

Dated 15 July 2009



**Issue of USD 17,000,000 Reverse Exposure Credit Linked Securities linked to Swiss Reinsurance Company Ltd
due 2010**

(the Securities)

**under the Structured Products Programme for the issuance of
Notes, Certificates and Warrants**

Application has been made to the Financial Services Authority in its capacity as competent authority (the **UK Listing Authority**) under the Financial Services and Markets Act 2000 (the **FSMA**) for the Securities to be admitted to the Official List of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for the Securities to be admitted to trading on the Regulated Market of the London Stock Exchange (the **Market**). References in this prospectus (the **Drawdown Prospectus**) to the Securities being listed (and all related references) shall mean that the Securities have been admitted to trading on the Market and have been admitted to the Official List. The Market is a regulated market for the purposes of the Investment Services Directive 93/22/EC.

The Securities are represented by a temporary global security (a **Temporary Global Security**) exchangeable for a permanent global security (a **Permanent Global Security**), each of which was deposited with a common depository on behalf of Clearstream Banking, société anonyme (**Clearstream, Luxembourg**) and Euroclear Bank S.A./N.V. (**Euroclear**) on the Issue Date.

This Drawdown Prospectus comprises a prospectus for the purposes of Article 5 of Directive 2003/71/EC (the **Prospectus Directive**) and for the purpose of giving information with regard to the Issuer and its subsidiaries, which, according to the particular nature of the Issuer and the Securities, is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer.

The Issuer (whose registered office address appears on the last page of this Drawdown Prospectus) accepts responsibility for the information contained in this Drawdown Prospectus. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Drawdown Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Drawdown Prospectus is to be read in conjunction with all documents which are deemed to be incorporated by reference herein (see "*Documents Incorporated by Reference*" below).

TABLE OF CONTENTS

	Page
Risk Factors.....	3
Documents Incorporated by Reference	11
Terms and Conditions of the Securities.....	18
Final Terms.....	19
 Schedule	
1. Product Terms for Credit Linked Securities.....	33

RISK FACTORS

Prospective investors should consider carefully the risks set forth below and the other information contained in this Drawdown Prospectus prior to making any investment decision with respect to the Securities. The Issuer believes that the risks described below represent the principal risks inherent in investing in the Securities.

Terms and expressions defined in the Conditions and in the Base Prospectus (as defined below) shall, save where the context otherwise requires, have the same meanings in this section.

THE PURCHASE OF SECURITIES MAY INVOLVE SUBSTANTIAL RISKS AND ARE SUITABLE ONLY FOR INVESTORS WHO HAVE THE KNOWLEDGE AND EXPERIENCE IN FINANCIAL AND BUSINESS MATTERS NECESSARY TO ENABLE THEM TO EVALUATE THE RISKS AND THE MERITS OF AN INVESTMENT IN THE SECURITIES. PRIOR TO MAKING AN INVESTMENT DECISION, PROSPECTIVE INVESTORS SHOULD CONSIDER CAREFULLY, IN LIGHT OF THEIR OWN FINANCIAL CIRCUMSTANCES AND INVESTMENT OBJECTIVES, (I) ALL THE INFORMATION SET FORTH IN THE BASE PROSPECTUS AND, IN PARTICULAR, THE CONSIDERATIONS SET FORTH BELOW AND (II) ALL THE INFORMATION SET FORTH IN THIS DRAWDOWN PROSPECTUS. PROSPECTIVE INVESTORS SHOULD MAKE SUCH ENQUIRIES AS THEY DEEM NECESSARY WITHOUT RELYING ON THE ISSUER, THE TRUSTEE OR THE DEALER.

ALTHOUGH THE SECURITIES ARE INTENDED TO BE PRINCIPAL PROTECTED IF THEY ARE REDEEMED ON THE MATURITY DATE, THE AMOUNT PAID BY THE ISSUER ON REDEMPTION OF THE SECURITIES MAY BE LESS THAN THE NOMINAL AMOUNT OF THE SECURITIES, TOGETHER WITH ANY ACCRUED INTEREST, AND MAY IN CERTAIN CIRCUMSTANCES BE ZERO.

PROSPECTIVE INVESTORS SHOULD BE PREPARED TO SUSTAIN A LOSS OF ALL OR PART OF THEIR INVESTMENT.

RISK FACTORS RELATING TO THE ISSUER

Set out below are certain risk factors which could have a material adverse affect on the business, operations, financial condition or prospects of the Issuer and cause the Issuer's future results to be materially different from expected results. The Issuer's results could also be affected by competition and other factors. The factors discussed below should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties the Issuer's businesses face. There may be additional risks that the Issuer currently considers not to be material or of which it is not currently aware, and any of these risks could have the effects set forth above.

Prospective investors should note that they are exposed to the credit risk of the Issuer and in the event of the Issuer's insolvency investors will sustain a loss of all or a part of their investment.

The Issuer's business and earnings are affected by general business and geographical conditions

The performance of the Issuer is influenced by economic conditions particularly in the UK, the US and Europe. Downturns in these economies could result in a general reduction in business activity and a consequent loss of income for the Issuer. It could also cause a higher incidence of credit losses and losses in the Issuer's trading portfolios. Geographical conditions can also affect the Issuer's earnings. Terrorist acts and threats and the response of the UK, the US and elsewhere to them could affect the level of economic activity. The Issuer's business is also exposed to the risk of business interruption and economic slowdown following the outbreak of a pandemic.

The Issuer's financial performance is affected by borrower credit quality

Risks arising from changes in credit quality and the recoverability of loans and amounts due from counterparties are inherent in a wide range of the Issuer's businesses. Adverse changes in the credit quality of the Issuer's borrowers and counterparties or a general deterioration in the UK, US, European or global economic conditions, or arising from systemic risks in the financial systems, could affect the recoverability and value of the Issuer's assets and require an increase in the Issuer's provision for impairment losses and other provisions.

Changes in interest rates, foreign exchange rates, equity prices and other market factors affect the Issuer's business

The most significant market risks which the Issuer faces are interest rate, foreign exchange and bond and equity price risks. Changes in interest rate levels, yield curves and spreads may affect the interest rate margin realised between lending and borrowing costs. The performance of financial markets may cause changes in the value of the Issuer's investment and trading portfolios. The Issuer has implemented risk management methods to mitigate and control these and other market risks to which the Issuer is exposed. However, it is difficult to predict with accuracy changes in economic or market conditions and to anticipate the effects that such changes could have on the Issuer's performance and business operations.

Operational risks are inherent in the Issuer's businesses

The Issuer's businesses are dependent on the ability to process a very large number of transactions efficiently and accurately. Operational risks and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and Conduct of Business rules, equipment failures, natural disasters or the failure of external systems, for example, those of the Issuer's suppliers or counterparties. Although the Issuer has implemented risk controls and loss mitigation actions, and substantial resources are devoted to developing efficient procedures and to staff training, it is only possible to be reasonably, but not absolutely, certain that such procedures will be effective in controlling each of the operational risks faced by the Issuer.

Each of the Issuer's businesses is subject to substantial regulation and regulatory oversight. Any significant regulatory developments could have an effect on how the Issuer conducts its business and on the results of operations

The Issuer is subject to financial services laws, regulations, administrative actions and policies in each location in which the Issuer operates. This supervision and regulation, in particular in the UK and Switzerland, if changed could materially affect the Issuer's business, the products and services it offers or the value of its assets.

The risk of litigation is inherent in the Issuer's operations

In the ordinary course of the Issuer's business, legal actions, claims against and by the Issuer and arbitrations arise; the outcome of such legal proceedings could affect the financial performance of the Issuer.

The Issuer is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate and other taxes in the jurisdictions in which it operates

The Issuer's activities are subject to tax at various rates around the world computed in accordance with local legislation and practice. Action by governments to increase tax rates or to impose additional taxes would reduce the profitability of the Issuer. Revisions to tax legislation or to its interpretation might also affect the Issuer's results in the future.

THE SECURITIES ARE OF A SPECIALIST NATURE AND SHOULD ONLY BE BOUGHT AND TRADED BY INVESTORS WHO ARE PARTICULARLY KNOWLEDGEABLE IN INVESTMENT MATTERS.

Prospective investors should ensure that they understand the nature of the Securities and the extent of their exposure to risks and that they consider the suitability of the Securities as an investment in the light of their own circumstances and financial condition. The Securities may involve a high degree of risk. Prospective investors should be prepared to sustain a total loss of the purchase price of their Securities. It is the responsibility of prospective investors to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Securities and are not relying on the advice of the Issuer or the Dealer.

RISK FACTORS RELATING TO THE SECURITIES

Each of the risks highlighted below could adversely affect the trading price of the Securities or the rights of investors under the Securities and, as a result, investors could lose some or all of their investment. The Issuer believes that the factors described below represent the material risks inherent in investing in the Securities, but the Issuer may be unable to pay amounts on or in connection with the Securities for other reasons and the Issuer does not represent that the

statements below regarding the risks of holding the Securities are exhaustive. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Prospective investors should also read the detailed information set out elsewhere in this Drawdown Prospectus (including any documents deemed to be incorporated by reference herein) and reach their own views prior to making any investment decision.

The Securities may not be a suitable investment for all investors

Each prospective investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each prospective investor should:

- (i) have sufficient knowledge and experience to evaluate the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Drawdown Prospectus and all information contained in the Final Terms;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the settlement currency is different from the currency in which such investor's principal financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Securities and be familiar with the relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

In addition, an investment in credit linked Securities may entail significant risks not associated with investments in conventional securities such as debt or equity securities, including, but not limited to, the risks set out in "*Risks related to the structure of the Securities*" set out below.

The Securities are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A prospective investor should not invest in the Securities unless it has the expertise (either alone or with a financial adviser) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the prospective investor's overall investment portfolio.

Risks related to the structure of the Securities

Risks relating to Credit Linked Securities

Prospective investors in the Securities should understand the risks of transactions involving credit linked securities and should reach an investment decision only after careful consideration, with their advisers, of the suitability of the Securities in light of their particular financial circumstances, the information set forth herein and the information regarding the Reference Entity and the Reference Obligation (each as defined below).

PROSPECTIVE INVESTORS MUST REVIEW THE FINAL TERMS TO SEE HOW THE FIXED AND VARIABLE INTEREST PAYMENTS ARE DETERMINED AND WHEN SUCH AMOUNTS ARE PAYABLE BEFORE MAKING ANY DECISION TO PURCHASE THE SECURITIES.

Credit Risk and Credit Events

Credit linked securities are securities which are credit-linked to the performance of one or more Reference Entities and the obligations of such Reference Entity/ies. Investors should note that credit linked Securities differ from ordinary debt

securities in that the amount of interest (if any) payable in respect of the Securities is dependent on whether a Credit Event has occurred in respect of the relevant Reference Entity/ies.

Credit linked securities are linked to the creditworthiness of the relevant Reference Entity/ies. The likelihood of a Credit Event occurring in respect of any Reference Entity will generally fluctuate with, among other things, the financial condition and other characteristics of such Reference Entity, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Prospective investors should review the Reference Entity/ies and conduct their own investigation and analysis with respect to the creditworthiness of each Reference Entity and the likelihood of the occurrence of a Credit Event with respect to each Reference Entity.

Any quotations used in the calculation of the Variable Coupon Amount (if any) may be affected by factors other than the occurrence of the Credit Event. Such prices may vary widely from dealer to dealer. The obligations selected for such quotations, even absent a Credit Event, may be illiquid and such illiquidity may be expected to be more pronounced following the occurrence of a Credit Event, thereby adversely affecting any determination of the value of such obligations which in turn will impact on the amount of the Variable Coupon Amount if any. If, due to illiquidity of the selected obligations, or otherwise, the Calculation Agent is unable to obtain quotations from dealers then the Calculation Agent shall determine the Final Price in its sole and absolute discretion. Where the Calculation Agent determines the Final Price, the Calculation Agent is entitled to select the obligation which has the highest value in the market at the relevant time providing that such obligation satisfies certain specifications and limits for qualification as a Valuation Obligation for the purposes of calculating the Variable Coupon Amount (if any) following a Credit Event.

Some Reference Obligations may be may have no, or only a limited, trading market. The liquidity of Reference Obligations will generally fluctuate with, among other things, the underlying liquidity of the loan and bond markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the relevant Reference Entity/ies. The financial markets have experienced periods of volatility and reduced liquidity which may re-occur and reduce the market value of the relevant Reference Obligation(s).

Some or all of the Reference Obligations may also be subject to restrictions on transfer and may be considered illiquid. If a Credit Event occurs in respect of a Reference Entity, any resulting diminution in market value of the related Reference Obligation(s) could be further magnified by reason of such limited transferability and/or liquidity.

The Issuer's obligations in respect of the Securities are irrespective of the existence or amount of the Issuer's and/or any Affiliates' credit exposure to a Reference Entity and the Bank and/or any Affiliate need not suffer any loss nor provide evidence of any loss or gain as a result of the occurrence of a Credit Event.

Reverse exposure Credit Linked securities

The Securities are reverse exposure credit linked Securities. Securityholders therefore have a positive exposure to the credit risk of the Reference Entity, such that, if a Credit Event occurs in respect of the Reference Entity which leads to a Variable Coupon Amount being payable, the investment return (if any) from the Securities is likely to be greater than would otherwise be the case. However, no assurance is given that any Credit Event will occur.

If no Credit Event occurs during the life of the Securities or if, following the occurrence of a Credit Event, the Conditions to Settlement are not satisfied then the Securities will be redeemed at their nominal amount on their scheduled maturity date. If a Credit Event does occur, and the Conditions to Settlement are satisfied, but the Final Price determined in respect of the Credit Event is 100 per cent. or greater, the Variable Coupon Amount determined in respect of such Credit Event will be zero. In either of the cases described in this paragraph, the return on the capital amount invested by an investor may be significantly less than the amount which an investor might have received if it had invested the same amount in a standard interest-bearing debt security.

