principal and/or interest payable are dependent upon whether certain events have occurred in respect of a specified entity (the “**Reference Entity**”) and, if so, on the value of certain specified assets of the Reference Entity or where, if such events have occurred, the Issuer’s obligation on redemption is to deliver certain specified assets.

Potential investors in any such Credit Linked Notes should be aware that depending on the terms of the Credit Linked Notes: (i) they may receive no or a limited amount of interest; (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected; and (iii) they may lose all or a substantial portion of their investment.

#### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable by the investor in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

#### *Variable Rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

#### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of such Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

#### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that the Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time

may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

*Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

*There could be conflicts of interest arising out of the role of Shinsei Securities Co., Ltd. as Calculation Agent*

Under the Agency Agreement, Shinsei Securities Co., Ltd., which is a wholly-owned subsidiary of the Issuer, will act as Calculation Agent for any issue of Notes under the Programme which requires a Calculation Agent, unless a different Calculation Agent is named in the applicable Final Terms. Potential conflicts of interest may exist between the Calculation Agent and Noteholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions that may influence, among other things, the amounts receivable under the Notes.

*Modification, waivers and substitution*

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to obtain Written Resolutions on matters relating to the Notes from Noteholders without calling a meeting. A Written Resolution signed by or on behalf of the holders of not less than 75 per cent in nominal amount of the Notes of the relevant Series who for the time being are entitled to receive notice of a meeting in accordance with the provisions of the Agency Agreement dated 27 March 2018 (the “**Agency Agreement**”) and whose Notes are outstanding shall, for all purposes, take effect as an Extraordinary Resolution.

In certain circumstances, where the Notes are held in global form in the clearing systems, the Issuer will be entitled to rely upon:

- (i) where the terms of the proposed resolution have been notified through the relevant clearing system(s), approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing systems in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent in nominal amount of the Notes of the relevant Series for the time being outstanding; and
- (ii) where electronic consent is not being sought, consent or instructions given in writing directly to the Issuer by accountholders in the clearing systems with entitlements to such global note or certificate or, where the accountholders hold such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held (directly or via one or more intermediaries), provided that the Issuer has obtained commercially reasonable evidence to ascertain the validity of such holding and taken reasonable steps to ensure such holding does not alter following the given of such consent/instruction and prior to effecting such resolution;

A Written Resolution or an electronic consent as described above may be effected in connection with any matter affecting the interests of Noteholders, including the modification of the Conditions, that would otherwise be required to be passed at a meeting of Noteholders satisfying the special quorum in accordance with the provisions of the Agency Agreement, and shall for all purposes take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

### *Redemption*

In the event that the Issuer would be obliged to pay additional amounts in respect of any Notes due to any amendment to or change in the tax laws or regulations of Japan or change in an official interpretation or application of such laws or regulations, the Issuer may be entitled to redeem the Notes in accordance with the Conditions.

### *Change of law*

The Terms and Conditions of the Notes are based on English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes. Any such change could materially adversely affect the value of any Note affected by it.

### *Bearer Notes where denominations involve integral multiples*

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that the Notes may be traded in amounts that are not integral multiples of such minimum Specified Denominations (as defined in the Conditions). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Risks related to the market generally***

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

*Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Issuer or the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.



## Terms and Conditions of the Notes

*The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Final Terms, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Final Terms or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to “Notes” are to the Notes of one Series only, not to all Notes that may be issued under the Programme.*

The Notes are issued pursuant to an Agency Agreement (as amended or supplemented as at the Issue Date, the “**Agency Agreement**”) dated 27 March 2018 between the Issuer, The Bank of New York Mellon, London Branch as fiscal agent and the other agents named in it and with the benefit of a Deed of Covenant (as amended or supplemented as at the Issue Date, the “**Deed of Covenant**”) dated 27 March 2018 executed by the Issuer in relation to the Notes. The fiscal agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Registrar**”, the “**Transfer Agents**” and the “**Calculation Agent(s)**”. The Noteholders (as defined below), the holders of the interest coupons (the “**Coupons**”) relating to interest bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the “**Talons**”) (the “**Couponholders**”) and the holders of the receipts for the payment of instalments of principal (the “**Receipts**”) relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of and are bound by all of the provisions of the Agency Agreement and the Deed of Covenant applicable to them.

As used in these terms and conditions (the “**Conditions**”), “**Tranche**” means Notes which are identical in all respects.

Copies of the Agency Agreement and the Deed of Covenant are available for inspection between 9:00am and 3:00pm, Monday to Friday (excluding public holidays) at the specified offices for the time being of the Fiscal Agent (being, as at the date hereof, One Canada Square, London E14 5AL, United Kingdom) upon prior written request and provision of satisfactory proof of holdings.

### 1 Form, Denomination and Title

The Notes are issued in bearer form (“**Bearer Notes**”) or in registered form (“**Registered Notes**”) in each case in the Specified Denomination(s) shown hereon.

This Note is a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Index Linked Interest Note, an Index Linked Redemption Note, an Instalment Note, a Dual Currency Interest Note, a Dual Currency Redemption Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown hereon.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(c), each Certificate shall represent the entire holding of Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), “**holder**” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

## 2 No Exchange of Notes and Transfers of Registered Notes

- (a) **No Exchange of Notes:** Registered Notes may not be exchanged for Bearer Notes. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination. Bearer Notes may not be exchanged for Registered Notes.
- (b) **Transfer of Registered Notes:** One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.
- (c) **Exercise of Options or Partial Redemption in Respect of Registered Notes:** In the case of an exercise of an Issuer’s or Noteholders’ option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.
- (d) **Delivery of New Certificates:** Each new Certificate to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within five business days of receipt of the form of transfer or Exercise Notice

(as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(d), “**business day**” means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

- (e) **Transfer Free of Charge:** Transfers of Notes and Certificates on registration, transfer, partial redemption or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment of any tax or other governmental charges that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).
- (f) **Closed Periods:** No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

### 3 Status

The Notes and the Receipts and Coupons constitute direct, (subject to Condition 4) unsecured, unconditional and unsubordinated obligations of the Issuer ranking *pari passu* and without any preference among themselves and, with the exception of obligations in respect of national and local taxes in Japan and certain other statutory exceptions under Japanese law, with all other unsecured and unsubordinated obligations of the Issuer.

### 4 Negative Pledge

So long as any of the Notes remains outstanding (as defined in the Agency Agreement), the Issuer will not create or permit to subsist any mortgage, charge, pledge or other security interest upon the whole or any part of its property or assets, present or future, to secure any payment of any sum due in respect of any Securities issued by it or any guarantee by it of Securities issued by others (whether heretofore or hereafter) unless the Notes are equally and rateably secured so as to rank *pari passu* with such Securities or such guarantee or such other security is provided in respect of the Notes as shall be approved by an Extraordinary Resolution (as defined in the Agency Agreement) of the holders of the Notes. For the purposes of this Condition 4, “**Securities**” means any indebtedness in the form of or represented by bonds, notes, debentures or other securities which either are expressed to be payable or confer a right to receive payment in any currency other than Yen or are denominated in Yen and more than 50 per cent of the aggregate principal amount thereof is initially distributed by or with the authorisation of the Issuer outside Japan and which are, or are capable of being, quoted, listed, admitted to trading or ordinarily traded on any stock exchange or any over-the-counter securities market; provided, however, that this Condition 4 shall not apply to, and shall exclude Securities secured by mortgages, charges, pledges or other security interests on property or assets existing at the time of acquisition thereof (including acquisition through merger or consolidation).

## 5 Interest and other Calculations

### (a) Interest on Fixed Rate Notes:

- (i) *Calculation of Interest:* Each Fixed Rate Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i).
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (B) the Modified Following Business Day Convention, such date shall be postponed to the next day that 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 (C) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

### (b) Interest on Floating Rate Notes and Index Linked Interest Notes:

- (i) *Interest Payment Dates:* Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding principal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which falls the number of months or other period shown hereon as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) *Business Day Convention:* If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) 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, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that 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 (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (iii) *Rate of Interest for Floating Rate Notes:* The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified hereon and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified hereon.
  - (A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (x) the Floating Rate Option is as specified hereon
- (y) the Designated Maturity is a period specified hereon and
- (z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified hereon.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

- (x) Where Screen Rate Determination is specified hereon as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (1) the offered quotation; or
- (2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified hereon as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided hereon.

- (y) if the Relevant Screen Page is not available or, if sub-paragraph (x)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (x)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference

Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

- (z) if paragraph (y) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin, Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin, Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) Linear Interpolation

Where Linear Interpolation is specified hereon as applicable in respect of an Interest Accrual Period, the Rate of Interest for such Interest Accrual Period shall be calculated by the Calculation Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified hereon as applicable) or the relevant Floating Rate Option (where ISDA Determination is specified hereon as applicable), one of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Accrual Period and the other of which shall be determined as if the Applicable Maturity were the period of time for which rates are available next longer than the length

of the relevant Interest Accrual Period provided however that if there is no rate available for the period of time next shorter or, as the case may be, next longer, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

“**Applicable Maturity**” means: (a) in relation to Screen Rate Determination, the period of time designated in the Reference Rate, and (b) in relation to ISDA Determination, the Designated Maturity.

- (iv) *Rate of Interest for Index Linked Interest Notes:* The Rate of Interest in respect of Index Linked Interest Notes for each Interest Accrual Period shall be determined in the manner specified hereon and interest will accrue by reference to an Index or Formula as specified hereon.
- (c) **Zero Coupon Notes:** Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(b)(i)).
- (d) **Dual Currency Interest Notes:** In the case of Dual Currency Interest Notes, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified hereon.
- (e) **Partly Paid Notes:** In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up principal amount of such Notes and otherwise as specified hereon.
- (f) **Business Day Convention:** If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) 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, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that 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 (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.
- (g) **Accrual of Interest:** Interest shall cease to accrue on each Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).
- (h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts and Rounding:**
- (i) If any Margin is specified hereon (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin subject always to the next paragraph

- (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified hereon, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
  - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 of a percentage point being rounded up), (y) all figures shall be rounded to seven significant figures (provided that if the eighth significant figure is a 5 or greater, the seventh significant shall be rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with half a unit being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country or countries of such currency.
- (i) **Calculations:** The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified hereon, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.
- (j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.



- (k) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of a currency other than euro and Renminbi, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency and/or
- (ii) in the case of euro, a day on which the TARGET System is operating (a “**TARGET Business Day**”) and/or
- (iii) in the case of Renminbi, a day (other than a Saturday, Sunday or public holiday) on which commercial banks in Hong Kong are generally open for business and settlement of Renminbi payments in Hong Kong; and/or
- (iv) in the case of a currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/365 (Fixed)**” is specified hereon, the actual number of days in the Calculation Period divided by 365
- (iii) if “**Actual/365 (Sterling)**” is specified hereon, the actual number of days in the Calculation Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366
- (iv) if “**Actual/360**” is specified hereon, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y<sub>1</sub>**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y<sub>2</sub>**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M<sub>1</sub>**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D<sub>2</sub> will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D<sub>1</sub>**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

“**D<sub>2</sub>**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30

(viii) if “**Actual/Actual-ICMA**” is specified hereon,

(D) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(E) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date and

“**Determination Date**” means the date(s) specified as such hereon or, if none is so specified, the Interest Payment Date(s)

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended

“**Interest Accrual Period**” means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Period Date and each successive period beginning on and including an Interest Period Date and ending on but excluding the next succeeding Interest Period Date

“**Interest Amount**” means:

(i) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified hereon, shall mean the Fixed Coupon Amount or Broken Amount specified hereon as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(ii) in respect of any other period, the amount of interest payable per Calculation Amount for that period

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified hereon

**“Interest Determination Date”** means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such hereon or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is Sterling or Hong Kong dollars or Renminbi (other than where the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR) or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro nor Hong Kong dollars nor Renminbi or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (iv) the day falling two Business Days in Hong Kong prior to the first day of such Interest Accrual Period if the Specified Currency is Renminbi and the Reference Rate is CNH HIBOR

**“Interest Period”** means the period beginning on and including the Interest Commencement Date and ending on but excluding the first Interest Payment Date and each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date unless otherwise specified hereon

**“Interest Period Date”** means each Interest Payment Date unless otherwise specified hereon

**“ISDA Definitions”** means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified hereon

**“Rate of Interest”** means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions hereon

**“Reference Banks”** means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market and, in the case of a determination of CNH HIBOR, the principal Hong Kong office of four major banks dealing in Chinese Yuan in the Hong Kong inter-bank market, in each case selected by the Calculation Agent or as specified hereon

**“Reference Rate”** means the rate specified as such hereon

**“Relevant Screen Page”** means such page, section, caption, column or other part of a particular information service as may be specified hereon (or any successor or replacement page, section, caption, column or other part of a particular information service)

**“Specified Currency”** means the currency specified as such hereon or, if none is specified, the currency in which the Notes are denominated

**“TARGET System”** means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

- (1) **Calculation Agent:** The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them hereon and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank

market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

## 6 Redemption, Purchase and Options

### (a) Redemption by Instalments and Final Redemption:

- (i) Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each Note that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified hereon. The outstanding principal amount of each such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the principal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

Unless previously redeemed, purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified hereon at its Final Redemption Amount (which, unless otherwise provided, is its principal amount) or, in the case of a Note falling within paragraph (i) above, its final Instalment Amount.

### (b) Early Redemption:

#### (i) *Zero Coupon Notes:*

- (A) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.
- (B) Subject to the provisions of sub-paragraph (C) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.
- (C) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest that may accrue in accordance with Condition 5(c).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

- (ii) *Other Notes:* The Early Redemption Amount payable in respect of any Note (other than Notes described in (i) above), upon redemption of such Note pursuant to Condition 6(c), Condition 6(d) or Condition 6(e) or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified hereon.
- (c) **Redemption for Taxation Reasons:** The Notes may be redeemed at the option of the Issuer, in whole but not in part, at any time (if this Note is neither a Floating Rate Note nor an Index Linked Interest Note nor a Dual Currency Interest Note) or on any Interest Payment Date (if this Note is either a Floating Rate Note, an Index Linked Interest Note or Dual Currency Interest Note), on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Early Redemption Amount (as described in Condition 6(b) above) (together with interest accrued to the date fixed for redemption), if (i) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 as a result of any change in, or amendment to, the laws or regulations of Japan or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes, and (ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this Condition 6(c), the Issuer shall deliver to the Fiscal Agent a certificate signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment.
- (d) **Redemption at the Option of the Issuer:** If Issuer Call is specified hereon, the Issuer may, on giving not less than 5 nor more than 25 business days' irrevocable notice to the Noteholders (or such other notice period as may be specified hereon) redeem, all or, if so provided, some, of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption. Any such redemption or exercise must relate to Notes of a principal amount at least equal to the minimum nominal amount to be redeemed specified hereon and no greater than the maximum nominal amount to be redeemed specified hereon.

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

In the case of a partial redemption the notice to Noteholders shall also contain the certificate numbers of the Bearer Notes, or in the case of Registered Notes shall specify the principal amount of Registered Notes drawn and the holder(s) of such Registered Notes, to be redeemed, which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and stock exchange or other relevant authority requirements.

- (e) **Redemption at the Option of Noteholders:** If Investor Put is specified hereon, the Issuer shall, at the option of the holder of any such Note, upon the holder of such Note giving not less than 15 nor more than 30 days' notice to the Issuer (or such other notice period as may be specified hereon) redeem such

Note on the Optional Redemption Date(s) at its Optional Redemption Amount specified hereon (which may be the Early Redemption Amount (as described in Condition 6(b) above)), together with interest accrued to the date fixed for redemption.

To exercise such option the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice (“**Exercise Notice**”) in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) within the notice period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

- (f) **Partly Paid Notes:** Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified hereon.
- (g) **Purchases:** The Issuer or any subsidiary may at any time purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price.
- (h) **Cancellation:** All Notes purchased by or on behalf of the Issuer or any of its subsidiaries may be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

## 7 Payments and Talons

- (a) **Bearer Notes:** Payments of principal and interest in respect of Bearer Notes shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be (i) in case of a currency other than Renminbi, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank, or (ii) in the case of Renminbi, by transfer to a Renminbi account maintained by or on behalf of the Noteholder with a Bank. “**Bank**” means a bank in the principal financial centre for such currency or, in the case of euro, in a city in which banks have access to the TARGET System or, in the case of Renminbi, a bank in Hong Kong.
- (b) **Registered Notes:**
  - (i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any Paying Agents or of the Registrar and in the manner provided in paragraph (ii) below.
  - (ii) Interest (which for the purpose of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes shall be paid to the person shown on the

Register at the close of business on the fifth day (in the case of Renminbi) and on the fifteenth day (in the case of a currency other than Renminbi) before the due date for payment thereof (the “**Record Date**”). Payments of interest on each Registered Note shall be made:

- (A) in case of a currency other than Renminbi, in the relevant currency by transfer to an account in the relevant currency maintained by the payee with a Bank; and
  - (B) in the case of Renminbi, by transfer to an account in the relevant currency maintained by the payee with a Bank in Hong Kong.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.
- (d) **Payments Subject to Laws:** Save as provided in Condition 8, all payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws and regulations to which the Issuer agrees to be subject and the Issuer will be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar, Transfer Agents and the Calculation Agent(s) act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder or Couponholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent(s) and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) one or more Calculation Agent(s) where the Conditions so require and (v) such other agents as may be required by any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Upon the due date for redemption of Bearer Notes which comprise Fixed Rate Notes (other than Dual Currency Notes or Index linked Notes), those Notes should be surrendered for payment together with all unexpired Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount,



Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, Dual Currency Note or Index Linked Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
  - (iv) Upon the due date for redemption of any Bearer Note that is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
  - (v) Where any Bearer Note that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
  - (vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note that only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Non-Business Days:** If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**business day**” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation, in such jurisdictions as shall be specified as “**Financial Centres**” hereon and:
- (i) (in the case of a payment in a currency other than euro and Renminbi) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency;
  - (ii) (in the case of a payment in euro) which is a TARGET Business Day; or
  - (iii) (in the case of a payment in Renminbi) on which banks and foreign exchange markets are open for business and settlement of Renminbi payments in Hong Kong.

## 8 Taxation

All payments of principal and interest in respect of the Notes and the Coupons will be made without withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed or levied by or on behalf of Japan, or any authority thereof or therein having power to tax (the “**Taxes**”), unless such withholding or deduction of such Taxes is required by law. In such event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) as will result in the receipt by the holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no Additional Amounts shall be payable with respect to any Note or Coupon presented for payment:

- (i) by or on behalf of a holder or a beneficial owner who is an individual non-resident of Japan or a non-Japanese corporation and is liable for such Taxes in respect of such Note by reason of its (a) having some connection with Japan other than the mere holding of such Note or (b) being a person having a special relationship with the Issuer as described in Article 6, paragraph 4 of the Special Taxation Measures Act (as defined below) (a “**specially-related person of the Issuer**”); or
- (ii) by or on behalf of a holder or a beneficial owner who would otherwise be exempt from any such withholding or deduction but who fails to comply with any applicable requirement to provide Interest Recipient Information (as defined below) or to submit a Written Application for Tax Exemption (as defined below) to the relevant Agent, or whose Interest Recipient Information is not duly communicated through the Participant (as defined below) and the relevant international clearing organisation to the relevant Agent; or
- (iii) by or on behalf of a holder or a beneficial owner who is for Japanese tax purposes treated as a resident of Japan or a Japanese corporation (except for a Designated Financial Institution (as defined below) who complies with the requirement to provide Interest Recipient Information or to submit a Written Application for Tax Exemption); or
- (iv) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such Additional Amounts on presenting the same for payment on such 30th day; or
- (v) where the amount of interest on such Note is to be calculated by reference to certain indices (as prescribed by the cabinet order under Article 6, paragraph 4 of the Special Taxation Measures Act) relating to the Issuer or any specially related person of the Issuer; or
- (vi) any combination of the above.

Where a Note or Coupon is held through a certain participant of an international clearing organisation or a certain financial intermediary (each, a “**Participant**”), in order to receive payments free of withholding or deduction by the Issuer for, or on account of Taxes, if the relevant beneficial owner is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or (B) a Japanese financial institution falling under certain categories prescribed by the Special Taxation Measures Act of Japan (Act No. 26 of 1957), as amended (the “**Special Taxation Measures Act**”) and the relevant cabinet order thereunder, as amended (together with the ministerial ordinance and other regulations thereunder, the “**Law**”) (each a “**Designated Financial Institution**”), all in accordance with the Law, such beneficial owner shall, at the time of entrusting a Participant with the custody of the relevant Note, provide certain information prescribed by the Law to enable the Participant to establish that such beneficial owner is exempted from the requirement for Taxes to be withheld or deducted (the “**Interest Recipient Information**”) and advise the Participant if the beneficial owner ceases to be so exempted including the case where the beneficial owner who is an individual non-resident of Japan or a non-Japanese corporation becomes a specially-related person of the Issuer.

Where a Note or Coupon is not held by a Participant, in order to receive payments free of withholding or deduction by the Issuer for, or on account of Taxes, if the relevant beneficial owner is (A) an individual non-resident of Japan or a non-Japanese corporation (other than a specially-related person of the Issuer) or (B) a Designated Financial Institution, all in accordance with the Law, such beneficial owner shall, prior to each time on which it receives interest, submit to the relevant Paying Agent a written application for exemption from withholding tax (*Hikazei Tekiyo Shinkokusho*) (a “**Written Application for Tax Exemption**”) in form obtainable from the Fiscal Agent stating, inter alia, the name and address of the beneficial owner, the title of the Notes, the relevant Interest Payment Date, the amount of interest and the fact that the beneficial owner is qualified to submit the Written Application for Tax Exemption, together with documentary evidence regarding its identity and residence. As used in these Conditions, “**Relevant Date**” in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due except that if the full amount of the moneys payable has not been duly received by the Fiscal Agent on or prior to such date, it means the date on which the full amount of such moneys having been received, notice to that effect shall have been duly given to the Noteholders in accordance with Condition 13. References in this Condition to “principal” and/or “interest” shall be deemed to include any Additional Amounts which may be payable under this Condition.

## 9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect of them.

## 10 Events of Default

If any of the following events (“**Events of Default**”) occurs and is continuing:

- (i) default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of 14 days; or
- (ii) the Issuer shall fail duly to perform or observe any of its other obligations under these Conditions and the failure continues for the period of 30 days after notice of such default shall have been given to the Fiscal Agent at its specified office by the holder of the Note; or
- (iii) any indebtedness for borrowed money of the Issuer or any of its Principal Subsidiaries shall become prematurely repayable as a result of a default in respect of the terms thereof or as a result of any event treated in effect as a default or steps are taken to enforce any security therefor or the Issuer or any of its Principal Subsidiaries defaults in repayments of any such indebtedness when due or at the expiration of any applicable grace period therefor or any guarantee or indemnity in respect of any indebtedness of any other persons given by the Issuer or any of its Principal Subsidiaries shall not be honoured when due and called upon, provided that no such acceleration of indebtedness, steps taken to enforce security, default in repayment, or failure to honour any such guarantee or indemnity shall constitute an Event of Default unless such indebtedness, guarantee or indemnity to which this Condition 10(iii) applies, either alone or in aggregate, shall amount to an outstanding aggregate principal amount of more than U.S.\$10,000,000 or its equivalent in any other currency or currencies; or
- (iv) any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer or any of its Principal Subsidiaries, save for (a) the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders or (b) for the winding up or dissolution of a Principal Subsidiary following the transfer of all or substantially all of its assets to the Issuer or another subsidiary of the Issuer which is, or upon such transfer would become, a Principal Subsidiary; or

- (v) the Issuer or any of its Principal Subsidiaries ceases or announces any intention or takes any action (whether through an act of its board of directors or otherwise) to cease to carry on its business, (save (a) for the purposes of reorganisation on terms previously approved by an Extraordinary Resolution of the Noteholders, (b) for cessation not involving or arising out of the insolvency (or similar proceedings) of the Issuer or such Principal Subsidiary and under which all or substantially all of its assets are transferred to the Issuer or another subsidiary of the Issuer which is, or upon such transfer would become, a Principal Subsidiary or (c) if the Issuer has become a wholly-owned subsidiary of another company by exchanging or transferring all of its outstanding shares to another company pursuant to the Companies Act (*kabushiki iten* or *kabushiki kokan*)), or the Issuer or any of its Principal Subsidiaries stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of any applicable law, or is adjudicated or found bankrupt or insolvent; or
- (vi) (A) proceedings are initiated against the Issuer or any of its Principal Subsidiaries under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer or any of its Principal Subsidiaries or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (vii) the Issuer or any of its Principal Subsidiaries initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors); or
- (viii) the Issuer repudiates any of its obligations in respect of the Notes or does or causes to be done any act or thing evidencing an intention to repudiate such obligations; or
- (ix) at any time any act, condition or thing required to be done, fulfilled or performed in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Notes, the Receipts and the Coupons admissible in evidence in Japan, as the case may be, is not done, fulfilled or performed,

then any Note may, by notice in writing given to the Fiscal Agent at its specified office by the holder of such Note, be declared immediately due and payable whereupon it shall become immediately due and payable at its Early Redemption Amount together with accrued interest without further formality.

For the purposes of this Condition 10:

**“Principal Subsidiary”** means a subsidiary of the Issuer whose total revenues or total assets (consolidated in the case of a subsidiary which itself has subsidiaries) represent not less than 10 per cent. of the consolidated total revenues or total assets of the Issuer and its subsidiaries taken as a whole, each as calculated respectively by reference to the then latest audited accounts (consolidated or, as the case may be, unconsolidated) of such subsidiary and the then latest audited consolidated accounts of the Issuer and its subsidiaries, provided that in the case of a subsidiary acquired after the end of the financial period to which the then latest audited consolidated accounts of the Issuer and its subsidiaries relate, the reference to the then latest audited

consolidated accounts of the Issuer and its subsidiaries for the purposes of the calculation above shall, until consolidated accounts for the financial period in which the acquisition is made have been prepared and audited as stated above, be deemed to be a reference to such first-mentioned accounts as if such subsidiary had been shown in such accounts by reference to its then latest relevant audited accounts, adjusted as deemed appropriate by the auditors of the Issuer.

## 11 Meeting of Noteholders and Modifications

- (a) **Meetings of Noteholders:** The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Conditions. Such a meeting may be convened by the Issuer or by Noteholders holding not less than five per cent in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing not less than 50 per cent in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals, inter alia, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest or Interest Amounts on the Notes, (ii) to reduce or cancel the principal amount of, or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating any Interest Amount in respect of the Notes, (iv) if a Minimum and/or a Maximum Rate of Interest, Instalment Amount or Redemption Amount is shown hereon, to reduce any such Minimum and/or Maximum Rate of Interest, Instalment Amount or Redemption Amount, (v) to vary any method of, or basis for, calculating the Final Redemption Amount, the Early Redemption Amount or the Optional Redemption Amount, including the method of calculating the Amortised Face Amount, (vi) to vary the currency or currencies of payment or denomination of the Notes, or (vii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds or at any adjourned meeting not less than one-third in principal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

The Agency Agreement provides that a resolution in writing signed by or on behalf of the holders of not less than 75 per cent in principal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

*These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Final Terms in relation to such Series.*

*The Agency Agreement provides that where the terms of the resolution proposed by the Issuer have been notified to the Noteholders through the relevant clearing system(s), the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Paying Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent in nominal amount of the Notes outstanding.*

- (b) **Modification of Agency Agreement:** The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if it is either (a) for the purpose of curing any ambiguity or of curing or correcting any manifest or proven error contained in this Agreement or (b) in any other manner which is, in the sole opinion of the Issuer, not prejudicial to the interests of the Holders. Any determination as to prejudice applying to the interests of the Holders pursuant to this Condition 11 shall be made by the Issuer and none of the Agents shall have any responsibility or liability whatsoever with respect to such determination. Any such amendment and/ or modification shall be binding on the Holders and any such amendment and/ or modification shall be notified by the Issuer to the Holders in accordance with Condition 14.

## 12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Fiscal Agent (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, 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 (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

## 13 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with such Notes, and references in these Conditions to “Notes” shall be construed accordingly.

## 14 Notices

Notices to the holders of Registered Notes shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes shall be valid if published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times*). If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

*So long as the Notes are represented by the Global Certificate and the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or the Alternative Clearing System (as defined in the form of the Global Certificate), notices to noteholders shall be given by delivery of the relevant notice to Euroclear or Clearstream,*

*Luxembourg or the Alternative Clearing System, for communication by it to entitled noteholders in substitution for notification as required by the Conditions.*

## **15 Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

## **16 Governing Law and Jurisdiction**

- (a) **Governing Law:** The Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law.
- (b) **Jurisdiction:** The Courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).
- (c) **Service of Process:** The Issuer irrevocably appoints Shinsei International Limited, of 6 Duke Street St. James’s, London SW1Y 6BN, United Kingdom, as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not, it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any manner permitted by law.

## **SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

### **1 Initial Issue of Notes**

Global Notes and Certificates may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

Upon the initial deposit of a Global Note with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”) or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depository may also be credited to the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, Notes that are initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

### **2 Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system (“**Alternative Clearing System**”) as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or any such Alternative Clearing System (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such Alternative Clearing System (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

### **3 Exchange**

#### **3.1 Temporary Global Notes**

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole or in part upon certification as to non-U.S. beneficial ownership for interests in a permanent Global Note or, if so provided in the relevant Final Terms, for Definitive Notes.

#### **3.2 Permanent Global Notes**

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not in part for Definitive Notes:

- (i) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so; or
- (ii) if principal in respect of any Notes is not paid when due, by the holder giving notice to the Fiscal Agent of its election for such exchange.



In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

### 3.3 Global Certificates

If the Final Terms state that the Notes are to be represented by a permanent Global Certificate on issue, the following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or an Alternative Clearing System. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by any Global Certificate pursuant to Condition 2(b) may only be made in part:

- (i) if the relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) if principal in respect of any Notes is not paid when due; or
- (iii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to paragraph 3.3(i) or 3.3(ii) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### 3.4 Delivery of Notes

On or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. In this Base Prospectus, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

### 3.5 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located.

## 4 Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of certain of those provisions:

### 4.1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership. All payments in respect of Notes represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. A record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 7(h) (*Non-Business Days*).

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the record date which shall be on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

### 4.2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 8).

### 4.3 Meetings

At any meeting of Noteholders, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the Specified Currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

### 4.4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant permanent Global Note.

### 4.5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer or any of its respective subsidiaries if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

### 4.6 Issuer’s Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an

option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg or any other clearing system (as the case may be).

#### **4.7 Noteholders' Options**

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation.