Auction Final Price and the Issuer's ability to influence the Auction Final Price

The Variable Coupon Amount payable in respect of the Securities following the occurrence of a Credit Event may in certain circumstances be determined by reference to the Auction Final Price determined pursuant to an auction held in accordance with the Credit Derivatives Auction Settlement Terms. There is a high probability that the Issuer or the Calculation Agent (or one of their Affiliates) would act as a participating bidder in any such auction. In such capacity, the Issuer or the Calculation Agent (or such Affiliate) (as applicable) may take certain actions which may influence the Auction Final Price including (without limitation): (a) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations which are not denominated in the auction currency into such currency for the purposes of the auction; and (b) submitting bids, offers and physical settlement requests with respect to the relevant Obligations. In deciding whether to take any such action (or whether to act as a participating bidder in any auction), none of the Issuer, the Calculation Agent or its Affiliate shall be under any obligation to consider the interests of any Securityholder.

Potential Conflicts of Interest

The Issuer, Calculation Agent and/or any other Affiliate may engage in trading activities (including hedging activities) related to interests underlying any Securities and other instruments or derivative products based on or related to interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer, Calculation Agent and/or their respective Affiliates may also issue other derivative instruments in respect of interests underlying any Securities for their proprietary accounts or for other accounts under their management. The Issuer, Calculation Agent and/or their respective Affiliates may also act as underwriter in connection with future offerings of shares or other securities related to an issue of Securities or may act as financial adviser to companies whose securities impact the return on Securities. Such activities could present certain conflicts of interest, could influence the prices of such shares or other securities and could adversely affect the value of such Securities.

The Issuer or the Calculation Agent (or one of their Affiliates) may act as a voting member on a Credit Derivatives Determinations Committee and may be a party to transactions which incorporate or are deemed to incorporate the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on 12 March 2009) (the **2009 Supplement**). As a consequence, it may take certain actions which may influence the process and outcome of decisions of the Credit Derivatives Determinations Committees. Such action may be adverse to the interests of the Securityholders and may result in an economic benefit accruing to the Issuer or Calculation Agent or one of their Affiliates, as the case may be. In taking action relating to the Credit Derivatives Determinations Committees or performing any duty under the rules relating to those committees, none of the Issuer, the Calculation Agent nor any of their Affiliates, as the case may be, shall have any obligation to consider the interests of the Securityholders and may ignore any conflict of interest arising due to its responsibilities under the Securities. Prospective investors who consider purchasing the Securities should reach an investment decision only after carefully considering the suitability of the Securities in light of their particular circumstances.

The value of the Securities may fluctuate

The value of the Securities may move up and down between their date of purchase and their Maturity Date. If the Securities are redeemed before the stated Maturity Date, Securityholders may sustain a total loss of their investment. Prospective investors should therefore ensure that they understand fully the nature of the Securities before they invest in the Securities.

Several factors, many of which are beyond the Issuer's control, will influence the value of the Securities at any time, including the following:

- (a) *Creditworthiness of the Reference Entity(ies)*. The market price of the Securities at any time is expected to be affected primarily by changes in the creditworthiness of the Reference Entity(ies) to which such Securities are linked. It is impossible to predict how the creditworthiness of the specified Reference Entity(ies) will vary over time. Factors which may have an effect on the creditworthiness of the Reference Entity(ies) include the financial position and prospects of the Reference Entity(ies). In addition, the creditworthiness of the Reference

Entity(ies) may depend on a number of interrelated factors, including economic, financial and political events and their effect on the capital markets generally and relevant stock exchanges. Prospective investors should also note that whilst the market value of the Securities is linked to the creditworthiness of the specified Reference Entity(ies) and will be influenced (positively or negatively) by it, any change may not be comparable and may be disproportionate. It is possible that while the creditworthiness of any Reference Entity(ies) is decreasing, the value of the Securities may fall. Further, where no market value is available for a Reference Entity, the Calculation Agent shall determine the value of the Valuation Obligations in its sole and absolute discretion, which value may be zero.

- (b) *Volatility.* The term "volatility" refers to the actual and anticipated frequency and magnitude of changes of the market price (if any) of a Security. Volatility is affected by a number of factors such as macro-economic factors, speculative trading and supply and demand in the options, futures and other derivatives markets. Volatility of the Securities means prices will move up and down over time (sometimes more sharply than others).
- (c) *Creditworthiness of the Issuer.* Any person who purchases the Securities is relying upon the creditworthiness of the Issuer and has no rights against any other person. The Securities constitute general, unsecured, contractual obligations of the Issuer and of no other person. The Securities rank pari passu among themselves.

No claim against a Reference Entity or Obligations

A Security will not represent a claim against any Reference Entity and, in the event of any loss, a Securityholder will not have recourse under a Security to any Reference Entity nor shall a Securityholder have any legal, beneficial or other interest whatsoever in any of the Obligations.

No recourse in respect of Determinations Committee decisions

Securityholders shall have no recourse against the Issuer, Calculation Agent, any institutions serving on the Credit Derivatives Determinations Committees or the external reviewers in the event of any loss arising directly or indirectly from any action, determination or resolution taken or made by the Credit Derivatives Determinations Committee.

Credit Event and Succession Event Backstop Dates

A Credit Event may not be triggered under the Securities unless the Issuer has given a Credit Event Notice and a Notice of Publicly Available Information, each in accordance with the terms of the Securities or a request is submitted to ISDA for the relevant Credit Derivatives Determinations Committee, in accordance with the Credit Derivatives Auction Settlement Terms, to consider whether the relevant event constitutes a Credit Event within 60 calendar days of the occurrence of such Credit Event. For Succession Events the look-back period is 90 calendar days and functions similarly. These changes mean there is a time limit on the ability to act on a Credit Event or Succession Event. The changes also mean that it is possible that the Securities could be affected by a Credit Event or Succession Event that took place prior to the Trade Date.

Role of the Credit Derivatives Determinations Committee

Prospective investors should note that the Credit Derivatives Determinations Committee has the power to make binding decisions on critical issues such as whether a Succession Event or a Credit Event has occurred, which obligations are to be valued and whether an auction should take place following a Credit Event, in accordance with and as more fully described in the Credit Derivatives Determinations Committee Rules (the **CDDC Rules**) set forth in Annex A to the 2009 Supplement, as amended from time to time. Consequently, in the event that an issue relating to the Securities is submitted to the Credit Derivatives Determinations Committee, Securityholders will be bound by any such relevant decisions.

2003 ISDA Credit Derivative Definitions

Whilst there are many similarities between the terms used in this document and the terms used in the 2003 ISDA Credit Derivative Definitions and the 2009 Supplement there are many substantial differences and a prospective investor should understand that the complete terms and conditions of the Securities are as set out in this document, including the Product Terms for Credit Linked Securities attached as Schedule 1, and the Base Prospectus and that neither the 2003 ISDA Credit Derivative Definitions nor the 2009 Supplement are incorporated by reference herein.

Securityholders (in their capacity as Securityholders) will not be able to refer questions to the Credit Derivatives Determinations Committee

The Securityholders, in their capacity as holders of the Securities, will not have the ability to refer questions to a Credit Derivatives Determinations Committee since the Securities are not a credit default swap transaction and the Securities do not incorporate and are not deemed to have incorporated, the 2009 Supplement. As a result, Securityholders will be dependent on other market participants to refer specific questions that may be relevant to the Securityholders to the Credit Derivatives Determinations Committees. None of the Bank, the Calculation Agent nor any of their Affiliates has any duty to the Securityholders to refer specific questions to the Credit Derivatives Determinations Committee.

Securityholders will have no role in the composition of the Credit Derivatives Determinations Committees

Separate criteria apply with respect to the selection of dealer and non-dealer institutions to serve on the Credit Derivatives Determinations Committees and the Securityholders will have no role in establishing such criteria. In addition, the composition of the Credit Derivatives Determinations Committees will change from time to time in accordance with the CDDC Rules, as the term of a member institution may expire or a member institution may be required to be replaced. The Securityholders will have no control over the process for selecting institutions to participate on the Credit Derivatives Determinations Committees and, to the extent provided for in the Securities, will be subject to the determinations made by such selected institutions in accordance with the CDDC Rules.

Securityholders shall be responsible for obtaining information relating to the Credit Derivatives Determinations Committees and Credit Derivatives Auction Settlement Terms

The CDDC Rules in force from time to time, the Credit Derivatives Auction Settlement Terms with respect to the relevant Reference Entity, notices of questions referred to the Credit Derivatives Determinations Committees, meetings convened to deliberate such questions and the results of binding votes of the Credit Derivatives Determinations Committees will be published on the website of the International Swaps and Derivatives Association, Inc. None of the Issuer, the Calculation Agent nor any of their respective Affiliates shall be obliged to inform the Securityholders of such information (other than as expressly provided in the terms of the Securities). Failure by the Securityholders to be aware of information relating to determinations of a Credit Derivatives Determinations Committee will have no effect under the Securities and Securityholders are solely responsible for obtaining any such information.

Risks related to the Securities generally

Set out below is a brief description of certain risks relating to the Securities generally.

The Securities are unsecured obligations

The Securities represent direct, unconditional, unsecured and unsubordinated obligations of the Issuer and of no other person. The Securities will rank without any preference among themselves and (save to the extent that laws affecting creditors' rights generally in a bankruptcy or winding up may give preference to any of such other obligations) equally with all other unsecured and unsubordinated obligations of the Issuer.

Taxation

Prospective investors in the Securities should be aware that they may be required to pay stamp taxes or other documentary charges in accordance with the laws and practices of the country where the Securities are to be transferred.

Securityholders should note that payment of any amount due in respect of the Securities will be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted by or on behalf of the Issuer.

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

DOCUMENTS INCORPORATED BY REFERENCE

The provisions of the base prospectus of the Issuer dated 1 July 2009, which constitutes a prospectus (the **Base Prospectus**) for the purposes of the Prospectus Directive) shall be deemed to be incorporated into and form part of this Drawdown Prospectus in its entirety save that any documents incorporated by reference therein shall not constitute part of this Drawdown Prospectus and save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Drawdown 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 be deemed, except as so modified or superseded, to constitute a part of this Drawdown Prospectus.

This Drawdown Prospectus must be read in conjunction with the Base Prospectus and full information on the Issuer and the offer of the Securities is available only on the basis of the combination of the provisions set out within this document and the Base Prospectus.

The following documents are also deemed to be incorporated into and form part of this Drawdown Prospectus:

- (i) registration document dated 15 May 2009 relating to the Issuer that has been approved by the UK Listing Authority (excluding any documents incorporated therein by reference); and
- (ii) the specific parts of the First Quarter Form 6-K filed with the U.S. Securities and Exchange Commission (SEC) on 7 May 2009, the First Quarter Form 6-K filed with the SEC on 24 April 2009, the 2008 Annual Report on Form 20-F of Credit Suisse (the **2008 Annual Report**) and the 2007 Annual Report on Form 20-F (the **2007 Annual Report** of Credit Suisse as listed in the table below.

Section Number	Section Heading	Sub-Heading	Page(s)
First Quarter Form 6-K Dated 7 May 2009			
N/A	Form 6-K	Cover Page	1
		Explanatory Note	2
		Exhibits	3
Exhibit to First Quarter Form 6-K Dated 7 May 2009 (Financial Report 1Q09)			
I	Credit Suisse Results	Financial highlights	1
		Dear shareholders	2-3
		Table of Contents	4
		Credit Suisse at a glance	5
		Operating environment	6-9
		Credit Suisse	10-11
		Core Results	12-17
		Core Results - Fair valuations	16
		Core Results - Compensation and benefits	16
		Key performance indicators	18
II	Results by division	Private Banking	20-30

Section Number	Section Heading	Sub-Heading	Page(s)
First Quarter Form 6-K Dated 7 May 2009			
		Investment Banking	31-37
		Asset Management	38-44
III	Overview of Results and Assets under Management	Results	46-47
		Assets under Management	48-50
IV	Treasury and Risk Management	Treasury Management	52-57
		Risk Management	58-64
V	Condensed consolidated financial statements (unaudited)	Report of Independent Registered Public Accounting Firm	67
		Condensed consolidated financial statements (unaudited), including:	69-75
		Consolidated statements of operations (unaudited)	69
		Consolidated balance sheets (unaudited)	70-71
		Consolidated statements of cash flows (unaudited)	74-75
		Notes to the condensed consolidated financial statements (unaudited), including summary of significant accounting policies	76-125 76-81
First Quarter Form 6-K Dated 24 April 2009			
N/A	Form 6-K	Cover Page	1
		Introduction	2
		Forward-looking statements	2
		Key Information - Selected financial data	3-4
		Key information - Operating and financial review and prospects	4-5
		Key Information - Treasury and Risk Management	6
		Exhibits	7
Exhibit to First Quarter Form 6-K Dated 24 April 2009 (Financial Report 1Q09)			
I	Credit Suisse Results	Financial Highlights	1
		Dear Shareholders	2
		Table of Contents	4
		Credit Suisse at a glance	5
		Operating environment	6-9
		Credit Suisse	10

Section Number	Section Heading	Sub-Heading	Page(s)
First Quarter Form 6-K Dated 7 May 2009			
		Core Results	12
		Core Results - Compensation and benefits	16
		Core Results - Fair Valuations	16
		Key performance indicators	17
II	Results by division	Private Banking	20-30
		Investment Banking	31-37
		Asset Management	38-44
III	Overview of Results and Assets under Management	Results	46-47
		Assets under Management	48-50
IV	Treasury and Risk Management	Treasury Management	52-57
		Risk Management	58-64
V	Condensed consolidated financial statements (unaudited)	Condensed consolidated financial statements (unaudited), including:	67-73
		Consolidated statements of operations (unaudited)	67
		Consolidated balance sheets (unaudited)	68-69
		Consolidated statements of cash flows (unaudited)	72-73
		Notes to the condensed consolidated financial statements (unaudited)	74-104
		including summary of significant accounting policies	74-79
Annual Report 2008			
N/A	Form 20-F		N/A
N/A	Financial highlights		1
	Dear shareholders, client and colleagues		2-5
	Index		6-9
	Operating as an integrated bank		10-12
I	Information on the company	Review of the year's events	14-15
		Vision, mission and principles	16
		Strategy	17-19
		Our businesses	20-29
		Organizational and regional structure	30-31
		Global reach of Credit Suisse	32-33
		Corporate citizenship	34
		Regulation and supervision	35-38
II	Operating and financial review	Operating environment	40-43
		Credit Suisse	44-49

Section Number	Section Heading	Sub-Heading	Page(s)
First Quarter Form 6-K Dated 7 May 2009			
		Core Results	50-56
		Key performance indicators	57
		Private Banking	58-59
		Wealth Management	60-64
		Corporate & Retail Banking	65-67
		Investment Banking	68-74
		Asset Management	75-82
		Corporate Center	83
		Results Summary	84-85
		Assets under Management	86-88
		Critical accounting estimates	89-94
III	Treasury, Risk, Balance sheet, and Off-balance sheet	Treasury management	96-111
		Risk management	112-133
		Balance sheet, off-balance sheet and other contractual obligations	134-138
IV	Corporate governance	Overview	140-142
		Shareholders	143-146
		Board of Directors	147-156
		Executive Board	157-161
		Compensation	162-178
		Additional information	179-180
VII	Consolidated financial statements – Credit Suisse (Bank)	Report of the Group Auditors	315-316
		Consolidated statements of operations	317
		Consolidated balance sheets	318-319
		Consolidated statements of changes in shareholder's equity	320
		Comprehensive income	321
		Consolidated statements of cash flows	322-323
		Notes to the consolidated financial statements	324-377
		Controls and procedures	378-379
		Report of the Group Auditors	380
VIII	Parent company financial statements – Credit Suisse (Bank)	Report of the Statutory Auditors	383-384
		Financial review	385
		Statements of income	386
		Balance sheets	387
		Off-balance sheet business	388

Section Number	Section Heading	Sub-Heading	Page(s)
First Quarter Form 6-K Dated 7 May 2009			
		Notes to the financial statements	389-395
		Proposed appropriation of retained earnings	396
IX	Additional information	Statistical information	398-415
		Legal proceedings	416-420
		Risk factors	421-428
		Other information	429-434
		Foreign currency translation rates	434
X	Investor information	Investor information	436-437
		List of abbreviations	438-440
Annual Report 2007			
N/A	Form 20-F		N/A
		Financial highlights	1
		Index	2-5
		Dear shareholders, clients and colleagues	6-8
I	Information on the Company	Credit Suisse at a glance	10-11
		Global reach of Credit Suisse	12-13
		The year at Credit Suisse	14
		Vision, mission and principles	15
		Corporate citizenship	15
		Strategy	16-18
		Our business	19-27
		Organizational Structure	27-28
		Regulation and supervision	28-32
II	Operating and financial review	Operating environment	34-36
		Credit Suisse	37-42
		Core Results	43-46
		Key performance indicators	47
		Private Banking	48-49
		Wealth Management	50-53
		Corporate & Retail Banking	54-56
		Investment Banking	57-62
		Asset Management	63-68
		Corporate Center	69
		Results Summary	70-71
		Assets under Management	72-74
		Critical accounting estimates	75-80

Section Number	Section Heading	Sub-Heading	Page(s)
First Quarter Form 6-K Dated 7 May 2009			
III	Balance sheet, Off-balance sheet, Treasury and Risk	Balance sheet, off-balance sheet and other contractual obligations	82-91
		Treasury management	92-103
		Risk management	104-120
IV	Corporate governance	Overview	122-124
		Shareholders	125-127
		Board of Directors	128-138
		Executive Board	139-143
		Compensation	144-158
		Additional information	159-160
VII	Consolidated financial statements – Credit Suisse (Bank)	Report of the Group Auditors	281-282
		Consolidated statements of income	283
		Consolidated balance sheets	284-285
		Statements of changes in shareholder's equity	286
		Comprehensive income	287
		Consolidated statements of cash flows	288-289
		Notes to the consolidated financial statements	290-333
		Controls and procedures	334-335
		Report of the Group Auditors	336
VIII	Parent company financial statements – Credit Suisse (Bank)	Report of the Statutory Auditors	339
		Financial review	340
		Statements of income	341
		Balance sheets	342
		Off-balance sheet business	343
		Notes to the financial statements	344-350
		Proposed appropriation of retained earnings	350
IX	Additional information	Statistical information	352-369
		Legal proceedings	370-374
		Risk factors	375-380
		Other information	381-386
		Foreign currency translation rates	386
X	Investor information	Investor information	388-390

save that any documents incorporated by reference therein shall not constitute part of this Drawdown Prospectus and save that any statement contained therein shall be deemed to be modified or superseded for the purpose of this Drawdown Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise).

The Issuer will provide, without charge, to each person to whom a copy of this Drawdown Prospectus has been delivered, upon the oral or written request of such person, a copy of any or all of the financial information which is incorporated herein by reference. Written or oral requests for such financial information should be directed to the Issuer at its principal office set out at the end of this Drawdown Prospectus.

In addition, copies of documents incorporated by reference in this Drawdown Prospectus will be available for viewing on the website of the Regulatory News Service operated by the London Stock Exchange at <http://www.londonstockexchange.com/en-gb/pricesnews/marketnews> as of the date of this Drawdown Prospectus.

TERMS AND CONDITIONS OF THE SECURITIES

The terms and conditions of the Securities shall consist of the "General Terms and Conditions of Securities (English law)" set out on pages 21 to 36 of the Base Prospectus (the **General Conditions**), as amended and/or supplemented by the Final Terms issued in respect of the Securities, as set out below. References in the Base Prospectus to **Final Terms** shall be deemed to refer to the Final Terms set out below.

Terms used herein but not otherwise defined shall have the meanings given to them in the Base Prospectus. All references to **Conditions** or to a numbered **Condition** shall be to the General Conditions or the relevant numbered Condition of the General Conditions as amended by this Drawdown Prospectus, where applicable.

FINAL TERMS

Credit Suisse
acting through its London Branch

USD 17,000,000 Reverse Exposure Credit-Linked Securities
linked to Swiss Reinsurance Company Ltd
Series 2009-100
(the Securities)

issued pursuant to the Structured Products Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Base Prospectus dated 1 July 2009 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Securities described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus. Copies of the Base Prospectus may be obtained from the registered office of the Issuer and the offices of the Distributors and Agents specified herein.

These Final Terms comprise the final terms for the issue and admission to trading on the London Stock Exchange of the Securities.

The terms and conditions applicable to the Securities are the General Terms and Conditions of Securities English law set out in the above Base Prospectus (as supplemented at the date of these Final Terms), as completed by these Final Terms.

1	Branch	London Branch
2	Series Number:	2009-100
3	Tranche Number:	1
4	Applicable General Terms and Conditions:	Securities – English law
5	Specified Currency or Currencies:	USD
6	Aggregate Nominal Amount:	
	(i) Series:	USD 17,000,000
	(ii) Tranche:	USD 17,000,000
7	Issue Price:	100 per cent. of the Aggregate Nominal Amount
8	Specified Denominations:	USD 1,000,000 and integral multiples of USD 100,000 up to and including USD 900,000
9	Issue Date:	16 July 2009
	Payment Date:	16 June 2009
10	Maturity Date/(Final) Redemption Date:	16 June 2010

11	Interest Basis:	Fixed Rate
12	Premium Basis:	Not Applicable
13	Redemption/Payment Basis:	Redemption at par
14	Put/Call Options:	Not Applicable
PROVISIONS RELATING TO INTEREST		
15	Fixed Rate Provisions	Applicable
	(i) Rate[(s)] of Interest:	0.10 per cent. per annum
	(ii) Interest Commencement Date:	16 June 2009
	(iii) Interest Payment Date(s):	Each of 16 December 2009 and the Maturity Date, provided that if either such date is not a Business Day, the immediately following Business Day and subject to the Additional Provisions and Product Term 2(b)(vii)
	(iv) Fixed Interest Amount [(s)]:	Not Applicable
	(v) Broken Amount:	Not Applicable
	(vi) Day Count Fraction:	30/360
	(vii) Determination Date(s):	Not Applicable
	(viii) Other terms relating to the method of calculating interest for Fixed Rate Securities:	Not Applicable
16	Floating Rate Provisions	Not Applicable
PROVISIONS RELATING TO PREMIUM		
17	Premium Provisions:	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
18	Redemption Amount	The Redemption Amount in respect of each Security will be the Nominal Amount
19	Early Termination Amount and Extraordinary Termination Amount	Not Applicable
UNDERLYING ASSETS		
20	Index-linked Securities	Not Applicable
21	Equity-linked Securities	Not Applicable
22	Commodity-linked Securities	Not Applicable
23	FX-linked Securities	Not Applicable
24	Call Option	Not Applicable
25	Put Option	Not Applicable
26	Settlement Currency	The Specified Currency
GENERAL PROVISIONS		
27	(i) Form of Securities:	Bearer Securities
	(ii) Global Security:	Permanent Global Security

	(iii) Applicable TEFRA exemption:	D Rules
28	Financial Centre(s):	London and TARGET
29	Vouchers to be attached to Definitive Securities	Not Applicable
30	Details relating to Instalment Securities:	Not Applicable
31	Minimum Transferable Number of Securities:	Not Applicable
32	Listing and Admission to Trading:	
	(i) Stock Exchange(s) to which application will initially be made to list the Securities:	London Stock Exchange
	(ii) Admission to trading:	Application has been made for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from 19 July 2009. Estimated total expenses relating to admission to trading: GBP 885
33	Entities (other than stock exchanges) to which application for listing and/or approval of the Securities will be made:	Not Applicable
34	Security Codes and Ticker Symbols:	
	ISIN Code:	XS0434627419
	Common Code:	043462741
	Swiss Security Number:	Not Applicable
	Telekurs Ticker:	Not Applicable
	WKN number:	Not Applicable
35	Clearing and Trading:	
	Clearing System(s) and any relevant identification number(s):	Euroclear Bank S.A./N.V. and Clearstream Banking, SA, Luxembourg
	Delivery of Securities:	Delivery free of payment
	Minimum Trading Lot:	Not Applicable
36	Agents:	
	Calculation Agent:	Credit Suisse International One Cabot Square London E14 4QJ
	Fiscal Agent:	The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL

	Paying Agents:	The Bank of New York Mellon, acting through its London Branch One Canada Square London E14 5AL
37	Dealer(s):	Not Applicable
38	Additional steps that may only be taken following approval by Extraordinary Resolution:	Not Applicable
39	Specified newspaper for the purposes of notices to Securityholders:	Not Applicable
40	Additional Provisions:	

I. VARIABLE COUPON PROVISIONS

*The following provisions (the **Variable Coupon Provisions**) apply to the Securities and should be read in conjunction with the provisions of the Product Terms for Credit Linked Securities (the **Product Terms**) contained in Schedule 1 (Product Terms for Credit Linked Securities) hereto.*

For the purposes of this Drawdown Prospectus, all references in the Product Terms to "the Bank" shall be deemed to be references to "the Issuer" and all references in the Product Terms to "the relevant Pricing Supplement" shall be deemed to be references to these Final Terms.

PRODUCT TERMS

Credit Event Provisions

(a)	Credit Event(s):	Bankruptcy Failure to Pay Grace Period Extension: Not Applicable Payment Requirement: USD 1,000,000 or its equivalent in the relevant Obligation Currency Restructuring Default Requirement: USD 10,000,000 or its equivalent in the relevant Obligation Currency Modified Restructuring Maturity Limitation and Conditionally Transferable Obligation: Applicable Multiple Holder Obligation: Applicable
(b)	Obligations:	The Reference Obligation and any obligation of a Reference Entity (either directly or as provider of a Qualifying Guarantee) which constitutes, or in the case of a Qualifying Guarantee is in respect of, Borrowed Money
(c)	Obligation Characteristics:	None
(d)	Reference Entity/Reference Entities:	Swiss Reinsurance Company Ltd
(e)	Reference Obligation(s):	Primary Obligor: Swiss Re America Holding Corporation

Guarantor: Swiss Reinsurance Company Ltd.
Maturity: 29 June 2015
Coupon: 4 per cent.
ISIN: CH0012491335

- (f) Excluded Obligations: Not Applicable
(g) Exclude Accrued Interest: Applicable

Settlement Provisions

Settlement Method: Auction Settlement
Fallback Settlement Method: Cash Settlement

Auction Settlement

- (i) Deliverable Obligations:
- (x) each Reference Obligation provided that, if a Reference Obligation is a Convertible Obligation or an Exchangeable Obligation, then such Reference Obligation may be included as a Deliverable Obligation only if the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Commencement Date; and
 - (y) any obligation which is a Bond or Loan having each of the Deliverable Obligation Characteristics provided that:
 - (A) such obligation is payable in an amount equal to its outstanding principal balance or Due and Payable Amount, as applicable;
 - (B) if such obligation is a Qualifying Guarantee other than a Qualifying Affiliate Guarantee, such obligation is capable of immediate assertion or demand by or on behalf of the holder or holders against the Reference Entity for an amount at least equal to the outstanding principal balance or Due and Payable Amount apart from the giving of any notice of non-payment or similar procedural requirement, it being understood that acceleration of an Underlying Obligation shall not be considered a procedural requirement; and
 - (C) if the relevant Credit Event Notice was in respect of a Restructuring, such obligation, or, if such obligation is a Qualifying Guarantee, the Underlying Obligation, is a

Fully Transferable Obligation and has a final maturity date not later than the Modified Restructuring Maturity Limitation Date.