#### **4.8 Events of Default**

Each Global Note provides that the holder may cause such Global Note, or a portion of it, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note that is becoming due and repayable. If principal in respect of any Note is not paid when due, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of a Deed of Covenant executed as a deed by the Issuer on 27 March 2018 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused.

#### **4.9 Notices**

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate.

### **5 Electronic Consent and Written Resolution**

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent in nominal amount of the Notes outstanding (an “**Electronic Consent**” as defined in the Fiscal Agency Agreement) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and

- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Fiscal Agency Agreement) has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer by (a) accountholders in the clearing system with entitlements to such Global Note or Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

## **USE OF PROCEEDS**

The net proceeds from the issue of each Tranche of Notes will be applied by the Issuer for general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

## SHINSEI BANK, LIMITED

### General

The Issuer is a diversified Japanese financial institution providing a range of financial products and services to both institutional and individual customers. Its business is organised by two businesses which are the Institutional Business and the Individual Business:

- The Institutional Business is composed of the corporate business, which provides solutions to the Issuer's corporate and financial institution customers; structured finance, which provides services such as real estate finance and project finance; and principal transactions which include businesses such as private equity and business succession, and other businesses such as the leasing business. The Global Markets Business is composed of operations such as the markets business, which offers market solutions such as derivatives for hedging foreign exchange and interest rate risks.
- The Individual Business is composed of the marketing of financial products and services to individual customers, centred on retail banking, which accepts deposits and handles asset management products and housing loans; and consumer finance, which handles unsecured card loans, credit cards, instalment sales credit (shopping credit), and transaction settlements.

## Capitalisation and Indebtedness

The consolidated capitalisation and indebtedness of the Issuer as of 31 December 2017, based upon information extracted without material adjustment from the Issuer's unaudited consolidated financial statements prepared in conformity with accounting principles generally accepted in Japan as of and for the nine-month period ended 31 December 2017 was as follows:

	<b>As of 31 December 2017</b>
	(millions of yen)
<b>Indebtedness</b>	
Debtures .....	¥1,764
Borrowed money .....	754,483
Short-term corporate bonds .....	171,600
Corporate bonds .....	88,000
Total indebtedness .....	¥1,015,848
<b>Net Assets</b>	
Common stock .....	¥512,204
Authorized — 400,000,000 shares	
Issued and fully paid — 275,034,689 shares	
Capital surplus .....	78,506
Stock acquisition rights .....	327
Retained earnings .....	345,559
Treasury stock, at cost .....	(79,540)
Accumulated other comprehensive income:	
Unrealised gain (loss) on available-for-sale securities .....	8,715
Deferred gain (loss) on derivatives under hedge accounting ...	(14,035)
Foreign currency translation adjustments .....	1,028
Defined retirement benefit plans .....	(883)
Non-controlling interests .....	2,055
Total equity .....	853,936
<b>Total Capitalisation and Indebtedness .....</b>	<b>¥1,869,785</b>

Notes:

(1) There has been no material change in the capitalisation and indebtedness of the Issuer since 31 December 2017.

### **Capital Adequacy Ratios**

From the fiscal year ended 31 March 2014, the Basel III methodology has been adopted to calculate capital ratios. For credit risk, the Foundation Internal Ratings Based Approach (FIRB) has been applied. For operational risk, the Standardised Approach (TSA) has been adopted and the Internal Model Method has been used for market risk.

The Issuer's total capital adequacy ratio (Basel III) as of 31 December 2017 was 12.90%, compared with 13.06% as of 31 March 2017. In addition, the Issuer's Basel III international standard Common Equity Tier 1 Capital Ratio (fully loaded basis) decreased from 12.3% as of 31 March 2017 to 12.2% as of 31 December 2017.



## Management

The following table sets forth the members of the Board of Directors and the Audit & Supervisory Board of the Issuer as of the date of this Base Prospectus:

<b>Name</b>	<b>Title</b>
Hideyuki Kudo .....	Representative Director, President
Yukio Nakamura .....	Representative Director, Deputy President
J. Christopher Flowers <sup>(1)</sup> .....	Director
Ernest M. Higa <sup>(1)</sup> .....	Director
Shigeru Kani <sup>(1)</sup> .....	Director
Jun Makihara <sup>(1)</sup> .....	Director
Ryuichi Tomimura <sup>(1)</sup> .....	Director
Shinya Nagata .....	Audit & Supervisory Board Member
Michio Shibuya <sup>(2)</sup> .....	Audit & Supervisory Board Member
Kozue Shiga <sup>(2)</sup> .....	Audit & Supervisory Board Member

Notes:

(1) Outside Directors.

(2) Outside Audit & Supervisory Board Members.

## TAXATION

### General

The comments below are of a general nature and are not intended to be exhaustive. They do not purport to be a complete analysis of all tax considerations relating to the Notes. They assume that there will be no substitution of the Issuer and do not address the consequences of any such substitution (notwithstanding that such substitution may be permitted by the terms and conditions of the Notes). Potential investors are advised to satisfy themselves as to the overall tax consequences for themselves relating to the Notes by consulting their own tax advisers. The comments below are based upon the law as in effect on the date of this Base Prospectus and are subject to any change in law that may take effect after such date (including laws which have retrospective effect in relation to time periods prior to the date of this Base Prospectus).

### Japan

*The following description of Japanese taxation (limited to national taxes) applies to interest and the Profit from Redemption (as defined below) with respect to the Notes that will be issued by the Issuer outside Japan and the interest on which will be payable outside Japan, as well as certain aspects of capital gains, inheritance and gift taxes. It does not address the tax treatment of the original issue discount of the Notes that fall under “discounted bonds” as prescribed by the Special Taxation Measures Act). It is not intended to be exhaustive, and it is recommended that Noteholders and/or Couponholders consult their tax advisers as to their exact tax position.*

#### **Interest and Profit from Redemption**

Interest payments on the Notes will be subject to Japanese withholding tax unless the holder establishes that the Notes is held by or for the account of a holder that is (a) for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, paragraph 4 of the Special Taxation Measures Act (any such person hereinafter referred to as a “**specialty-related person of the Issuer**”), (b) a designated Japanese financial institution described in Article 6, paragraph 9 of the Special Taxation Measures Act (“**Designated Japanese Financial Institution**”) which complies with the Japanese tax exemption requirements, or (c) a public corporation, a financial institution, a financial instruments business operator or certain other entity (which has complied with the Japanese tax exemption requirements) which has received such payments through its payment handling agent in Japan as provided in Article 3-3 paragraph 6 of the Special Taxation Measures Act.

Interest payments on the Notes to an individual resident of Japan, to a Japanese corporation, or to an individual non-resident of Japan or a non-Japanese corporation that is a specialty-related person of the Issuer (except for the Designated Japanese Financial Institution and the public corporation, the financial institution, the financial instruments business operator and certain other entity described in the preceding paragraph) will be subject to deduction in respect of Japanese income tax at a rate of 15 per cent (for the period to and including 31 December 2037, an additional 0.315 per cent is added thereto as special income tax for reconstruction) of the amount of such interest.

If a beneficial owner of any Notes is an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specialty-related person of the Issuer, payment of interest on such Notes outside Japan by the Issuer or the Paying Agent to such beneficial owner will not be subject to Japanese withholding tax, provided that such beneficial owner complies with certain requirements, inter alia:

- (a) if such Notes are held through any of certain participants in an international clearing organisation, such as Euroclear and Clearstream, Luxembourg, or through any of certain financial intermediaries, in each case as prescribed by the Special Taxation Measures Act (each such participant or financial intermediary being referred to as a “**Participant**”), the requirement to provide certain information prescribed by the

Special Taxation Measures Act to enable the Participant to establish that the beneficial owner is exempt from the requirement for Japanese tax to be withheld or deducted; and

- (b) if such Notes are held not through a Participant, the requirement to submit to the Paying Agent a claim for exemption from withholding tax (*hikazei tekiyo shinkokusho*), together with certain documentary evidence, at or prior to each receipt of interest.

Even if a beneficial owner of any Notes is an individual non-resident of Japan or a non-Japanese corporation that in either case is not a specially-related person of the Issuer and has complied with the requirements described above, payment of interest on the Notes, however, will be subject to Japanese income or corporation taxes (including, where applicable, special taxes for reconstruction) payable otherwise than by way of withholding if such beneficial owner has a permanent establishment in Japan through which it conducts business and payment of such interest is attributable to such permanent establishment.

The above-described exemption from Japanese income tax with respect to interest on the Notes will not be applicable to any Notes on which interest is calculated based on any of certain indices, including the amount of profits or assets of the Issuer or a specially-related person of the Issuer, as described in Article 6, paragraph 4 of the Special Taxation Measures Act and the Cabinet Order relating to that paragraph.

The following legend will appear on the Temporary Global Notes, the Permanent Global Notes, the Global Certificates, the Certificates, the Bearer Notes, the Coupons, the Receipts and the Talons:

“INTEREST PAYMENTS ON THIS SECURITY WILL BE SUBJECT TO JAPANESE WITHHOLDING TAX UNLESS THE HOLDER ESTABLISHES THAT THE SECURITY IS HELD BY OR FOR THE ACCOUNT OF A HOLDER THAT IS (A) FOR JAPANESE TAX PURPOSES, NEITHER (X) AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION, NOR (Y) AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN (A “SPECIALLY-RELATED PERSON OF THE ISSUER”), (B) A DESIGNATED JAPANESE FINANCIAL INSTITUTION DESCRIBED IN ARTICLE 6, PARAGRAPH 9 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN WHICH COMPLIES WITH THE JAPANESE TAX EXEMPTION REQUIREMENTS, OR (C) A PUBLIC CORPORATION, A FINANCIAL INSTITUTION, A FINANCIAL INSTRUMENTS BUSINESS OPERATOR OR CERTAIN OTHER ENTITY (WHICH HAS COMPLIED WITH THE JAPANESE TAX EXEMPTION REQUIREMENTS) WHICH HAS RECEIVED SUCH PAYMENTS THROUGH ITS PAYMENT HANDLING AGENT IN JAPAN AS PROVIDED IN ARTICLE 3-3 PARAGRAPH 6 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN.

INTEREST PAYMENTS ON THIS SECURITY TO AN INDIVIDUAL RESIDENT OF JAPAN, TO A JAPANESE CORPORATION, OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NONJAPANESE CORPORATION THAT IS A SPECIALLY-RELATED PERSON OF THE ISSUER (EXCEPT FOR THE DESIGNATED JAPANESE FINANCIAL INSTITUTION AND THE PUBLIC CORPORATION, THE FINANCIAL INSTITUTION, THE FINANCIAL INSTRUMENTS BUSINESS OPERATOR AND CERTAIN OTHER ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH) WILL BE SUBJECT TO DEDUCTION IN RESPECT OF JAPANESE INCOME TAX AT A RATE OF 15 PER CENT (FOR THE PERIOD TO AND INCLUDING 31 DECEMBER 2037, AN ADDITIONAL 0.315 PER CENT IS ADDED THERETO AS SPECIAL INCOME TAX FOR RECONSTRUCTION) OF THE AMOUNT OF SUCH INTEREST.”

If the recipient of any difference between the acquisition price of Notes and the amount which the holder receives upon redemption of such Notes, defined in Article 41-13 and Article 67-17 of the Special Taxation Measures Act as profit from redemption (the “**Profit from Redemption**”), is an individual non-resident of Japan or a non-Japanese corporation with no permanent establishment in Japan that in either case is not a

specially-related person of the Issuer, no Japanese income or corporation taxes will be payable with respect to the Profit from Redemption. If the receipt of the Profit from Redemption is attributable to a permanent establishment maintained in Japan by an individual non-resident of Japan or a non-Japanese corporation through which such individual non-resident of Japan or non-Japanese corporation conducts business, however, the Profit from Redemption will be subject to Japanese income or corporation taxes (including, where applicable, special taxes for reconstruction).

#### *Capital gains, inheritance and gift taxes*

Gains derived from the sale of Notes by an individual non-resident of Japan or a non-Japanese corporation with no permanent establishment in Japan in general will not be subject to Japanese income or corporation taxes. Japanese inheritance and gift taxes at progressive rates may be payable by an individual who has acquired Notes as a legatee, heir or donee. No stamp, issue, registration or similar taxes or duties will, under present Japanese law, be payable in Japan by the Noteholders in connection with the issue of the Notes.

#### **FATCA Withholding**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “foreign financial institution” may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The Issuer is a foreign financial institution for these purposes. A number of jurisdictions (including Japan) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“**IGAs**”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply to payments prior to 1 January 2019. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

## SUBSCRIPTION AND SALE

### Summary of Programme Agreement

Subject to the terms and on the conditions contained in a programme agreement dated 27 March 2018 (the “**Programme Agreement**”) between the Issuer, the Permanent Dealers and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer have reserved the right to sell Notes directly on their own behalf to Dealers that are not Permanent Dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain expenses incurred in connection with the Programme and the Dealers for certain of their activities in connection with the Programme in accordance with the Programme Agreement.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

### United States

The Notes have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S under the Securities Act (“**Regulation S**”) or pursuant to an exemption from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Bearer Notes 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, as amended, and regulations thereunder.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, except as permitted by the Programme Agreement, it will not offer, sell or, in the case of Bearer Notes, deliver Notes of any Series (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering or the completion of the distribution of a tranche of which such Notes are a part, as determined and certified to the Fiscal Agent by such Dealer (or in the case of a sale of a tranche of Notes to or through more than one Dealer, by each of such Dealers with respect to the Notes of a tranche purchased by or through it, in which case the Fiscal Agent shall notify each such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

Each issuance of index-, commodity- or currency-linked Notes shall be subject to such additional U.S. selling restrictions as the Relevant Dealer(s) shall agree with the Issuer as a term of the issuance and purchase or, as

the case may be, subscription of such Notes. Each Relevant Dealer will be required to agree that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.

### **European Economic Area**

Each Dealer has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "**retail investor**" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
  - (ii) a customer within the meaning of the Insurance Mediation Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

### **United Kingdom**

Each Dealer has represented and agreed that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### **Japan**

The Notes have not been and will not be registered under the FIEA and are subject to the Special Taxation Measures Act. Each Dealer has represented and agreed (and each further Dealer appointed under the Programme will be required to represent and agree) that (i) it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any of the Notes in Japan or to any person resident in Japan for Japanese securities law purposes (including any corporation or entity organised under the laws of Japan), except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan, and (ii) it has not, directly or indirectly, offered or sold and will not, as part of its initial distribution, directly or indirectly, offer or sell any Notes to, or for the benefit of, any person other than (a) a beneficial owner that is, for Japanese tax purposes, neither (x) an individual resident of Japan or a Japanese corporation, nor (y) an individual non-resident of Japan or a non-Japanese corporation that in either case is a person having a special relationship with the Issuer as described in Article 6, paragraph (4) of the Special Taxation Measures Act, (b) a Designated Japanese Financial Institution,

or (c) any other excluded category of persons, corporations or other entities under the Special Taxation Measures Act.

### **Singapore**

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (“MAS”). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Note:

This Base Prospectus has not been registered as a prospectus with the MAS. Accordingly, this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of any Notes may not be circulated or distributed, nor may any Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)), the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

- (i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- (ii) where no consideration is or will be given for the transfer;
- (iii) where the transfer is by operation of law;
- (iv) as specified in Section 276(7) of the SFA; or
- (v) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

**General**

Neither the Issuer nor any Dealer have made any representation that any action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus, any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

**Other Relationships**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business for which they have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Dealers or their affiliates that have lending relationships with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in the Issuer's securities, including potentially any Notes to be offered under the Programme. Any such short positions could adversely affect future trading prices of the Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.



## FORM OF FINAL TERMS

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

**Final Terms dated [●]**

**SHINSEI BANK, LIMITED**

**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]**

**under the**

**SHINSEI BANK, LIMITED**

**U.S. \$5,000,000,000**

**Euro Medium Term Note Programme**

This document constitutes the Final Terms for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated [●] [and the supplement to it dated [●]] (the “**Base Prospectus**”)[, save in respect of the Conditions (as defined below) which are extracted from the Base Prospectus dated [original date] [and the supplement to it dated [●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Final Terms and the Base Prospectus. Copies of the Base Prospectus may be obtained from [●].

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [●] [and the supplement dated [●]].

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

*[Include whichever of the following apply or specify as “**Not Applicable**” (N/A). Note that the numbering should remain as set out below, even if “**Not Applicable**” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

- |          |                        |                       |
|----------|------------------------|-----------------------|
| <b>1</b> | (i) Issuer:            | Shinsei Bank, Limited |
| <b>2</b> | (ii) Series Number:    | [●]                   |
|          | (iii) [Tranche Number: | [●]]                  |

*[If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.]*

- 3 Specified Currency or Currencies: [●]
- 4 Aggregate Nominal Amount:  
 (i) Series: [●]  
 (ii) [Tranche: [●]]
- 5 Issue Price: [●] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*in the case of fungible issues only, if applicable*)]
- 6 (i) Specified Denominations: [*Specify* / [●] and integral multiples of [●] in excess thereof [up to and including [●]]<sup>1</sup>]  
 (ii) Calculation Amount: [●]
- 7 (i) Issue Date: [●]  
 (ii) Interest Commencement Date: [*Specify*/Issue Date/Not Applicable]
- 8 Maturity Date: [*specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year*]
- 9 Interest Basis:  
 [[●] per cent Fixed Rate]  
 [[*specify reference rate*] +/- [●] per cent Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Other (*specify*)]  
 (further particulars specified below)
- 10 Redemption/Payment Basis:  
 [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency]  
 [Partly Paid]  
 [Instalment]  
 [Other (*specify*)]
- 11 Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis*]/[Not Applicable]
- 12 Put/Call Options:  
 [Not Applicable]  
 [Put]  
 [Call]  
 [(further particulars specified below)]
- 13 Listing: [Listing on the Singapore Stock Exchange/Other (*specify*)/None]
- 14 Method of distribution: [Syndicated/Non-syndicated]
- PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**
- 15 **Fixed Rate Note Provisions** [Applicable/Not Applicable]

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<sup>1</sup> Include for Bearer Notes.

- (If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate [(s)] of Interest: [●] per cent per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with the Business Day Convention specified below [(not adjusted)]]
- (Interest Payment Dates for Fixed Rate Notes are normally not subject to adjustment by any Business Day Convention)*
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (iv) Business Centre(s) (Condition 5(k)): [●]
- (v) Fixed Coupon Amount [(s)]: [●] per Calculation Amount
- (vi) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the interest Payment Date(s) to which they relate]*
- (vii) Day Count Fraction (Condition 4(i)): [30/360]/[Actual/Actual (ICMA)]/[specify other]
- (viii) Determination Date(s) (Condition 4(i)): [Not Applicable]/[●] in each year *[insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*<sup>2</sup>
- (ix) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 16 Floating Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (iv) Business Centre(s) (Condition 5(k)): [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (vi) Interest Period Date(s): [Not Applicable/specify dates]
- (vii) Calculation Agent: [Shinsei Securities Co., Ltd.] / specify other
- (viii) Screen Rate Determination:
- Reference Rate: [●]

<sup>2</sup> Only to be completed for an issue where Day Count Fraction is Actual/Actual-ICMA

- Interest Determination Date(s): [●]
- Relevant Screen Page: [●]
- (ix) ISDA Determination:
  - Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]
  - ISDA Definitions: (if different from those set out in the Conditions) [●]
- (x) Margin(s): [+/-] [●] per cent per annum
- (xi) Minimum Rate of Interest: [[●] per cent per annum/Not Applicable]
- (xii) Maximum Rate of Interest: [[●] per cent per annum/Not Applicable]
- (xiii) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[specify other]  
(See condition 5 for alternatives)
- (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 17 Zero Coupon Note Provisions** [Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
  - (i) Amortisation Yield: [●] per cent per annum
  - (ii) Day Count Fraction: [●]
  - (iii) Any other formula/basis of determining amount payable: [●]
- 18 Index Linked Interest Note Provisions** [Applicable/Not Applicable] (if not applicable, delete the remaining sub-paragraphs of this paragraph)
  - (i) Index/Formula: [Give or annex details]
  - (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [●]
  - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [●]
  - (iv) Determination Date(s): [●]
  - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or

impracticable or otherwise  
disrupted:

- (vi) Interest or calculation period(s): [●]
  - (vii) Specified Interest Payment Dates: [●]
  - (viii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
  - (ix) Business Centre(s): [●]
  - (x) Minimum Rate/Amount of Interest: [●] [per cent] per annum
- 19 Dual Currency Note Provisions** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
  - (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent): [●]
  - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
  - (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

#### PROVISIONS RELATING TO REDEMPTION

- 20 Issuer Call** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum nominal amount to be redeemed: [●]
    - (b) Maximum nominal amount to be redeemed: [●]
  - (iv) Notice period [As per the Conditions/*give details*]
- 21 Investor Put** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount

- (iii) Option Exercise Date(s): [●]  
 (iv) Notice period [As per the Conditions/*give details*]
- 22 Final Redemption Amount of each Note** [●] per Calculation Amount

**23 Early Redemption Amount**

Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions): [●]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 24 Form of Notes:** [Bearer Notes/Registered Notes]  
 [temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]  
 [temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [●] days' notice]  
 [Include the following if applicable]  
 [permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]
- 25 Financial Centre(s) or other special provisions relating to payment** [Not Applicable/*Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(iv) and 19(vii) relate*]
- 26 Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):** [Yes/No. *If yes, give details*]
- 27 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:** [Not Applicable/*give details*]
- 28 Details relating to Instalment Notes:** [Not Applicable/*give details*]
- (i) Instalment Amount(s): [●]  
 (ii) Instalment Date(s): [●]  
 (iii) Minimum Instalment Amount: [●]  
 (iv) Maximum Instalment Amount: [●]

29 Other terms or special conditions: [Not Applicable/*give details*]

#### **DISTRIBUTION**

30 (i) If syndicated, names of Managers: [Not Applicable/*give names*]

(ii) Stabilising Manager[s] (if any): [Not Applicable/*give name*]

(iii) Dealer's Commission: [●]

31 If non-syndicated, name of Dealer: [Not Applicable/*give name*]

32 U.S. Selling Restriction: [Regulation S Compliance Category/TEFRA C /TEFRA D /Not Applicable]

33 Additional U.S. federal income tax considerations: [The Issuer has determined that, as of the Issue Date of the Notes, the Notes will not be subject to withholding under Section 871(m) of the U.S. Internal Revenue Code./*give details*]

34 Additional selling restrictions: [Not Applicable/*give details*]

#### **OPERATIONAL INFORMATION**

35 ISIN Code: [●]

36 Common Code: [●]

37 Legal Entity Identifier: [●]

38 Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

39 Delivery: Delivery [against/free of] payment

40 The Agents appointed in respect of the Notes are: [●]

#### **GENERAL**

41 [The aggregate nominal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars): U.S.\$[●]]

42 Ratings: The Programme is rated as of the date of these Final Terms:  
Rating and Investment Information, Inc.: A-  
The Notes to be issued [are expected to be/have not been] rated:  
[[Rating Agency]: [●]]  
A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

#### **LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Note Programme of Shinsei Bank, Limited.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

**AUTHORISATION OF THE NOTES**

The Issuer hereby confirms that the Notes have been duly authorised by the Issuer.

Signed on behalf of **SHINSEI BANK, LIMITED** (as Issuer):

By:

.....

Duly authorised



## [ANNEX 1]: CREDIT LINKED NOTES SUPPLEMENT

*This section sets out the terms and conditions that apply to the Credit Linked Notes.*

The following are the additional conditions (the “**Credit Linked Additional Conditions**”) that will apply to Notes issued under this Credit Linked Notes Supplement (“**Credit Linked Notes**”). In the case of any inconsistency between these Credit Linked Additional Conditions, the Conditions, these Credit Linked Additional Conditions will prevail.

Words and expressions defined or used in the relevant Final Terms shall have the same meanings where used in these Credit Linked Additional Conditions unless the context otherwise requires or unless otherwise stated. All capitalised terms that are not defined in these Credit Linked Additional Conditions or elsewhere in the Conditions applicable to the Credit Linked Notes will have the meanings given to them in the relevant Final Terms. References in these Credit Linked Additional Conditions to Credit Linked Notes are to the Credit Linked Notes of one Series only, not to all Credit Linked Notes that may be issued under this Credit Linked Notes Supplement. Unless otherwise specified, references in these Credit Linked Additional Conditions to a “Additional Condition” are to a section or clause of these Credit Linked Additional Conditions.

Capitalised terms used herein shall be deemed to be defined as such for the purposes of Base Prospectus and the Conditions (as defined therein).

### **1 Redemption of Credit Linked Notes**

#### **1.1 Redemption on the Maturity Date**

Unless the Credit Linked Notes have been previously redeemed, purchased and cancelled by the Issuer, provided that a Relevant Credit Event has not occurred and subject to Maturity Date Extension pursuant to Credit Linked Additional Condition 3 (*Maturity Date Extension*), the Credit Linked Notes shall be redeemed in full on the Maturity Date.

#### **1.2 Redemption following the occurrence of a Credit Event**

Unless the Credit Linked Notes have been previously redeemed, purchased and cancelled as provided for in the Conditions, if a Relevant Event Determination Date has occurred, the Issuer will redeem the Credit Linked Notes (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof) as follows:

- 1.2.1 if “Cash Redemption” is specified as the Credit Event Redemption Method in the relevant Final Terms (or if “Cash Redemption” is specified as the Fallback Redemption Method and Credit Linked Additional Condition 5 (*Auction Redemption Terms*) requires that the Issuer redeems the Notes in accordance with Credit Linked Additional Condition 6 (*Cash Redemption Terms*), by payment of, in the case of Notes to which Credit Payment on Maturity does not apply, the Cash Redemption Amount on the relevant Cash Redemption Date and, in the case of Notes to which Credit Payment on Maturity applies, the Final Cash Redemption Amount on the Final Cash Redemption Date in accordance with Credit Linked Additional Condition 6 (*Cash Redemption Terms*);
- 1.2.2 If “Auction Redemption” is specified as the Credit Event Redemption Method in the relevant Final Terms, by payment of, in the case of Notes to which Credit Payment on Maturity does not apply, the Auction Redemption Amount on the relevant Auction Redemption Date and, in the case of Notes to which Credit Payment on Maturity applies, the Final Auction Redemption Amount on the Final Auction Redemption Date;

- 1.2.3 if “Cash or Auction Redemption” is specified as the Credit Event Redemption Method in the relevant Final Terms, as set out in sub-paragraph 1.2.1 or 1.2.2 of this Credit Linked Additional Condition 1.2 at the option of the Issuer in its sole and absolute discretion and notified to Noteholders,

in each case subject to Credit Linked Additional Condition 9 (*Effect of DC Announcements*).

Upon discharge by the Issuer of its payment or delivery obligations on the Cash Redemption Date or Auction Redemption Date (or, if the relevant Cash Redemption Amount or the Auction Redemption Amount is zero, upon the occurrence of the Cash Redemption Date or Auction Redemption Date, as applicable) or, in the case of Notes to which Credit Payment on Maturity applies, on the Final Cash Redemption Date or Final Auction Redemption Date, as the case may be, pursuant to Credit Linked Additional Condition 5 (*Auction Redemption Terms*), or 6 (*Cash Redemption Terms*), as applicable, or as otherwise provided herein, the Issuer’s obligations in respect of the Applicable Proportion of the Notes shall be discharged in full.

### 1.3 **Credit Event Notice and Notice of Publicly Available Information**

- 1.3.1 If a Credit Event Notice and, if applicable, a Notice of Publicly Available Information is required to be delivered for an Event Determination Date to occur, the Issuer shall deliver a Credit Event Notice and, if applicable, a Notice of Publicly Available Information to the Noteholders in accordance with Condition 14 (*Notices*) (provided that failure to deliver a copy of such Credit Event Notice and/or such Notice of Publicly Available Information to the Noteholders shall not affect the effectiveness of the Credit Event Notice and/or the Notice of Publicly Available Information, as determined by the Issuer and/or the Calculation Agent, or the rights of the Issuer to redeem the Credit Linked Notes (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof)).
- 1.3.2 If a Credit Event Notice is not required to be delivered in order for an Event Determination Date to occur, then the Issuer shall, promptly upon becoming aware that an Event Determination Date has occurred, give written notice containing the same information required to be included in a Credit Event Notice to the Noteholders in accordance with Condition 14 (*Notices*) (provided that any failure to give such notice to the Noteholders shall not affect any determinations made by the Issuer and/or the Calculation Agent or the rights of the Issuer to redeem the Credit Linked Notes (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof)).
- 1.3.3 The Calculation Agent’s determination of a Credit Event will, in the absence of manifest error and subject to the definition of “Event Determination Date”, be conclusive and binding on all persons (including, without limitation, the Fiscal Agent and each Noteholder).
- 1.3.4 None of the Issuer, the Calculation Agent, the Fiscal Agent and the Paying Agents will have any liability whatsoever for the failure of the Calculation Agent for any reason to determine that a Credit Event has occurred or with respect to the Issuer’s timing as to when to deliver a Credit Event Notice (or any such other notice required to be delivered by the Issuer to the Noteholder(s) or any other party in accordance with these Credit Linked Additional Conditions including a Notice of Publicly Available Information) nor will they have any duty or responsibility to investigate or check whether any Credit Event has, or may have, occurred or may be continuing. In addition, the failure of the Issuer to deliver the Credit Event Notice shall not affect the effectiveness of any determination made, or any other notice delivered, by the Issuer or the Calculation Agent in respect of a relevant Reference Entity.

### 1.4 **Relevant Time**

- 1.4.1 Subject to Credit Linked Additional Condition [14] (*Notices*) and sub-paragraph 1.4.2 of this Credit Linked Additional Condition 1.4, in order to determine the day on which an event occurs for purposes of these Credit Linked Additional Conditions, the demarcation of days shall be made by reference to Greenwich Mean Time (or Tokyo time if the Calculation Agent determines that Tokyo time is the market convention with respect to the relevant Reference Entity), irrespective of the time zone in which such event occurred. Any event occurring at midnight shall be deemed to have occurred immediately prior to midnight.
- 1.4.2 Notwithstanding the definition of “Credit Event Notice” and sub-paragraph 1.4.1 of this Credit Linked Additional Condition 1.4, if a payment is not made by the Reference Entity on its due date or, as the case may be, on the final day of the relevant Grace Period, then such failure to make a payment shall be deemed to have occurred on such day prior to midnight Greenwich Mean Time (or Tokyo time if the Calculation Agent determines that Tokyo time is the market convention with respect to the relevant Reference Entity), irrespective of the time zone of its place of payment.

## **2 Interest on Credit Linked Notes**

### **2.1 Accrual of Interest**

Provided that a Relevant Event Determination Date has not occurred in respect of a Reference Entity during the Notice Delivery Period and on or prior to the Maturity Date then, subject to Credit Linked Additional Condition 2.2 (*Suspension of Interest following an Applicable DC Credit Event Question*), interest (if any) shall accrue on the Credit Linked Notes in accordance with Condition 5 (*Interest and other Calculations*) (as completed by the relevant Final Terms).

### **2.2 Suspension of Interest following an Applicable DC Credit Event Question**

Subject to Credit Linked Additional Conditions 2.3 (*Payment of Suspended Interest*) and 2.4 (*Payment of Interest – M(M)R Restructuring Credit Event*), if, an Applicable DC Credit Event Question is made on or prior to any Interest Payment Date in respect of which a DC Resolution has not been published, the payment of interest (if any) in respect of the Notes scheduled to be paid to Noteholders on or about such Interest Payment Date, will be suspended.

### **2.3 Payment of Suspended Interest**

- 2.3.1 If, in connection with an Applicable DC Credit Event Question, either (i) an Applicable DC Credit Event Announcement is made but the Calculation Agent determines that the Event Determination Date relating thereto is a date falling after such Interest Payment Date, or (ii) an Applicable DC No Credit Event Announcement or an Applicable DC Credit Question Dismissal is made, payment of the suspended interest will be made five Business Days after the date the Event Determination Date is so determined or the date of the Applicable DC No Credit Event Announcement or Applicable DC Credit Question Dismissal, as applicable.
- 2.3.2 If, in connection with an Applicable DC Credit Event Question, an Applicable DC Credit Event Announcement is made and the Calculation Agent determines that the Event Determination Date relating thereto is a date falling on or prior to such Interest Payment Date, no payment of the suspended interest will be made and the accrual of interest prior to such Interest Payment Date will be determined in accordance with Credit Linked Additional Condition 2.5 (*Accrual of Interest on Credit Event*).
- 2.3.3 No additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to Credit Linked Additional Condition 2.2 (*Suspension of Interest following an Applicable DC Credit Event Question*). For the avoidance of doubt, no interest shall accrue on any Note after

the Maturity Date. The Issuer shall endeavour to give a notice (substantially in the form of the notice in Part B (*Form of Notice relating to Suspension of Interest following an Applicable DC Credit Event Question*) of Schedule 2 hereto) to the Noteholders in accordance with Condition 14 (*Notices*) as soon as reasonably practicable should any payment of interest be suspended and/or postponed pursuant to this Credit Linked Additional Condition 2.

#### **2.4 Payment of Interest – M(M)R Restructuring Credit Event**

If, in connection with an Applicable DC Credit Event Question, an Applicable DC Credit Event Announcement is made and the Credit Event is an M(M)R Restructuring Credit Event:

- 2.4.1 save for the portion of suspended interest relating to the Applicable Proportion of the Notes, payment of the remaining portion of suspended interest will be made five Business Days after the date on which the relevant Credit Event Notice is delivered; and
- 2.4.2 payment of the portion of suspended interest relating to the Applicable Proportion of the Notes will be not be made and the accrual of interest relating to the Applicable Proportion of the Notes prior to such Interest Payment Date will be determined in accordance with Credit Linked Additional Condition 2.5 (*Accrual of Interest on Credit Event*).

#### **2.5 Accrual of Interest on Credit Event**

If a Relevant Event Determination Date has occurred in respect of a Reference Entity during the Notice Delivery Period but prior to the Maturity Date then, notwithstanding anything to the contrary in Condition 5 (*Interest and other Calculations*), interest will cease to accrue on the Credit Linked Notes (or, if the Credit Event is an M(M)R Restructuring Credit Event, on the Applicable Proportion of the Credit Linked Notes) as at the earlier to occur of the day prior to:

- 2.5.1 the Maturity Date; and
- 2.5.2
  - (a) if “Credit Event Accrued Interest” is specified in the relevant Final Terms as not applicable, the Interest Payment Date (or Issue Date where no Interest Payment Date has occurred) occurring on or immediately preceding the Relevant Event Determination Date; or
  - (b) if “Credit Event Accrued Interest” is specified in the relevant Final Terms as applicable, the Relevant Event Determination Date.

If “Credit Event Accrued Interest” is specified as applicable in the relevant Final Terms, the interest accrued between (x) the Interest Payment Date occurring immediately preceding the Relevant Event Determination Date and (y) the Maturity Date or the Relevant Event Determination Date (as applicable) shall be payable on the earlier of (i) the Interest Payment Date immediately following the Relevant Event Determination Date and (ii) the Maturity Date, the Auction Redemption Date or the Cash Redemption Date (as applicable).

#### **2.6 Accrual of Interest on Credit Event – Credit Payment on Maturity**

If Credit Payment on Maturity applies and a Relevant Event Determination Date has occurred in respect of a Reference Entity during the Notice Delivery Period but prior to the Maturity Date then, notwithstanding that the Final Cash Redemption Amount or the Final Auction Redemption Amount shall be payable on the Final Cash Redemption Date or Final Auction Redemption Date (as applicable), interest shall cease to accrue on the Applicable Proportion of the Credit Linked Notes in accordance with Credit Linked Additional Condition 2.5 (*Accrual of Interest on Credit Event*). Where Credit Payment on Maturity applies, following the occurrence of a Credit Event, if the Maturity Date

is defined in the relevant Final Terms by reference to an Interest Payment Date, then the Maturity Date shall be the date which would have been such Interest Payment Date notwithstanding that due to the occurrence of a Credit Event interest has ceased to accrue in accordance with Credit Linked Additional Condition 2.5 (*Accrual of Interest on Credit Event*).

## 2.7 **Adjustment Payment**

If, in accordance with the provisions above, following the determination of an Event Determination Date, such Event Determination Date is deemed either to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or not to have occurred, or an Event Determination Date is deemed to have occurred prior to a preceding Interest Payment Date, the Calculation Agent will determine (a) the adjustment payment, if any, that is payable to reflect any change that may be necessary to the amount previously calculated and/or paid in respect of the relevant Series and (b) the date in which such adjustment payment is payable, if any. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment.

## 3 **Maturity Date Extension**

3.1 Where the Calculation Agent determines on or prior to the Maturity Date, in its sole and absolute discretion, that one or more Reference Entities is or may be subject to (a) a Credit Event, (b) if “Grace Period Extension” is specified as being applicable in the relevant Final Terms, a Potential Failure to Pay or, (c) if “Repudiation/Moratorium” is specified as being applicable in the relevant Final Terms, a Potential Repudiation/Moratorium, it shall notify the Noteholders and the Credit Linked Notes then outstanding shall not be redeemed on the Maturity Date but shall be redeemed instead on the Extended Maturity Date.

3.2 If any amount is payable on the Maturity Date of a Credit Linked Note to which the provisions of Credit Linked Additional Condition 3.1 apply, such amount shall fall due on the Extended Maturity Date and shall be payable without any interest or other sum payable in respect of the postponement of the payment of such amount.

## 4 **Credit Event Notice after M(M)R Restructuring**

### 4.1 **M(M)R Restructuring Credit Event**

Upon the occurrence of an M(M)R Restructuring, the Issuer may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such Credit Event Notice setting forth the amount of the Aggregate Nominal Amount of the Credit Linked Notes to which such Credit Event Notice applies which may be less than the Aggregate Nominal Amount of such Credit Linked Note (the “**Exercise Amount**”); provided that if the Credit Event Notice does not specify an Exercise Amount, then the Aggregate Nominal Amount of the Credit Linked Notes outstanding immediately prior to the delivery of such Credit Event Notice (and not a portion thereof) will be deemed to have been specified as the Exercise Amount. Accordingly, notwithstanding anything to the contrary in these Credit Linked Additional Conditions, where an M(M)R Restructuring Credit Event has occurred and the Issuer has delivered a Credit Event Notice for an Exercise Amount that is less than the Aggregate Nominal Amount of the Notes as at the date immediately prior to the delivery of such Credit Event Notice, the provisions of these Credit Linked Additional Conditions shall be deemed to apply to a principal amount of the Notes equal to the Exercise Amount only and all the provisions shall be construed accordingly;

### 4.2 **Redemption of Notes following partial exercise**

If the Issuer has delivered a Credit Event Notice in respect of an M(M)R Restructuring that specifies an Exercise Amount that is less than the Aggregate Nominal Amount of the Credit Linked Notes, then:

- 4.2.1 the relevant provisions of Credit Linked Additional Condition 5 (*Auction Redemption Terms*), or 6 (*Cash Redemption Terms*) relating to Redemption of Credit Linked Notes shall apply to the Exercise Amount, including for the purposes of calculating the Auction Redemption Amount or the Cash Redemption Amount to be paid to Noteholders. In such circumstances, the Calculation Agent may adjust such provisions of the Credit Linked Additional Conditions and/or relevant Final Terms as it determines appropriate to take account of this Credit Linked Additional Condition 4, including the basis of the calculation of any Auction Redemption Amount or Cash Redemption Amount;
  - 4.2.2 following any payment of an Auction Redemption Amount or Cash Redemption Amount to Noteholders or any other determination made in respect of any Exercise Amount, the Notes in an amount equal to the Aggregate Nominal Amount less the Exercise Amount shall remain outstanding (the “**Outstanding Amount**”) and interest (if applicable) shall accrue on the Outstanding Amount as provided for in Condition 5 (*Interest and other Calculations*) and the Issuer may thereafter deliver one or more further Credit Event Notices in respect of such Outstanding Amount to which the Credit Linked Additional Conditions shall continue to apply; and
  - 4.2.3 the Calculation Agent may adjust the provisions of these Credit Linked Additional Conditions and/or the relevant Final Terms in such manner as it may determine to be appropriate to account for such event.
- 4.3 If the provisions of this Credit Linked Additional Condition 4.3 apply in respect of the Credit Linked Notes, on any redemption of part of each such Credit Linked Note, the relevant Credit Linked Note or, if the Credit Linked Notes are represented by a Global Note, such Global Note, shall be endorsed to reflect such part redemption.
- 4.4 The Exercise Amount in connection with a Credit Event Notice describing an M(M)R Restructuring must be an amount that is at least 1,000,000 units of the Settlement Currency (or, if Japanese Yen, 100,000,000 units) and an integral multiple thereof or the Aggregate Nominal Amount of the Credit Linked Notes.

## **5 Auction Redemption Terms**

### **5.1 Redemption of the Credit Linked Notes where Auction Redemption applies**

Notwithstanding anything to the contrary in Condition 6 (*Redemption, Purchase and Options*) and unless previously redeemed or purchased and cancelled, if “Auction Redemption” is specified as the Credit Event Redemption Method in the relevant Final Terms (or if “Cash or Auction Redemption” is specified in the relevant Final Terms and Auction Redemption is selected by the Issuer), following the occurrence of a Relevant Event Determination Date, then:

- 5.1.1 Subject to sub-paragraph 5.1.2 of this Credit Linked Additional Condition 5.1, the Issuer shall, subject as aforesaid, redeem:
  - (a) each Note in whole at the Auction Redemption Amount; or
  - (b) if the Credit Event is an M(M)R Restructuring Credit Event, (A) a portion of the principal amount of each Note equal to the Applicable Proportion determined by reference to the Exercise Amount specified in the Credit Event Notice relating to the relevant Credit Event on the relevant Auction Redemption Date at the Auction

Redemption Amount, and (B) the remaining portion of each Note at its *pro rata* Final Redemption Amount on the Maturity Date; and

- 5.1.2 in the case of Notes to which Credit Payment on Maturity applies, the Issuer shall redeem each Note in whole on the later to occur of (i) the Auction Redemption Date in respect of the relevant Reference Entity and Credit Event and (ii) the Maturity Date (the “**Final Auction Redemption Date**”) at the Final Auction Redemption Amount.

Payment by the Issuer of the Auction Redemption Amount shall fully and effectively discharge the Issuer’s obligation to redeem the Applicable Proportion of the relevant Note and payment by the Issuer of the Final Auction Redemption Amount shall fully and effectively discharge the Issuer’s obligation to redeem the entirety of the relevant Note.

## 5.2 Fallback Redemption

Without prejudice to the foregoing, but without duplication of settlement, if the Calculation Agent determines with respect to a Credit Event and any relevant Applicable DC Credit Event Question, Applicable Resolution and/or Applicable Auction, that (i) an Auction Cancellation Date has occurred, (ii) a No Auction Announcement Date has occurred (and, in circumstances where such No Auction Announcement Date occurs pursuant to sub-paragraph (b) or sub-paragraph (c)(ii) under the definition of “No Auction Announcement Date”, the Calculation Agent has not exercised the Movement Option), (iii) a DC Credit Event Question Dismissal occurs or (iv) a Relevant Event Determination Date was determined pursuant to sub-paragraph (a) of the definition of “Event Determination Date” or pursuant to sub-paragraph (a) of the definition of “Non-Standard Event Determination Date”, and no Credit Event Resolution Request Date has occurred on or prior to the date falling three Business Days after such Relevant Event Determination Date, or (v) a Relevant Event Determination Date was determined pursuant to sub-paragraph (b)(ii)(B)(II)(2) of the definition of “Non-Standard Event Determination Date”,

then, the Fallback Redemption Method shall apply and the Issuer shall redeem each Note in accordance with Credit Linked Additional Condition 6 (*Cash Redemption Terms*)).

## 5.3 Movement Option

If “Mod R or “Mod Mod R” is specified in the relevant Final Terms and the Calculation Agent determines in respect of a Restructuring Credit Event that a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) or sub-paragraph (c)(ii) of the definition of “No Auction Announcement Date”, the Issuer may elect in its sole and absolute discretion to deliver a Notice to Exercise Movement Option to the Noteholders at any time on or prior to the Movement Option Cut-off Date. If a Notice to Exercise Movement Option is so delivered, then provided that the related Event Determination Date is not reversed on or prior to the relevant Auction Redemption Date, redemption of the Credit Linked Notes (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion of the Credit Linked Notes), shall take place by payment by the Issuer of the Auction Redemption Amount on the Auction Redemption Date (or, if Credit Payment on Maturity applies, by payment of the Final Auction Redemption Amount on the Final Auction Redemption Date), for which purposes the Auction Redemption Amount and the Auction Redemption Date shall be determined by reference to the relevant Parallel Auction identified by the Issuer in the Notice to Exercise Movement Option.

If a Notice to Exercise Movement Option is delivered by the Issuer, all references in these Credit Linked Additional Conditions to “Applicable Auction”, “Applicable Auction Settlement Terms” and “Auction Cancellation Date” shall be deemed to be references to the “Parallel Auction”, “Parallel Auction Settlement Terms” and “Parallel Auction Cancellation Date” and the terms of these Credit Linked Additional Conditions shall be construed accordingly.

#### 5.4 **Auction Final Price of the Asset Package**

If an Asset Package Credit Event has occurred and the Auction Final Price for the Applicable Auction reflects the entire relevant Asset Package in respect of the Prior Deliverable Obligation(s) or Package Observable Bond(s) (as applicable) (including any cash forming part of the Asset Package and the Asset Market Value of any Non-Financial Instrument or Non-Transferable Instrument), the Auction Redemption Amount or Final Auction Redemption Amount shall be determined using the Auction Final Price. If the Calculation Agent determines that the Auction Final Price does not reflect the price of the entire relevant Asset Package, as determined above, the Calculation Agent shall make such adjustment to the Auction Final Price and/or the Auction Redemption Amount or Final Auction Redemption Amount in its sole and absolute discretion as it deems necessary to reflect the value of the Asset Package and to preserve the economic effects of the terms of the Notes and for such purposes the Calculation Agent may take into account any method of determining the Asset Market Value of any Asset that is a Non-Transferable Instrument or a Non-Financial Instrument forming part of the Asset Package but that has not been taken into in the Auction Final Price that may be published by the DC Secretary.

#### 5.5 **Notice of Auction Redemption Amount**

Following the determination of the Auction Redemption Amount or the Final Auction Redemption Amount (as applicable) with respect to any Credit Linked Notes subject to the terms set out herein, the Issuer shall deliver a notice (substantially in the form of the notice in Part C (*Form of Notice of Auction Redemption Amount*) of Schedule 2 hereto) in accordance with Condition 14 (*Notices*) to the Noteholders specifying the Auction Redemption Amount or the Final Auction Redemption Amount (as applicable) (including the Auction Final Price and, if applicable, Credit Event Unwind Costs) (provided that any failure to give such notice to the Noteholders shall not affect any determinations made by the Issuer and/or the Calculation Agent or the rights of the Issuer to redeem the Credit Linked Notes).

### 6 **Cash Redemption Terms**

#### 6.1 **Redemption of Credit Linked Notes where Cash Redemption applies**

Notwithstanding anything to the contrary in Condition 6 (*Redemption, Purchase and Options*) and unless previously redeemed or purchased and cancelled, and subject to Credit Linked Additional Condition 9 (*Effect of DC Announcements*) if (a) “Cash Redemption” is specified as the Credit Event Redemption Method in the relevant Final Terms, or, or (b) Cash Redemption is applicable as the Fallback Redemption Method in accordance with the Auction Redemption Terms in Credit Linked Additional Condition 5 (*Auction Redemption Terms*), then, following the occurrence of a Relevant Event Determination Date:

- 6.1.1 subject to sub-paragraph 6.1.2 of this Credit Linked Additional Condition 6.1, the Issuer shall, subject as aforesaid, redeem:
- (a) each Note in whole on the relevant Cash Redemption Date at the Cash Redemption Amount; or
  - (b) if the Credit Event is an M(M)R Restructuring Credit Event, (A) a portion of the principal amount of each Note equal to the Applicable Proportion determined by reference to the Exercise Amount specified in the Credit Event Notice relating to the relevant Credit Event on the relevant Cash Redemption Date at the Cash Redemption Amount and (B) the remaining portion of each Note at its *pro rata* Final Redemption Amount on the Maturity Date; and



- 6.1.2 in the case of Notes to which Credit Payment on Maturity applies, the Issuer shall redeem each Note in whole on the later to occur of (i) the Cash Redemption Date in respect of the relevant Reference Entity and a Credit Event and (ii) the Maturity Date (the “**Final Cash Redemption Date**”) at the Final Cash Redemption Amount.

Payment by the Issuer of the Cash Redemption Amount shall fully and effectively discharge the Issuer’s obligation to redeem the Applicable Proportion of the relevant Note and payment by the Issuer of the Final Cash Redemption Amount shall fully and effectively discharge the Issuer’s obligation to redeem the Note.

## 6.2 **Determination of the Final Price**

- 6.2.1 On the Valuation Date, the Calculation Agent shall commence determination of the Final Price using the Deliverable Obligations to be valued selected in its discretion, acting in a commercially reasonable manner.

6.2.2 If:

- (a) “Include Accrued Interest” is specified in the relevant Final Terms, the Outstanding Principal Balance of the Deliverable Obligations shall include accrued but unpaid interest;
- (b) “Exclude Accrued Interest” is specified in the relevant Final Terms, the Outstanding Principal Balance of the Deliverable Obligations shall not include accrued but unpaid interest; or
- (c) neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified in the relevant Final Terms, the Calculation Agent shall determine, based on the then current market practice in the market of the Deliverable Obligation whether the Outstanding Principal Balance of the Deliverable Obligation shall include or exclude accrued but unpaid interest and, if applicable, the amount thereof,

the Calculation Agent shall, as soon as reasonably practicable after obtaining or being notified by the Issuer of, as applicable, all Quotations for a Valuation Date, notify the Issuer in writing of if applicable, each such Quotation that it receives in connection with the calculation of the Final Price together with a written computation showing such calculation and including the information specified in sub-paragraph 14.2.5 of Credit Linked Additional Condition 14.2 (*Notices required to be delivered*) (provided that any failure of the Issuer to give such notice to Noteholders shall not affect any determination made by the Issuer or Calculation Agent or the rights of the Issuer to redeem the Credit Linked Notes (or, if the Credit Event is an M(M)R Restructuring Credit Event, the Applicable Proportion thereof)).

- 6.2.3 If an Asset Package Credit Event has occurred, (i) valuation of a Prior Deliverable Obligation or Package Observable Bond specified in the notice to the Noteholders may be satisfied by valuation of the related Asset Package and such Asset Package shall be treated as having the same currency and Outstanding Principal Balance as that of the Prior Deliverable Obligation or Package Observable Bond, as applicable, to which it corresponds immediately prior to the Asset Package Credit Event, (ii) if the Asset Package is zero, a Quotation shall be deemed to have been obtained for the Outstanding Principle Balance of the Prior Deliverable Obligation or Package Observable Bond (as applicable) equal to zero, and (iii) for any other Asset Package, the Calculation Agent shall determine the value of the Asset Package in its sole and absolute discretion and a Quotation shall be deemed to have been obtained for such valuation provided that the Calculation Agent or Issuer, as applicable, may obtain Quotations for some or all of the components of the Asset Package and/or take account of any method of

determining the Asset Market Value of any Asset that is a Non-Transferable Instrument or a Non-Financial Instrument that may be published by the DC Secretary.

## **7 Redemption Upon Merger Event**

If “Redemption Following Merger” is specified as being applicable in the relevant Final Terms then:

- 7.1 If at any time the Issuer becomes aware that any Noteholder is a Reference Entity, the Issuer may, in its sole and absolute discretion, elect to redeem all of the Credit Linked Notes of that Noteholder (and the Final Redemption Amount shall, notwithstanding the Credit Linked Additional Conditions, be Merger Event Redemption Amount).
- 7.2 In the event that the Issuer and/or the Calculation Agent determines, in its discretion, acting in a commercially reasonable manner, that a Merger Event has occurred, the Issuer may give notice to the Noteholders in accordance with Condition 14 (*Notices*) and redeem or cancel, as applicable, all of the Credit Linked Notes and the Final Redemption Amount shall, notwithstanding the Credit Linked Additional Conditions, be Merger Event Redemption Amount.

The Issuer shall not be responsible for monitoring the identity of each Noteholder from time to time for the purpose of enabling the Issuer to exercise its rights hereunder or otherwise.

## **8 Redemption Failure Event**

- 8.1 If a Redemption Failure Event has occurred and exists on the Maturity Date or Redemption Date the obligation of the Issuer to pay the Auction Redemption Amount, the Cash Redemption Amount, the Final Auction Redemption Amount, the Final Cash Redemption Amount, as the case may be, will be postponed without further act or notice and such payment will be made on a Business Day selected by the Issuer on which such Redemption Failure Event no longer exists, provided that, if such Redemption Failure Event continues to exist on the tenth Business Day after the Maturity Date or Redemption Date or other scheduled payment date in respect of an amount required to be paid, the Noteholder may request the Issuer in writing to make payment of such amount to such account or to such other person as the Noteholder specifies, provided that, the Issuer first receives an irrevocable and unconditional release and indemnity in respect of liabilities arising therefrom to its sole and absolute satisfaction.
- 8.2 Notwithstanding anything to the contrary in the Conditions, if the Issuer determines (in its discretion, acting in a commercially reasonable manner) that such Redemption Failure Event continues to exist on the 90th calendar day after the Maturity Date or Redemption Date or other scheduled payment date (a “**Continuing Redemption Failure Event**”) in respect of an amount required to be paid where the Noteholder has not elected for payment to be made to a third party (if applicable) in accordance with Credit Linked Additional Condition 8.1, no such payment will be made by the Issuer and the Issuer’s obligations to the Noteholder hereunder will be deemed to be fully discharged as of that date.
- 8.3 Any postponement or deemed discharge of payment pursuant to this Credit Linked Additional Condition 8 (*Redemption Failure Event*) will not constitute a default hereunder (including for the purpose of Condition 10 (*Events of Default*)) and will not entitle the relevant Noteholder to any additional interest or other payment as a result thereof.

## **9 Effect of DC Announcements**

### **9.1 Reversal of DC Credit Event Announcement**

If an Event Determination Date is subsequently reversed prior to the relevant Auction Final Price Determination Date, a Valuation Date, a Redemption Date or the Maturity Date, a Credit Event shall be deemed not to have occurred with respect to the Reference Entity for the purposes of these Credit Linked Additional Conditions.

## 9.2 Redemption Suspension

If, following the occurrence of a Relevant Event Determination Date but prior to the relevant Redemption Date or, to the extent applicable, a Valuation Date in respect of a Reference Entity, there is an Applicable DC Credit Event Meeting Announcement, all timing requirements in these Credit Linked Additional Conditions that pertain to settlement shall toll and remain suspended until the date of the Applicable DC Credit Event Announcement or Applicable DC Credit Event Question Dismissal, as applicable. During such suspension period, the Issuer is not obliged to take any action in connection with the settlement of such Credit Event or the redemption, if any, of the Credit Linked Notes. Once the relevant DC Credit Event Announcement or DC Credit Event Dismissal has occurred, the relevant timing requirements that pertain to settlement that have previously tolled or been suspended shall resume on the Business Day following such public announcement by the DC Secretary with the Issuer having the benefit of the full day notwithstanding when the tolling or suspension began. The Issuer shall deliver a notice (substantially in the form of the notice in Part A (*Form of Redemption Suspension/Resumption Notice*) of Schedule 2 hereto) (a “**Redemption Suspension Notice**”) in accordance with Condition 14 (*Notices*) to the Noteholders giving notice of any suspension or resumption of timing requirements pursuant to this Credit Linked Additional Condition 9 (*Effect of DC Announcements*).

## 10 Successor Provisions

### 10.1 Successor Determinations

- 10.1.1 The Calculation Agent will be responsible for determining, as soon as reasonably practicable after delivery of a Successor Notice and with effect from the Succession Date, any Successor or Successors provided that the Calculation Agent will not make such determination if, at the time of the determination, the DC Secretary has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that there is no Successor based on the relevant succession to Relevant Obligations.
- 10.1.2 The Calculation Agent will make all calculations and determinations required to be made under the definition of “Successor” on the basis of Eligible Information and will notify the Noteholders of any such calculation or determination as soon as practicable. In calculating the percentages used to determine whether an entity qualifies as a Successor under sub-paragraph 10.1.1 of this Credit Linked Additional Condition 10.1, if there is a Steps Plan, the Calculation Agent shall consider all related successions in respect of such Steps Plan in aggregate as if forming part of a single succession.

### 10.2 Multiple Successors

Following a Succession Date if more than one Successor has been identified, the Credit Linked Notes will be amended without the consent of the Noteholders and with effect from the Succession Date to reflect the following terms:

- 10.2.1 each Successor will be a Reference Entity and more than one Credit Event may occur during the Term of the Credit Linked Notes but, subject to Credit Linked Additional Condition 4 (*Credit Event Notice after M(M)R Restructuring*), once only in relation to each Successor; and
- 10.2.2 where a Credit Event occurs in respect of a Reference Entity after such Succession Date, the Credit Linked Notes will not redeem in whole in respect of a Successor but instead the provisions of these Credit Linked Additional Conditions shall be deemed to apply to the nominal amount represented by that Reference Entity only (the “**Partial Nominal Amount**”), the Credit Linked Notes shall, thereafter, be redeemed in part (such redeemed part being equal to a Noteholder’s *pro rata* share of the Partial Nominal Amount) (provided that if Credit

Payment on Maturity applies such partial redemption shall occur only on the Final Cash Redemption Date or Final Auction Redemption Date) and the Credit Linked Additional Conditions and/or the Final Terms shall be construed accordingly. Following such event, the Credit Linked Notes shall remain outstanding in an amount equal to the Aggregate Nominal Amount of the Credit Linked Notes minus the Partial Nominal Amount and interest shall accrue on any remaining amount only (in accordance with these Credit Linked Additional Conditions, adjusted in such manner as the Calculation Agent in its discretion, acting in a commercially reasonable manner, determines to be appropriate to reflect the economic effects of the identification of more than one Successor).

### 10.3 Exchange Offer

In the case of an exchange offer, the determination required pursuant to the definition of “Successor” shall be made on the basis of the outstanding principal balance of Relevant Obligations exchanged and not on the basis of the outstanding principal balance of the Exchange Bonds or Loans.

### 10.4 Joint Potential Successors

If two or more entities (each, a “**Joint Potential Successor**”) jointly succeed to a Relevant Obligation (the “**Joint Relevant Obligation**”) either directly or as a provider of a Relevant Guarantee, then (a) if the Joint Relevant Obligation was a direct obligation of the Reference Entity, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as direct obligor or obligors, or (b) if the Joint Relevant Obligation was a Relevant Guarantee, it shall be treated as having been succeeded to by the Joint Potential Successor (or Joint Potential Successors, in equal parts) which succeeded to such Joint Relevant Obligation as guarantor or guarantors, if any, or otherwise by each Joint Potential Successor in equal parts.

### 10.5 Eligible Successors

An entity may only be a Successor if:

- 10.5.1 either (i) the related Succession Date occurs on or after the Successor Backstop Date, or (ii) such entity is a Universal Successor in respect of which the Succession Date occurred on or after 1 January 2014;
- 10.5.2 the Reference Entity had at least one Relevant Obligation outstanding immediately prior to the Succession Date and such entity succeeds to all or part of at least one Relevant Obligation of the Reference Entity; and
- 10.5.3 where the Reference Entity is a Sovereign, such entity succeeded to the Relevant Obligations by way of a Sovereign Succession Event.

## 11 Deliverable Obligations

### 11.1 Restructuring Maturity Limitation

If (a) “Mod R” is specified as applicable in the relevant Final Terms and (b) “Restructuring” is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then, unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may only be used in the determination of the Final Price if it (i) is a Fully Transferable Obligation and (ii) has a final maturity date not later than the Restructuring Maturity Limitation Date, in each case, as of the date on or prior to the Valuation Date on which the Calculation Agent determines such Deliverable Obligations shall be used in calculating the Final Price.

## 11.2 **Modified Restructuring Maturity Limitation**

11.2.1 If (i) “Mod Mod R” is specified as applicable in the relevant Final Terms and (ii) “Restructuring” is the only Credit Event specified in a Credit Event Notice delivered by the Issuer, then, unless the Deliverable Obligation is a Prior Deliverable Obligation and Asset Package Delivery applies due to a Governmental Intervention, a Deliverable Obligation may only be used in the determination of the Final Price if it(A) a Conditionally Transferable Obligation and (B) has a final maturity date not later than the applicable Modified Restructuring Maturity Limitation Date in each case, as of the date on or prior to the Valuation Date on which the Calculation Agent determines such Deliverable Obligations shall be used in calculating the Final Price. Notwithstanding the foregoing, for purposes of this sub-paragraph 11.2.1, in the case of a Restructured Bond or Loan with a final maturity date on or prior to the 10-year Limitation Date, the final maturity date of such Bond or Loan shall be deemed to be the earlier of such final maturity date or the final maturity date of such Bond or Loan immediately prior to the relevant Restructuring.