- | | | |
|-------|---|--|
| (ii) | Deliverable Obligation Characteristics: | <p>Not Subordinated</p> <p>Specified Currency: Standard Specified Currencies</p> <p>Assignable Loan</p> <p>Consent Required Loan</p> <p>Transferable</p> <p>Not Contingent</p> <p>Maximum Maturity: 30 years</p> <p>Not Bearer,</p> <p>as such Deliverable Obligation Characteristics may be amended from time to time, as set out in the most recently published ISDA Credit Derivatives Physical Settlement Matrix under the heading "European Corporate".</p> |
| (iii) | Accreting Obligations: | Not Applicable |
| (iv) | Optional Physical Settlement in lieu of Cash Settlement (Product Term 2(b)(iii)): | Not Applicable |
| (v) | Optional Physical Settlement in case of Alternative Settlement (Product Term 2(f)): | Not Applicable |

Cash Settlement:

- | | | |
|--------|---|---|
| (i) | Cash Settlement Amount (in respect of each Security): | None; see Variable Coupon Amount below. |
| (ii) | Final Price | Applicable |
| (iii) | Valuation Date: | Single Valuation Date: 5 Business Days |
| (iv) | Valuation Time: | 11am London time |
| (v) | Quotation Method: | Bid |
| (vi) | Quotation Amount: | USD 17,000,000 |
| (vii) | Minimum Quotation Amount: | The lower of (1) USD 1,000,000 (or its equivalent in the relevant Obligation Currency) and (2) the Quotation Amount |
| (viii) | Dealers: | As selected by the Calculation Agent. |
| (ix) | Settlement Currency: | The currency of denomination of the relevant Principal Amount of the Securities. |
| (x) | Cash Settlement Date: | Not Applicable |
| (xi) | Reference Price: | Not Applicable |
| (xii) | Quotations: | Exclude Accrued Interest |

- (xiii) Valuation Method: Highest
- (xiv) Market Value of Valuation Obligations: Not Applicable
- (xv) Valuation Obligations: Any obligation which would also constitute a Deliverable Obligation, with references to "Delivery Commencement Date" in paragraph (i) under "Auction Settlement", above, being read as if they were references to "Valuation Date".

AMENDMENTS TO THE PRODUCT TERMS

- (a) Product Term 2(a) shall not apply to the Securities.
- (b) Notwithstanding Product Term 2(b), if a Credit Event occurs in respect of which the Conditions to Settlement are satisfied, no Credit Event Redemption Amount or Auction Credit Event Redemption Amount will be payable by the Issuer, the Securities will not be redeemed and cancelled under Product Term 2(b)(ii), (iii) or (vii), and these Variable Coupon Provisions shall apply.
- (c) Product Term 2(h) is amended such that "Credit Event Redemption Amount" shall be replaced with "Variable Coupon Amount".
- (d) Product Term 2(m) is deleted in its entirety and replaced with the following:

"If, following the occurrence of an Event Determination Date in accordance with sub paragraph (i) of the definition of Event Determination Date, but prior to the Physical Settlement Date, a Variable Coupon Payment Date or, to the extent applicable, a Valuation Date, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, the timing requirements of Product Terms 2(b)(B)(i), 2(b)(B)(ii), 2(b)(B)(iv), 2(c)(iii), 2(d)(i), 2(d)(ii) and 2(d)(iii) and the definitions of "Variable Coupon Payment Date", "Cash Settlement Date", "Delivery Commencement Date" and "Valuation Date" and any other Product Term pertaining to settlement as determined by the Calculation Agent acting in its sole discretion, shall toll and remain suspended until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (b) not to determine such matters. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (i) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (ii) not to determine such matters, the relevant timing requirements of the Product Terms that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA with the parties having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Product Term 2(m).

The Calculation Agent shall make such adjustments to the accrual and payment of interest under the Notes as it shall consider necessary to give effect to the foregoing, which adjustments shall be binding upon the Bank and the Securityholders."

- (e) Product Term 6 is deleted in its entirety and replaced with the following:

"NO REQUIREMENT FOR LOSS

Nothing in the General Conditions or the Terms shall require the Bank or the Securityholders to hold the whole or any part of any Reference Obligation at any time and these Product Terms

will apply irrespective of the Bank's and the Securityholders' credit exposure to the Reference Entity or the Reference Obligation, and neither the Bank nor the Securityholders need suffer any loss nor provide evidence of any loss as the result of the occurrence of a Credit Event."

- (f) Product Term 11(iii)(B)(III) is amended to include the words "Variable Coupon Payment Date" between the words "Valuation Date" and the words "Cash Settlement Date").

VARIABLE COUPON AMOUNT

- (a) If an Event Determination Date occurs on any date that falls in the period from (and including) the Interest Commencement Date (as defined above) to (and including) the Maturity Date, the Issuer shall pay in respect of Securities representing the Nominal Amount an amount equal to the Variable Coupon Amount on the Variable Coupon Payment Date.
- (b) Following the occurrence of an Event Determination Date and the payment by the Issuer of the corresponding Variable Coupon Amount, no further Event Determination Date shall be deemed to occur and no further Variable Coupon Amount will become payable in respect of the Securities.

DEFINITIONS

Capitalised terms used in this paragraph 40 (Additional Provision) and not defined below will have the meanings set out in Product Term 1. In the event of any inconsistency between this paragraph 40 and the Product Terms, this paragraph 40 shall apply.

Conditions to Settlement means the occurrence of the Event Determination Date, to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, Variable Coupon Payment Date or any date on which the Securities are redeemed pursuant to General Condition 5(a) or Product Term 2(b)(B)(i), 2(b)(B)(iv) or 2(e), as applicable;

Credit Event Notice means a notice to the Issuer and the Calculation Agent of the occurrence of a Credit Event (irrespective of whether it is continuing) describing the Credit Event, given by the Securityholder at its election and in its sole and absolute discretion (without having any obligation to make such an election), at any time during the Evaluation Period.

Designated Affiliate means Credit Suisse International or any Affiliate.

Event Determination Date means:

- (i) subject to paragraph (ii) and (iii) below, the date on which the Securityholder gives a Credit Event Notice together with Publicly Available Information and, if such Credit Event is a Restructuring, a Restructuring Trigger Notice, each in respect of the relevant Credit Event to the Issuer and the Calculation Agent; or
- (ii) subject to paragraph (iii) below, the date on which the Calculation Agent determines that a Credit Event has occurred; or
- (iii) notwithstanding paragraphs (i) and (ii) above, the Credit Event Resolution Request Date if:
- (a) the Securityholder has given a Credit Event Notice at any time during the Evaluation Period and prior to the Auction Final Price Determination Date;

- (b) each of the Event Determination Date Conditions is satisfied; and
- (c) ISDA publicly announces that, as a result of the DC Resolution of the relevant Credit Derivatives Determinations Committee that a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof, the relevant Credit Derivatives Determinations Committee has resolved that an Auction will be held in accordance with the Credit Derivatives Auction Settlement Terms for which the Calculation Agent has determined in its sole and absolute discretion that the Auction Conditions would be satisfied;

provided that, in the case of sub-paragraph (iii) above:

- (A) no Variable Coupon Payment Date or redemption under General Condition 5(a) has occurred on or prior to the date on which each of the Event Determination Date Conditions is satisfied;
 - (B) if any Valuation Date has occurred as of the date on which each of the Credit Event Notice Conditions is satisfied, each of the Credit Event Notice Conditions shall be deemed satisfied only with respect to the portion of the outstanding nominal amount of the Security, with respect to which no Valuation Date has occurred, as determined by the Calculation Agent in its sole and absolute discretion; and
 - (C) no Event Determination Date has already been determined under paragraph (i) or (ii) above in circumstances where Restructuring is the only Credit Event specified in the Credit Event Notice.
- (iv) Subject to Product Term 11(iii)(B)(III), no Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event will be deemed not to have occurred, if, or to the extent that, ISDA publicly announces prior to the Auction Final Price Determination Date or the Variable Coupon Payment Date that the relevant Credit Derivatives Determinations Committee has Resolved that the relevant event does not constitute a Credit Event with respect to the Reference Entity or Obligation thereof. On the Second Business Day following such announcement, any Potential Credit Event Period which was in effect immediately prior to the relevant Event Determination Date (if any) shall be deemed to have expired.
- (v) Following the determination of an Event Determination Date, if, in accordance with the provisions above, such Event Determination Date is deemed to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or such Event Determination Date is deemed not to have occurred, the Calculation Agent will determine in its sole discretion (i) any change that may be necessary to the amounts previously calculated and/or paid to the Securityholder(s) and (ii) the date on which such adjustment (if any) is to be effected. For the avoidance of doubt, no accruals of interest shall be taken into account when calculating any such adjustment payment and the Calculation Agent may effect such adjustment by requiring an additional amount to be payable to the Securityholder(s) and/or, as applicable, reducing any subsequent amount payable to the Securityholder(s).

Grace Period means the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred, provided that 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 such Grace Period shall expire no later than the Maturity Date.

Protection Amount means USD 34,000,000.

Publicly Available Information means information that reasonably confirms any of the facts relevant to the determination that a Credit Event described in a Credit Event Notice has occurred and which:

- (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Securityholder or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Securityholder or one of its Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (ii) is information received from or published by (A) a Reference Entity or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (iii) is information contained in any petition or filing instituting a proceeding against or by a Reference Entity seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or similar law affecting creditors' rights, or a petition 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 (A) results in a judgement 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 (B) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; or
- (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative regulatory or judicial body.

Publicly Available Information may be assumed to have been disclosed without violating any law, agreement or understanding regarding its confidentiality and that the Securityholder or its Affiliates 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 third parties and need not state that the relevant Credit Event (i) has met the Payment Requirement or, as the case may be, the Default Requirement, (ii) is the result of exceeding any applicable Grace Period or (iii) has met the subjective criteria specified in certain Credit Events. Notwithstanding anything to the contrary in the foregoing provisions, any requirement or condition that Publicly Available Information be delivered shall be deemed to be satisfied if ISDA publicly announces on or prior to the last day for such delivery (including prior to the Payment Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof;

Quotation means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent 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 shall attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.

- (b) If the Calculation Agent 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 Calculation Agent may attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation within an additional five Business Days. If the Calculation Agent is able to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Calculation Agent shall use all such Full Quotations or Weighted Average Quotations to determine the Final Price in accordance with the specified Valuation Method. If the Calculation Agent is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such fifth Business Day or, if no Full Quotation is obtained on such fifth Business Day, the weighted average of any firm quotations for the Reference Obligation obtained from Dealers at the Valuation Time on such fifth Business Day with respect to the aggregate portion of the Quotation Amount (if any) for which such quotations were obtained and a quotation determined by the Calculation Agent in its sole and absolute discretion, acting in a commercially reasonable manner, for the balance of the Quotation Amount for which firm quotations were not obtained on such fifth Business Day.
- (c) (i) If "Include Accrued Interest" is specified in the relevant Pricing Supplement in respect of Quotations, such Quotations shall include accrued but unpaid interest; (ii) if "Exclude Accrued Interest" is specified in the relevant Pricing Supplement in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and (iii) if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the relevant Pricing Supplement in respect of Quotations, the Calculation Agent shall determine, in its sole discretion, based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.

If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the outstanding principal balance for purposes of determining the Final Price.

Restructuring Trigger Notice means a notice to the Issuer and the Calculation Agent given during the Evaluation Period following the occurrence of a Restructuring (but no later than 60 calendar days following such occurrence) by the Securityholder, at its election and in its sole and absolute discretion (without having any obligation to make such an election), which describes the Restructuring and requests the determination and payment of the Variable Coupon Amount.

Trade Date means 10 June 2009.

Variable Coupon Amount means, an amount determined by the Calculation Agent in the Specified Currency, rounded down to the nearest USD 0.01 as the greater of:

- (i) the product of (a) the Protection Amount and (b) 100 per cent. minus the Variable Coupon Final Price; and

- (ii) zero.

Variable Coupon Final Price means:

- (i) if an Auction Final Price is determined in respect of the Reference Entity and the Credit Event in accordance with the Product Terms, such Auction Final Price; or
- (ii) if no Auction Final Price is determined in accordance with the Product Terms, the Final Price determined in accordance with the Valuation Method.

Variable Coupon Final Price Determination Date means:

- (i) if an Auction Final Price is determined in respect of the Reference Entity and the Credit Event in accordance with the Product Terms, the Auction Final Price Determination Date; or
- (ii) if no Auction Final Price is determined in accordance with the Product Terms, the date on which the Calculation Agent determines the Final Price.

Variable Coupon Payment Date means the tenth Business Day following the Variable Coupon Final Price Determination Date.

II. EARLY REDEMPTION FOR TAXATION REASONS

The following provision shall be added as General Condition 5(f):

(f) *Redemption for Taxation Reasons*

If the Issuer shall have determined in good faith that, upon payment in respect of the Securities, as a result of any amendment to, or change in, the laws of the United Kingdom or as a result of a change in the official interpretation or application thereof that becomes effective on or after the Payment Date, the Issuer would be required for reason outside its control, and after taking such reasonable measures to avoid such requirement, to make any withholding or deduction in respect of taxation, then the Issuer may, if and to the extent permitted by applicable law, either (a) make such adjustment to the Conditions as may be permitted by any applicable Asset Terms or (b) having given not more than 30 nor less than 15 days' notice to Securityholders in accordance with General Condition 12, redeem the Securities at their Early Redemption Amount.

PART B – OTHER INFORMATION

Interests of Natural and Legal Persons involved in the Issue

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer.

Explanation of effect on value of investment and associated risks

For details of product specific risks see the section entitled "Risk Factors" of this Drawdown Prospectus.

Additional Selling Restrictions

Mexico

The Securities have not been registered with the Mexican National Securities Registry (Registro Nacional de Valores) and, therefore, the Securities may not be offered or sold publicly in Mexico, save if the applicable registration is obtained. The Securities, however, may be offered in Mexico to institutional and accredited investors, pursuant to the private placement exemption set forth in Article 8 of the Mexican Securities Market Law (Ley del Mercado de Valores).

Terms and Conditions of the Offer

- | | | |
|----|--|--|
| 1. | Offer Price: | 100.00 per cent. of the Nominal Amount |
| 2. | Total amount of the offer. If the amount is not fixed, description of the arrangements and time for announcing to the public the definitive amount of the offer: | USD 17,000,000 |
| 3. | Conditions (in addition to those specified in the Base Prospectus) to which the offer is subject: | See Schedule 1 <i>Product Terms for Credit Linked Securities</i> to these Final Terms |
| 4. | The time period during which the offer will be open: | Not Applicable |
| 5. | Description of the application process | Not Applicable |
| 6. | Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants | Not Applicable |
| 7. | Details of the minimum and/or maximum amount of application: | Not Applicable |
| 8. | Details of the method and time limits for paying up and delivering the Securities: | Payments for the Securities shall be made to the relevant Distributor on such date as the relevant Distributor may specify as instructed by the relevant Distributor.