## 11.3 **Determination of Final Maturity Date**

For the purposes of making a determination under Credit Linked Additional Condition 11.1 (*Restructuring Maturity Limitation*) or 11.2.1 (*Modified Restructuring Maturity Limitation*) above, the relevant final maturity date shall, subject to the definition of “Conditionally Transferable Obligation”, be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the final maturity date shall be deemed to be the date on which such determination is made.

## 11.4 **Multiple Holder Obligation**

Unless “Multiple Holder Obligation” is specified to be not applicable in the relevant Final Terms, then none of the events described in sub-paragraphs (a) to (e) of the definition of “Restructuring” shall constitute a Restructuring unless the Obligation is a Multiple Holder Obligation, where “**Multiple Holder Obligation**” means an Obligation that (a) at the time of the event which constitutes a Restructuring Credit Event is held by more than three holders that are not Affiliates of each other and (b) with respect to which a percentage of holders (determined pursuant to the terms of the Obligation as in effect on the date of such event) at least equal to sixty-six-and two-thirds is required to consent to the event which constitutes a Restructuring Credit Event (provided that sub-paragraph (b) of this Credit Linked Additional Condition 11.4 shall be deemed to be satisfied where the Obligation is a Bond).

## 12 **Reference Obligation**

### 12.1 **Standard Reference Obligation and Non-Standard Reference Obligation**

12.1.1 If “Standard Reference Obligation” is specified as applicable in the relevant Final Terms, then the Reference Obligation for the relevant Reference Entity will be the Standard Reference Obligation which is the obligation of the relevant Reference Entity with the relevant Seniority Level specified from time to time on the SRO List.

12.1.2 If “Standard Reference Obligation” is not specified as applicable in the relevant Final Terms then the Reference Obligation(s) for the relevant Reference Entity will be each Non-Standard Reference Obligation specified in the relevant Final Terms for such Reference Entity.

### 12.2 **Substitute Reference Obligation**

12.2.1 If a Substitution Event has occurred with respect to a Non-Standard Reference Obligation, the Calculation Agent may identify a Substitute Reference Obligation in accordance with sub-

paragraphs 12.2.3, 12.2.4 and 12.2.5 of this Credit Linked Additional Condition 12.2 to replace such Non-Standard Reference Obligation; provided that the Calculation Agent will not identify an obligation as the Substitute Reference Obligation if, at the time of the determination, such obligation has already been rejected as the Substitute Reference Obligation by the relevant Credit Derivatives Determinations Committee and such obligation has not changed materially since the date of the relevant DC Resolution.

12.2.2 If any of the events set forth under sub-paragraph (a) or (c) of the definition of “Substitution Event” have occurred with respect to a Non-Standard Reference Obligation, such Non-Standard Reference Obligation will cease to be the Reference Obligation (other than for purposes of the “Not Subordinated” Obligation Characteristic or “Not Subordinated” Deliverable Obligation Characteristic and sub-paragraph 12.2.3(b) of this Credit Linked Additional Condition 12.2). If the event set forth in sub-paragraph (b) of the definition of “Substitution Event” has occurred with respect to a Non-Standard Reference Obligation and no Substitute Reference Obligation is available, such Non-Standard Reference Obligation will continue to be a Reference Obligation until the Substitute Reference Obligation is identified or, if earlier, until any of the events set forth under sub-paragraph (a) or (c) of the definition of “Substitution Event” occur with respect to such Non-Standard Reference Obligation.

12.2.3 The Substitute Reference Obligation shall be an obligation that on the Substitution Date:

- (a) is a Borrowed Money obligation of the Reference Entity (either directly or as provider of a guarantee);
- (b) satisfies the Not Subordinated Deliverable Obligation Characteristic as of the date it was issued or incurred (without reflecting any change the priority of payment after such date) and on the Substitution Date; and
- (c)
  - (I) if the Non-Standard Reference Obligation was a Conforming Reference Obligation when issued or incurred and immediately prior to the Substitution Event Date:
    - (A) is a Deliverable Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation”; or if no such obligation is available,
    - (B) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation”;
  - (II) if the Non-Standard Reference Obligation was a Bond (or any other Borrowed Money obligation other than a Loan) which was a Non-Conforming Reference Obligation when issued or incurred and/or immediately prior to the Substitution Event Date:
    - (A) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
    - (B) is a Deliverable Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation”; or if no such obligation is available,
    - (C) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,

- (D) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation”; or
- (III) if the Non-Standard Reference Obligation was a Loan which was a Non-Conforming Reference Obligation when incurred and/or immediately prior to the Substitution Event Date:
  - (A) is a Non-Conforming Substitute Reference Obligation which is a Loan (other than a Private-side Loan); or if no such obligation is available,
  - (B) is a Non-Conforming Substitute Reference Obligation (other than a Loan); or if no such obligation is available,
  - (C) is a Deliverable Obligation (other than a Loan) determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation”; or if no such obligation is available,
  - (D) is a Loan (other than a Private-side Loan) which constitutes a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation”.

12.2.4 If more than one potential Substitute Reference Obligation is identified pursuant to the process described in sub-paragraph 12.2.3 of this Credit Linked Additional Condition 12.2, the Substitute Reference Obligation will be the potential Substitute Reference Obligation that most closely preserves the economic equivalent of the delivery and payment obligations of the Issuer under the relevant Series, as determined by the Calculation Agent. The Calculation Agent will (if a Substitute Reference Obligation has not been identified) notify the Noteholders of a Substitute Reference Obligation as soon as reasonably practicable after it has been identified in accordance with sub-paragraph 12.2.3 of this Credit Linked Additional Condition 12.2 and the Substitute Reference Obligation shall replace the Non-Standard Reference Obligation immediately upon such notification.

12.2.5 If a Substitution Event has occurred with respect to the Non-Standard Reference Obligation and the Calculation Agent determines that no Substitute Reference Obligation is available for the Non-Standard Reference Obligation then, subject to sub-paragraph 12.2.1 of this Credit Linked Additional Condition 12.2 and notwithstanding the fact that the Non-Standard Reference Obligation may have ceased to be the Reference Obligation in accordance with sub-paragraph 12.2.2 of this Credit Linked Additional Condition 12.2, the Calculation Agent may continue to attempt to identify the Substitute Reference Obligation.

### 12.3 Reference Obligation Only Series

12.3.1 If the event set out in sub-paragraph (a) of the definition of “Substitution Event” occurs with respect to the Reference Obligation in a Series of Notes in respect of a Reference Entity to which “Reference Obligation Only” applies, and such Reference Obligation is the only Reference Obligation for such Reference Entity, the Applicable Proportion of the Notes shall be redeemed at the fair market value of the Applicable Proportion of the Notes determined by the Issuer as at the Substitution Event Date, if applicable. The Issuer shall deliver a notice to the Noteholders in accordance with Condition 14 (*Notices*) stating the occurrence of such Substitution Event and setting out the Redemption Date in respect thereof, which shall be a date not earlier than the relevant Substitution Event Date.

12.3.2 Notwithstanding the definition of “Substitute Reference Obligation” (i) no Substitute Reference Obligation shall be determined in respect of the Reference Obligation for a

Reference Entity to which “Reference Obligation Only” applies, and (ii) if the events set out in sub-paragraph (b) or (c) of the definition of “Substitution Event” occur with respect to the Reference Obligation to which “Reference Obligation Only” applies, such Reference Obligation shall continue to be the Reference Obligation.

#### 12.4 DC Substitute Reference Obligation Resolution

The Calculation Agent may, but shall not be obliged to, select as the Substitute Reference Obligation for a Series of Notes an obligation of the relevant Reference Entity which is determined by DC Resolution to be the Substitute Reference Obligation to a Non-Standard Reference Obligation.

### 13 Calculation Agent

13.1 The Calculation Agent is responsible for making calculations and determinations in respect of the Credit Linked Notes and for the purposes of these Credit Linked Additional Conditions shall be the entity specified as such in the relevant Final Terms. Except as otherwise expressly specified herein or in the relevant Final Terms, any determination, discretion or calculation of the Issuer or the Calculation Agent as may be specified in these Credit Linked Additional Conditions will be made at the discretion, acting in good faith and a commercially reasonable manner, of the Issuer or the Calculation Agent, as applicable, and neither the Issuer or the Calculation Agent assume any obligation to, or relationship of agency or trust with, any Noteholders or any other person and shall be (save in the case of manifest error at the time the relevant determination is made) final and binding on the Noteholders. Furthermore, each Noteholder agrees that neither the Issuer nor the Calculation Agent is acting as fiduciary for or as an advisor to such Noteholder and acts in all respects as an arm’s length contractual counterparty in respect of its duties as Issuer or Calculation Agent. In making any such determination or calculation or exercising any such discretion, neither the Issuer nor Calculation Agent shall be required to take into account any person’s interest other than its own.

13.2 The Calculation Agent is responsible for, *inter alia*:

13.2.1 determining a Successor or Successors and making any other determinations required to be made under Credit Linked Additional Condition 10 (*Successor Provisions*);

13.2.2 determining whether (i) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortisation or prepayments) (ii) any Reference Obligation is an Underlying Obligation with a Qualifying Guarantee of a Reference Entity and, other than due to the existence or occurrence of a Credit Event, the Qualifying Guarantee is no longer a valid and binding obligation of such Reference Entity enforceable in accordance with its terms, or (iii) for any reason other than as described in (i) or (ii) above and other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity;

13.2.3 identifying and determining a Substitute Reference Obligation;

13.2.4 in the event that multiple Credit Event Notices with respect to an M(M)R Restructuring Credit Event are delivered pursuant to Credit Linked Additional Condition 4 (*Credit Event Notice after M(M)R Restructuring*), making any modifications required pursuant to that Credit Linked Additional Condition;

13.2.5 determining the Final Price in accordance with the applicable Valuation Method;

13.2.6 converting the Quotation Amount into the relevant Obligation Currency;

13.2.7 if “Include Accrued Interest” is specified in the relevant Final Terms with respect to Deliverable Obligations, determining accrued but unpaid interest;



- 13.2.8 determining whether a Merger Event has occurred; and
  - 13.2.9 if the Calculation Agent is specified as the relevant party responsible for obtaining Quotations and determining and substituting the Quotation Dealers in the relevant Final Terms, obtaining Quotations (and, if necessary, determining whether such Quotations shall include or exclude accrued but unpaid interest) and determining the Quotation Dealers (where none have been specified in the relevant Final Terms) and substituting Quotation Dealers.
- 13.3 The Calculation Agent shall as soon as practicable after making any of the determinations specified in Credit Linked Additional Condition 13.2 above notify the Issuer of such determination.
- 13.4 If any of the matters set out in this Credit Linked Additional Condition 13 are decided and/or determined by a Credit Derivatives Determinations Committee, the Calculation Agent may follow such decision or determination to the extent such decision and/or determination is applicable to any Credit Linked Notes. In certain circumstances, the Calculation Agent shall be required to follow the decisions or determinations of a Credit Derivatives Determinations Committee or determinations made by the Calculation Agent may be overridden by subsequent determinations made by a Credit Derivatives Determinations Committee.

## **14 Notices**

### **14.1 Interpretation**

References in these Credit Linked Additional Conditions to a notice being delivered in accordance with Condition 14 (*Notices*) shall include such Condition as amended by paragraph 4.9 of the section headed “*Summary of Provisions Relating to the Notes while in Global Form*”.

### **14.2 Notices required to be delivered**

The Issuer shall deliver a notice to the Noteholders of the following, to the extent required to be delivered pursuant to the terms of the Credit Linked Notes:

- 14.2.1 A Credit Event Notice and, if applicable, a Notice of Publicly Available Information;
- 14.2.2 A Successor Notice and, if applicable, details of any amendments to the weighting of each Reference Entity within the Reference Portfolio (provided that no Successor Notice shall be required following a determination by a Credit Derivatives Determinations Committee that a Succession Event has occurred);
- 14.2.3 If the terms of any Credit Linked Notes provide for the Reference Portfolio to be amended from time to time other than as a result of the identification of any Successor, details of any amendments to the Reference Portfolio;
- 14.2.4 The designation of any Substitute Reference Obligation (provided that (i) no such notice shall be required following a determination by a Credit Derivatives Determinations Committee of a Substitute Reference Obligation has occurred and (ii) the failure of the Issuer to deliver a notice to the Noteholders pursuant to this Credit Linked Additional Condition 14 shall not affect the effectiveness of any designation of such Substitute Reference Obligation by the Calculation Agent (such designation to be in accordance with these Credit Linked Additional Conditions);
- 14.2.5 Following the determination of the Cash Redemption Amount with respect to any Credit Linked Notes subject to the provisions of Credit Linked Additional Condition 6 (*Cash Redemption Terms*), a notice (substantially in the form of the notice in Part G (*Form of Notice of Cash Redemption Amount*) of Schedule 2 hereto) specifying, to the extent applicable:
  - (a) the Deliverable Obligation(s) which were the subject of the Quotation;

- (b) the Valuation Date;
- (c) the Quotation Amount;
- (d) the Quotations obtained;
- (e) the Final Price (if applicable);
- (f) the Cash Redemption Amount; and
- (g) if applicable, any Credit Event Unwind Costs;

14.2.6 Following the determination of the Auction Redemption Amount with respect to any Credit Linked Notes subject to the provisions of Credit Linked Additional Condition 5 (*Auction Redemption Terms*), a notice specifying the Auction Redemption Amount (including the Auction Final Price and, if applicable, the Credit Event Unwind Costs);

14.2.7 A Notice to Exercise Movement Option;

14.2.8 A Repudiation/Moratorium Extension Notice; or

14.2.9 A Redemption Suspension Notice.

#### 14.3 Effectiveness of Notices

Clauses 19 (*Communications*) and 20 (*Notices*) of the Agency Agreement shall apply to any relevant communications and notices delivered in accordance with these Credit Linked Additional Conditions. For the avoidance of doubt, the failure of the Fiscal Agent to deliver any notices to Noteholders shall not affect the effectiveness of any notice delivered by the Issuer or the effectiveness of any determinations by the Calculation Agent or the Issuer or, as applicable, the right of the Issuer to redeem the Credit Linked Notes pursuant to and in accordance with Credit Linked Additional Condition 1 (*Redemption of Credit Linked Notes*).

#### 14.4 Confidentiality

Noteholders will treat as confidential any information about a Reference Entity which is designated by the Issuer as confidential information and conveyed to the Noteholders for the purposes of identifying the Credit Event or giving rise to its determination of a Credit Event.

### 15 Definitions

The following definitions which relate to the Credit Linked Notes should be read in conjunction with the Credit Linked Additional Conditions:

“**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.

“**Aggregate Nominal Amount**” means, on the Issue Date, the aggregate nominal amount of the Notes of such Series specified in the relevant Final Terms and, on any date thereafter, the aggregate nominal amount of the Notes of such Series outstanding on such date (taking into account the aggregate nominal amount of the Notes of such Series on the Issue Date and any amortisations, partial redemptions, including pursuant to the Credit Linked Additional Conditions, or further issues of the Notes of such Series on or prior to such date).

“**Applicable Auction**” means an Auction which the Calculation Agent determines is relevant to a Credit Event with respect to a Reference Entity and Obligations thereof and which relates to deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable

Obligation(s), as applicable, under the Notes (or if an Asset Package Credit Event has occurred, which relates to the Asset Package for obligations which would constitute Prior Deliverable Obligation(s) or Package Observable Bond(s), as applicable, under the Notes) (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s) and the relevant seniority level thereof, credit event, reference entity, obligations and deliverable obligations to which the Auction relates and, if the Auction relates to an M(M)R Restructuring, the Maturity Date of the Notes and the scheduled termination date of the credit derivatives transactions covered by the Auction and the maturity date of the deliverable obligations to which the Auction relates, and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

**“Applicable Credit Derivatives Auction Settlement Terms”** means with respect to a Reference Entity, a Credit Event and an Applicable Auction, the Credit Derivatives Auction Settlement Terms (if any) which the Calculation Agent determines are relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s) and the relevant seniority level thereof, credit event, reference entity, obligation(s), deliverable obligations, Package Observable Bonds and Prior Deliverable Obligations (as applicable) which are the subject of the relevant Credit Derivatives Auction Settlement Terms and the Credit Events, Reference Entities and Obligations and Deliverable Obligations under the Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes). The Calculation Agent shall, as soon as practicable after the relevant Applicable Credit Derivatives Auction Settlement Terms are published, notify the Issuer that Applicable Credit Derivatives Auction Settlement Terms have been published with respect to a Reference Entity and a Credit Event and make a copy thereof available for inspection by Noteholders between 9:00am and 3:00pm, Monday to Friday (excluding public holidays) at the specified office for the time being of the Fiscal Agent (being, as at the date hereof, One Canada Square, London E14 5AL, United Kingdom) upon prior written request and provision of satisfactory proof of holdings.

**“Applicable DC Credit Event Announcement”** means a DC Credit Event Announcement which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof to which such DC Credit Event Announcement relates and the terms of the Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

**“Applicable DC Credit Event Meeting Announcement”** means a DC Credit Event Meeting Announcement which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC Credit Event Meeting Announcement) and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

**“Applicable DC Credit Event Question”** means a DC Credit Event Question which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC Credit Event Question) and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

**“Applicable DC Credit Event Question Dismissal”** means a DC Credit Event Question Dismissal which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC Credit Event Question Dismissal) and (b)

any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

**“Applicable DC No Credit Event Announcement”** means a DC No Credit Event Announcement which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, reference entity and obligation(s) thereof which are the subject of the DC No Credit Event Announcement and the Credit Events, Reference Entities and Obligations thereof under the Notes and (b) any credit hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

**“Applicable Proportion”** means in respect of a redemption of a Credit Linked Note:

- (a) If the redemption is not as a result of an M(M)R Restructuring Credit Event, 100 per cent.; or
- (b) If the redemption is a result of an M(M)R Restructuring Credit Event, an amount (expressed as a percentage) equal to the Exercise Amount specified in the relevant Credit Event Notice relating to the relevant Reference Entity and Credit Event divided by the Aggregate Nominal Amount of the Notes outstanding as at the related Event Determination Date.

**“Applicable Resolution”** means a DC Resolution of a Credit Derivatives Determinations Committee which the Calculation Agent determines is relevant to the Notes (for which purpose the Calculation Agent may take into account (a) the credit derivatives transaction(s), credit event, succession event, reference entity and obligation(s) thereof and any other factor to which the DC Resolution relates and the terms of the Notes and (b) any hedging transaction that the Issuer has entered or may enter into in connection with the Notes).

**“Applicable Transaction Auction Settlement Terms”** means, with respect to a Reference Entity and a Credit Event, the relevant Credit Derivatives Auction Settlement Terms which the Calculation Agent determines constitute Applicable Credit Derivatives Auction Settlement Terms.

**“Asset”** means each obligation, equity, amount of cash, security, fee (including any “early-bird” or other consent fee), right and/or other asset, whether tangible or otherwise and whether issued, incurred, paid or provided by the Reference Entity or a third party (or any value which was realised or capable of being realised in circumstances where the right and/or other asset no longer exists).

**“Asset Market Value”** means the market value of an Asset, as the Calculation Agent shall determine by reference to an appropriate specialist valuation or in accordance with the methodology determined by the Credit Derivatives Determinations Committee.

**“Asset Package”** means, in respect of an Asset Package Credit Event, all of the Assets in the proportion received or retained by a Relevant Holder in connection with such relevant Asset Package Credit Event (which may include the Prior Deliverable Obligation or Package Observable Bond, as the case may be). If the Relevant Holder is offered, receives and retains nothing, the Asset Package shall be deemed to be zero. An Asset package shall be treated as having the same currency and Outstanding Principal Balance as that of the Prior Deliverable Obligation or Package Observable Bond (as applicable) to which it corresponds immediately prior to the Asset Package Credit Event.

**“Asset Package Credit Event”** means:

- (a) if “Financial Reference Entity Terms” and “Governmental Intervention” are specified as applicable in the relevant Final Terms: (i) a Governmental Intervention; or (ii) a Restructuring in respect of the Reference Obligation of the relevant Reference Entity, if “Restructuring” is specified as applicable in the relevant Final Terms and such Restructuring does not constitute a Governmental Intervention; and

- (b) if the Reference Entity is a Sovereign and “Restructuring” is specified as applicable in the relevant Final Terms, a Restructuring,

in each case, whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the DC Credit Event Announcement.

“**Auction**” means, with respect to a Reference Entity and a Credit Event, unless otherwise specified in the Applicable Transaction Auction Settlement Terms, an auction pursuant to which an Auction Final Price is to be determined in accordance with the auction procedure set out in the relevant Credit Derivatives Auction Settlement Terms.

“**Auction Cancellation Date**” means, with respect to an Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the date on which such Auction was deemed to have been cancelled as announced by the DC Secretary (and/or the administrators specified in the relevant Credit Derivatives Auction Settlement Terms) on its website or such other date as determined and announced in accordance with the relevant Applicable Transaction Auction Settlement Terms.

“**Auction Final Price**” means, with respect to an Applicable Auction, unless otherwise specified in the relevant Applicable Transaction Auction Settlement Terms, the price (expressed as a percentage) in respect of the deliverable obligations which would constitute Reference Obligation(s) and/or Deliverable Obligation(s) under the Notes or if an Asset Package Credit Event has resulted in such Applicable Auction, in respect of the Asset Package which results from either a Prior Deliverable Obligation or a Package Observable Bond under the Notes, determined to be the Auction Final Price in accordance with the relevant Applicable Transaction Auction Settlement Terms. The Calculation Agent shall as soon as practicable after publication of the Auction Final Price in respect of an Applicable Auction make available for inspection by Noteholders between 9:00am and 3:00pm, Monday to Friday (excluding public holidays) at the specified office for the time being of the Fiscal Agent (being, as at the date hereof, One Canada Square, London E14 5AL, United Kingdom) upon prior written request and provision of satisfactory proof of holdings, a copy of the relevant Applicable Transaction Auction Settlement Terms and copies of the relevant publication of the Auction Final Price. If an Asset Package Credit Event has occurred and the Calculation Agent determines that the Auction Final Price does not reflect the entire relevant Asset Package (including any cash forming part of the Asset Package and any cash in respect of the Asset Market Value of any Non-Financial Instrument or Non-Transferable Instrument), the Calculation Agent may make such adjustment as it deems necessary to the Auction Final Price in accordance with Credit Linked Additional Condition 5.4 (*Auction Final Price of the Asset Package*).

“**Auction Final Price Determination Date**” means, with respect to an Applicable Auction, the day, if any, on which the Auction Final Price is determined or such other date as specified in the relevant Applicable Transaction Auction Settlement Terms.

“**Auction Redemption Amount**” means, in respect of each Credit Linked Note, unless otherwise specified in the relevant Final Terms, an amount calculated by the Calculation Agent equal to the greater of zero and  $[A \times B \times C] - D$  where:

“**A**” is the Specified Denomination of the Note;

“**B**” is the Applicable Proportion;

“**C**” is the Auction Final Price; and

“**D**” is the Credit Event Unwind Costs.

“**Auction Redemption Date**” means the date as notified by the Issuer that is not earlier than the date which is the number of Business Days specified in the Applicable Transaction Auction Settlement Terms (or, if a number of Business Days is not specified, three Business Days) immediately following the Auction Final Price Determination Date (the “**Auction Settlement Date**”).

“**Bank Business Day**” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London.

“**Bankruptcy**” means the Reference Entity (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, scheme or composition with or for the benefit of its creditors generally, or such a general assignment, arrangement, scheme or composition becomes effective, (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other similar relief under any bankruptcy or insolvency law or other 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 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 sub-paragraphs (a) to (g) of this definition.

“**Cash Redemption Amount**” means, in respect of each Credit Linked Note, unless otherwise specified in the relevant Final Terms, an amount calculated by the Calculation Agent equal to the greater of zero and  $[A \times B \times C] - D$  where:

“**A**” is the Specified Denomination of the Note;

“**B**” is the Applicable Proportion;

“**C**” is the Final Price; and

“**D**” is the Credit Event Unwind Costs.

“**Cash Redemption Date**” means, subject to the provisions of Credit Linked Additional Condition 9 (*Effect of DC Announcements*), (a) if the Cash Redemption Amount is not specified in the relevant Final Terms, the date that is the number of Business Days specified in the relevant Final Terms (or, if a number of Business Days is not so specified, five Business Days) following the calculation of the Final Price, and (b) if the Cash Redemption Amount or Final Price is specified in the relevant Final Terms, the date that is the number of Business Days specified in the related relevant Final Terms (or, if a number of Business Days is not so specified, five Business Days) after (i) the Event Determination Date, or (ii) if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of “Event Determination Date” or sub-paragraph (b)(i) of the definition of “Non-Standard Event Determination Date”, the day on which the DC Credit Announcement occurs.

**“Conditionally Transferable Obligation”** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Modified Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of the date on or prior to the Valuation Date on which the Calculation Agent determines such Deliverable Obligations shall be used in calculating the Final Price , provided, however, that a Deliverable Obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of a Deliverable Obligation other than Bonds (or the consent of the relevant obligor of the Reference Entity is guaranteeing such Deliverable Obligation) or any agent is required for such novation, assignment or transfer to so long as the terms of such Deliverable Obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent for a Deliverable Obligation shall not be considered to be a requirement for consent for purposes of this definition of “Conditionally Transferable Obligation”.

**“Conforming Reference Obligation”** means a Reference Obligation which is a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation”.

**“Continuing Redemption Failure Event”** has the meaning given to it in Credit Linked Additional Condition **Error! Reference source not found.**

**“Credit Derivatives Auction Settlement Terms”** means any Credit Derivatives Auction Settlement Terms published by ISDA a form of which will be published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and may be amended from time to time. The Calculation Agent shall be authorised to construe any Credit Derivatives Auction Settlement Terms (including any Transaction Auction Settlement Terms or Parallel Auction Settlement Terms) in such manner as it shall determine in its discretion, acting in a commercially reasonable manner, to be necessary in order to give effect to the meaning of any word or expression used herein which is defined by reference to such Credit Derivatives Auction Settlement Terms.

**“Credit Derivatives Determinations Committee”** means each committee established pursuant to the DC Rules for purposes of reaching certain DC Resolutions.

**“Credit Event”** means, as determined by the Calculation Agent, the occurrence of one or more of the following Credit Events as specified in the relevant Final Terms: Bankruptcy, Failure to Pay, Obligation Acceleration, Obligation Default, Repudiation/Moratorium, Restructuring or Governmental Intervention. If an occurrence would otherwise constitute a Credit Event, such occurrence will constitute a Credit Event whether or not such occurrence arises directly or indirectly from, or is subject to a defence based upon:

- (a) any lack or alleged lack of authority or capacity of the Reference Entity to enter into any Obligation or, as applicable, an Underlying Obligor to enter into any Underlying Obligation;
- (b) any actual or alleged unenforceability, illegality, impossibility or invalidity with respect to any Obligation or, as applicable, any Underlying Obligation, however described;
- (c) any applicable law, order, regulation, decree or notice, however described, or the promulgation of, or any change in, the interpretation by any court, tribunal, regulatory authority or similar administrative or judicial body with competent or apparent jurisdiction of any applicable law, order, regulation, decree or notice, however described; or
- (d) the imposition of, or any change in, any exchange controls, capital restrictions or any other similar restrictions imposed by any monetary or other authority, however described.

**“Credit Event Backstop Date”** means (a) for the purposes of any event that constitutes a Credit Event (or, with respect to a Repudiation/Moratorium, if applicable, the event described in subparagraph (b) of the definition thereof), as determined by DC Resolution, the date that is 60 calendar days prior to the Credit Event Resolution Request Date or (b) otherwise, the date that is 60 calendar days prior to the earlier of (i) the Notice Delivery Date, if the Notice Delivery Date occurs during the Notice Delivery Period and (ii) the Credit Event Resolution Request Date, if the Notice Delivery Date occurs during the Post Dismissal Additional Period. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

**“Credit Event Notice”** means an irrevocable notice (substantially in the form of the notice in Part D (*Form of Credit Event Notice*) of Schedule 2 hereto) from the Issuer to the Noteholders which the Issuer has the right but not the obligation to deliver that:

- (a) identifies the Series of Credit Linked Notes to which the Credit Event Notice relates;
- (b) states the Issuer’s intention to redeem all of the Credit Linked Notes and the relevant Credit Event Redemption Method;
- (c) describes a Credit Event that occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date; and
- (d) if “Cash or Auction Redemption” is specified as the Credit Event Redemption Method in the relevant Final Terms, the Issuer shall notify Noteholders of its election to redeem the Credit Linked Notes by Cash Redemption or Auction Redemption (in case of “Cash Redemption or Auction Redemption”) as soon as reasonably practicable.

Any Credit Event Notice that describes a Credit Event that occurred after the Maturity Date must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the full principal amount of the Notes in the relevant Series.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

**“Credit Event Redemption Method”** means “Auction Redemption”, “Cash Redemption”, or “Cash Redemption or Auction Redemption” as specified in the relevant Final Terms.

**“Credit Event Resolution Request Date”** means, with respect to a DC Credit Event Question, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which the DC Credit Event Question was effective and on which the relevant Credit Derivatives Determinations Committee was in possession of Publicly Available Information with respect to such DC Credit Event Question.

**“Credit Event Unwind Costs”** means an amount determined by the Calculation Agent relating to the costs and expenses incurred by the Issuer or an Affiliate of the Issuer in terminating, liquidating, obtaining or re-establishing any related hedging or trading position (including, without limitation, any credit default swap entered into by the Issuer with the same Reference Entity as the Credit Linked Notes) in connection with the Credit Linked Notes as a result of a Credit Event occurring, including any internally allocated costs of the Issuer that are attributable to the Credit Linked Notes. Where such amount represents a cost to the Issuer it shall be expressed as a positive amount and where such amount represents an amount payable to the Issuer it shall be expressed as a negative amount.



“**CUSIP**” means, with respect to a security, the “CUSIP” identification number assigned to such security (if any).

“**DC Announcement Coverage Cut-off Date**” means, with respect to a DC Credit Event Announcement, the Auction Final Price Determination Date, the Auction Cancellation Date, or the date that is 14 calendar days following the No Auction Announcement Date, if any, as applicable.

“**DC Credit Event Announcement**” means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event for the purposes of the relevant Series has occurred on or after the Credit Event Backstop Date and on or prior to the Extension Date provided that if the Credit Event occurred after the Maturity Date, the DC Credit Event Announcement must relate to the relevant Potential Failure to Pay, in the case of a Grace Period Extension Date, or the relevant Potential Repudiation/Moratorium, in the case of a Repudiation/Moratorium Evaluation Date.

“**DC Credit Event Meeting Announcement**” means, with respect to the relevant Reference Entity, a public announcement by the DC Secretary that a Credit Derivatives Determinations Committee will be convened to Resolve the matters described in a DC Credit Event Question.

“**DC Credit Event Question**” means a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve whether an event that constitutes a Credit Event in respect to a Reference Entity of the relevant Series has occurred.

“**DC Credit Event Question Dismissal**” means, with respect to the Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters described in a DC Credit Event Question.

“**DC No Credit Event Announcement**” means, with respect to the relevant Reference Entity, a public announcement by the DC Secretary that the relevant Credit Derivatives Determinations Committee has Resolved that an event that is the subject of a DC Credit Event Question does not constitute a Credit Event with respect to such Reference Entity.

“**DC Resolution**” means a resolution of the Credit Derivatives Determinations Committee in accordance with the definition of “Resolve” below.

“**DC Rules**” means the Credit Derivatives Determinations Committee Rules, as published by ISDA on its website [www.isda.org](http://www.isda.org) (or any successor website thereto) from time to time and as amended from time to time in accordance with the terms hereof.

“**DC Secretary**” means ISDA or such other entity designated as DC Secretary in accordance with the DC Rules.

“**Default Requirement**” means the amount specified as such in the relevant Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 10,000,000 or its equivalent in the relevant Obligation Currency) in either case, as of the occurrence of the Relevant Credit Event.

“**Deliverable Obligation**” means:

- (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the “Method for determining Deliverable Obligations” below;
- (b) the Reference Obligation of the relevant Reference Entity;

- (c) solely in relation to a Restructuring Credit Event applicable to a Reference Entity which is a Sovereign, and unless Asset Package Delivery is applicable, any Sovereign Restructured Deliverable Obligation; and
- (d) if Asset Package Delivery is applicable, any Prior Deliverable Obligation (if, “Financial Reference Entity Terms” is specified as applicable in the relevant Final Terms) or any Package Observable Bond (if the Reference Entity is a Sovereign),

in each case, (i) unless it is an Excluded Deliverable Obligation and (ii) provided that the obligation has an Outstanding Principal Balance or Due and Payable Amount that is greater than zero (determined for the purposes of sub-paragraph (d) of this definition, immediately prior to the relevant Asset Package Credit Event).

**Method for determining Deliverable Obligations**

A Deliverable Obligation shall be each obligation of the Reference Entity described by the Deliverable Obligation Category specified in the relevant Final Terms, and, subject to Credit Linked Additional Condition 16 (*Interpretation of Obligation Characteristics and Deliverable Obligation Characteristics*), having each of the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms, in each case, as of the date on or prior to the Valuation Date on which the Calculation Agent determines such Deliverable Obligations shall be used in calculating the Final Price (unless otherwise specified in the relevant Final Terms). The following terms shall have the following meanings:

- (A) **“Deliverable Obligation Category”** means one of Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan (each as defined in the definition of “Obligation” below, except that, for the purposes of determining Deliverable Obligations, the definition of “Reference Obligation Only” shall be amended to state that no Deliverable Obligation Characteristics shall be applicable to Reference Obligation Only).
- (B) **“Deliverable Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed, Not Domestic Issuance, (each as defined in the definition of “Obligation” below), Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
- (C) **“Accelerated or Matured”** means an obligation under which the principal amount owed, whether by reason of maturity, acceleration, termination or otherwise, is due and payable in full in accordance with the terms of such obligation, or would have been but for, and without regard to, any limitation imposed under any applicable insolvency laws;
- (D) **“Assignable Loan”** means a Loan that is capable of being assigned or novated to, at a minimum, commercial banks or financial institutions (irrespective of their jurisdiction of organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the Reference Entity or the guarantor, if any, of such Loan (or the consent of the applicable borrower if the Reference Entity is guaranteeing such Loan) or any agent;
- (E) **“Consent Required Loan”** means a Loan that is capable of being assigned or novated with the consent of the Reference Entity or the guarantor, if any, of such Loan (or the

consent of the relevant borrower if the Reference Entity is guaranteeing such Loan) or any agent;

- (F) **“Direct Loan Participation”** means a Loan in respect of which, pursuant to a participation agreement, Bank is capable of creating, or procuring the creation of, a contractual right in favour of each Noteholder that provides each Noteholder with recourse to the participation seller for a specified share in any payments due under the relevant Loan which are received by such participation seller, any such agreement to be entered into between each Noteholder and either (A) the Issuer (to the extent the Issuer is then a lender or a member of the relevant lending syndicate), or (B) any lender or member of the relevant lending syndicate nominated by the Issuer or the Calculation Agent;
- (G) **“Maximum Maturity”** means an obligation that has a remaining maturity of not greater than the period specified in the relevant Final Terms (or if no such period is specified, 30 years);
- (H) **“Not Bearer”** means any obligation that is not a bearer instrument unless interests with respect to such bearer instrument are cleared via the Euroclear system, Clearstream International or any other internationally recognised clearing system; and
- (I) **“Transferable”** means an obligation that is transferable to institutional investors without any contractual, statutory or regulatory restriction provided that none of the following shall be considered contractual, statutory or regulatory restrictions:
  - I contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the US Notes Act of 1933, as amended (and any contractual, statutory or regulatory restrictions promulgated under the laws of any jurisdiction having a similar effect in relation to the eligibility for resale of an obligation);
  - II restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds; or
  - III restrictions in respect of blocked periods on or around payment dates or voting periods;

**“Deliverable Obligation Provisions”** means the provisions of the Credit Linked Notes that specify criteria for establishing what obligations may constitute Deliverable Obligations. **“Deliverable Obligation Terms”** has the meaning set out in the relevant Credit Derivatives Auction Settlement Terms.

**“Domestic Currency”** means the currency specified as such in the relevant Final Terms and any successor currency thereto (or if no such currency is specified, the lawful currency and any successor currency of (a) the relevant Reference Entity, if the Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if the Reference Entity is not a Sovereign).

**“Domestic Law”** means each of the laws of (a) the Reference Entity, if such Reference Entity is a Sovereign, or (b) the jurisdiction in which the Reference Entity is organised, if such Reference Entity is not a Sovereign.

**“Downstream Affiliate”** means an entity whose outstanding Voting Shares were, at the date of issuance of the Qualifying Guarantee, more than 50 per cent owned, directly or indirectly, by the Reference Entity.

**“Due and Payable Amount”** means the amount that is due and payable by the Reference Entity under the obligation whether by reason of maturity, acceleration, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts) less all or any portion of such amount which, pursuant to the terms of the obligation (a) is subject to any Prohibited Action, or (b) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (i) payment or (ii) a Permitted Contingency), in each case, determined in accordance with the terms of the obligation in effect on the Valuation Date.

**“Eligible Information”** means information which is publicly available or which can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

**“Eligible Transferee”** means

- (a) any:
  - (i) bank or other financial institution;
  - (ii) insurance or reinsurance company;
  - (iii) mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in sub-paragraph (c)(i) of this definition); and
  - (iv) registered or licensed broker or dealer (other than a natural person or proprietorship), provided, however, in each case that such entity has total assets of at least USD 500,000,000;
- (b) an Affiliate of an entity specified in the sub-paragraph (a) of this definition;
- (c) each of a corporation, partnership, proprietorship, organisation, trust or other entity:
  - (i) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralised debt obligation, commercial paper conduit or other special purpose vehicle) that (A) has total assets of at least USD 100,000,000 or (B) is one of a group of investment vehicles under common control or management having, in the aggregate, total assets of at least USD 100,000,000;
  - (ii) that has total assets of at least USD 500,000,000; or
  - (iii) the obligations of which under an agreement, contract or transaction are guaranteed or otherwise supported by a letter of credit or keepwell, support or other agreement by an entity described in sub-paragraph (a), (b), (c)(ii) or (d) of this definition; and
- (d)
  - (i) any Sovereign; or
  - (ii) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development.

All references in this definition of “Eligible Transferee” to USD include equivalent amounts in other currencies as determined by the Calculation Agent.

**“Euroclear”** means Euroclear Bank S.A./N.V.

**“Event Determination Date”** means, with respect to a Credit Event:

- (a) a Series where “Auction Redemption” is specified as the applicable Credit Event Redemption Method and “Event Determination Date Version B” is not specified to be applicable in the relevant Final Terms:
  - (i) subject to sub-paragraph (ii) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (A) a DC Credit Event Announcement has occurred nor (B) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or
  - (ii) notwithstanding sub-paragraph (i) of this definition, the Credit Event Resolution Request Date, if a DC Credit Event Announcement has occurred, the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) and either:
    - (A) (I) the Credit Event is not an M(M)R Restructuring; and (II) the Trade Date occurs on or prior to a DC Announcement Coverage Cut-off Date; or
    - (B) (I) the Credit Event is an M(M)R Restructuring; and (II) a Credit Event Notice is delivered by a Notifying Party to the other party and is effective on or prior to the Exercise Cut-off Date,

provided that:

- (1) no Redemption Date, in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs;
  - (2) if any Valuation Date in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs, an Event Determination Date shall be deemed to have occurred only with respect to the portion of the Aggregate Nominal Amount of the Credit Linked Notes with respect to which no Valuation Date has occurred; and
  - (3) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Issuer to the Noteholders, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the Applicable DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (bb) unless, and to the extent that, the Exercise Amount specified in such Credit Event Notice was less than the Aggregate Nominal Amount of the Credit Linked Notes, or (cc) unless a credit derivatives transaction with the same tenor and deliverable obligation provisions as the Credit Linked Notes would be an “Auction Covered Transaction” for the purpose of the relevant Credit Derivatives Auction Settlement Terms and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Series; or
- (b) a Series where sub-paragraph (a) of this definition does not apply, the Non-Standard Event Determination Date.

Notwithstanding the foregoing, and unless the Issuer or the Calculation Agent otherwise elects by notice to the Noteholders, no Event Determination Date will occur with respect to an event, and any Event Determination Date previously determined with respect to an event shall be deemed not to have occurred, if, or to the extent that, prior to the Auction Final Price Determination Date, a Valuation Date, or the Maturity Date or the Extended Maturity Date, as applicable, a DC No Credit Event Announcement occurs with respect to such event.

**“Excluded Deliverable Obligation”** means:

- (a) any obligation of the Reference Entity specified as such or of a type described in the relevant Final Terms;
- (b) any principal only component of a Bond from which some or all of the interest components have been stripped; and
- (c) if Asset Package Delivery is applicable, any obligation issued or incurred on or after the date of the relevant Asset Package Credit Event.

**“Excluded Obligation”** means:

- (a) any obligation of a Reference Entity specified as such or of a type specified in the relevant Final Terms;
- (b) if “Financial Reference Entity Terms” is specified as applicable in the relevant Final Terms and the relevant Reference Entity is a Senior Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Subordinated Obligation; and
- (c) if “Financial Reference Entity Terms” is specified as applicable in the relevant Final Terms and the relevant Reference Entity is a Subordinated Reference Entity, then for purposes of determining whether a Governmental Intervention or Restructuring has occurred, any Further Subordinated Obligation.

**“Exercise Amount”** has the meaning given to that term in Credit Linked Additional Condition 4.1 (*M(M)R Restructuring Credit Event*).

**“Exercise Cut-Off Date”** means either:

- (a) with respect to an M(M)R Restructuring and a Series to which sub-paragraph (a) of the definition of “Event Determination Date” applies:
  - (iii) if the DC Secretary publishes a Final List applicable to the Applicable Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms may be published, the date that is seven Relevant City Business Days following the date on which such Final List is published; or
  - (iv) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date; or
- (b) with respect to a Credit Event and a Series to which sub-paragraph (a) of the definition of “Event Determination Date” does not apply, the Non-Standard Exercise Cut-off Date,

or, in each case, such other date as the relevant Credit Derivatives Determinations Committee Resolves.

**“Extended Maturity Date”** means, if Maturity Date Extension applies pursuant to Credit Linked Additional Condition 3 (*Maturity Date Extension*) and no Relevant Event Determination Date occurs on or prior to the Notes Extension Date, the date falling 5 Business Days after the Notes Extension Date or, if Maturity Date Extension applies pursuant to Credit Linked Additional Condition 3 (*Maturity Date Extension*) and a Relevant Event Determination Date occurs on or prior to the Notes Extension Date, the Auction Redemption Date or the Cash Redemption Date.

**“Extension Date”** means, with respect to a Reference Entity, the latest of (a) the Maturity Date, (b) the Grace Period Extension Date if (i) “Failure to Pay” and “Grace Period Extension” are specified as being applicable in the relevant Final Terms, and (ii) the Potential Failure to Pay with respect to

the relevant Failure to Pay occurs on or prior to the Maturity Date and (c) the Repudiation/Moratorium Evaluation Date (if any) if “Repudiation/Moratorium” is specified as applicable in the relevant Final Terms, as applicable.

“**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 Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations, in accordance with the terms of such Obligations at the time of such failure.

If an occurrence that would constitute a Failure to Pay (a) is a result of a redenomination that occurs as a result of action taken by a Governmental Authority which is of general application in the jurisdiction of such Governmental Authority and (b) a freely available market rate of conversion existed at the time of the redenomination, then such occurrence will be deemed not to constitute a Failure to Pay unless the redenomination itself constituted a reduction in the rate or amount of interest, principal or premium payable (as determined by reference to such freely available market rate of conversion) at the time of such redenomination.

“**Fallback Redemption Method**” means, Cash Redemption.

“**Final Auction Redemption Amount**” means, in respect of each Note, the Auction Redemption Amount, or if an (M(M)R Restructuring Credit Event has occurred, the sum of the Auction Redemption Amounts determined in respect of each exercise following such M(M)R Restructuring Credit Event.

“**Final Auction Redemption Date**” has the meaning given in Credit Linked Additional Condition 5.1 (*Redemption of the Credit Linked Notes where Auction Redemption applies*).

“**Final Cash Redemption Amount**” means, in respect of each Note, the Cash Redemption Amount, or if an M(M)R Restructuring Credit Event has occurred, the sum of the Cash Redemption Amounts determined in respect of each exercise following such M(M)R Restructuring Credit Event..

“**Final Cash Redemption Date**” has the meaning given in Credit Linked Additional Condition 6.1.2 (*Redemption of Credit Linked Notes where Cash Redemption applies*).

“**Final List**” means the final list of Deliverable Obligations, Package Observable Bonds, Prior Deliverable Obligations (as applicable) and/or Assets which are the subject of the related Auction determined by the Credit Derivatives Determinations Committee in accordance with the DC Rules.

“**Final Price**” means the price of the Deliverable Obligation(s) selected by the Calculation Agent in its discretion, acting in a commercially reasonable manner, expressed as a percentage, determined in accordance with the specified Valuation Method, provided that if an Asset Package Credit Event has occurred any Deliverable Obligation which is a Prior Deliverable Obligation or a Package Observable Bond (as applicable) shall include the resulting Asset Package and the Final Price for such Deliverable Obligation or Package Observable Bond shall be the Final Price for the relevant Asset Package determined in accordance with Credit Linked Additional Condition 6.2 (*Determination of the Final Price*).

“**Fixed Cap**” means, with respect to a Guarantee, a specified numerical limit or cap on the liability of the Reference Entity in respect of some or all payments due under the Underlying Obligation, provided that a Fixed Cap shall exclude a limit or cap determined by reference to a formula with one or more variable inputs (and for these purposes, the outstanding principal or other amounts payable pursuant to the Underlying Obligation shall not be considered to be variable inputs).

**“Full Quotation”** means, in accordance with the Quotation Method, each firm quotation obtained from a Quotation Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, equal to the Quotation Amount.

**“Fully Transferable Obligation”** means a Deliverable Obligation that is either Transferable, in the case of Bonds, or capable of being assigned or novated to all Eligible Transferees without the consent of any person being required, in the case of any Deliverable Obligation other than Bonds, in each case, as of the date on or prior to the Valuation Date on which the Calculation Agent determines such Deliverable Obligations shall be used in calculating the Final Price. Any requirement that notification of novation, assignment or transfer of a Deliverable Obligation be provided to a trustee, fiscal agent, administrative agent, clearing agent or paying agent, for a Deliverable Obligation shall not be considered to be a requirement for consent for the purposes of this definition of “Fully Transferable Obligation”.

**“Further Subordinated Obligation”** means, if the Reference Obligation or Prior Reference Obligation, as applicable, is a Subordinated Obligation, any obligation which is Subordinated thereto.

**“Governmental Authority”** means:

- (a) any *de facto* or *de jure* government (or any agency, instrumentality, ministry or department thereof);
- (b) any court, tribunal, administrative or other governmental authority, inter-governmental or supranational body; or
- (c) any authority or any other entity (private or public) either designated as a resolution authority or charged with the regulation or supervision of the financial markets (including a central bank) of the Reference Entity or some or all of its obligations; or
- (d) any other authority which is analogous to the entities specified in sub-paragraph (a), (b) or (c) of this definition.

**“Governmental Intervention”** means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs as a result of action taken or an announcement made by a Governmental Authority pursuant to, or by means of, a restructuring and resolution law or regulation (or any other similar law or regulation), in each case, applicable to the Reference Entity in a form which is binding, irrespective of whether such event is expressly provided for under the terms of such Obligation:

- (a) any event which would affect creditors’ rights so as to cause:
  - (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
  - (ii) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
  - (iii) a postponement or other deferral of a date or dates for either (A) the payment or accrual of interest, or (B) the payment of principal or premium; or
  - (iv) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation;
- (b) an expropriation, transfer or other event which mandatorily changes the beneficial holder of the Obligation;



- (c) a mandatory cancellation, conversion or exchange; or
- (d) any event which has an analogous effect to any of the events specified in sub-paragraphs (a)(i) to (c) of this definition.

For purposes of sub-paragraph (a) of this definition, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee.

**“Grace Period”** means:

- (a) subject to sub-paragraphs (b) and (c) of this definition, the applicable grace period with respect to payments under and in accordance with the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred;
- (b) if “Grace Period Extension” is specified as applicable in the relevant Final Terms, a Potential Failure to Pay has occurred on or prior to the Maturity Date and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date, the Grace Period shall be deemed to be the lesser of such grace period and the period specified as such in the relevant Final Terms or, if no period is specified, 30 calendar days; and
- (c) if, as of the date as of which an Obligation is issued or incurred, no grace period with respect to payments or a grace period with respect to payments of less than three Grace Period Business Days is applicable under the terms of such Obligation, a Grace Period of three Grace Period Business Days shall be deemed to apply to such Obligation; provided that, unless “Grace Period Extension” is specified as being applicable in the relevant Final Terms, such deemed Grace Period shall expire no later than the Maturity Date.

**“Grace Period Business Day”** means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place or places and on the days specified for that purpose in the relevant Obligation or, if a place or places are not so specified, (a) if the Obligation Currency is the euro, a TARGET Settlement Day, or (b) otherwise, a day on which commercial banks and foreign exchange markets are generally open to settle payments in the principal financial city in the jurisdiction of the Obligation Currency.

**“Grace Period Extension Date”** means, if (a) “Grace Period Extension” is specified as being applicable in the relevant Final Terms and (b) a Potential Failure to Pay occurs on or prior to the Maturity Date, as the case may be, the date that is five Business Days following the day falling after the number of days in the Grace Period after the date of such Potential Failure to Pay. If “Grace Period Extension” is not specified as being applicable in the relevant Final Terms, Grace Period Extension shall not apply.

**“Guarantee”** means a Relevant Guarantee or a guarantee which is the Reference Obligation.

**“Illegality”** means that the Issuer shall have determined, acting in a commercially reasonable manner, that the performance of any of the Issuer’s obligations with respect to the Notes and/or that any arrangements made to hedge the Issuer’s obligations with respect to the Notes and/or under any hedging arrangements shall have or will become or would be (as the case may be), in whole or in part, unlawful, illegal or otherwise contrary to any present or future law, rule, regulation, judgment, order, directive, policy or request of any governmental, administrative, legislative or judicial authority or power (but, if not having the force of law, only if compliance with it is in accordance with the general practice of persons to whom it is intended to apply), or any change in the interpretation thereof.

**“ISDA”** means the International Swaps and Derivatives Association Inc., (or any successor organisation thereto).

“**Latest Maturity Restructured Bond or Loan**” has the meaning given to that term in the definition of “Restructuring Maturity Limitation Date”.

“**Limitation Date**” means the first of 20 March, 20 June, 20 September or 20 December in any year to occur on or immediately following the date that is one of the following numbers of years after the Restructuring Date: 2.5 years (the “**2.5-year Limitation Date**”), 5 years, 7.5 years, 10 years (the “**10-year Limitation Date**”), 12.5 years, 15 years or 20 years, as applicable. Limitation Dates shall not be subject to adjustment in accordance with any Business Day Convention.

“**Market Value**” means, with respect to the Reference Obligation on a Valuation Date: (a) if more than three Full Quotations are obtained, the arithmetic mean of such Full Quotations, disregarding the Full Quotations having the highest and lowest values (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (b) if exactly three Full Quotations are obtained, the Full Quotation remaining after disregarding the highest and lowest Full Quotations (and, if more than one such Full Quotations have the same highest value or lowest value, then one of such highest or lowest Full Quotations shall be disregarded); (c) if exactly two Full Quotations are obtained, the arithmetic mean of such Full Quotations; (d) if fewer than two Full Quotations are obtained and a Weighted Average Quotation is obtained, such Weighted Average Quotation; (e) if fewer than two Full Quotations are obtained and no Weighted Average Quotation is obtained, subject to sub-paragraph (b) of the definition of “Quotation”, an amount that the Calculation Agent or the Issuer, as applicable, shall determine on the next Business Day on which two or more Full Quotations or a Weighted Average Quotation is obtained; and (f) if two or more Full Quotations or a Weighted Average Quotation are not obtained within the 10 Business Day period set forth in sub-paragraph (b) of the definition of “Quotation” the Market Value shall be determined as provided in such definition.

“**Maturity Date**” means, in respect of an issue of Notes, the date specified as such in the relevant Final Terms.

“**Maturity Date Extension**” means an extension determined in accordance with Credit Linked Additional Condition 3 (*Maturity Date Extension*).

“**Merger Event**” means that at any time during the period from (and including) the Trade Date to (but excluding) the Extended Maturity Date the Issuer or a Reference Entity consolidates or amalgamates with, or merges into, or transfers all or substantially all of its assets to, a Reference Entity or the Issuer, as applicable, or the Issuer and a Reference Entity become Affiliates.

“**Merger Event Redemption Amount**” means, in respect of each Credit Linked Note, unless otherwise specified in the relevant Final Terms, an amount calculated by the Calculation Agent equal to the greater of zero and  $[A \times B] - C$  where:

“**A**” is the Specified Denomination of the Note;

“**B**” is the Applicable Proportion; and

“**C**” is the Credit Event Unwind Costs.

“**M(M)R Restructuring**” means a Restructuring Credit Event in respect of which either “Mod R” or “Mod Mod R” is specified as applicable in the relevant Final Terms.

“**Minimum Quotation Amount**” means the amount specified as such in the relevant Final Terms (or its equivalent in the relevant Obligation Currency) or, if no amount is so specified, the lower of (a) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (b) the Quotation Amount.

**“Modified Eligible Transferee”** means any bank, financial institution or other entity which is regularly engaged in or established for the purpose of making, purchasing or investing in loans, notes and other financial assets.

**“Modified Restructuring Maturity Limitation Date”** means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Maturity Date.

Subject to the foregoing, if the Maturity Date is later than the 10-year Limitation Date, the Modified Restructuring Maturity Limitation Date will be the Maturity Date.

**“Movement Option”** means an M(M)R Restructuring to which a No Auction Announcement Date has occurred pursuant to sub-paragraph (b) or (c)(ii) of the definition of “No Auction Announcement Date” the option of the Issuer to apply the Parallel Auction Settlement Terms selected by the Issuer, if any. If the Issuer does not deliver an effective Notice to Exercise Movement Option to the Noteholders on or prior to the Movement Option Cut-off Date, the Credit Linked Notes will be redeemed in accordance with the Fallback Redemption Method.

**“Movement Option Cut-off Date”** the date that is one Relevant City Business Day following the Exercise Cut-off Date, or such other date as the relevant Credit Derivatives Determinations Committee has Resolved.

**“Multiple Holder Obligation”** has the meaning given to it in Credit Linked Additional Condition 11.4 (*Multiple Holder Obligation*).

**“No Auction Announcement Date”** means, with respect to a Credit Event, the date as determined by the Calculation Agent on which the DC Secretary first publicly announces that (a) no Transaction Auction Settlement Terms and, if applicable, no Parallel Auction Settlement Terms will be published, (b) following the occurrence of an M(M)R Restructuring no Transaction Auction Settlement Terms will be published, but Parallel Auction Settlement Terms will be published or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held following a prior public announcement by the DC Secretary to the contrary, in circumstances where either (i) no Parallel Auction will be held, or (ii) one or more Parallel Auctions will be held. For the avoidance of doubt, a No Auction Announcement Date will not occur solely by reason of the Credit Linked Notes not being covered by any Credit Derivatives Auction Settlement Terms.

**“Non-Conforming Reference Obligation”** means a Reference Obligation which is not a Conforming Reference Obligation.

**“Non-Conforming Substitute Reference Obligation”** means an obligation which would be a Deliverable Obligation determined in accordance with sub-paragraph (a) of the definition of “Deliverable Obligation” on the Substitution Date but for one or more of the same reasons which resulted in the Reference Obligation constituting a Non-Conforming Reference Obligation on the date it was issued or incurred and/or immediately prior to the Substitution Event Date (as applicable).

**“Non-Financial Instrument”** means any Asset which is not of the type typically traded in, or suitable for being traded in, financial markets.

**“Non-Standard Event Determination Date”** means, with respect to a Credit Event and a Series to which “Non-Standard Event Determination Date” applies:

- (a) subject to sub-paragraph (b) of this definition, the Notice Delivery Date, if the Notice Delivery Date occurs during either the Notice Delivery Period or the Post Dismissal Additional Period, provided that neither (i) a DC Credit Event Announcement has occurred nor (ii) a DC No Credit Event Announcement has occurred, in each case, with respect to the Credit Event specified in the Credit Event Notice; or

- (b) notwithstanding sub-paragraph (a) of this definition, if a DC Credit Event Announcement has occurred and the Credit Event Resolution Request Date has occurred on or prior to the last day of the Notice Delivery Period (including prior to the Trade Date) either:
  - (i) the Credit Event Resolution Request Date, if either:
    - (A) (I) “Event Determination Date Version B” is not specified as applicable and “Auction Settlement” is not specified as the applicable Credit Event Redemption Method in the relevant Final Terms; (II) the relevant Credit Event is not an M(M)R Restructuring; and (III) the Trade Date occurs on or prior to the date of the DC Credit Event Announcement; or
    - (B) either:
      - (I)
        - (1) “Event Determination Date Version B” is specified as applicable and “Auction Settlement” is specified as the applicable Credit Event Redemption Method in the relevant Final Terms; or
        - (2) “Event Determination Date Version B” is not specified as applicable in the relevant Final Terms and the relevant Credit Event is an M(M)R Restructuring; and
      - (II) a Credit Event Notice is delivered by the Issuer to the Noteholders and is effective on or prior to the Non-Standard Exercise Cut-off Date, or
  - (ii) the first date on which a Credit Event Notice is delivered by the Issuer to Noteholders and is effective during either the Notice Delivery Period or the period from and including the date of the DC Credit Event Announcement to and including the date that is 14 calendar days thereafter (provided, in each case, that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)), if either:
    - (A)
      - (I) “Event Determination Date Version B” is not specified as applicable and “Auction Settlement” is not specified as the Credit Event Redemption Method in the relevant Final Terms;
      - (II) the relevant Credit Event is not an M(M)R Restructuring; and
      - (III) the Trade Date occurs and following the date of the related DC Credit Event Announcement on or prior to a DC Announcement Coverage Cut-off Date; or
    - (B)
      - (I) “Event Determination Date Version B” is specified as applicable and the Trade Date occurs and
      - (II) either:
        - (1) “Auction Settlement” is not specified as the Credit Event Redemption Method in the relevant Final Terms; or
        - (2) “Auction Settlement” is specified as the Credit Event Redemption Method in the relevant Final Terms and a Credit

Event Notice is delivered by the Issuer to the Noteholders and is effective on a date that is later than the relevant Non-Standard Exercise Cut-off Date.

provided that:

- (1) no Redemption Date in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs;
- (2) if any Valuation Date in respect of the relevant Reference Entity has occurred on or prior to the date on which the Applicable DC Credit Event Meeting Announcement occurs, a Non-Standard Event Determination Date shall be deemed to have occurred only with respect to the portion of the Aggregate Nominal Amount of the Credit Linked Notes with respect to which no Valuation Date has occurred; and
- (3) no Credit Event Notice specifying an M(M)R Restructuring as the only Credit Event has previously been delivered by the Issuer to the Noteholders, (aa) unless the M(M)R Restructuring specified in such Credit Event Notice is also the subject of the Applicable DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, (bb) unless, and to the extent that, the Exercise Amount specified in any such Credit Event Notice was less than the Aggregate Nominal Amount of the Credit Linked Notes or (cc) unless a credit derivatives transaction with the same tenor and deliverable obligation provisions as the Credit Linked Notes would be an “Auction Covered Transaction” for the purpose of the relevant Credit Derivatives Auction Settlement Terms and the Deliverable Obligations set out on the Final List are identical to the Permissible Deliverable Obligations for such Series.

“**Non-Standard Exercise Cut-off Date**” means, with respect to a Credit Event and a Series to which sub-paragraph (a) of the definition of “Event Determination Date” does not apply:

- (a) if such Credit Event is not an M(M)R Restructuring, either:
  - (i) the Relevant City Business Day prior to the Auction Final Price Determination Date, if any;
  - (ii) the Relevant City Business Day prior to the Auction Cancellation Date, if any; or
  - (iii) the date that is 14 calendar days following the No Auction Announcement Date, if any, as applicable; or
- (b) if such Credit Event is an M(M)R Restructuring and:
  - (i) the DC Secretary publishes a Final List applicable to the Applicable Transaction Auction Settlement Terms and/or Parallel Auction Settlement Terms, the date that is seven Relevant City Business Days following the date on which such Final List is published; or
  - (ii) otherwise, the date that is 14 calendar days following the relevant No Auction Announcement Date.

**“Non-Standard Reference Obligation”** means each Original Non-Standard Reference Obligation or if a Substitute Reference Obligation has been determined in respect of any such Original Non-Standard Reference Obligation, the Substitute Reference Obligation.

**“Non-Transferable Instrument”** means any Asset which is not capable of being transferred to institutional investors, excluding due to market conditions.

**“Notes Extension Date”** means the later to occur of (a) the last applicable day specified in the definition of “Notice Delivery Period” in respect of each Reference Entity with respect to which Maturity Date Extension applies pursuant to Credit Linked Additional Condition 3 (*Maturity Date Extension*) and (b) 14 calendar days after the DC Credit Announcement or (c) the last day of the Post Dismissal Additional Period.