The Securities are expected to be delivered to the purchasers' respective accounts on or around the Issue Date. |

- | | | |
|-----|--|----------------|
| 9. | Manner in and date on which results of the offer are to be made public: | Not Applicable |
| 10. | Categories of potential investors to which the Securities are offered and whether tranche(s) have been reserved for certain countries: | Not Applicable |
| 11. | Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: | Not Applicable |
| 12. | Amount of any expenses and taxes specifically charged to the subscriber or purchaser: | Not Applicable |
| 13. | Name(s) and address(es), to the extent known to the Issuer, of the placers (Distributors) in the various countries where the offer takes place. | None |
| 14. | Market-Maker: | Not Applicable |
| 15. | Market-making agreement with the Issuer: | Yes/No |

Responsibility

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

Signed on behalf of the Issuer:

By: _____
Duly authorised

By: _____
Duly authorised

SCHEDULE 1

PRODUCT TERMS FOR CREDIT LINKED SECURITIES

The following are the product terms and conditions of the Securities (the “Product Terms”) which, subject to the General Conditions of the Securities and the provisions of the relevant Pricing Supplement, will apply to Credit Linked Securities.

1 Definitions

“**2003 Credit Derivatives Definitions**” means the 2003 ISDA Credit Derivatives Definitions as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions and the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions, each as published by ISDA. References herein to the “2003 Credit Derivatives Definitions” and to related documents published by ISDA shall be deemed to include such further or alternative documents from time to time published by ISDA with respect to the settlement of credit derivative transactions by reference to auctions (including without limitation with respect to a Restructuring Credit Event) or the operation or application of determinations by Credit Derivatives Determinations Committees which the Calculation Agent, in its sole discretion, determines to reflect or govern market practice for credit derivative transactions of a type similar to the Hypothetical Transaction;

“**5 Year Valuation Date**” has the meaning set out in Product Term 2(f);

“**Accelerated or Matured**” means an obligation under which the total amount owed, whether at maturity, by reason of acceleration, upon termination or otherwise (other than amounts in respect of default interest, indemnities, tax gross-ups and other similar amounts), is, or on or prior to the Delivery Commencement Date will be, 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;

“**Accreted Amount**” means, with respect to an Accreting Obligation, an amount equal to (A) the sum of (1) the original issue price of such obligation and (2) the portion of the amount payable at maturity that has accreted in accordance with the terms of the obligation (or as otherwise described below), less (B) any cash payments made by the obligor thereunder that, under the terms of such obligation, reduce the amount payable at maturity (unless such cash payments have been accounted for in the foregoing (A)(2)), in each case calculated as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Commencement Date or applicable Valuation Date, as the case may be. If “Include Accrued Interest” is specified as being applicable in the relevant Pricing Supplement, then such Accreted Amount shall include any accrued and unpaid periodic cash interest payments (as determined by the Calculation Agent). If an Accreting Obligation is expressed to accrete pursuant to a straight-line method or if such Obligation’s yield to maturity is not specified in, nor implied from, the terms of such Obligation, then, for purposes of the foregoing (A)(2) above, the Accreted Amount shall be calculated using a rate equal to the yield to maturity of such Obligation. Such yield shall be determined on a semi-annual bond equivalent basis using the original issue price of such obligation and the amount payable at the scheduled maturity of such obligation, and shall be determined as of the earlier of (x) the date on which any event occurs that has the effect of fixing the amount of a claim in respect of principal and (y) the Delivery Commencement Date or applicable Valuation Date, as the case may be. The Accreted Amount shall exclude, in the case of an Exchangeable Obligation, any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable;

“**Accreting Obligation**” means any obligation (including, without limitation, a Convertible Obligation or an Exchangeable Obligation), the terms of which expressly provide for an amount payable upon acceleration equal to the original issue price (whether or not equal to the face amount thereof) plus an additional amount or amounts (on account of original issue discount or other accruals of interest or principal not payable on a

periodic basis) that will or may accrete, whether or not (A) payment of such additional amounts is subject to a contingency or determined by reference to a formula or index, or (B) periodic cash interest is also payable;

“**Affected Securityholder**” has the meaning set out in Product Term 2(e)(i)(A), 2(e)(i)(B) and 2(e)(i)(C);

“**Affected Securityholder Cash Redemption Amount**” has the meaning set out in Product Term 2(e)(iii);

“**Affected Securityholder Proportion**” has the meaning set out in Product Term 2(e)(iii).

“**Affected Securityholder Value**” has the meaning set out in Product Term 2(e)(iii);

“**Affiliate**” means any entity controlled, directly or indirectly, by the Bank, any entity that controls, directly or indirectly the Bank or any entity under direct or indirect common control with the Bank. As used herein “control” means the ownership of a majority of the voting power of the entity or, as the case may be, the Bank and “controlled by” and “controls” shall be construed accordingly;

“**Aggregate Nominal Amount**” means the amount specified in the relevant Pricing Supplement;

“**Alternative Settlement End Date**” has the meaning set out in Product Term 2(f);

“**Asset Delivery Notice**” has the meaning set out in Product Term 2(d)(iii), the pro forma of which is set out on page 81 of this Product Supplement;

“**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 or organisation) that are not then a lender or a member of the relevant lending syndicate, without the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

“**Auction**” has the meaning set forth in the relevant Credit Derivatives Auction Settlement Terms;

“**Auction Cancellation Date**” means the date on which an Auction is deemed to be cancelled pursuant to the Credit Derivatives Auction Settlement Terms with respect to the Reference Entity;

“**Auction Conditions**” means:

- (a) the Affected Reference Entity (as specified in the applicable Credit Derivatives Auction Settlement Terms) is specified as a Reference Entity in the relevant Pricing Supplement;
- (b) “Auction Settlement” is specified as the Settlement Method in the relevant Pricing Supplement;
- (c) an Event Determination Date has occurred with respect to the Affected Reference Entity on or prior to the Business Day immediately preceding the Auction Final Price Determination Date; and
- (d) the Calculation Agent determines in its sole discretion that the provisions set out in the relevant Credit Derivatives Auction Settlement Terms for determining what obligations may constitute Deliverable Obligations for the purposes of such Auction are substantially the same as the corresponding provisions applicable to determining what obligations may constitute Deliverable Obligations or Valuation Obligations for the purposes of the relevant Securities or the Hypothetical Credit Derivative Transaction);

“**Auction Credit Event Redemption Amount**” means, in respect of each Security, an amount equal to the outstanding nominal amount of each Security minus the Auction Settlement Amount;

“**Auction Final Price**” means the price, if any, determined to be the Auction Final Price pursuant to the Credit Derivatives Auction Settlement Terms with respect to the relevant Reference Entity (expressed as a percentage);

“**Auction Final Price Determination Date**” means the day, if any, on which the Auction Final Price is determined pursuant to the Credit Derivatives Auction Settlement Terms with respect to the relevant Reference Entity or Obligation thereof;

“**Auction Settlement Amount**” means the greater of (a) (i) the outstanding nominal amount of the Security multiplied by (ii) the Reference Price minus the Auction Final Price and (b) zero;

“**Auction Settlement Date**” means the date that is the number of Business Days specified in the relevant Credit Derivatives Auction Settlement Terms (or, if a number of Business Days is not so specified, five Business Days) immediately following the Auction Final Price Determination Date;

“**Average Blended Highest**” means, with respect to more than one Reference Obligation and more than one Valuation Date, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Highest Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;

“**Average Blended Market**” means, with respect to more than one Reference Obligation and more than one Valuation Date, using values with respect to each Valuation Date determined by the Calculation Agent in accordance with the Blended Market Valuation Method, the unweighted arithmetic mean of the values so determined with respect to each Valuation Date;

“**Average Highest**” means, with respect to only one Reference Obligation and more than one Valuation Date, the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent (or in accordance with the definition of “Quotation”) with respect to each Valuation Date;

“**Average Market**” means, with respect to only one Reference Obligation and more than one Valuation Date, the unweighted arithmetic mean of the Market Values determined by the Calculation Agent with respect to each Valuation Date;

“**Bankruptcy**” means a 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 or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained in each case within thirty calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (g) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive);

“Best Available Information” means

- (a) in the case of a Reference Entity which files information with its primary securities regulator or primary stock exchange that includes unsolicited, pro forma financial information which assumes that the relevant Succession Event has occurred or which provides such information to its shareholders, creditors or other persons whose approval of the Succession Event is required, that unconsolidated, pro forma financial information and, if provided subsequently to the provision of unconsolidated, pro forma financial information but before the Calculation Agent determines whether the thresholds set out in paragraph (a)(i) to (vi) of the definition of “Successor” have been met, other relevant information that is contained in any written communication provided by the Reference Entity to its primary securities regulator, primary stock exchange, shareholders, creditors or other persons whose approval of the Succession Event is required; or
- (b) in the case of a Reference Entity which does not file with its primary securities regulators or primary stock exchange, and which does not provide to shareholders, creditors or other persons whose approval of the Succession Event is required, the information contemplated in (a) above, the best publicly available information at the disposal of the Calculation Agent to allow it to determine whether the thresholds set out in paragraph (a)(i) to (vi) of the definition of “Successor” have been met.

Information which is made available more than fourteen calendar days after the legally effective date of the Succession Event shall not constitute Best Available Information.

“Blended Highest” means, with respect to more than one Reference Obligation and only one Valuation Date, the unweighted arithmetic mean of the highest Quotations obtained by the Calculation Agent (or in accordance with paragraph (b) of the definition of “Quotation”) for each Reference Obligation with respect to the Valuation Date;

“Blended Market” means, with respect to more than one Reference Obligation and only one Valuation Date, the unweighted arithmetic mean of the Market Values determined by the Calculation Agent for each Reference Obligation with respect to the Valuation Date;

“Bond” means any obligation that is in the form of, or represented by, a bond, note (other than notes delivered pursuant to Loans), certificated debt security or other debt security;

“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);

“Business Day” means a day on which commercial banks and foreign exchange markets are generally open to settle payments in London, New York City and, if applicable, any other city as specified in the relevant Pricing Supplement;

“Business Day Convention” has the meaning as specified in the relevant Pricing Supplement;

“Cash Settlement Amount” has the meaning set out in Product Term 2(c);

“Cash Settlement Date” means (a) if the Cash Settlement Amount is not specified in the relevant Pricing Supplement, subject to Product Term 2(m), the date that is the number of Business Days specified in the relevant Pricing Supplement following the calculation of the Final Price and (b) if the Cash Settlement Amount is specified in the relevant Pricing Supplement, subject to Product Term 2(m), the date that is the number of Business Days specified in the relevant Pricing Supplement following the Event Determination Date (or, if

“Cash Settlement” is applicable as the Fallback Settlement Method, any Auction Cancellation Date or any No Auction Announcement Date if later);

“**Clearance System Business Day**” has the meaning set out in Product Term 2(d)(iii);

“**Conditionally Transferable Obligation**” means an 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 obligation other than Bonds, provided, however, that an obligation other than Bonds will be a Conditionally Transferable Obligation notwithstanding that consent of the Reference Entity or the guarantor, if any, of an obligation other than Bonds (or the consent of the relevant obligor if a Reference Entity is guaranteeing such obligation) or any agent is required for such novation, assignment or transfer so long as the terms of such obligation provide that such consent may not be unreasonably withheld or delayed. Any requirement that notification of novation, assignment or transfer of a 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;

“**Conditions to Settlement**” means the occurrence of the Event Determination Date, to the extent that such Event Determination Date is not subsequently reversed prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date (or, if earlier, the Delivery Commencement Date), the Cash Settlement Date, the Auction Settlement Date or any date on which the Securities are redeemed pursuant to Product Terms 2(a), 2(b)(B)(i), 2(b)(B)(iv) or 2(e), as applicable;

“**Consent Required Loan**” means a Loan that is capable of being assigned or novated with the consent of the relevant Reference Entity or the guarantor, if any, of such Loan (or the consent of the relevant borrower if a Reference Entity is guaranteeing such Loan) or any agent;

“**Convertible Obligation**” means any obligation that is convertible, in whole or in part, into Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

“**Credit Derivatives Auction Settlement Terms**” means the Credit Derivatives Auction Settlement Terms published by ISDA, in accordance with the Rules, with respect to the relevant Reference Entity (which may be amended in accordance with the Rules from time to time);

“**Credit Derivatives Determinations Committees**” means the committees established by ISDA for purposes of reaching certain DC Resolutions in connection with credit derivative transactions, as more fully described in the Credit Derivatives Determinations Committees Rules set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions (published on March 12, 2009), as amended from time to time in accordance with the terms thereof (the “**Rules**”);

“**Credit Event**” are those specified in the relevant Pricing Supplement, in respect of any Reference Entity;

“**Credit Event Backstop Date**” means (a) for purposes of any DC Resolution by the relevant Credit Derivatives Determinations Committee as to whether a Credit Event (or with respect to Repudiation/Moratorium, the event described in sub-paragraph (b) of the definition of Repudiation/Moratorium) has occurred with respect to the relevant Reference Entity or Obligation thereof, 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 date on which a Credit Event Notice is given under sub-paragraphs (i) or (ii) of the definition of “Credit Event Notice” and (ii) in circumstances where (A) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, (B) the relevant Credit Derivatives Determinations Committee has Resolved not to

determine such matters and (C) a Credit Event Notice is given under sub-paragraphs (i) or (ii) of the definition of "Credit Event Notice" not more than fourteen calendar days after the day on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Credit Event Resolution Request Date. The Credit Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention;

"Credit Event Notice" means a notice to the Securityholder(s) of the occurrence of a Credit Event (irrespective of whether it is continuing) describing the Credit Event, given by the Bank, at its election and in its sole and absolute discretion (without having any obligation to make such an election), at any time during:

- (i) the Evaluation Period, or
- (ii) if a Potential Credit Event Period is in effect at the end of the Evaluation Period, the Potential Credit Event Period;

"Credit Event Redemption Amount" means, in respect of each Security, an amount equal to the outstanding nominal amount of such Security minus the Cash Settlement Amount;

"Credit Event Resolution Request Date" means, with respect to a notice to ISDA, delivered in accordance with the ISDA Credit Derivatives Determinations Committee Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, the date of the occurrence of such event,

the date, as publicly announced by ISDA to be the date that the relevant Credit Derivatives Determinations Committee Resolves to be the first date on which such notice was effective and on which the relevant Credit Derivatives Determinations Committee was in possession, in accordance with the ISDA Credit Derivatives Determinations Committee Rules, of Publicly Available Information with respect to the DC Resolutions referred to in sub-clauses (a) and (b) above;

"Currency Amount" means with respect to

- (a) a Deliverable Obligation or Valuation Obligation specified in a Notice of Physical Settlement that is denominated in a currency other than the Specified Currency, an amount converted to the Specified Currency using a conversion rate determined by reference to the Currency Rate and
- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, an amount converted to the Specified Currency (or, if applicable, back into the Specified Currency) using a conversion rate determined by reference to the Currency Rate, if any, and each Revised Currency Rate used to convert each Replaced Deliverable Obligation Outstanding Amount specified in each NOPS Amendment Notice with respect to that Tranche of Securities into the currency of denomination of the relevant Replacement Deliverable Obligation.