**“Notice Delivery Date”** means the first date on which both an effective Credit Event Notice and, unless “Notice of Publicly Available Information” is specified as not applicable in relevant Final Terms, an effective Notice of Publicly Available Information, has been delivered by the Issuer to the Noteholders.

**“Notice Delivery Period”** means the period from and including the Trade Date to and including the date that is 14 calendar days after the Extension Date.

**“Notice of Publicly Available Information”** means an irrevocable notice from the Issuer or the Calculation Agent to the Noteholders that cites Publicly Available Information confirming the occurrence of the Credit Event or Potential Repudiation/Moratorium, as applicable, described in the Credit Event Notice or Repudiation/Moratorium Extension Notice. The notice given must contain a copy, or a description in reasonable detail, of the relevant Publicly Available Information. If “Notice of Publicly Available Information” is specified as being applicable in the relevant Final Terms and the Credit Event Notice or Repudiation/Moratorium Extension Notice contains Publicly Available Information, such Credit Event Notice or Repudiation/Moratorium Extension Notice will also be deemed to be a Notice of Publicly Available Information.

**“Notice to Exercise Movement Option”** with respect to a Series where (a) an M(M)R Restructuring is applicable and (b) the Fallback Redemption Method would otherwise be applicable pursuant to Credit Linked Additional Condition 5.2 (*Fallback Redemption*), a notice from the Issuer to the Noteholders that (i) specifies the Parallel Auction Settlement Terms which shall be applicable in accordance with the Issuer’s exercise of the Movement Option and (ii) is dated on or prior to the Movement Option Cut-off Date.

**“Obligation”** means (a) any obligation of the Reference Entity (either directly or as provider of a Relevant Guarantee) determined pursuant to the method described in “Method for Determining Obligations” below; and (b) the Reference Obligation, in each case, unless it is an Excluded Obligation.

***Method for Determining Obligations:***

For the purposes of sub-paragraph (a) of the definition of “Obligation” above, an Obligation is each obligation of the Reference Entity described by the Obligation Category specified in the relevant Final Terms and having each of the Obligation Characteristics, if any, specified in the relevant Final Terms, in each case, immediately prior, the Credit Event which is the subject of either the Credit Event Notice or the Applicable DC Credit Event Question resulting in the occurrence of the Credit Event Resolution Request Date, as applicable. The following terms shall have the following meanings:

- (a) **“Obligation Category”** means Payment, Borrowed Money, Reference Obligation Only, Bond, Loan, or Bond or Loan, only one of which shall be specified in the relevant Final Terms, and:

- (i) **“Bond”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt notes or other debt notes and shall not include any other type of Borrowed Money;
  - (ii) **“Bond or Loan”** means any obligation that is either a Bond or a Loan;
  - (iii) **“Borrowed Money”** means any obligation (excluding an obligation under a revolving credit arrangement for which there are no outstanding, unpaid drawings in respect of principal) for the payment or repayment of borrowed money (which term shall include, without limitation, deposits and reimbursement obligations arising from drawings pursuant to letters of credit);
  - (iv) **“Loan”** means any obligation of a type included in the “Borrowed Money” Obligation Category that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement and shall not include any other type of Borrowed Money;
  - (v) **“Payment”** means any obligation (whether present or future, contingent or otherwise) for the payment or repayment of money, including, without limitation, Borrowed Money; and
  - (vi) **“Reference Obligation Only”** means any obligation that is a Reference Obligation and no Obligation Characteristics shall be applicable to Reference Obligation Only.
- (b) **“Obligation Characteristics”** means any one or more of Not Subordinated, Specified Currency, Not Sovereign Lender, Not Domestic Currency, Not Domestic Law, Listed and Not Domestic Issuance, and:
- (i)
    - (A) **“Not Subordinated”** means an obligation that is not Subordinated to (I) the Reference Obligation or (II) the “Prior Reference Obligation” “if applicable;
    - (B) **“Subordination”** means, with respect to an obligation (the **“Second Obligation”**) and another obligation of the Reference Entity to which such obligation is being compared (the **“First Obligation”**), a contractual, trust or similar arrangement providing that (I) upon the liquidation, dissolution, reorganisation or winding up of the Reference Entity, claims of the holders of the First Obligation are required to be satisfied prior to the claims of the holders of the Second Obligation or (II) the holders of the Second Obligation will not be entitled to receive or retain principal payments in respect of their claims against the Reference Entity at any time that the Reference Entity is in payment arrears or is otherwise in default under the First Obligation. **“Subordinated”** will be construed accordingly. For the purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, (1) the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement or security arrangements shall not be taken into account, except that, notwithstanding the foregoing, priorities arising by operation of law shall be taken into account where the Reference Entity is a Sovereign and (2) in the case of the Reference Obligation or the Prior Reference Obligation, as applicable, the ranking in priority of payment shall be determined as of the date as of which it was issued or incurred (or in circumstances where the Reference Obligation or a Prior Reference Obligation is the Standard Reference Obligation

and “Standard Reference Obligation” is applicable, then the priority of payment of the Reference Obligation or the Prior Reference Obligation, as applicable, shall be determined as of the date of selection) and, in each case, shall not reflect any change to such ranking in priority of payment after such date; and

- (C) “**Prior Reference Obligation**” means, in circumstances where there is no Reference Obligation applicable to a Series, (I) the Reference Obligation most recently applicable thereto, if any, and otherwise, (II) the obligation specified in the relevant Final Terms as the Reference Obligation, if any, if such Reference Obligation was redeemed on or prior to the Trade Date and otherwise, (III) any unsubordinated Borrowed Money obligation of the Reference Entity;
- (ii) “**Specified Currency**” means an obligation that is payable in the currency or currencies specified as such in the relevant Final Terms (or, if “Specified Currency” is specified in the relevant Final Terms and no currency is so specified, any Standard Specified Currency), provided that if the euro is a Specified Currency, “Specified Currency” shall also include an obligation that was previously payable in the euro, regardless of any redenomination thereafter if such redenomination occurred as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority;
- (iii) “**Not Sovereign Lender**” means any obligation that is not primarily owed to (A) a Sovereign or (B) any entity or organisation established by treaty or other arrangement between two or more Sovereigns including, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development, which shall include, without limitation, obligations generally referred to as “Paris Club debt”;
- (iv) “**Not Domestic Currency**” means any obligation that is payable in any currency other than the applicable Domestic Currency, provided that a Standard Specified Currency shall not constitute a Domestic Currency;
- (v) “**Not Domestic Law**” means any obligation that is not governed by the applicable Domestic Law, provided that the laws of England and the laws of the State of New York shall not constitute Domestic Law;
- (vi) “**Listed**” means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange; and
- (vii) “**Not Domestic Issuance**” means any obligation other than an obligation that was issued (or reissued, as the case may be) or intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or, as a result of some other action having been taken for such purpose, is qualified for sale outside the domestic market of the relevant Reference Entity (regardless of whether such obligation is also registered or qualified for sale within the domestic market of the Reference Entity) shall be deemed not to be issued (or reissued as the case may be) or intended to be offered for sale primarily in the domestic market of the Reference Entity.

“**Obligation Acceleration**” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other



similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

“**Obligation Currency**” means the currency or currencies in which an Obligation is denominated.

“**Obligation Default**” means one or more Obligations in an aggregate amount of not less than the Default Requirement have become capable of being declared due and payable before they would otherwise have been due and payable as a result of, or on the basis of, the occurrence of a default, event of default or other similar condition or event (however described), other than a failure to make any required payment, in respect of the Reference Entity under one or more Obligations.

“**Original Non-Standard Reference Obligation**” means each obligation of the Reference Entity (either directly or as provider of a guarantee) which is specified as a Reference Obligation in the relevant Final Terms (if any is so specified).

The “**Outstanding Principal Balance**” of an obligation will be calculated as follows:

- (a) first, by determining, in respect of the obligation, the amount of the Reference Entity’s principal payment obligations and, where applicable in accordance with the definition of “Accrued Interest”, the Reference Entity’s accrued but unpaid interest payment obligations (which, in the case of a Guarantee will be the lower of (i) the Outstanding Principal Balance (including accrued but unpaid interest, where applicable) of the Underlying Obligation (determined as if references to the Reference Entity were references to the Underlying Obligor) and (ii) the amount of the Fixed Cap, if any);
- (b) second, by subtracting all or any portion of such amount which, pursuant to the terms of the obligation, (i) is subject to any Prohibited Action, or (ii) may otherwise be reduced as a result of the effluxion of time or the occurrence or non-occurrence of an event or circumstance (other than by way of (A) payment or (B) a Permitted Contingency) (the amount determined in subparagraph (a) of this definition less any amounts subtracted in accordance with this subparagraph (b), the “**Non-Contingent Amount**”); and
- (c) third, by determining the Quantum of the Claim, which shall then constitute the Outstanding Principal Balance,

in each case, determined:

- (i) unless otherwise specified, in accordance with the terms of the obligation in effect on the Valuation Date; and
- (ii) with respect to the Quantum of the Claim only, in accordance with any applicable laws (insofar as such laws reduce or discount the size of the claim to reflect the original issue price or accrued value of the obligation).

For the purpose of this definition of “Outstanding Principal Balance”, “**Quantum of the Claim**” means the lowest amount of the claim which could be validly asserted against the Reference Entity in respect of the Non-Contingent Amount if the obligation had become redeemable, been accelerated, terminated or had otherwise become due and payable at the time of the relevant determination, provided that the Quantum of the Claim cannot exceed the Non-Contingent Amount.

“**Package Observable Bond**” means, in respect of a Reference Entity which is a Sovereign, any obligation (a) which is identified as such and published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time and (b) which fell within the definition of Deliverable Obligation set out in subparagraph (a) or (b) of the definition of “Deliverable Obligation”, in each case, immediately preceding the date on which the relevant Asset Package Credit Event was legally effective.

“**Parallel Auction**” means the “Auction” which is the subject of the relevant Parallel Auction Settlement Terms.

“**Parallel Auction Cancellation Date**” means the “Auction Cancellation Date” in respect of the relevant Parallel Auction Settlement Terms.

“**Parallel Auction Settlement Terms**” means, following the occurrence of an M(M)R Restructuring”, any Credit Derivatives Auction Settlement Terms published by ISDA with respect to such an M(M)R Restructuring if the Calculation Agent determines in its discretion, acting in a commercially reasonable manner, that the relevant Deliverable Obligation Terms are substantially the same as the Deliverable Obligation Provisions applicable to the relevant Credit Linked Notes and for which a credit derivatives transaction with the same tenor as Series of the Credit Linked Notes would not be an “Auction Covered Transaction” for the purpose of the relevant Credit Derivatives Auction Settlement Terms.

“**Partial Nominal Amount**” has the meaning given to that term in Credit Linked Additional Condition 10.2 (*Multiple Successors*).

“**Payment Requirement**” means the amount specified as such in the relevant Final Terms or its equivalent in the relevant Obligation Currency (or, if no such amount is specified, USD 1,000,000 or its equivalent in the relevant Obligation Currency) in either case as of the occurrence of the relevant Failure to Pay or Potential Failure to Pay, as appropriate.

“**Permissible Deliverable Obligation**” has the meaning set out in the relevant Credit Derivatives Auction Settlement Terms, being either all or the portion of the Deliverable Obligations included on the Final List pursuant to the Deliverable Obligation Terms that are applicable to that Auction.

“**Permitted Contingency**” means, with respect to an obligation, any reduction to the Reference Entity’s payment obligations:

- (a) as a result of the application of:
  - (i) any provisions allowing a transfer, pursuant to which another party may assume all of the payment obligations of the Reference Entity;
  - (ii) provisions implementing the Subordination of the obligation;
  - (iii) provisions allowing for a Permitted Transfer in the case of a Qualifying Guarantee (or provisions allowing for the release of the Reference Entity from its payment obligations in the case of any other Guarantee);
  - (iv) any Solvency Capital Provisions, if “Subordinated European Insurance Terms” is specified as applicable in the relevant Final Terms; or
  - (v) provisions which permit the Reference Entity’s obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, if “Financial Reference Entity Terms” is specified as applicable in the relevant Final Terms; or
- (b) which is within the control of the holders of the obligation or a third party acting on their behalf (such as an agent or trustee) in exercising their rights under or in respect of such obligation.

“**Permitted Transfer**” means, with respect to a Qualifying Guarantee, a transfer to and the assumption by any single transferee of such Qualifying Guarantee (including by way of cancellation and execution of a new guarantee) on the same or substantially the same terms, in circumstances

where there is also a transfer of all (or substantially all) of the assets of the Reference Entity to the same single transferee.

**“Physical Settlement Matrix”** means the “Credit Derivatives Physical Settlement Matrix” as most recently amended or supplemented as at the Issue Date (unless otherwise specified in the relevant Final Terms) and as published by ISDA on its website at [www.isda.org](http://www.isda.org) (or any successor website). The Physical Settlement Matrix may be applicable to any Series of Notes where “Physical Settlement Matrix Standard Terms” are specified as applicable in the relevant Final Terms and one or more Transaction Type(s) are specified as applying to the Reference Entity(ies) of such Series of Notes.

**“Post Dismissal Additional Period”** means the period from and including the date of the Applicable DC Credit Event Question Dismissal to and including the date that is 14 calendar days thereafter (provided that the relevant Credit Event Resolution Request Date occurred on or prior to the end of the last day of the Notice Delivery Period (including prior to the Trade Date)).

**“Potential Failure to Pay”** means the failure by the Reference Entity to make, when and where due, any payments in an aggregate amount of not less than the Payment Requirement under one or more Obligations in accordance with the terms of such obligations at the time of such failure, without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligations.

**“Potential Repudiation/Moratorium”** means the occurrence of an event described in sub-paragraph (a) of the definition of “Repudiation/Moratorium”.

**“Prior Deliverable Obligation”** means:

- (a) if a Governmental Intervention has occurred (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the Applicable DC Credit Event Announcement), any obligation of the Reference Entity which (i) existed immediately prior to such Governmental Intervention, (ii) was the subject of such Governmental Intervention and (iii) fell within the definition of “Deliverable Obligation” set out in sub-paragraph (a) or (b) of the definition of “Deliverable Obligation”, in each case, immediately preceding the date on which such Governmental Intervention was legally effective; or
- (b) if a Restructuring which does not constitute a Governmental Intervention has occurred in respect of the Reference Obligation of the relevant Reference Entity (whether or not such event is specified as the applicable Credit Event in the Credit Event Notice or the Applicable DC Credit Event Announcement), such Reference Obligation, if any.

**“Private-side Loan”** means a Loan in respect of which the documentation governing its terms is not publicly available or capable of being made public without violating a law, agreement, understanding or other restriction regarding the confidentiality of such information.

**“Prohibited Action”** means any counterclaim, defence (other than a counterclaim or defence based on the factors set forth in sub-paragraphs (a) to (d) of the definition of “Credit Event” or right of set-off by or of the Reference Entity or any applicable Underlying Obligor.

**“Public Source”** means each source of Publicly Available Information specified as such in the relevant Final Terms (or, if no such source is specified, each of Bloomberg, Reuters, Dow Jones Newswires, The Wall Street Journal, The New York Times, Nihon Keizai Shimbun, AsahiShimbun, YomiuriShimbun, Financial Times, La Tribune, Les Echos, The Australian Financial Review and Debtwire (and successor publications), the main source(s) of business news in the country in which the Reference Entity is organised and any other internationally recognised published or electronically displayed news sources).

**“Publicly Available Information”** means information that reasonably confirms any of the facts relevant to the determination that the Credit Event or Potential Repudiation/Moratorium, as applicable, described in a Credit Event Notice or Repudiation/Moratorium Extension Notice have occurred and which (a) 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; (b) is information received from or published by (i) the Reference Entity (or if the Reference Entity is a Sovereign, any agency, instrumentality, ministry, department or other authority thereof acting in a governmental capacity (including, without limiting the foregoing, the central bank) of such Sovereign) or (ii) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation, or (c) is information contained in any order, decree, notice, petition or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative, regulatory or judicial body; provided that where any information of the type described in sub-paragraphs (a) to (c) of this definition is not publicly available, it can only constitute Publicly Available Information if it can be made public without violating any law, agreement, understanding or other restriction regarding the confidentiality of such information.

In relation to any information of the type described in sub-paragraphs (b) and (c) in the first paragraph of this definition, the party receiving such information may assume that such information has been disclosed to it without violating any law, agreement, understanding or other restriction 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 Reference Entity or any Affiliate of the Reference Entity that would be breached by, or would prevent, the disclosure of such information to the party receiving such information.

Without limitation, Publicly Available Information need not state (a) in relation to the definition of “Downstream Affiliate”, the percentage of Voting Shares owned by the Reference Entity and (b) that the relevant occurrence (i) has met the Payment Requirement or Default Requirement, (ii) is the result of exceeding any applicable Grace Period or (iii) has met the subjective criteria specified in certain Credit Events.

In relation to a Repudiation/Moratorium Credit Event, Publicly Available Information must relate to the events described in sub-paragraphs (a) and (b) of the definition of “Repudiation/Moratorium”.

**“Qualifying Affiliate Guarantee”** means a Qualifying Guarantee provided by the Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of the Reference Entity.

**“Qualifying Guarantee”** means a guarantee evidenced by a written instrument (which may include a statute or regulation), pursuant to which the Reference Entity irrevocably agrees, undertakes or is otherwise obliged to pay all amounts of principal and interest (except for amounts which are not covered due to the existence of a Fixed Cap) due under an “Underlying Obligation” for which the Underlying Obligor is the obligor, by guarantee of payment and not by guarantee of collection (or, in either case, any legal arrangement which is equivalent thereto in form under the relevant governing law).

A Qualifying Guarantee shall not include any guarantee:

- (a) which is structured as a surety bond, financial guarantee insurance policy or letter of credit (or any legal arrangement which is equivalent thereto in form); or
- (b) pursuant to the terms applicable thereto, the principal payment obligations of the Reference Entity can be discharged, released, reduced, assigned or otherwise altered as a result of the occurrence or non-occurrence of an event or circumstance other than: (i) by payment; (ii) by way of Permitted Transfer; (iii) by operation of law; (iv) due to the existence of a Fixed Cap; or (v) due to: (A) provisions permitting or anticipating a Governmental Intervention, if

“Financial Reference Entity Terms” is specified as applicable in the relevant Final Terms; or (B) any Solvency Capital Provisions, if “Subordinated European Insurance Terms” is specified as applicable in the relevant Final Terms.

If the guarantee or Underlying Obligation contains provisions relating to the discharge, release, reduction, assignment or other alteration of the principal payment obligations of the Reference Entity and such provisions have ceased to apply or are suspended at the time of the relevant determination, in accordance with the terms of such guarantee or Underlying Obligation, due to or following the occurrence of (A) a non-payment in respect of the guarantee or the Underlying Obligation, or (B) an event of the type described in the definition of “Bankruptcy” in respect of the Reference Entity or the Underlying Obligor, then it shall be deemed for these purposes that such cessation or suspension is permanent, notwithstanding the terms of the guarantee or Underlying Obligation.

In order for a guarantee to constitute a Qualifying Guarantee: (I) The benefit of such guarantee must be capable of being Delivered together with the Delivery of the Underlying Obligation; and (II) if a guarantee contains a Fixed Cap, all claims to any amounts which are subject to such Fixed Cap must be capable of being Delivered together with the Delivery of such guarantee.

“**Quotation**” means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage of the Deliverable Obligation’s Outstanding Principal Balance or Due and Payable Amount (or if a Quotation is being obtained in respect of the Asset Package resulting from any Prior Deliverable Obligation or Package Observable Bond, the Outstanding Principal Balance of the relevant Prior Deliverable Obligation or Package Observable Bond immediately prior to the Asset Package Credit Event), as applicable, with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent or the Issuer, as applicable, shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Quotation Dealers. If the Calculation Agent or the Issuer, as applicable, is unable to obtain two or more such Full Quotations on the same Business Day within three Business Days of a Valuation Date, then on the next following Business Day (and, if necessary, on each Business Day thereafter until the tenth Business Day following the relevant Valuation Date) the Calculation Agent or the Issuer, as applicable, shall attempt to obtain Full Quotations from five or more Quotation Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Calculation Agent or the Issuer, as applicable, is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day on or prior to the tenth Business Day following the applicable Valuation Date, the Quotations shall be deemed to be any Full Quotation obtained from a Quotation Dealer at the Valuation Time on such tenth Business Day, or if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Quotation Dealers at the Valuation Time on such tenth Business Day with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained on such day.

“**Quotation Amount**” means an amount determined by the Calculation Agent or the Issuer, as applicable, not in excess of the Aggregate Nominal Amount of the Credit Linked Notes or its equivalent in the relevant Obligation Currency, which shall be converted by the Calculation Agent in a commercially reasonable manner by reference to exchange rates in effect at the time that the relevant Quotation is being obtained). Where an Asset Package Credit Event has occurred and a Deliverable Obligation has been converted into an Asset Package, the Quotation Amount for all or any part of the Asset Package shall be such amount as the Calculation Agent or the Issuer, as applicable, determines appropriate in its sole and absolute discretion.

**“Quotation Dealer”** means, as selected by the Calculation Agent or the Issuer, as applicable, in its discretion, acting in a commercially reasonable manner, a dealer in obligations of the type for which Quotations are to be obtained, including each Quotation Dealer specified in the relevant Final Terms. Upon a Quotation Dealer no longer being in existence (with no successors), or not being an active dealer in the obligations of the type for which Quotations are to be obtained, the Calculation Agent or the Issuer, as applicable, may, in its discretion, acting in a commercially reasonable manner, substitute any other Quotation Dealer(s) for one or more of the foregoing.

**“Quotation Method”** means the applicable Quotation Method specified in the relevant Final Terms by reference to one of the following terms (or, if no Quotation Method is specified, Bid shall apply), where:

- (a) **“Bid”** means that only bid quotations shall be requested from Quotation Dealers;
- (b) **“Offer”** means that only offer quotations shall be requested from Quotation Dealers; or
- (c) **“Mid-market”** means that bid and offer quotations shall be requested from Quotation Dealers and shall be averaged for purposes of determining a relevant Quotation Dealer’s quotation,

provided that in respect of any Asset Package which is the subject of a Quotation, the Quotation Method shall be any of the above Quotation Methods selected by the Calculation Agent or the Issuer, as applicable, in its sole and absolute discretion, or any other method of quotation provided in the market for the relevant Asset as determined by the Calculation Agent or the Issuer, as applicable, notwithstanding the Quotation Method specified in the relevant Final Terms.

**“Redemption Date”** means the Auction Redemption Date, Cash Redemption Date or, if Credit Payment on Maturity applies, the Final Auction Redemption Date or the Final Cash Redemption Date, as applicable.

**“Redemption Failure Event”** means, in each case as determined by the Issuer in its discretion, acting in a commercially reasonable manner, that (a) it is impossible, impracticable or illegal for the Issuer to pay (due to an event beyond the control of the Issuer), or for a Noteholder to accept payment of (due to an event beyond the control of such Noteholder), any cash amount (including, without limitation, any portion of the Auction Redemption Amount or the Cash Redemption Amount in respect of the Credit Linked Notes) required to be paid on the date scheduled for such payment, (b) the failure of a Noteholder to surrender a Credit Linked Note for cancellation on or before the Maturity Date, the Auction Redemption Date or the Cash Redemption Date, as the case may be.

**“Redemption Suspension Notice”** has the meaning given to that term in Credit Linked Additional Condition 9 (*Effect of DC Announcements*).

**“Reference Entity”** means the entity specified as such in the relevant Final Terms. Any Successor to the Reference Entity either (a) identified by the Calculation Agent pursuant to the definition of “Successor” on or following the Trade Date or (b) identified pursuant to a DC Resolution in respect of a Successor Resolution Request Date and publicly announced by the DC Secretary on or following the Trade Date shall, in each case, with effect from the Succession Date, be the Reference Entity.

**“Reference Obligation”** means:

- (a) if “Standard Reference Obligation” is specified as applicable in the relevant Final Terms, the Standard Reference Obligation;
- (b) if “Standard Reference Obligation” is specified as not applicable in the relevant Final Terms, in which case the Reference Obligation(s) will be the Non-Standard Reference Obligation(s), if any; or

- (c) if (i) “Standard Reference Obligation” is specified as applicable in the relevant Final Terms, (ii) there is no Standard Reference Obligation and (iii) a Non-Standard Reference Obligation is specified in the relevant Final Terms, in which case the Reference Obligation will be (A) the Non-Standard Reference Obligation to but excluding the first date of publication of the Standard Reference Obligation and (B) the Standard Reference Obligation from such date onwards, provided that the Standard Reference Obligation that is published would have been eligible to be selected as a Substitute Reference Obligation.

“**Reference Obligation Only Entity**” means a Reference Entity in respect of which (a) “Reference Obligation Only” is specified as the Obligation Category and the Deliverable Obligation Category in the relevant Final Terms in respect of such Reference Entity and (b) “Standard Reference Obligation” is specified as not applicable in the relevant Final Terms in respect of such Reference Entity.

“**Reference Portfolio**” means the Reference Entity and Reference Obligation or the portfolio of Reference Entities and Reference Obligations, as the case may be, specified in the relevant Final Terms, as the same may be amended from time to time in accordance with the provisions of the Credit Linked Additional Conditions and the relevant Final Terms.

“**Relevant City Business Day**” has the meaning given to that term in the DC Rules.

“**Relevant Credit Event**” means the first Credit Event to occur with respect to the Reference Entity.

“**Relevant Event Determination Date**” means the Event Determination Date occurring with respect to a Relevant Credit Event.

“**Relevant Guarantee**” means a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in the relevant Final Terms, a Qualifying Guarantee.

“**Relevant Holder**” means a holder of the Prior Deliverable Obligation or Package Observable Bond, as the case may be, with an Outstanding Principal Balance or Due and Payable Amount, as applicable, immediately prior to the relevant Asset Package Credit Event, equal to the outstanding notional amount to be used in determining the Final Price in determining the Cash Redemption Amount.

“**Relevant Obligations**” means the Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan” and which are outstanding immediately prior to the Succession Date (or, if there is a Steps Plan, immediately prior to the legally effective date of the first succession), provided that:

- (a) any Bonds or Loans outstanding between the Reference Entity and any of its Affiliates, or held by the Reference Entity, shall be excluded;
- (b) if there is a Steps Plan, the Calculation Agent shall, for purposes of the determination required to be made under the definition of “Successor”, make the appropriate adjustments required to take account of any Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan” that are issued, incurred, redeemed, repurchased or cancelled from and including the legally effective date of the first succession to and including the Succession Date;
- (c) if “Financial Reference Entity Terms” is specified as applicable in the relevant Final Terms and the Reference Entity is a Senior Reference Entity, the Relevant Obligations shall only include the Senior Obligations of the Reference Entity which fall within the Obligation Category “Bond or Loan”; and
- (d) if “Financial Reference Entity Terms” is specified as applicable in the relevant Final Terms, and the relevant Reference Entity is a Subordinated Reference Entity, Relevant Obligations shall exclude Senior Obligations and any Further Subordinated Obligations of the Reference

Entity which fall within the Obligation Category “Bond or Loan”, provided that if no such Relevant Obligations exist, “Relevant Obligations” shall have the same meaning as it would if the relevant Reference Entity were a Senior Reference Entity.

“**Repudiation/Moratorium**” means the occurrence of both of the following events: (a) an authorised officer of the Reference Entity or a Governmental Authority (i) 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 (ii) 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 (b) a Failure to Pay, determined without regard to the Payment Requirement, or a Restructuring, determined without regard to the Default Requirement, with respect to any such Obligation that occurs on or prior to the Repudiation/Moratorium Evaluation Date.

“**Repudiation/Moratorium Evaluation Date**” means, if a Potential Repudiation/Moratorium occurs on or prior to the Maturity Date, (a) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (i) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (ii) the first payment date under any such Bond after the date of such Potential Repudiation/Moratorium (or, if later, the expiration date of any applicable Grace Period in respect of such payment date) and (b) if the Obligations to which such Potential Repudiation/Moratorium relates do not include Bonds, the date that is 60 days after the date of such Potential Repudiation/Moratorium; provided that, in either case, the Repudiation/Moratorium Evaluation Date shall occur no later than the Maturity Date unless the Repudiation/Moratorium Extension Condition is satisfied.

The “**Repudiation/Moratorium Extension Condition**” is satisfied (a) if the DC Secretary publicly announces, pursuant to a valid request that was delivered and effectively received on or prior to the date that is 14 calendar days after the Maturity Date, that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Potential Repudiation/Moratorium has occurred with respect to an Obligation of the Reference Entity and that such event occurred on or prior to the Maturity Date and such resolution constitutes an Applicable Resolution or (b) otherwise, by the delivery by the Issuer to the Noteholders of a Repudiation/Moratorium Extension Notice and, unless “Notice of Publicly Available Information” is specified not applicable in the relevant Final Terms, a Notice of Publicly Available Information that is effective on or prior to the date that is 14 calendar days after the Maturity Date. In all cases, the Repudiation/Moratorium Extension Condition will be deemed not to have been satisfied, or not capable of being satisfied, if, or to the extent that, the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (i) an event does not constitute a Potential Repudiation/Moratorium with respect to an Obligation of the Reference Entity or (ii) an event that constitutes a Potential Repudiation/Moratorium for the purposes of the relevant Credit Linked Notes has occurred with respect to an Obligation of the relevant Reference Entity but that such event occurred after the Maturity Date.

“**Repudiation/Moratorium Extension Notice**” means an irrevocable notice (substantially in the form of the notice in Part F (*Form of Repudiation/Moratorium Extension Notice*) of Schedule 2 hereto) from the Issuer to the Noteholders that describes a Potential Repudiation/Moratorium that occurred on or prior to the Maturity Date. A Repudiation/Moratorium Extension Notice must contain a description in reasonable detail of the facts relevant to the determination that a Potential Repudiation/Moratorium has occurred and indicate the date of the occurrence. The Potential Repudiation/Moratorium that is the subject of the Repudiation/Moratorium Extension Notice need not be continuing on the date the Repudiation/Moratorium Extension Notice is effective.



“**Resolve**” means, with respect to a Credit Derivatives Determinations Committee, the making of a specific determination in accordance with the DC Rules, and “**Resolved**” and “**Resolves**” shall be construed accordingly.

“**Restructured Bond or Loan**” means an Obligation that is a Bond or Loan and in respect of which the relevant Restructuring has occurred.

“**Restructuring**” means that, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, any one or more of the following events occurs in a form that binds all holders of such Obligation, is agreed between the Reference Entity or a Governmental Authority and a sufficient number of holders of such Obligation to bind all holders of the Obligation or is announced (or otherwise decreed) by the Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation (including, in each case, in respect of Bonds only, by way of exchange) and such event is not expressly provided for under the terms of such Obligation in effect as of the later of the Credit Event Backstop Date applicable to the relevant Credit Linked Notes and the date as of which such Obligation is issued or incurred:

- (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals (including by way of redenomination);
- (b) a reduction in the amount of principal or premium payable at redemption (including by way of redenomination);
- (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium;
- (d) a change in the ranking in priority of payment of any Obligation, causing the Subordination of such Obligation to any other Obligation; or
- (e) any change in the currency of any payment of interest, principal or premium to any currency other than the lawful currency of Canada, Japan, Switzerland, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

Notwithstanding the above in this definition of “Restructuring”, none of the following shall constitute a Restructuring:

- (i) the payment in euros of interest, principal or premium in relation to an Obligation denominated in a currency of a Member State of the European Union that adopts or has adopted the single currency in accordance with the Treaty establishing the European Community, as amended by the Treaty on European Union;
- (i) the redenomination from euros into another currency, if (A) the redenomination occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority and (B) a freely available market rate of conversion between euros and such other currency existed at the time of such redenomination and there is no reduction in the rate or amount of interest, principal or premium payable, as determined by reference to such freely available market rate of conversion;
- (ii) the occurrence of, agreement to or announcement of any of the events described in subparagraphs (a) to (e) of this definition due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

- (iii) the occurrence of, agreement to or announcement of any of the events described in subparagraphs (a) to (e) of this definition in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity, provided that in respect of sub-paragraph (e) of this definition only, no such deterioration in the creditworthiness or financial condition of the Reference Entity is required where the redenomination is from euros into another currency and occurs as a result of action taken by a Governmental Authority of a Member State of the European Union which is of general application in the jurisdiction of such Governmental Authority.

For the purposes of this definition of “Restructuring”, the term Obligation shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of a Guarantee. In the case of a Guarantee and an Underlying Obligation, references to the Reference Entity in subparagraphs (a) to (e) of this definition shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in paragraphs (i) to (iii) of this definition shall continue to refer to the Reference Entity.

If an exchange has occurred, the determination as to whether one of the events described under subparagraphs (a) to (e) of this definition has occurred will be based on a comparison of the terms of the Bond immediately prior to such exchange and the terms of the resulting obligations immediately following such exchange.

“**Restructuring Date**” means the date on which a Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

“**Restructuring Maturity Limitation Date**” means, with respect to a Deliverable Obligation, the Limitation Date occurring on or immediately following the Maturity Date. Notwithstanding the foregoing, if the final maturity date of the Restructured Bond or Loan with the latest final maturity date of any Restructured Bond or Loan occurs prior to the 2.5-year Limitation Date (such Restructured Bond or Loan, a “**Latest Maturity Restructured Bond or Loan**”) and the Maturity Date occurs prior to the final maturity date of such Latest Maturity Restructured Bond or Loan, then the Restructuring Maturity Limitation Date will be the final maturity date of such Latest Maturity Restructured Bond or Loan.

“**Senior Obligation**” means any obligation which is not Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity.

“**Senior Reference Entity**” means a Reference Entity for which (a) the Reference Obligation(s) or Prior Reference Obligation(s), as applicable, is/are a Senior Obligation provided that if there is more than one Reference Obligation for a Reference Entity, and not all of the Reference Obligations are Senior Obligations, then “Senior Reference Entity” means a Reference Entity in respect of which “Senior Level” is specified as the Seniority Level in the relevant Final Terms, or (b) there is no Reference Obligation or Prior Reference Obligation.

“**Seniority Level**” means, with respect to a Reference Entity, (a) “Senior Level” or “Subordinated Level” as specified in the relevant Final Terms, or (b) if no such seniority level is specified in the relevant Final Terms, “Senior Level” if the only Original Non-Standard Reference Obligation is a Senior Obligation or “Subordinated Level” if the only Original Non-Standard Reference Obligation is a Subordinated Obligation, failing which (c) “Senior Level”.

“**Settlement Currency**” means the currency specified in the relevant Final Terms, or if no currency is specified in the relevant Final Terms, the Specified Currency of the Credit Linked Notes.

“**Solvency Capital Provisions**” means any terms in an obligation which permit the Reference Entity’s payment obligations thereunder to be deferred, suspended, cancelled, converted, reduced or

otherwise varied and which are necessary in order for the obligation to constitute capital resources of a particular tier.

“**Sovereign**” means any state, political subdivision or government, or any agency, instrumentality, ministry, department or other authority acting in a governmental capacity (including, without limiting the foregoing, the central bank) thereof.

“**Sovereign Restructured Deliverable Obligation**” means an Obligation of a Reference Entity which is a Sovereign (either directly or as provider of a Relevant Guarantee) (a) in respect of which a Restructuring that is the subject of the relevant Credit Event Notice or Applicable DC Credit Event Announcement has occurred and (b) which fell within the definition of “Deliverable Obligation” immediately preceding the date on which such Restructuring is legally effective in accordance with the terms of the documentation governing such Restructuring.

“**Sovereign Succession Event**” means, with respect to a Reference Entity that is a Sovereign, an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other similar event.

“**Specified Number**” means the number of Public Sources specified in the relevant Final Terms (or, if no such number is specified, two).

“**SRO List**” means the list of Standard Reference Obligations as published by ISDA on its website at [www.isda.org](http://www.isda.org) from time to time (or any successor website thereto) or by a third party designated by ISDA on its website from time to time.

“**Standard Reference Obligation**” means the obligation of the Reference Entity with the relevant Seniority Level which is specified from time to time on the SRO List.

“**Standard Specified Currency**” means each of the lawful currencies of Canada, Japan, Switzerland, France, Germany, the United Kingdom and the United States of America and the euro and any successor currency to any of the aforementioned currencies (which in the case of the euro, shall mean the currency which succeeds to and replaces the euro in whole).

“**Steps Plan**” means a plan evidenced by Eligible Information contemplating that there will be a series of successions to some or all of the Relevant Obligations of the Reference Entity, by one or more entities.

“**Subordinated Obligation**” means any obligation which is Subordinated to any unsubordinated Borrowed Money obligation of the Reference Entity or which would be so Subordinated if any unsubordinated Borrowed Money obligation of the Reference Entity existed.

“**Subordinated Reference Entity**” means a Reference Entity for which the Reference Obligation(s) or Prior Reference Obligation(s), as applicable, is/are a Subordinated Obligation provided that, if there is more than one Reference Obligation and not all of the Reference Obligations are Subordinated Reference Obligations, then “Subordinated Reference Entity” means a Reference Entity specified as such in the relevant Final Terms.

“**Substitute Reference Obligation**” means, with respect to a Non-Standard Reference Obligation to which a Substitution Event has occurred, the obligation that may replace the Non-Standard Reference Obligation, determined by the Calculation Agent in accordance with Credit Linked Additional Condition 12 (*Reference Obligation*).

Notwithstanding the definition of “Substitute Reference Obligation” (a) no Substitute Reference Obligation shall be determined in respect of a Reference Obligation Only Series and (b) if the events set out in sub-paragraph (b) or (c) of the definition of “Substitution Event” occur with respect to the

Reference Obligation in a Reference Obligation Only Series, such Reference Obligation shall continue to be the Reference Obligation.

“**Substitution Date**” means, with respect to a Substitute Reference Obligation, the date on which the Calculation Agent notifies the Noteholders of the Substitute Reference Obligation that it has identified in accordance with the definition of “Substitute Reference Obligation”.

“**Substitution Event**” means, with respect to a Non-Standard Reference Obligation:

- (a) the Non-Standard Reference Obligation is redeemed in whole;
- (b) the aggregate amounts due under the Non-Standard Reference Obligation have been reduced by redemption or otherwise below USD 10,000,000 (or its equivalent in the relevant Obligation Currency, as determined by the Calculation Agent); or
- (c) for any reason, other than due to the existence or occurrence of a Credit Event, the Non-Standard Reference Obligation is no longer an obligation of the Reference Entity, (either directly or as provider of a guarantee).

For the purposes of the identification of a Non-Standard Reference Obligation, any change in the Non-Standard Reference Obligation’s CUSIP or ISIN number or other similar identifier will not, in and of itself, constitute a Substitution Event.

If an event described in sub-paragraph (a) or (b) of this definition has occurred on or prior to the Trade Date, then a Substitution Event shall be deemed to have occurred pursuant to sub-paragraph (a) or (b) of this definition, as the case may be, on the Trade Date.

“**Substitution Event Date**” means, with respect to the Reference Obligation, the date of the occurrence of the relevant Substitution Event.

“**Successor**” means subject to Credit Linked Additional Condition 10.5 (*Eligible Successors*), the entity or entities, if any, determined by the Calculation Agent or the Credit Derivatives Determination Committee (as applicable) as follows:

- (a) subject to sub-paragraph (g) of this definition, if one entity succeeds, either directly or as a provider of a Relevant Guarantee to 75 per cent. or more of the Relevant Obligations of the Reference Entity, that entity will be the sole Successor in respect of the entire Aggregate Nominal Amount of the Notes outstanding as at the Succession Date;
- (b) if only one entity succeeds, either directly or as a provider of a Relevant Guarantee to more than 25 per cent. (but less than 75 per cent.) of the Relevant Obligations of the Reference Entity and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than 25 per cent. of the Relevant Obligations will be the sole Successor in respect of the entire Aggregate Nominal Amount of the Notes outstanding as at the Succession Date;
- (c) if more than one entity each succeeds, either directly or as provider of a Relevant Guarantee to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and not more than 25 per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than 25 per cent. of the Relevant Obligations will each be a Successor in respect of a portion of the Aggregate Nominal Amount of the Notes outstanding as at the Succession Date (subject to Credit Linked Additional Condition 10 (*Successor Provisions*));
- (d) if one or more entities each succeeds, either directly or as provider of a Relevant Guarantee to more than 25 per cent. of the Relevant Obligations of the Reference Entity, and more than 25

per cent. of the Relevant Obligations of the Reference Entity remain with the Reference Entity, each such entity and the Reference Entity will each be a in respect of a portion of the Aggregate Nominal Amount of the Notes outstanding as at the Succession Date subject to and in accordance with Credit Linked Additional Condition 10 (*Successor Provisions*);

- (e) if one or more entities succeeds, either directly or as provider of a Relevant Guarantee to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity continues to exist, there will be no Successor and the Reference Entity and the Credit Linked Notes will not be changed in any way as a result of such succession;
- (f) if one or more entities succeeds either directly or as provider of a Relevant Guarantee to a portion of the Relevant Obligations of the Reference Entity, but no entity succeeds to more than twenty-five per cent. of the Relevant Obligations of the Reference Entity and the Reference Entity ceases to exist, the entity which succeeds to the greatest percentage of Relevant Obligations will be the Successor (provided that if two or more entities succeed to an equal percentage of Relevant Obligations, each such entity will be a Successor) subject to and in accordance with the provisions of Credit Linked Additional Condition 10 (*Successor Provisions*); and
- (g) in respect of a Reference Entity which is not a Sovereign, if one entity assumes all of the obligations (including at least one Relevant Obligation) of the Reference Entity, and at the time of the determination either (A) the Reference Entity has ceased to exist, or (B) the Reference Entity is in the process of being dissolved (howsoever described) and the Reference Entity has not issued or incurred any Borrowed Money obligation at any time since the legally effective date of the assumption, such entity (the “**Universal Successor**”) will be the sole Successor in respect of the relevant Series.

For the purposes of this definition, “**succeed**” means, with respect to the Reference Entity and its Relevant Obligations, that an entity other than the Reference Entity (A) assumes or becomes liable for such Relevant Obligations whether by operation of law or pursuant to any agreement (including, with respect to a Reference Entity that is a Sovereign, any protocol, treaty, convention, accord, concord, entente, pact or other agreement), or (B) issues Bonds or incurs Loans (the “**Exchange Bonds or Loans**”) that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case the Reference Entity is not thereafter a direct obligor or a provider of a Relevant Guarantee with respect to the Relevant Obligations or such Exchange Bonds or Loans, as applicable. For the purposes of this definition, “**succeeded**” and “**succession**” shall be construed accordingly.

“**Successor Backstop Date**” means for purposes of any Successor determination determined by DC Resolution, the date that is 90 calendar days prior to the Successor Resolution Request Date otherwise, the date that is 90 calendar days prior to the earlier of (a) the date on which the Successor Notice is effective and (b) in circumstances where (i) a Successor Resolution Request Date has occurred, (ii) the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination and (iii) the Successor Notice is delivered by the Issuer to the Noteholders not more than 14 calendar days after the day on which the DC Secretary publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to make a Successor determination, the Successor Resolution Request Date. The Successor Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention.

“**Succession Date**” means the legally effective date of an event in which one or more entities succeed to some or all of the Relevant Obligations of the Reference Entity; provided that if at such time, there is a Steps Plan, the Succession Date will be the legally effective date of the final succession in respect of such Steps Plan, or if earlier (a) the date on which a determination pursuant to the definition of

“Successor” would not be affected by any further related successions in respect of such Steps Plan, or (b) the occurrence of an Event Determination Date in respect of the Reference Entity or any entity which would constitute a Successor.

“**Successor Notice**” means an irrevocable notice (substantially in the form of the notice in Part E (*Form of Successor Notice*) of Schedule 2 hereto) from the Issuer to the Noteholders that describes a succession (or, in relation to a Reference Entity that is a Sovereign, a Sovereign Succession Event) in respect of which a Succession Date has occurred and pursuant to which one or more Successors to the Reference Entity can be determined. A Successor Notice must contain a description in reasonable detail of the facts relevant to the determination to be made pursuant to the definition of “Successor”.

“**Successor Resolution Request Date**” means, with respect to a notice to the DC Secretary requesting that a Credit Derivatives Determinations Committee be convened to Resolve one or more Successors to the Reference Entity, the date, as publicly announced by the DC Secretary, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective.

“**TARGET Settlement Day**” means any day on which TARGET2 (the Trans-European Automarket Real-time Gross Settlement Express Transfer System) is open.

“**Term**” means the period commencing on and including the Trade Date and ending on and including the Maturity Date (or, if applicable, Extended Maturity Date) of the Credit Linked Notes.

“**Trade Date**” means the date specified as such in the relevant Final Terms.

“**Transaction Auction Settlement Terms**” means the relevant Credit Derivatives Auction Settlement Terms, whether or not the Credit Linked Notes are covered by such Credit Derivatives Auction Settlement Terms; provided that the Calculation Agent determines in its discretion, acting in a commercially reasonable manner, that (a) the relevant Deliverable Obligations Terms are substantially the same as the Deliverable Obligations Provisions with respect to the Credit Linked Notes, and (b) if such Credit Event is a Restructuring for which an M(M)R Restructuring is applicable or deemed to be applicable, a credit derivatives transaction with the same tenor as the Credit Linked Notes would be an “Auction Covered Transaction” for the purposes of the relevant Credit Derivatives Auction Settlement Terms.

“**Transaction Type**” means, for the purposes of the application of the Physical Settlement Matrix to a Series where “Physical Settlement Matrix Standard Terms” is specified as applicable in the relevant Final Terms, each Reference Entity designated as one of the following in the relevant Final Terms:

- (a) North American Corporate;
- (b) European Corporate;
- (c) European Financial Corporate;
- (d) Australia Corporate;
- (e) Australia Financial Corporate;
- (f) New Zealand Corporate;
- (g) New Zealand Financial Corporate;
- (h) Japan Corporate;
- (i) Japan Financial Corporate;
- (j) Singapore Corporate;
- (k) Singapore Financial Corporate;

- (l) Asia Corporate;
- (m) Asia Financial Corporate;
- (n) Asia Sovereign;
- (o) Emerging European & Middle Eastern Sovereign;
- (p) Japan Sovereign;
- (q) Australia Sovereign;
- (r) New Zealand Sovereign;
- (s) Singapore Sovereign;
- (t) Latin America Sovereign;
- (u) Western European Sovereign,

and any other Transaction Type which may be added to the Physical Settlement Matrix from time to time.

**“Underlying Obligation”** means, with respect to a guarantee, the obligation which is the subject of the guarantee.

**“Underlying Obligor”** means, with respect to an Underlying Obligation, the issuer in the case of a Bond, the borrower in the case of a Loan, or the principal obligor in the case of any other Underlying Obligation.

**“Universal Successor”** has the meaning given in paragraph (g) of the definition of “Successor”.

**“Valuation Date”** means:

- (a) if “Single Valuation Date” is specified in the relevant Final Terms, subject to the provisions of Credit Linked Additional Condition 9 (*Effect of DC Announcements*), the date that is the number of Business Days specified in the relevant Final Terms after the Event Determination Date (or, if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of “Event Determination Date” or sub-paragraph (b)(i) of the definition of “Non-Standard Event Determination Date”, the day on which the DC Credit Announcement occurs) or, if the number of Business Days is not so specified, any day falling on or before the 90th Business Day after the Relevant Event Determination Date or, following any Auction Cancellation Date or No Auction Announcement Date, after such Auction Cancellation Date or No Auction Announcement Date (in each case, as selected by the Calculation Agent in its discretion, acting in a commercially reasonable manner);
- (b) if “Multiple Valuation Dates” is specified in the relevant Final Terms, subject to the provisions of Credit Linked Additional Condition 9 (*Effect of DC Announcements*), each of the following dates:
  - (i) the date that is the number of Business Days specified in the relevant Final Terms after the Event Determination Date (or, if the Event Determination Date occurs pursuant to sub-paragraph (a)(ii) of the definition of “Event Determination Date” or sub-paragraph (b)(i) of the definition of “Non-standard Event Determination Date”, the day on which the DC Credit Announcement occurs), Auction Cancellation Date or No Auction Announcement Date or, if the number of Business Days is not so specified, any day falling on or before the 90th Business Day after the Relevant Event Determination Date; and

- (ii) each successive date that is the number of Business Days specified in the relevant Final Terms (or if the number of Business Days is not so specified, 5 Business Days) after the date on which the Calculation Agent obtains a Market Value with respect to the immediately preceding Valuation Date.

When “Multiple Valuation Dates” is specified in the relevant Final Terms, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the relevant Final Terms (or, if the number of Valuation Dates is not so specified, five Valuation Dates).

If neither “Single Valuation Date” nor “Multiple Valuation Dates” is specified in the relevant Final Terms, the terms of sub-paragraph (a) of this definition shall apply as if “Single Valuation Date” had been specified in the relevant Final Terms.

“**Valuation Method**” means:

- (a) where there is only one Valuation Date, Highest, Lowest or Market, as specified in the relevant Final Terms.

If no Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Highest.

- (b) where there is more than one Valuation Date, Average Highest, Average Market or Highest, as specified in the relevant Final Terms.

If no Valuation Method is specified in the relevant Final Terms, the Valuation Method shall be Average Highest.

where:

- (i) “**Average Highest**” means the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent or the Issuer, as applicable, (or in accordance with sub-paragraph (b) of the definition of “Quotation”) with respect to each Valuation Date;
- (ii) “**Average Market**” means the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date; or
- (iii) “**Highest**” means the highest Quotation obtained by the Calculation Agent or the Issuer, as applicable, (or in accordance with sub-paragraph (b) of the definition of “Quotation”) with respect to any Valuation Date;
- (iv) “**Lowest**” means the lowest Quotation obtained by the Calculation Agent or the Issuer, as applicable, (or in accordance with sub-paragraph (b) of the definition of “Quotation”) with respect to any Valuation Date; and
- (v) “**Market**” means the Market Value determined by the Calculation Agent or the Issuer, as applicable, with respect to the Valuation Date.

Notwithstanding sub-paragraphs (a) and (b) of this definition, if Quotations include Weighted Average Quotations or fewer than two Full Quotations, the Valuation Method shall be Market or Average Market, as the case may be.

“**Valuation Time**” means the time specified as such in the relevant Final Terms or, if no such time is specified, the time determined by the Calculation Agent, which shall be as close as reasonably practicable to 11:00 a.m. London time, unless the Calculation Agent determines that the principal market valuing the Reference Obligation would be closed at such time or such transactions are not being conducted in sufficient volume (as determined by the Calculation Agent in its discretion, acting



in a commercially reasonable manner) at such time, in which event the Valuation Time shall be such other time as may be specified by the Calculation Agent that such principal market is open.

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

“**Weighted Average Quotation**” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Quotation Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an Outstanding Principal Balance or Due and Payable Amount, as applicable, of as large a size as available but less than the Quotation Amount (but of a size at least equal to the Minimum Quotation Amount) that in aggregate are approximately equal to the Quotation Amount.

“**Weighting**” means in respect of a Reference Entity, the weighting specified for such Reference Entity in the relevant Final Terms.

## **16 Interpretation of Obligation Characteristics and Deliverable Obligation Characteristics**

- 16.1 If either of the Obligation Characteristics “Listed” or “Not Domestic Issuance” is specified in the relevant Final Terms, the relevant Final Terms shall be construed as though the relevant Obligation Characteristic had been specified as an Obligation Characteristic only with respect to Bonds.
- 16.2 If (a) either of the Deliverable Obligation Characteristics “Listed”, “Not Domestic Issuance” or “Not Bearer” is specified in the relevant Final Terms, the relevant Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds; (b) the Deliverable Obligation Characteristic “Transferable” is specified in the relevant Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Deliverable Obligations that are not Loans; or (c) any of the Deliverable Obligation Characteristics “Assignable Loan”, “Consent Required Loan” or “Direct Loan Participation” is specified in the relevant Final Terms, such Final Terms shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans.
- 16.3 If more than one of “Assignable Loan”, “Consent Required Loan” and “Direct Loan Participation” are specified as Deliverable Obligation Characteristics in the relevant Final Terms, the Deliverable Obligations may include any Loan that satisfies any one of such Deliverable Obligation Characteristics specified and need not satisfy all such Deliverable Obligation Characteristics.
- 16.4 If an Obligation or a Deliverable Obligation is a Relevant Guarantee, the following will apply:
  - (a) For the purposes of the application of the Obligation Category or the Deliverable Obligation Category, the Relevant Guarantee shall be deemed to satisfy the same category or categories as those that describe the Underlying Obligation;
  - (b) For the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Relevant Guarantee and the Underlying Obligation must satisfy on the relevant date or dates each of the applicable Obligation Characteristics or Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms from the following list: “Not Subordinated”, “Specified Currency”, “Not Sovereign Lender”, “Not Domestic Currency” and “Not Domestic Law”.
  - (c) For the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant

date or dates each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the relevant Final Terms from the following list: “Listed”, “Not Domestic Issuance”, “Assignable Loan”, “Consent Required Loan”, “Direct Loan Participation”, “Transferable”, “Maximum Maturity”, “Accelerated” or “Matured” and “Not Bearer”; and

- (d) For the purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics to an Underlying Obligation, references to the Reference Entity shall be deemed to refer to the Underlying Obligor.

- 16.5 For purposes of the application of the Deliverable Obligation Characteristic “Maximum Maturity”, remaining maturity shall be determined on the basis of the terms of the Deliverable Obligation in effect at the time of making such determination and, in the case of a Deliverable Obligation that is due and payable, the remaining maturity shall be zero.
- 16.6 If “Financial Reference Entity Terms” and “Governmental Intervention” are specified as applicable in the relevant Final Terms, if an obligation would otherwise satisfy a particular Obligation Characteristic or Deliverable Obligation Characteristic, the existence of any terms in the relevant obligation in effect at the time of making the determination which permit the Reference Entity’s obligations to be altered, discharged, released or suspended in circumstances which would constitute a Governmental Intervention, shall not cause such obligation to fail to satisfy such Obligation Characteristic or Deliverable Obligation Characteristic.
- 16.7 For purposes of determining the applicability of Deliverable Obligation Characteristics and the requirements specified in sub-paragraph (a) of Credit Linked Additional Condition 11.1 (*Restructuring Maturity Limitation*) and sub-paragraph (a) of Credit Linked Additional Condition 11.2 (*Modified Restructuring Maturity Limitation*) to a Prior Deliverable Obligation or a Package Observable Bond, any such determination shall be made by reference to the terms of the relevant obligation in effect immediately prior to the Asset Package Credit Event.
- 16.8 If “Subordinated European Insurance Terms” is specified as applicable in the relevant Final Terms, if an obligation would otherwise satisfy the “Maximum Maturity” Deliverable Obligation Characteristic, the existence of any Solvency Capital Provisions in such obligation shall not cause it to fail to satisfy such Deliverable Obligation Characteristic.

## 17 CoCo Supplementary Provisions

If “CoCo Supplementary Provisions” is specified as applicable in the relevant Final Terms, the following provisions will apply:

- 17.1 A CoCo Provision shall be deemed to be a provision which permits a Governmental Intervention for all purposes under these Credit Linked Additional Conditions.
- 17.2 If, with respect to one or more Obligations and in relation to an aggregate amount of not less than the Default Requirement, the operation of one or more CoCo Provisions results in (a) a permanent or temporary reduction of the amount of principal payable at redemption or (b) a conversion of principal into shares or another instrument, such event shall be deemed to constitute a Governmental Intervention falling within sub-paragraph (a) of the definition of “Governmental Intervention”.
- 17.3 For the purposes of this Credit Linked Additional Condition 17:

“**CoCo Provision**” means, with respect to an Obligation, a provision which requires (a) a permanent or temporary reduction of the amount of principal payable at redemption or (b) a conversion of principal into shares or another instrument, in each case, if the Capital Ratio is at or below the Trigger Percentage;

**“Trigger Percentage”** means the trigger percentage specified in the relevant Final Terms (or if no such trigger percentage is specified, 5.25 per cent.); and

**“Capital Ratio”** means the ratio of capital to risk weighted assets applicable to the Obligation, as described in the terms thereof in effect from time to time.

**SCHEDULE 1**  
**FORM OF CREDIT LINKED NOTES FINAL TERMS**

The form of Final Terms that will be issued in respect of each Tranche, subject only to the deletion of non-applicable provisions, is set out below:

**Final Terms dated [●]**  
**SHINSEI BANK, LIMITED**  
**Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes] [Credit Linked Notes]**  
**under the**  
**SHINSEI BANK, LIMITED**  
**U.S. \$5,000,000,000**  
**Euro Medium Term Note Programme**

This document constitutes the Final Terms for the Notes described herein. This document must be read in conjunction with the Base Prospectus dated [●], the supplement to it dated [●] (the “**Base Prospectus**”) and the Credit Linked Notes Supplement (the “**Credit Linked Notes Supplement**”) [annexed] thereto [, save in respect of the Conditions (as defined below) which are extracted from the Base Prospectus dated [original date] [and the supplement to it dated [●]]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Final Terms, the Base Prospectus and the Credit Linked Notes Supplement. Copies of the Base Prospectus may be obtained from [●].

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions (the “**Conditions**”) set forth in the Base Prospectus dated [●] [, the supplement to it dated [●]] and the Credit Linked Notes Supplement.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended). Consequently, no key information document required by Regulation (EU) No 1286/2014 (the “**PRIIPs Regulation**”) for offering or selling the Notes or otherwise making them available to retail investors in the European Economic Area has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the European Economic Area may be unlawful under the PRIIPs Regulation.

**[MiFID II product governance / Professional investors and ECPs only target market** – Solely for the purposes of [the/each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturer[’s/s’] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer[’s/s’] target market assessment) and determining appropriate distribution channels.]