"Currency Rate" means with respect to

- (a) a Deliverable Obligation specified in the Notice of Physical Settlement, the rate of conversion between the Specified Currency and the currency in which the Outstanding Amount of such Deliverable Obligation is denominated that is either (i) determined by reference to the Currency Rate Source as at the Next Currency Fixing Time or (ii) if such rate is not available at such time, determined by the Calculation Agent in a commercially reasonable manner and

- (b) a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the Revised Currency Rate.

"Currency Rate Source" means the mid-point rate of conversion published by WM/Reuters at 4:00 p.m. (London time), or any successor rate source approved by the relevant Credit Derivatives Determinations Committee.

"DC Question" has the meaning given to such term in the Rules;

"DC Resolution" has the meaning given to such term in the Rules;

"DC Party" has the meaning given to that term in the Rules;

"Dealer" means a dealer in obligations of the type of Obligation(s) for which Quotations are to be obtained, including each Dealer specified in the relevant Pricing Supplement. If no Dealers are specified in the relevant Pricing Supplement, the Calculation Agent shall select the Dealers in its sole discretion. Upon a 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 may substitute any other Dealer(s) for one or more of the foregoing;

"Default Requirement" means U.S.\$ 10,000,000 or its equivalent in any currency or currencies;

"Deliverable Obligations" shall be as set out in any relevant Pricing Supplement having each of the Deliverable Obligation Characteristics specified, if any, in the relevant Pricing Supplement;

"Deliverable Obligation Characteristics" means, as at the Delivery Commencement Date, the Deliverable Obligation Characteristics which are set out in the relevant Pricing Supplement;

"Delivery Commencement Date" has the meaning set out in Product Term 2(b);

"Delivery Cut-Off Date" has the meaning set out in Product Term 2(e)(i);

"Delivery Expenses" has the meaning set out in Product Term 7;

"Designated Affiliate" means Credit Suisse International or any Affiliate of the Bank designated as such by the Bank from time to time which may, at the time of such designation, engage in the trading or holding of obligations, such Designated Affiliate being as set out in the relevant Pricing Supplement;

"Direct Loan Participation" means a Loan in respect of which, pursuant to a participation agreement, the Bank is capable of creating, or procuring the creation of, a contractual right in favour of the Securityholder(s) that provides the Securityholder(s) 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 the Securityholder(s) and the Bank (to the extent the Bank is then a lender or a member of the relevant lending syndicate);

"Domestic Currency" means 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 relevant Reference Entity is organised, if the Reference Entity is not a Sovereign. In no event shall Domestic Currency include any successor currency if such successor currency is the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro (or any successor to any such currency);

"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 under (and in accordance with the terms of) a Deliverable Obligation on the Delivery Commencement Date, whether by reason of acceleration, maturity, termination or otherwise (excluding sums in respect of default interest, indemnities, tax gross-ups and other similar amounts);

“**Early Redemption Determination Date**” has the meaning given to it in Product Term 2(a)(ii);

“**Early Redemption Event**” has the meaning given to it in Product Term 2(a)(ii);

“**Eligible Reference Entity**” means an entity:

- (1) that is in the same Moody’s or S&P industry group (the “**Industry Requirement**”) as the relevant Successor Reference Entity which is being substituted for a new Reference Entity (the “**Surviving Reference Entity**”), where:

“**Moody’s**” means Moody’s Investors Service, Inc.; and

“**S&P**” means Standard and Poor’s Ratings Services, a division of the McGraw-Hill Companies, Inc.;

- (2) that has a bid-side credit spread (at the time the Calculation Agent makes a selection of such entity) no greater than 110% of the bid-side credit spread of the relevant Surviving Reference Entity at that same time (the “**Credit Spread Requirement**”), in each case based on a credit default swap:

- (a) on market standard terms for the relevant entity as at the time of such determination;
- (b) in respect of the relevant Tranche principal amount equal to at least 50 per cent., but not more than 100 per cent., of the relevant Tranche principal amount; and
- (c) with a term equal to the period from and including the date of the determination to and including the Maturity Date (the “**Remaining Term**”), provided that if the Calculation Agent, having used reasonable endeavours, cannot obtain Quotations from at least three dealers in respect of the Remaining Term, the term for the purposes of this sub-clause (c) shall be five years.

The bid-side credit spreads for the purpose of the Credit Spread Requirement shall be the unweighted arithmetic mean of the spread quotations obtained by the Calculation Agent (on the basis of the terms set out above) from at least three dealers, as determined by the Calculation Agent in good faith in a commercially reasonable manner and notified by the Calculation Agent to the Securityholder(s) on the date on which such Quotations are obtained;

- (3) that is principally traded in the credit derivatives market in respect of the same Geographical Region as the relevant Surviving Reference Entity, as determined in good faith and a commercially reasonable manner by the Calculation Agent, where:

“**Geographical Region**” means the geographical region specified in the relevant Pricing Supplement being one of the following: North America, Latin America, Western Europe, Eastern Europe, Australia/New Zealand, Singapore, Asia (excluding Japan), Japan or such region determined in good faith by the Calculation Agent to give best effect to then current market practice in respect of the relevant Surviving Reference Entity; and

- (4) that is not an Affiliate of any Reference Entity hereunder both immediately prior to and following the relevant Succession Event;

“Eligible Transferee” means each of the following:

- (i) any bank or other financial institution, insurance or reinsurance company, mutual fund, unit trust or similar collective investment vehicle (other than an entity specified in clause (iii)(A) below) or 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 (or equivalent amounts in other currencies); or
- (ii) any affiliate of an entity specified in clause (i) above;
- (iii) each of a corporation, partnership, proprietorship, organization, trust or other entity:
 - (A) that is an investment vehicle (including, without limitation, any hedge fund, issuer of collateralized debt obligations, commercial paper conduit or other special purpose vehicle) that (1) has total assets of at least USD 100,000,000 (or equivalent amounts in other currencies) or (2) 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 (or equivalent amounts in other currencies);
 - (B) that has total assets of at least USD 500,000,000 (or equivalent amounts in other currencies); or
 - (C) 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 clauses (i), (ii), (iii)(B) or (iv) of this definition; and
- (iv) a Sovereign, Sovereign Agency or Supranational Organization;

“Equity Securities” means:

- (A) in the case of a Convertible Obligation, equity securities (including options and warrants) of the issuer of such obligation or depositary receipts representing those equity securities of the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time; and
- (B) in the case of an Exchangeable Obligation, equity securities (including options and warrants) of a person other than the issuer of such obligation or depositary receipts representing those equity securities of a person other than the issuer of such obligation together with any other property distributed to or made available to holders of those equity securities from time to time;

“Evaluation Period” means the period from and including the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) to and including the Maturity Date;

“Event Date” means the date which the Calculation Agent or the relevant Credit Derivatives Determinations Committee, as the case may be, determines as (i) the date on which the Potential Failure to Pay or, if “Repudiation/Moratorium” is specified as an applicable Credit Event in the relevant Pricing Supplement, Potential Repudiation/Moratorium occurred or, if applicable, Potential Repudiation/Moratorium did not occur or (ii) the date on which the Credit Event occurred;

“Event Determination Date” means:

- (i) subject to paragraph (ii) below, the date on which a Credit Event Notice is given to the Securityholder(s) together with Publicly Available Information in respect of the relevant Credit Event; or

- (ii) notwithstanding paragraph (i) above, the Credit Event Resolution Request Date if:¹
 - (a) the Bank has given a Credit Event Notice at any time during the Evaluation Period, Potential Failure to Pay Period, Potential Repudiation/Moratorium Period or Potential Notice Delivery Period, as the case may be and prior to the Auction Final Price Determination Date;
 - (b) each of the Event Determination Date Conditions is satisfied; and
 - (c) ISDA publicly announces (including prior to the Trade Date, that, as a result of the DC Resolution of the relevant Credit Derivatives Determinations Committee that a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof, the relevant Credit Derivatives Determinations Committee has resolved that an Auction will be held in accordance with the Credit Derivatives Auction Settlement Terms for which the Calculation Agent has determined in its sole and absolute discretion that the Auction Conditions would be satisfied;

provided that, in the case of sub-paragraph (ii) above:

- (A) no Physical Settlement Date, if applicable, or Cash Settlement Date, Auction Settlement Date or redemption under Product Term 2(a), 2(b)(B)(iv) or 2(e) has occurred on or prior to the date on which each of the Event Determination Date Conditions is satisfied;
 - (B) if any Valuation Date or Delivery Commencement Date, as applicable has occurred as of the date on which each of the Credit Event Notice Conditions is satisfied, each of the Credit Event Notice Conditions shall be deemed satisfied only with respect to the portion of the outstanding nominal amount of the Security, with respect to which no Valuation Date or delivery under Product Term 2(d) has occurred as determined by the Calculation Agent in its sole and absolute discretion; and
 - (C) no Event Determination Date has already been determined under paragraph (i) above in circumstances where Restructuring is the only Credit Event specified in the Credit Event Notice.
- (iii) If different Event Determination Dates have been determined with respect to different portions of the outstanding nominal amount of the Security, the Product Terms shall, with effect from each such Event Determination Date, be construed as if there were separate Product Terms with respect to each such portion.
 - (iv) Subject to Product Term 11(iii)(B)(III), no Event Determination Date will occur, and any Event Determination Date previously determined with respect to an event will be deemed not to have occurred, if, or to the extent that, ISDA publicly announces prior to the Auction Final Price Determination Date, a Valuation Date, the Physical Settlement Date or, if earlier, the Delivery Commencement Date, the Cash Settlement Date, the Auction Settlement Date or any date on which the Securities are redeemed under Product Terms 2(a), 2(b)(B)(i), 2(b)(B)(iv) or 2(e), as applicable, that the relevant Credit Derivatives Determinations Committee has Resolved that the relevant event does not constitute a Credit Event with respect to the relevant Reference Entity or Obligation thereof. On the Second Business Day following such announcement, any Potential Credit Event Period which was in effect immediately prior to the relevant Event Determination Date (if any) shall be deemed to have expired.

¹ CS to consider again if they wish to hardwire in the provisions of the Supplement applicable to a CDS which specifies "Buyer only" as notifying party. Assuming that any hedge will be "Buyer or Seller", should we allow for automatic EDDs which occur when the EDD Conditions are satisfied, regardless of whether any notice of CEN or PAI is given?

- (v) Following the determination of an Event Determination Date, if, in accordance with the provisions above, such Event Determination Date is deemed to have occurred on a date that is different from the date that was originally determined to be the Event Determination Date or such Event Determination Date is deemed not to have occurred, the Calculation Agent will determine in its sole discretion (i) the adjustment payment (if any) that is payable to reflect any scheduled payment that was due but not paid in respect of the Securities or any change that may be necessary to the amounts previously calculated and/or paid to the Securityholder(s) and (ii) the date on 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 and the Calculation Agent may effect such adjustment by requiring an additional amount to be payable to the Securityholder(s) and/or, as applicable, reducing any subsequent amount payable to the Securityholder(s).

“Event Determination Date Conditions” means the satisfaction of the following conditions:

- (i) “Auction Settlement” is specified as the Settlement Method in the relevant Pricing Supplement;
- (ii) The Trade Date occurs on or prior to the Auction Final Price Determination Date, No Auction Announcement Date or Auction Cancellation Date, as applicable;
- (iii) The Credit Event Resolution Request Date occurs on or prior to the last day of the Evaluation Period or the Potential Failure to Pay Period, Potential Repudiation/Moratorium Period or Potential Notice Delivery Period, as applicable (including prior to the Trade Date); and
- (iv) ISDA publicly announces (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that a Credit Event other than a Restructuring has occurred with respect to the relevant Reference Entity or Obligation thereof and that such event has occurred on or after the Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior to the last day of the Evaluation Period, Potential Failure to Pay Period (if the relevant Credit Event is a Failure to Pay), or Potential Repudiation/Moratorium Period (if the relevant Credit Event is a Repudiation/Moratorium), as applicable (determined by reference to Greenwich Mean Time).

“Exchangeable Obligation” means any obligation that is exchangeable, in whole or in part, for Equity Securities solely at the option of holders of such obligation or a trustee or similar agent acting for the benefit only of holders of such obligation (or the cash equivalent thereof, whether the cash settlement option is that of the issuer or of (or for the benefit of) the holders of such obligation);

“Excluded Deliverable Obligation” means any obligations of the Reference Entity specified as such or of a type described in the relevant Pricing Supplement;

“Excluded Obligation” means any obligation of a Reference Entity specified as such or of a type described in the relevant Pricing Supplement;

“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 a 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;

“Fallback Settlement Method” means, where “Auction Settlement” is specified as the Settlement Method in the relevant pricing supplement, if “Cash Settlement” is specified as the Fallback Settlement Method in the relevant pricing supplement, Cash Settlement, otherwise Physical Settlement;

“Final Price” means the price of the Reference Obligation, expressed as a percentage, determined in accordance with the specified Valuation Method. The Calculation Agent shall, as soon as practicable after

obtaining all Quotations for a Valuation Date, upon request notify the Securityholders in writing of each such Quotation that it receives in connection with the calculation of the Final Price and shall, upon request, provide to the Securityholders a written computation showing its calculation of the Final Price;

“**Final Redemption Amount**” means the amount specified in the relevant Pricing Supplement;

“**Full Quotation**” means, in accordance with the Quotation Method, each firm quotation obtained from a Dealer at the Valuation Time, to the extent reasonably practicable, for an amount of the Reference Obligation with an outstanding principal balance 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 obligation other than Bonds. 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 an obligation shall not be considered to be a requirement for consent for purposes of the foregoing. For purposes of determining whether a Deliverable Obligation satisfies the requirements of the definition of Fully Transferable Obligation, such determination shall be made as of the Delivery Commencement Date, taking into account only the terms of the Deliverable Obligation and any related transfer or consent documents which have been obtained by Bank or Designated Affiliate;

“**Governmental Authority**” means any de facto or de jure government (or any agency, instrumentality, ministry or department thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of a Reference Entity or of the jurisdiction of organisation of a Reference Entity;

“**Grace Period**” means the applicable grace period with respect to payments under the relevant Obligation under the terms of such Obligation in effect as of the date as of which such Obligation is issued or incurred, provided that:

- (i) if a Potential Failure to Pay has occurred on or prior to the Maturity Date (determined by reference to Greenwich Mean Time) and the applicable grace period cannot, by its terms, expire on or prior to the Maturity Date (determined by reference to Greenwich Mean Time), the Grace Period shall be deemed to be the lesser of such grace period and thirty calendar days; and
- (ii) 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;

“**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 and if a place or places are not so specified, in the jurisdiction of the Obligation Currency;

“**Highest**” means, with respect to only one Reference Obligation and only one Valuation Date, the highest Quotation obtained by the Calculation Agent (or in accordance with the definition of “Quotation”) with respect to any Valuation Date;

“**Holding Termination Event**” means, in the opinion of the Calculation Agent, in its sole and absolute discretion, a condition that has the effect of prohibiting or restricting the ability of the Bank or its Affiliates to acquire, hold (or if the Bank and/or its Affiliates holds the Reference Obligations, to continue to hold) or to freely transfer (otherwise than as provided in the terms of the Reference Obligations), the Reference Obligations or any amount received in respect of the Reference Obligations, when compared to the position on the Trade Date.

"Hypothetical Credit Derivative Transaction" means a hypothetical credit derivative transaction, incorporating the 2003 Credit Derivatives Definitions, pursuant to which the Bank is 'Buyer' and a hypothetical Securityholder is 'Seller', and otherwise on such terms as the Calculation Agent may in its sole discretion determine to provide to Buyer substantially similar rights and remedies with respect to each Reference Entity and Obligation as are provided under the Securities. For these purposes the Calculation Agent may, but is not obliged to, have regard to any transactions by which the Bank has or may have hedged or in the future may hedge, in whole or in part, its obligations under the Securities. The Hypothetical Credit Derivative Transaction shall be assumed not to be an Excluded Non-Index Transaction (or cognate expression) for the purposes of any applicable Credit Derivatives Auction Settlement Terms;

"Interest Payment Date" means the dates as set out in the relevant Pricing Supplement;

"ISDA" means the International Swaps and Derivatives Association, Inc.;

"Issue Date" is as set out in the relevant Pricing Supplement;

"Listed" means an obligation that is quoted, listed or ordinarily purchased and sold on an exchange;

"Loan" means any obligation that is documented by a term loan agreement, revolving loan agreement or other similar credit agreement, however described;

"Market" means, with respect to only one Reference Obligation and only one Valuation Date, the Market Value determined by the Calculation Agent with respect to the Valuation Date;

"Market Value" means, with respect to a 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 the definition of "Quotation", an amount as determined by the Calculation Agent 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 additional five Business Day period set forth in the definition of "Quotation", the Market Value shall be determined as provided in the definition of "Quotation";

"Maturity Date" shall be as set out in the relevant Pricing Supplement;

"Maximum Maturity" means an Obligation that has a remaining maturity from the Delivery Commencement Date of not greater than thirty years;

"Minimum Quotation Amount" means the amount specified as such in the relevant Pricing Supplement (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, securities and other financial assets.

“Modified Restructuring Maturity Limitation Date” means the date that is the later of (x) the Maturity Date and (y) 60 months following the Restructuring Date in the case of a Restructured Bond or Loan, or 30 months following the Restructuring Date in the case of all other obligations;

“Multiple Holder Obligation” means an Obligation that (i) at the time of the event which would have constituted a Restructuring, assuming such Restructuring was determined by reference to such Obligation, is held by more than three holders that are not affiliates of each other and (ii) 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 would have constituted a Restructuring Credit Event, assuming such Restructuring was determined by reference to such Obligation; provided that any Obligation that is a Bond shall be deemed to satisfy the foregoing requirement (ii) above;

"Next Currency Fixing Time" means 4:00 p.m. (London time) on the London Business Day immediately following the date on which the Notice of Physical Settlement or relevant NOPS Amendment Notice, as applicable, is delivered by the Calculation Agent.

“No Auction Announcement Date” means, if “Auction Settlement” is specified as the Settlement Method in the relevant Pricing Supplement, with respect to a Reference Entity and a Credit Event, the date on which ISDA first publicly announces that (a) no Credit Derivatives Auction Settlement Terms will be published with respect to such Reference Entity and Credit Event, (b) Credit Derivatives Auction Settlement Terms will be published with respect to such Reference Entity and Credit Event but the Calculation Agent has determined that the Auction Conditions will not be satisfied or (c) the relevant Credit Derivatives Determinations Committee has Resolved that no Auction will be held with respect to such Reference Entity and Credit Event for which the Calculation Agent has determined that the Auction Conditions have been satisfied following a prior public announcement by ISDA to the contrary;

“Non-Convertibility Condition” means, in the opinion of the Calculation Agent, in its sole and absolute discretion, a condition created by or resulting from any action of or failure to act by any Governmental Authority, or a local market condition that has the effect of prohibiting, restricting or materially delaying the exchange of the currency in which the Reference Obligation is denominated for the Specified Currency, or the free and unconditional transferability of the resulting Specified Currency, or the free and unconditional transfer of the currency in which the Reference Obligation is denominated between non-resident accounts, when compared to the position on the Trade Date;

"NOPS Amendment Notice" has the meaning set out in the definition of "Portfolio";

“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 recognized clearing system;

“Not Contingent” means any obligation having as of the Delivery Commencement Date and all times thereafter an outstanding principal balance or, in the case of obligations that are not Borrowed Money, a Due and Payable Amount, that pursuant to the terms of such obligation may not be reduced as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). If applicable, a Convertible Obligation, an Exchangeable Obligation and an Accreting Obligation shall be deemed to be Not Contingent if such Convertible Obligation, Exchangeable Obligation or Accreting Obligation otherwise meets the requirements of the preceding sentence so long as, in the case of a Convertible Obligation or an Exchangeable Obligation, the right (A) to convert or exchange such obligation or (B) to require the issuer to purchase or redeem such obligation (if the issuer has exercised or may exercise the right to pay the purchase or redemption price, in whole or in part, in Equity Securities) has not been exercised (or such exercise has been effectively rescinded) on or before the Delivery Commencement Date;

“Not Domestic Currency” means any obligation that is payable in any currency other than the Domestic Currency;

“Not Domestic Issuance” means any obligation other than an obligation that was, at the time the relevant obligation was issued (or reissued, as the case may be) or incurred, intended to be offered for sale primarily in the domestic market of the relevant Reference Entity. Any obligation that is registered or 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 relevant Reference Entity) shall be deemed not to be intended for sale primarily in the domestic market of the Reference Entity;

“Not Domestic Law” means any obligation that is not governed by the laws of (A) the relevant Reference Entity, if such Reference Entity is a Sovereign or (B) the jurisdiction of organisation of the relevant Reference Entity if such Reference Entity is not a Sovereign;

“Not Sovereign Lender” means any obligation that is not primarily owed to a Sovereign or Supranational Organization, including, without limitation, obligations generally referred to as “Paris Club debt”;

“Not Subordinated” means an obligation that is not Subordinated to (i) the most senior Reference Obligation, in priority of payment or (ii) if no Reference Obligation is specified in the relevant Pricing Supplement, any unsubordinated Borrowed Money obligation of the Reference Entity provided that, if any of the events set forth under paragraph (a) of the definition of “Substitute Reference Obligation” have occurred with respect to all of the Reference Obligations or if Product Term 4(d) is applicable with respect to a Reference Obligation (each, in each case a **“Prior Reference Obligation”**) and no Substitute Reference Obligation has been identified for any of the Prior Reference Obligations at the time of the determination of whether an obligation satisfies the “Not Subordinated” Obligation Characteristic or Deliverable Obligation Characteristic as applicable, “Not Subordinated” shall mean an obligation that would not have been Subordinated to the most senior such Prior Reference Obligation in priority of payment. For purposes of determining whether an obligation is “Not Subordinated”, the ranking in priority of payment of each Reference Obligation or each Prior Reference Obligation, as applicable, shall be determined as of the date as of which the relevant Reference Obligation or Prior Reference Obligation, as applicable, was issued or incurred and shall not reflect any change to such ranking in priority of payment after such date;

“Notice Date” has the meaning as set out in Product Term 2(a);

“Notice of Physical Settlement” means the notice referred to in Product Term 2(b)(B)(i) in which the Calculation Agent, acting on behalf of the Bank, gives notice to the Securityholders of the Deliverable Obligations which, subject to the definition of “Portfolio”, will comprise the Portfolio;

“Obligation” means each Reference Obligation and any obligation of a Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in the relevant Pricing Supplement, as provider of any Qualifying Guarantee) which constitutes, or in the case of a Qualifying Guarantee or Qualifying Affiliate Guarantee, as the case may be, is in respect of, Borrowed Money or Bond or Loan (as set out in the relevant Pricing Supplement) as at the Event Date or, as applicable, the Credit Event Resolution Request Date having each of the Obligation Characteristics specified in the relevant Pricing Supplement, but excluding any Excluded Obligation;

“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 a Reference Entity under one or more Obligations;

“Obligation Characteristics” means, as at the relevant Event Date or as at the Credit Event Resolution Request Date, as applicable, the Obligation Characteristics which are set out in the relevant Pricing Supplement;

“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 a Reference Entity under one or more Obligations;

"**Outstanding Amount**" shall have the meaning set out in the definition of "Portfolio";

“**Payment Date**” shall be as specified in the relevant Pricing Supplement;

“**Payment Requirement**” means USD 1,000,000 or its equivalent in any currency or currencies, unless otherwise specified in the relevant Pricing Supplement;

“**Permitted Currency**” means (1) the legal tender of any Group of 7 country (or any country that becomes a member of the Group of 7 if such Group of 7 expands its membership) or (2) the legal tender of any country which, as of the date of such change, is a member of the Organization for Economic Cooperation and Development and has a local currency long-term debt rating of either AAA or higher assigned to it by Standard & Poor’s, a division of The McGraw-Hill Companies, Inc. or any successor to the rating business thereof, Aaa or higher assigned to it by Moody’s Investors Service, Inc. or any successor to the rating business thereof or AAA or higher assigned to it by Fitch Ratings or any successor to the rating business thereof;

"**Physical Settlement Date**" means the last day of the Physical Settlement Period;

“**Portfolio**” means such Deliverable Obligations or Valuation Obligations, as the case may be, of the relevant Reference Entity as are selected in its sole and absolute discretion by the Calculation Agent, acting on behalf of the Bank that:

- (a) in the case of Deliverable Obligations or Valuation Obligations that are Borrowed Money have an outstanding principal balance (including accrued but unpaid interest (as determined by the Calculation Agent) if "Include Accrued Interest" is specified in the relevant Pricing Supplement, but excluding accrued but unpaid interest if "Exclude Accrued Interest" is specified in the relevant Pricing Supplement, and if neither "Include Accrued Interest" nor "Exclude Accrued Interest" is specified in the relevant Pricing Supplement, excluding accrued but unpaid interest) and
- (b) in the case of Deliverable Obligations or Valuation Obligations that are not Borrowed Money have a Due and Payable Amount

(or, in the case of either (a) or (b), the equivalent Currency Amount of any such amount), in each case in the aggregate amount as of the Delivery Commencement Date or the Specified Valuation Date, as the case may be in an aggregate amount (in the Specified Currency as set out in the relevant Pricing Supplement or its equivalent in other currencies) not less than the aggregate principal amount of the relevant Tranche of Securities then outstanding subject to Product Term 2(h). For the purposes of the foregoing, if applicable, the “outstanding principal balance” (i) with respect to any Accreting Obligation, means the Accreted Amount thereof, (ii) with respect to any Exchangeable Obligation that is not an Accreting Obligation, shall exclude any amount that may be payable under the terms of such obligation in respect of the value of the Equity Securities for which such obligation is exchangeable.