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

- 1 (i) Issuer: Shinsei Bank, Limited
- 2 (ii) Series Number: [●]
- (iii) [Tranche Number: [●]]
- [If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible.]*
- 3 Specified Currency or Currencies: [●]
- 4 Aggregate Nominal Amount:
- (i) Series: [●]
- (ii) [Tranche: [●]]
- 5 Issue Price: [●] per cent of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*]
- 6 (i) Specified Denominations: [●]
- (ii) Calculation Amount: [●]
- 7 (i) Issue Date: [●]
- (ii) Interest Commencement Date: *[Specify/Issue Date/Not Applicable]*
- 8 Maturity Date: *[specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]*
- 9 Interest Basis:
- [[●] per cent Fixed Rate]
- [[specify reference rate] +/- [●] per cent Floating Rate]*
- [Zero Coupon]
- [Index Linked Interest]
- [Other (specify)]
- (further particulars specified below)*
- 10 Redemption/Payment Basis:
- [Redemption at par]
- [Index Linked Redemption]
- [Dual Currency]
- [Partly Paid]
- [Instalment]
- [Other (specify)]*
- 11 Change of Interest or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis]*
- 12 Put/Call Options:
- [Put]
- [Call]
- [(further particulars specified below)]*
- 13 Listing: [Listing on the Singapore Stock Exchange/Other *(specify)*/None]
- 14 Method of distribution: [Syndicated/Non-syndicated]

## PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 **Fixed Rate Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Rate [(s)] of Interest: [●] per cent per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [●] in each year [adjusted in accordance with the Business Day Convention specified below [(not adjusted)]]  
*(Interest Payment Dates for Fixed Rate Notes are normally not subject to adjustment by any Business Day Convention)*
- (iii) Business Day Convention: [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Not Applicable]
- (iv) Fixed Coupon Amount [(s)]: [●] per Calculation Amount
- (v) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)] and the interest Payment Date(s) to which they relate]*
- (vi) Day Count Fraction (Condition 4(i)): [30/360]/[Actual/Actual (ICMA)]/[specify other]
- (vii) Determination Date(s) (Condition 4(i)): [●] in each year *[insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*<sup>1</sup>
- (viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: [Not Applicable/give details]
- 16 **Floating Rate Note Provisions** [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph.)*
- (i) Interest Period(s): [●]
- (ii) Specified Interest Payment Dates: [●]
- (iii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other *(give details)*]
- (iv) Business Centre(s) (Condition 4(i)): [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other *(give details)*]
- (vi) Interest Period Date(s): [Not Applicable/specify dates]
- (vii) Calculation Agent: [Shinsei Securities] / *specify other*

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<sup>1</sup> Only to be completed for an issue where Day Count Fraction is Actual/Actual-ICMA

- (viii) Screen Rate Determination:
    - Reference Rate: [●]
    - Interest Determination Date(s): [●]
    - Relevant Screen Page: [●]
  - (ix) ISDA Determination:
    - Floating Rate Option: [●]
    - Designated Maturity: [●]
    - Reset Date: [●]
    - ISDA Definitions: (if different from those set out in the Conditions) [●]
  - (x) Margin(s): [+/-] [●] per cent per annum
  - (xi) Minimum Rate of Interest: [[●] per cent per annum/Not Applicable]
  - (xii) Maximum Rate of Interest: [[●] per cent per annum/Not Applicable]
  - (xiii) Day Count Fraction: [30/360]/[Actual/Actual (ICMA)]/[specify other]  
(See condition 5 for alternatives)
  - (xiv) Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [●]
- 17 **Zero Coupon Note Provisions** [Applicable/Not Applicable] *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Amortisation Yield: [●] per cent per annum
  - (ii) Day Count Fraction: [●]
  - (iii) Any other formula/basis of determining amount payable: [●]
- 18 **Index Linked Interest Note Provisions** [Applicable/Not Applicable] *(if not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Index/Formula: [Give or annex details]
  - (ii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]): [●]
  - (iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable: [●]

- (iv) Determination Date(s): [●]
  - (v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [●]
  - (vi) Interest or calculation period(s): [●]
  - (vii) Specified Interest Payment Dates: [●]
  - (viii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
  - (ix) Business Centre(s): [●]
  - (x) Minimum Rate/Amount of Interest: [●] [per cent] per annum
- 19 **Dual Currency Note Provisions** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
  - (ii) Party, if any, responsible for calculating the principal and/or interest due (if not the Fiscal Agent): [●]
  - (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [●]
  - (iv) Person at whose option Specified Currency(ies) is/are payable: [●]

**PROVISIONS RELATING TO REDEMPTION**

- 20 **Issuer Call** [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [●]
  - (ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): [●] per Calculation Amount
  - (iii) If redeemable in part:
    - (a) Minimum nominal amount to be redeemed: [●]
    - (b) Maximum nominal amount to be redeemed: [●]



	(iv) Notice period	[As per the Conditions/ <i>give details</i> ]
21	<b>Investor Put</b>	[Applicable/Not Applicable] ( <i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i> )
	(i) Optional Redemption Date(s):	[●]
	(ii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii) Option Exercise Date(s):	[●]
	(iv) Notice period	[As per the Conditions/ <i>give details</i> ]
22	<b>Final Redemption Amount of each Note</b>	[●] per Calculation Amount
23	<b>Early Redemption Amount</b>	
	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]

**PROVISIONS RELATING REDEMPTION OF CREDIT LINKED NOTES**

24	<b>Credit Payment on Maturity</b>	[Applicable][Not Applicable]
25	<b>Credit Event Redemption Method</b>	[Auction Redemption][Cash Redemption][Cash or Auction Redemption]
26	<b>Credit Event Accrued Interest</b>	[Applicable][Not Applicable]
27	<b>Reference Entity</b>	[●]
	(i) Seniority Level:	[Senior Level][Subordinated Level]
28	<b>Standard Reference Obligation[s]</b>	[Applicable][Not Applicable]
29	<b>Reference Obligation[s]</b>	[●]
30	All Guarantees:	[Applicable][Not Applicable]
31	<b>Obligations</b>	
	(i) Obligation Category:	[Payment][Borrowed Money][Reference Obligation Only][Bond][Loan][Bond or Loan]
	(ii) Obligation Characteristics:	[Not Subordinated] [Specified Currency] [Not Sovereign Lender] [Not Domestic Currency] [Not Domestic Law] [Listed] [Not Domestic Issuance] [None]

	(iii) Excluded Obligation:	[●][Not Applicable]
32	<b>Deliverable Obligations</b>	
	(i) Deliverable Obligation Category:	[Payment][Borrowed Money][Reference Obligations Only][Bond][Loan][Bond or Loan]
	(ii) Deliverable Obligation Characteristics:	[Not Subordinated] [Specified Currency] [Not Sovereign Lender] [Not Domestic Currency] [Domestic Currency] [Not Domestic Law] [Listed] [Not Domestic Issuance] [Assignable Loan] [Consent Required Loan] [Direct Loan Participation] [Transferable] [Maximum Maturity [of [●] years]] [Accelerated or Matured] [Not Bearer] [Together with [●]]
	(iii) Excluded Deliverable Obligation:	[●][Not Applicable]
33	<b>Financial Reference Entity Terms</b>	[Applicable][Not Applicable]
34	<b>Subordinated European Insurance Terms</b>	[Applicable][Not Applicable]
35	<b>Sovereign Reference Entity No Asset Package Delivery</b>	[Applicable][Not Applicable]
36	<b>CoCo Supplementary Provisions</b>	[Applicable][Not Applicable]
	[Trigger Percentage:	[●]]
37	<b>Credit Event(s)</b>	[Bankruptcy] [Failure to Pay Payment Requirement: [●] [OR] [As per the Credit Linked Additional Conditions] Grace Period Extension: [Applicable][Not Applicable] [Grace Period: [●][As per the Credit Linked Additional Conditions]] [Governmental Intervention] [Obligation Acceleration] [Obligation Default] [Repudiation/Moratorium] [Restructuring Mod R: [Applicable][Not Applicable] Mod Mod R: [Applicable][Not Applicable]

	Multiple Holder Obligation: [Applicable][Not Applicable]
(i) Default Requirement:	[●][As per the Credit Linked Additional Conditions]
(ii) Notice of Publicly Available Information::	[Not Applicable][Applicable] Public Source(s): [●][As per the Credit Linked Additional Conditions] Specified Number: [●][As per the Credit Linked Additional Conditions]
38 <b>Non-Standard Event Determination Date</b>	[Applicable][Not Applicable]
39 <b>Event Determination Date Version B</b>	[Applicable][Not Applicable]
40 <b>[Auction Redemption Amount</b>	[●] [As per the Credit Linked Additional Conditions]
41 <b>[Cash Redemption Amount</b>	[●] [As per the Credit Linked Additional Conditions]
42 <b>[Final Cash Redemption Amount</b>	[●][As per the Credit Linked Additional Conditions]
43 <b>[Cash Redemption Date</b>	[[●] Business Days following the relevant date specified in the Credit Linked Additional Conditions][As per the Credit Linked Additional Conditions]
44 <b>Cash Redemption Terms</b>	[Applicable][Not Applicable]
(i) Valuation Date(s):	[Single Valuation Date Number of Business Days: [●][As per the Credit Linked Additional Conditions]] [Multiple Valuation Dates: [●] Business Days and each [●] Business Days thereafter. [Number of Valuation Dates: [●]]]
(ii) Valuation Time:	[●][As per the Credit Linked Additional Conditions]
(iii) Valuation Method:	[Highest][Market][Average Highest][Average Market][Lowest]
(iv) Indicative Quotation:	[Applicable][Not Applicable]
(v) Quotation Method:	[Bid][Offer][Mid-market]
(vi) Quotation Dealers:	[●][As per the Credit Linked Additional Conditions]
(vii) Minimum Quotation Amount:	[●][As per the Credit Linked Additional Conditions]
(viii) Accrued Interest:	[Include Accrued Interest][Exclude Accrued Interest][As per Credit Linked Additional Condition 6.2.2(c)]
(ix) Party responsible for obtaining Quotations and determining and substituting the Quotation Dealers:	[Calculation Agent][Issuer]
45 <b>Redemption Following Merger</b>	[Applicable][Not Applicable]
46 <b>Credit Event Unwind Costs</b>	[Applicable][Not Applicable]
<b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>	
47 Form of Notes:	<b>[Bearer Notes/Registered Notes]</b>

		[temporary Global Note/Certificate exchangeable for a permanent Global Note/Certificate which is exchangeable for Definitive Notes/Certificates on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]
		[temporary Global Note/Certificate exchangeable for Definitive Notes/Certificates on [●] days' notice]
		[Include the following if applicable]
		[permanent Global Note/Certificate exchangeable for Definitive Notes/Certificates on [●] days' notice/at any time/in the limited circumstances specified in the permanent Global Note/Certificate]
48	Financial Centre(s) or other special provisions relating to payment	[Not Applicable/ <i>Give details. Note that this item relates to the date and place of payment, and not interest period end dates, to which items 16(ii), 17(iv) and 19(vii) relate</i> ]
49	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Yes/No. <i>If yes, give details</i> ]
50	Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	[Not Applicable/ <i>give details</i> ]
51	Details relating to Instalment Notes:	[Not Applicable/ <i>give details</i> ]
	(x) Instalment Amount(s):	[●]
	(xi) Instalment Date(s):	[●]
	(xii) Minimum Instalment Amount:	[●]
	(xiii) Maximum Instalment Amount:	[●]
52	Other terms or special conditions:	[Not Applicable/ <i>give details</i> ]
<b>DISTRIBUTION</b>		
53	(i) If syndicated, names of Managers:	[Not Applicable/ <i>give names</i> ]
	(ii) Stabilising Manager[s] (if any):	[Not Applicable/ <i>give name</i> ]
	(iii) Dealer's Commission:	[●]
54	If non-syndicated, name of Dealer:	[Not Applicable/ <i>give name</i> ]
55	U.S. Selling Restriction:	[Regulation S Compliance Category/TEFRA C /TEFRA D /Not Applicable]
56	Additional U.S. federal income tax considerations:	[The Issuer has determined that, as of the issue date of the Notes, the Notes will not be subject to withholding under Section 871(m) of the U.S. Internal Revenue Code./ <i>give details</i> ]

57 Additional selling restrictions: [Not Applicable/*give details*]

**OPERATIONAL INFORMATION**

58 ISIN Code: [●]

59 Common Code: [●]

60 Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/*give name(s) and number(s)*]

61 Delivery: Delivery [against/free of] payment

62 The Agents appointed in respect of the Notes are: [●]

**GENERAL**

63 [The aggregate nominal amount of Notes issued has been translated into U.S. dollars at the rate of [●], producing a sum of (for Notes not denominated in U.S. dollars): ¥[●]]

64 Ratings: The Programme is rated as of the date of these Final Terms:  
Rating and Investment Information, Inc.: A-  
The Notes to be issued [are expected to be/have not been] rated:  
[[Rating Agency]: [●]]  
A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency.

**LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to list the issue of Notes described herein pursuant to the U.S.\$5,000,000,000 Euro Medium Note Programme of Shinsei Bank, Limited.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

**AUTHORISATION OF THE NOTES**

The Issuer hereby confirms that the Notes have been duly authorised by the Issuer.

Signed on behalf of **SHINSEI BANK, LIMITED** (as Issuer):

By:

.....  
Duly authorised

## SCHEDULE 2

### PART A: FORM OF REDEMPTION SUSPENSION/RESUMPTION NOTICE

To: [[*Name of Noteholder*]

Attention: [●]

[*Insert Date*]

Dear Sirs

[*Title of Issue*] (the “Notes”).

Capitalised terms used but not defined in this letter shall have the meanings given to them in the Conditions of the Notes, set out in the Base Prospectus relating to the Issuer’s U.S. \$5,000,000,000 Euro Medium Term Note Programme dated [●], the supplement to it dated [●] and the Credit Linked Notes Supplement, each as amended and supplemented by the Final Terms relating to the Notes dated [●].

Pursuant to Credit Linked Additional Condition 9.2 (*Redemption Suspension*), we hereby notify you that [due to the occurrence of an Applicable DC Credit Event Meeting Announcement, all timing requirements relating to the Credit Linked Additional Conditions that pertain to settlement shall toll and remain suspended until the date of the Applicable DC Credit Event Announcement or Applicable DC Credit Event Question Dismissal, as applicable (in each case, as notified by the Issuer to the Noteholders).]<sup>2</sup> **OR** [a [DC Credit Event Announcement]/[DC Credit Event Dismissal] has occurred and accordingly, the relevant timing requirements that pertain to settlement that have previously tolled or been suspended in the Redemption Suspension Notice dated [●] shall resume on [●], being the Business Day following such public announcement by the DC Secretary.]<sup>3</sup>

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

**SHINSEI BANK, LIMITED** (as Issuer):

By:

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<sup>2</sup> Include this paragraph if the Redemption Suspension Notice relates to the suspension of timing requirements relating to the settlement of the Notes.

<sup>3</sup> Include this paragraph if the Redemption Suspension Notice relates to the resumption of timing requirements relating to the settlement of the Notes.

**PART B: FORM OF NOTICE RELATING TO SUSPENSION OF INTEREST FOLLOWING AN  
APPLICABLE DC CREDIT EVENT QUESTION**

To: [[*Name of Noteholder*]

Attention: [●]

[*Insert Date*]

Dear Sirs

[*Title of Issue*] (the “Notes”).

Capitalised terms used but not defined in this letter shall have the meanings given to them in the Conditions of the Notes, set out in the Base Prospectus relating to the Issuer’s U.S. \$5,000,000,000 Euro Medium Term Note Programme dated [●], the supplement to it dated [●] and the Credit Linked Notes Supplement, each as amended and supplemented by the Final Terms relating to the Notes dated [●].

Pursuant to Credit Linked Additional Condition 2.2 (*Suspension of Interest following an Applicable DC Credit Event Question*), we hereby notify you that interest in respect of the Notes scheduled to be paid on the Interest Payment Date falling on [●] will be suspended. To the extent applicable, any payment of suspended interest shall be made in accordance with Credit Linked Additional Conditions 2.3 (*Payment of Suspended Interest*) and 2.4 (*Payment of Interest – M(M)R Restructuring Credit Event*), as applicable.

For the avoidance of doubt, (i) no additional amount in respect of interest and no adjustment shall be made to the amount of any interest in connection with the delay or postponement of any payment of interest pursuant to Credit Linked Additional Condition 2.2 (*Suspension of Interest following an Applicable DC Credit Event Question*) and (ii) no interest shall accrue on any Note after the Maturity Date.

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

**SHINSEI BANK, LIMITED** (as Issuer):

By:

**PART C: FORM OF NOTICE OF AUCTION REDEMPTION AMOUNT**

To: [[*Name of Noteholder*]

Attention: [●]

[*Insert Date*]

Dear Sirs

[*Title of Issue*] (the “Notes”).

Capitalised terms used but not defined in this letter shall have the meanings given to them in the Conditions of the Notes, set out in the Base Prospectus relating to the Issuer’s U.S. \$5,000,000,000 Euro Medium Term Note Programme dated [●], the supplement to it dated [●] and the Credit Linked Notes Supplement, each as amended and supplemented by the Final Terms relating to the Notes dated [●].

Pursuant to Credit Linked Additional Condition 5.5 (*Notice of Auction Redemption Amount*), the details of the [Auction Redemption Amount]/[Final Auction Redemption Amount] are as follows:

**[Auction Redemption Amount]/[Final Auction Redemption Amount]: [●]**

**[Auction Final Price: [●]]**

**[Credit Event Unwind Costs: [●]]**

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

**SHINSEI BANK, LIMITED** (as Issuer):

By:



## PART D: FORM OF CREDIT EVENT NOTICE

To: [[*Name of Noteholder*]

Attention: [●]

[*Insert Date*]

Dear Sirs

[*Title of Issue*] (the “Notes”).

Capitalised terms used but not defined in this letter shall have the meanings given to them in the Conditions of the Notes, set out in the Base Prospectus relating to the Issuer’s U.S. \$5,000,000,000 Euro Medium Term Note Programme dated [●] [, the supplement to it dated [●]] and the Credit Linked Notes Supplement, each as amended and supplemented by the Final Terms relating to the Notes dated [●].

This letter constitutes a Credit Event Notice in relation to the Notes. We hereby notify you that a [*Transaction Type*] Credit Event has occurred with respect to [*Name of Reference Entity*] on [*Insert Date*], when [*Description of Credit Event*].

[This Credit Event Notice applies to the following Exercise Amount: [*Insert Exercise Amount*].]<sup>4</sup>

[This letter also comprises our Notice of Publicly Available Information with respect to this Credit Event. According, we provide the Publicly Available Information attached hereto.]

Nothing in this letter shall be construed as a waiver of any rights we have with respect to the Notes.

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

**SHINSEI BANK, LIMITED** (as Issuer):

By:

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<sup>4</sup> This is only applicable where the applicable Credit Event is a M(M)R Restructuring and the Issuer intends to specify an Exercise Amount less than the Aggregate Nominal Amount of the relevant Credit Linked Note(s).

## PART E: FORM OF SUCCESSOR NOTICE<sup>5</sup>

To: [[*Name of Noteholder*]

Attention: [●]

[*Insert Date*]

Dear Sirs

[*Title of Issue*] (the “Notes”).

Capitalised terms used but not defined in this letter shall have the meanings given to them in the Conditions of the Notes, set out in the Base Prospectus relating to the Issuer’s U.S. \$5,000,000,000 Euro Medium Term Note Programme dated [●] [, the supplement to it dated [●]] and the Credit Linked Notes Supplement, each as amended and supplemented by the Final Terms relating to the Notes dated [●].

This letter constitutes a Successor Notice in relation to the Notes. We hereby notify you that a [succession][Sovereign Succession Event] has occurred with respect to [*Name of Reference Entity*] with a Succession Date falling on [●], when [*Insert reasonable detail on the facts relevant to the determination to be made pursuant to the definition of “Successor”*].

The details of the Successor [entity][entities] are as follows:

[●]

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

**SHINSEI BANK, LIMITED** (as Issuer):

By:

---

<sup>5</sup> No Successor Notice shall be required following a determination by a Credit Derivatives Determinations Committee that a Succession Event has occurred.

**PART F: FORM OF REPUDIATION/MORATORIUM EXTENSION NOTICE**

To: [[*Name of Noteholder*]

Attention: [●]

[*Insert Date*]

Dear Sirs

[*Title of Issue*] (the “Notes”).

Capitalised terms used but not defined in this letter shall have the meanings given to them in the Conditions of the Notes, set out in the Base Prospectus relating to the Issuer’s U.S. \$5,000,000,000 Euro Medium Term Note Programme dated [●] [, the supplement to it dated [●]] and the Credit Linked Notes Supplement, each as amended and supplemented by the Final Terms relating to the Notes dated [●].

This letter constitutes a Repudiation/Moratorium Extension Notice in relation to the Notes. We hereby notify you that a Potential Repudiation/Moratorium occurred with respect to [*Name of Reference Entity*] on [*Insert Date*], when [*Description of Potential Repudiation/Moratorium*].

[This letter also comprises our Notice of Publicly Available Information with respect to this Potential Repudiation/Moratorium. Accordingly, we provide the Publicly Available Information attached hereto.]

Nothing in this letter shall be construed as a waiver of any rights we have with respect to the Notes.

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

**SHINSEI BANK, LIMITED** (as Issuer):

By:

**PART G: FORM OF NOTICE OF CASH REDEMPTION AMOUNT**

To: [[*Name of Noteholder*]

Attention: [●]

[*Insert Date*]

Dear Sirs

[*Title of Issue*] (the “Notes”).

Capitalised terms used but not defined in this letter shall have the meanings given to them in the Conditions of the Notes, set out in the Base Prospectus relating to the Issuer’s U.S. \$5,000,000,000 Euro Medium Term Note Programme dated [●], the supplement to it dated [●] and the Credit Linked Notes Supplement, each as amended and supplemented by the Final Terms relating to the Notes dated [●].

Pursuant to Credit Linked Additional Condition 14.2.5, the details of the Cash Redemption Amount are as follows:

<b>Deliverable Obligation(s) which were the subject of the Quotation:</b>	[●]
<b>Valuation Date:</b>	[●]
<b>Quotation Amount:</b>	[●]
<b>Quotations obtained:</b>	[●]
<b>[Final Price:]</b>	[●]
<b>Cash Redemption Amount:</b>	[●]
<b>[Credit Event Unwind Costs:]</b>	[●]

This letter and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

Yours faithfully

**SHINSEI BANK, LIMITED** (as Issuer):

By:

## GENERAL INFORMATION

- (1) Application has been made to the SGX-ST for permission to deal in and quotation for any Notes that may be issued pursuant to the Programme and which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. If the application to the SGX-ST to list a particular series of Notes is approved, for so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes, if traded, will be traded on the SGX-ST in a board lot size of at least S\$200,000 (or its equivalent in other currencies).

For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, the Issuer shall appoint and maintain a paying agent in Singapore (where such Notes may be presented or surrendered for payment or redemption) in the event that any of the Global Notes representing such Notes is exchanged for Definitive Notes. In addition, in the event that any of the Global Notes is exchanged for Definitive Notes, an announcement of such exchange will be made by or on behalf of the Issuer through the SGX-ST and such announcement will include all material information with respect to the delivery of the Definitive Notes, including details of the paying agent in Singapore.

- (2) The Issuer has obtained all necessary consents, approvals and authorisations in Japan in connection with the establishment and update of the Programme. The establishment and update of the Programme was authorised by a resolution of the Board of Directors and passed on 22 March 2017.
- (3) There has been no significant change in the financial or trading position of the Issuer or of the Group since 31 December 2017 and no material adverse change in the prospects of the Issuer or of the Group since 31 December 2017.
- (4) None of the Issuer or any of its subsidiaries has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Base Prospectus which may have or has had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (5) Each Note, Receipt, Coupon and Talon will bear the following legend:

“INTEREST PAYMENTS ON THIS SECURITY WILL BE SUBJECT TO JAPANESE WITHHOLDING TAX UNLESS THE HOLDER ESTABLISHES THAT THE SECURITY IS HELD BY OR FOR THE ACCOUNT OF A HOLDER THAT IS (A) FOR JAPANESE TAX PURPOSES, NEITHER (X) AN INDIVIDUAL RESIDENT OF JAPAN OR A JAPANESE CORPORATION, NOR (Y) AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NON-JAPANESE CORPORATION THAT IN EITHER CASE IS A PERSON HAVING A SPECIAL RELATIONSHIP WITH THE ISSUER AS DESCRIBED IN ARTICLE 6, PARAGRAPH 4 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN (A “SPECIALLY-RELATED PERSON OF THE ISSUER”), (B) A DESIGNATED JAPANESE FINANCIAL INSTITUTION DESCRIBED IN ARTICLE 6, PARAGRAPH 9 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN WHICH COMPLIES WITH THE JAPANESE TAX EXEMPTION REQUIREMENTS, OR (C) A PUBLIC CORPORATION, A FINANCIAL INSTITUTION, A FINANCIAL INSTRUMENTS BUSINESS OPERATOR OR CERTAIN OTHER ENTITY (WHICH HAS COMPLIED WITH THE JAPANESE TAX EXEMPTION REQUIREMENTS) WHICH HAS RECEIVED SUCH PAYMENTS THROUGH ITS PAYMENT HANDLING AGENT IN JAPAN AS PROVIDED IN ARTICLE 3-3 PARAGRAPH 6 OF THE SPECIAL TAXATION MEASURES ACT OF JAPAN.

INTEREST PAYMENTS ON THIS SECURITY TO AN INDIVIDUAL RESIDENT OF JAPAN, TO A JAPANESE CORPORATION, OR TO AN INDIVIDUAL NON-RESIDENT OF JAPAN OR A NONJAPANESE CORPORATION THAT IS A SPECIALLY-RELATED PERSON OF THE ISSUER

(EXCEPT FOR THE DESIGNATED JAPANESE FINANCIAL INSTITUTION AND THE PUBLIC CORPORATION, THE FINANCIAL INSTITUTION, THE FINANCIAL INSTRUMENTS BUSINESS OPERATOR AND CERTAIN OTHER ENTITY DESCRIBED IN THE PRECEDING PARAGRAPH) WILL BE SUBJECT TO DEDUCTION IN RESPECT OF JAPANESE INCOME TAX AT A RATE OF 15 PER CENT (FOR THE PERIOD TO AND INCLUDING 31 DECEMBER 2037, AN ADDITIONAL 0.315 PER CENT IS ADDED THERETO AS SPECIAL INCOME TAX FOR RECONSTRUCTION) OF THE AMOUNT OF SUCH INTEREST.”

- (6) Each Bearer Note having a maturity of more than one year, Receipt, Coupon and Talon will bear the following legend:

*“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.*

- (7) Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems (which are the entities in charge of keeping the records). The Common Code, the International Securities Identification Number (ISIN) and (where applicable) the identification number for any other relevant clearing system for each Series of Notes will be set out in the relevant Final Terms.

The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy, L-1855 Luxembourg. The address of any alternative clearing system will be specified in the applicable Final Terms.

- (8) The issue price and the amount of the relevant Notes will be determined, before filing of the relevant Final Terms of each Tranche, based on the prevailing market conditions. The Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

- (9) For so long as any Notes remain outstanding, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the office of the Issuer:

- (i) the Agency Agreement (which includes the form of the Global Notes, the definitive Bearer Notes, the Certificates, the Coupons, the Receipts and the Talons);
- (ii) the Deed of Covenant;
- (iii) the Articles of incorporation or other constitutive documents of the Issuer; and
- (iv) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Base Prospectus.

- (10) Deloitte Touche Tohmatsu LLC have audited and rendered an unqualified audit report on the audited consolidated financial statements of the Issuer and its consolidated subsidiaries as of and for the year ended 31 March 2017, which includes comparative information as of and for the year ended 31 March 2016.

## INDEX TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL INFORMATION

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# Unaudited Interim Consolidated Balance Sheet

Shinsei Bank, Limited, and Consolidated Subsidiaries  
As of 31 March 2017 and 31 December 2017

(Millions of yen)

	31 March 2017	31 December 2017
<b>ASSETS</b>		
Cash and due from banks	1,398,691	1,444,830
Call loans and bills bought	4,472	—
Receivables under securities borrowing transactions	1,625	2,520
Other monetary claims purchased	44,243	33,416
Trading assets	244,113	211,996
Monetary assets held in trust	241,681	241,557
Securities	1,014,635	1,156,309
Loans and bills discounted	4,833,452	4,944,133
Foreign exchanges	19,617	30,678
Lease receivables and leased investment assets	191,488	174,530
Other assets	895,158	836,204
Premises and equipment	47,980	53,424
Intangible assets	52,020	57,705
Assets for retirement benefits	7,075	9,268
Deferred issuance expenses for debentures	0	—
Deferred tax assets	15,542	15,114
Customers' liabilities for acceptances and guarantees	346,675	383,976
Reserve for credit losses	(100,154)	(99,856)
[Total assets]	9,258,324	9,495,812
<b>LIABILITIES AND EQUITY</b>		
<b>Liabilities:</b>		
Deposits	5,489,248	5,685,811
Negotiable certificates of deposit	373,673	418,396
Debentures	6,561	1,764
Call money and bills sold	53,600	—
Payables under repurchase agreements	36,467	59,141
Payables under securities lending transactions	337,952	418,916
Trading liabilities	212,241	192,127
Borrowed money	789,670	754,483
Foreign exchanges	102	89
Short-term corporate bonds	168,000	171,600
Corporate bonds	112,600	88,000
Other liabilities	388,307	368,678
Accrued employees' bonuses	8,519	6,068
Accrued directors' bonuses	75	40
Liabilities for retirement benefits	8,256	8,562
Reserve for reimbursement of debentures	3,737	3,786
Reserve for losses on interest repayments	101,846	80,429
Acceptances and guarantees	346,675	383,976
[Total liabilities]	8,437,537	8,641,875
<b>Equity:</b>		
<b>Shareholders' equity:</b>		
Common stock	512,204	512,204
Capital surplus	78,506	78,506
Retained earnings	312,538	345,559
Treasury stock, at cost	(79,539)	(79,540)
[Total shareholders' equity]	823,710	856,729
<b>Accumulated other comprehensive income:</b>		
Unrealized gain (loss) on available-for-sale securities	10,299	8,715
Deferred gain (loss) on derivatives under hedge accounting	(13,925)	(14,035)
Foreign currency translation adjustments	199	1,028
Defined retirement benefit plans	(1,344)	(883)
[Total accumulated other comprehensive income]	(4,770)	(5,175)
Stock acquisition rights	584	327
Noncontrolling interests	1,262	2,055
[Total equity]	820,786	853,936
[Total liabilities and equity]	9,258,324	9,495,812



## Unaudited Interim Consolidated Statement of Income

Shinsei Bank, Limited, and Consolidated Subsidiaries

For the nine-month periods ended 31 December 2016 and 2017

(Millions of yen)

	31 December 2016 ( 9 months )	31 December 2017 ( 9 months )
<b>ORDINARY INCOME</b>	285,210	286,087
Interest income	104,022	111,554
Interest on loans and bills discounted	95,323	101,010
Interest and dividends on securities	7,138	9,104
Fees and commissions income	36,760	37,524
Trading income	4,435	5,762
Other business income	118,364	105,529
Other ordinary income	21,627	25,717
<b>ORDINARY EXPENSES</b>	244,601	245,687
Interest expenses	11,880	14,763
Interest on deposits	5,641	6,713
Interest on borrowings	2,606	2,624
Interest on corporate bonds	854	761
Fees and commissions expenses	17,653	18,739
Other business expenses	71,409	64,800
General and administrative expenses	113,409	110,706
Other ordinary expenses	30,248	36,676
<b>ORDINARY PROFIT</b>	40,609	40,400
Extraordinary gains	5,402	301
Extraordinary losses	749	1,147
Income before income taxes	45,263	39,553
Income taxes (benefit)	1,995	3,758
Profit	43,267	35,795
Profit (loss) attributable to noncontrolling interests	(129)	186
<b>PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT</b>	43,397	35,609

**THE ISSUER**

**Shinsei Bank, Limited**  
Nihonbashi Muromachi Nomura Building  
4-3, Nihonbashi-muromachi 2-chome  
Chuo-ku, Tokyo 103-8303  
Japan

**ARRANGER AND DEALER**

**Shinsei International Limited**  
43 London Wall  
London EC2M 5TF  
United Kingdom

**DEALERS**

**Daiwa Capital Markets Europe Limited**  
5 King William Street  
London EC4N 7AX  
United Kingdom

**Nomura International plc**  
1 Angel Lane  
London EC4R 3AB  
United Kingdom

**SMBC Nikko Capital Markets Limited**  
One New Change  
London EC4M 9AF  
United Kingdom

**FISCAL AGENT AND PAYING AGENT**

**The Bank of New York Mellon, London Branch**  
One Canada Square  
London E14 5AL  
United Kingdom

**REGISTRAR AND TRANSFER AGENT**

**The Bank of New York Mellon SA/NV, Luxembourg  
Branch**  
Vertigo Building – Polaris  
2-4 rue Eugène Ruppert  
L-2453 Luxembourg

**CALCULATION AGENT**

**Shinsei Securities Co., Ltd.**  
4-3, Nihonbashi-muromachi 2-chome  
Chuo-ku, Tokyo 103-0022  
Japan

**AUDITOR**

**Deloitte Touche Tohmatsu LLC**  
Shinagawa Intercity  
15-3, Konan 2-chome  
Minato-ku  
Tokyo 108-6221  
Japan

**LEGAL ADVISERS**

*To the Issuer*

**Anderson Mori & Tomotsune**  
Akasaka K-Tower  
2-7, Motoakasaka 1-chome  
Minato-ku, Tokyo 107-0051  
Japan

*To the Arranger and the Dealers*

**Gaikokuho Kyodo-Jigyo Horitsu Jimusho Linklaters**  
Meiji Yasuda Building 10F  
1-1, Marunouchi 2-chome  
Chiyoda-ku, Tokyo 100-0005  
Japan