The Calculation Agent, acting on behalf of the Bank, may, from time to time give notice to the Securityholders (each such notification, a "**NOPS Amendment Notice**") that the Calculation Agent is replacing, in whole or in part, one or more Deliverable Obligations specified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, (to the extent the relevant Deliverable Obligation has not been Delivered as of the date such NOPS Amendment Notice is effective) or the detailed description(s) thereof. A NOPS Amendment Notice shall contain a revised detailed description of each replacement Deliverable Obligation that will comprise the Portfolio (each, a "**Replacement Deliverable Obligation**") and shall also specify the

outstanding principal balance or Due and Payable Amount, as applicable, (in each case, the "**Outstanding Amount**") of each Deliverable Obligation identified in the Notice of Physical Settlement or a prior NOPS Amendment Notice, as applicable, that is being replaced (with respect to each such Deliverable Obligation, the "**Replaced Deliverable Obligation Outstanding Amount**"). The Outstanding Amount of each Replacement Deliverable Obligation identified in a NOPS Amendment Notice shall be determined by applying the Revised Currency Rate to the relevant Replaced Deliverable Obligation Outstanding Amount. Each such NOPS Amendment Notice must be effective on or prior to the Delivery Commencement Date². Notwithstanding the foregoing, the Calculation Agent may correct any errors or inconsistencies in the detailed description of each Deliverable Obligation contained in the Notice of Physical Settlement or any NOPS Amendment Notice, as applicable, by notice to Securityholders prior to the relevant Delivery Commencement Date; it being understood that such notice of correction shall not constitute a NOPS Amendment Notice;

"**Potential Credit Event Period**" has the meaning set out in Product Term 3;

"**Potential Failure to Pay**" means the failure by a 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 without regard to any grace period or any conditions precedent to the commencement of any grace period applicable to such Obligation(s) in accordance with the terms of such Obligation(s) at the time of such failure;

"**Potential Failure to Pay Period**" has the meaning set out in Product Term 3;

"**Potential Notice Delivery Period**" has the meaning set out in Product Term 3;

"**Potential Repudiation/Moratorium**" means an authorized officer of a 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;

"**Potential Repudiation/Moratorium Period**" has the meaning set out in Product Term 3;

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

"**Publicly Available Information**" means information that reasonably confirms any of the facts relevant to the determination that a Credit Event described in a Credit Event Notice has occurred and which:

- (i) has been published in or on not less than two Public Sources, regardless of whether the reader or user thereof pays a fee to obtain such information; provided that, if the Bank or any of its Affiliates is cited as the sole source of such information, then such information shall not be deemed to be Publicly Available Information unless the Bank or one of its Affiliates is acting in its capacity as trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or
- (ii) is information received from or published by (A) a Reference Entity (or a Sovereign Agency in respect of a Reference Entity that is a Sovereign) or (B) a trustee, fiscal agent, administrative agent, clearing agent, paying agent, facility agent or agent bank for an Obligation; or

- (iii) is information contained in any petition or filing instituting a proceeding against or by a Reference Entity seeking a judgement of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or similar law affecting creditors' rights, or a petition 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 (A) results in a judgement 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 (B) is not dismissed, discharged, stayed or restrained in each case within 30 calendar days of the institution or presentation thereof; or
- (iv) is information contained in any order, decree, notice or filing, however described, of or filed with a court, tribunal, exchange, regulatory authority or similar administrative regulatory or judicial body.

Publicly Available Information may be assumed to have been disclosed without violating any law, agreement or understanding regarding its confidentiality and that the Bank or its Affiliates 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 third parties and need not state that the relevant Credit Event (i) has met the Payment Requirement or, as the case may be, the Default Requirement, (ii) is the result of exceeding any applicable Grace Period or (iii) has met the subjective criteria specified in certain Credit Events. Notwithstanding anything to the contrary in the foregoing provisions, any requirement or condition under these Product Terms that Publicly Available Information be delivered shall be deemed to be satisfied if ISDA publicly announces on or prior to the last day for such delivery (including prior to the Trade Date) that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof;

“Qualifying Affiliate Guarantee” means a Qualifying Guarantee provided by a Reference Entity in respect of an Underlying Obligation of a Downstream Affiliate of that Reference Entity;

“Qualifying Guarantee” means an arrangement evidenced by a written instrument pursuant to which a Reference Entity irrevocably agrees (by guarantee of payment or equivalent legal arrangement) to pay all amounts due under an obligation (the **“Underlying Obligation”**) for which another party is the obligor (the **“Underlying Obligor”**). Qualifying Guarantees shall exclude any arrangement (i) structured as a surety bond, financial guarantee insurance policy, letter of credit or equivalent legal arrangement or (ii) pursuant to the terms of which the payment obligations of the Reference Entity can be discharged, reduced or otherwise altered or assigned (other than by operation of law) as a result of the occurrence or non-occurrence of an event or circumstance (other than payment). The benefit of a Qualifying Guarantee must be capable of being delivered together with the delivery of the Underlying Obligation;

“Quotation” means each Full Quotation and the Weighted Average Quotation obtained and expressed as a percentage with respect to a Valuation Date in the manner that follows:

- (a) The Calculation Agent shall attempt to obtain Full Quotations with respect to each Valuation Date from five or more Dealers. If the Calculation Agent 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 shall attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation.
- (b) If the Calculation Agent is a party to the Credit Derivative Transaction and 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, then the party that is not the Calculation Agent may attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If such party is able to obtain two or

more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Calculation Agent shall use such Full Quotations or Weighted Average Quotation to determine the Final Price in accordance with the specified Valuation Method. If such party is unable to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such fifth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Dealers at the Valuation Time on such fifth 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. If the Calculation Agent is a third party and 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 Calculation Agent may attempt to obtain Full Quotations from five or more Dealers and, if two or more Full Quotations are not available, a Weighted Average Quotation. If the Calculation Agent is able to obtain two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Calculation Agent shall use all such Full Quotations or Weighted Average Quotations to determine the Final Price in accordance with the specified Valuation Method. If the Calculation Agent is unable to obtain between them two or more Full Quotations or a Weighted Average Quotation on the same Business Day within an additional five Business Days, the Quotations shall be deemed to be any Full Quotation obtained from a Dealer at the Valuation Time on such fifth Business Day or, if no Full Quotation is obtained, the weighted average of any firm quotations for the Reference Obligation obtained from Dealers at the Valuation Time on such fifth 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.

- (c) (i) If “Include Accrued Interest” is specified in the relevant Pricing Supplement in respect of Quotations, such Quotations shall include accrued but unpaid interest; (ii) if “Exclude Accrued Interest” is specified in the relevant Pricing Supplement in respect of Quotations, such Quotations shall not include accrued but unpaid interest; and (iii) if neither “Include Accrued Interest” nor “Exclude Accrued Interest” is specified in the relevant Pricing Supplement in respect of Quotations, the Calculation Agent shall determine, in its sole discretion, based on then current market practice in the market of the Reference Obligation, whether such Quotations shall include or exclude accrued but unpaid interest. All Quotations shall be obtained in accordance with this specification or determination.
- (d) If any Quotation obtained with respect to an Accreting Obligation is expressed as a percentage of the amount payable in respect of such obligation at maturity, such Quotation will instead be expressed as a percentage of the outstanding principal balance for purposes of determining the Final Price;

“**Quotation Amount**” means the amount specified as such in the relevant Pricing Supplement (which may be specified by reference to an amount in a currency or by reference to Representative Amount) or, if no amount is so specified, the relevant aggregate outstanding nominal amount of the Securities (or, in either case, its equivalent in the relevant Obligation Currency 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);

“**Quotation Method**” means the applicable Quotation Method may be specified in the relevant Pricing Supplement by reference to one of the following terms:

- (a) “**Bid**” means that only bid quotations shall be requested from Dealers;
- (b) “**Offer**” means that only offer quotations shall be requested from Dealers; or

- (c) “**Mid-market**” means that bid and offer quotations shall be requested from Dealers and shall be averaged for purposes of determining a relevant Dealer’s quotation.

If a Quotation Method is not specified in the relevant Pricing Supplement, Bid shall apply;

“**Reference Entity**” shall be each entity as specified in any relevant Pricing Supplement. Any Successor (a) identified by the Calculation Agent pursuant to the definition thereof or (b) in respect of which ISDA publicly announces on or following the Trade Date that the relevant Credit Derivatives Determinations Committee has Resolved, in respect of a Succession Event Resolution Request Date, a Successor in accordance with the Rules, shall, in each case, be the Reference Entity for the purposes of the Securities or new Tranches of Securities as determined pursuant to Product Term 4;

“**Reference Obligations**” means the obligations, if any, specified in any relevant Pricing Supplement and, if there are obligations specified therein, any Substitute Reference Obligation(s);

“**Reference Price**” means the percentage specified as such in the relevant Pricing Supplement or, if a percentage is not so specified, one hundred per cent.;

“**Regulatory Change Costs**” means an amount determined by the Calculation Agent to be such sum as equals the cost, as a result of the Regulatory Change Event, which the Bank or its Designated Affiliate incurred (or would have incurred had it held the Reference Obligations during the term of the Securities).

“**Regulatory Change Event**” means, in the sole and absolute discretion of the Calculation Agent, during the Evaluation Period: (i) the adoption of, change in or change in the interpretation or administration of, any law, rule or regulation after the Trade Date by any Governmental Authority; and/or (ii) the compliance by the Bank and/or any of its Affiliates with any request or directive of any Governmental Authority, which in any such case:

- (a) would in respect of any amount of Reference Obligations which the Bank or its Designated Affiliate held or could have held during the term of the Securities, impose, modify, apply or eliminate any tax, reserve, special deposit, insurance assessment or any other requirement on the Bank and/or that Designated Affiliate and/or;
- (b) affects in any other way the actual or potential cost to the Bank and/or its Designated Affiliate of hedging the obligations of the Bank with the Reference Obligations during the term of the Securities;

“**Relevant Obligations**” means the Obligations constituting Bonds and Loans of the Reference Entity outstanding immediately prior to the effective date of the Succession Event, excluding any debt obligations outstanding between the Reference Entity and any of its affiliates, as determined by the Calculation Agent in its sole discretion;

“**Replaced Deliverable Obligation Outstanding Amount**” has the meaning set out in the definition of “Portfolio”;

“**Replacement Deliverable Obligation**” has the meaning set out in the definition of “Portfolio”;

“**Representative Amount**” means an amount that is representative for a single transaction in the relevant market and at the relevant time, such amount to be determined by the Calculation Agent in its sole discretion;

“**Repudiation/Moratorium**” means the occurrence of both of the following events: (a) an authorized officer of a 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 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 (determined by reference to Greenwich Mean Time), (i) if the Obligations to which such Potential Repudiation/Moratorium relates include Bonds, the date that is the later of (A) the date that is 60 days after the date of such Potential Repudiation/Moratorium and (B) 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 (ii) 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 last day of the Evaluation Period unless a Potential Repudiation/Moratorium Period is then existing;

“Resolve” has the meaning given to that term in the Rules and “Resolved” and “Resolves” shall be interpreted accordingly;

“Restructured Bond or Loan” means an Obligation which is a Bond or Loan and in respect of which a Restructuring that is the subject of a Credit Event Notice 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 a 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 a Reference Entity or a Governmental Authority in a form that binds all holders of such Obligation and such event is not expressly provided for under the terms of such Obligation in effect as of the later of (i) the Credit Event Backstop Date and (ii) the date as of which such Obligation is issued or incurred:

- (i) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals;
- (ii) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates;
- (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;
- (iv) a change in the ranking in priority of payment of any Obligation (or, if applicable in any relevant Pricing Supplement, Multiple Holder Obligation) causing the Subordination of such Obligation (or, if applicable in any relevant Pricing Supplement, Multiple Holder Obligation) to any other Obligation; or
- (v) any change in the currency or composition of any payment of interest or principal to any currency which is not a Permitted Currency.

Notwithstanding the above none of the following shall constitute a Restructuring:

- (b) the payment in euros of interest or principal 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;
- (c) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above due to an administrative adjustment, accounting adjustment or tax adjustment or other technical adjustment occurring in the ordinary course of business; and

- (d) the occurrence of, agreement to or announcement of any of the events described in (i) to (v) above in circumstances where such event does not directly or indirectly result from a deterioration in the creditworthiness or financial condition of the Reference Entity.

For purposes of this definition of “Restructuring” only, the term Obligation (or, if applicable in any relevant Pricing Supplement, Multiple Holder Obligation) shall be deemed to include Underlying Obligations for which the Reference Entity is acting as provider of any Qualifying Affiliate Guarantee or, if “All Guarantees” is specified as applicable in the relevant Pricing Supplement, any Qualifying Guarantee, as the case may be. In the case of a Qualifying Guarantee and an Underlying Obligation, references to the Reference Entity in the first paragraph of this definition of Restructuring shall be deemed to refer to the Underlying Obligor and the reference to the Reference Entity in the second paragraph of this definition of Restructuring shall continue to refer to the Reference Entity;

“**Restructuring Date**” means, with respect to a Restructured Bond or Loan, 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 the date that is the earlier of (x) thirty months following the Restructuring Date and (y) the latest final maturity date of any Restructured Bond or Loan, provided, however, that under no circumstances shall the Restructuring Maturity Limitation Date be earlier than the Maturity Date or later than thirty months following the Maturity Date and if it is, it shall be deemed to be the Maturity Date or thirty months following the Maturity Date, as the case may be;

“**Revised Currency Rate**” means, with respect to a Replacement Deliverable Obligation specified in a NOPS Amendment Notice, the rate of conversion between the currency in which the Replaced Deliverable Obligation Outstanding Amount is denominated and the currency in which the Outstanding Amount of such Replacement Deliverable Obligation is denominated that is determined either (a) by reference to the Currency Rate Source as at the Next Currency Fixing Time or (b) if such rate is not available at such time, by the Calculation Agent in a commercially reasonable manner.

“**Rules**” means the Credit Derivatives Determinations Committees Rules as set forth in Annex A to the 2009 ISDA Credit Derivatives Determinations Committees and Auction Settlement Supplement to the 2003 ISDA Credit Derivatives Definitions as amended from time to time;

“**Securityholder Physical Settlement Election Notice**” has the meaning set out in Product Term 2(b);

“**Settlement Disruption Event**” means an event has occurred or condition exists as a result of which the relevant Deliverable Obligation(s) cannot be cleared or transferred through the relevant clearance system or by the relevant settlement procedure for such Deliverable Obligations;

“**Settlement Method**” means (a) if “Cash Settlement” is specified in the relevant Pricing Supplement as the Settlement Method or is deemed to be applicable, Cash Settlement, (b) if “Auction Settlement” is specified in the relevant Pricing Supplement as the Settlement Method, Auction Settlement, or (c) if “Physical Settlement” is specified as the Settlement Method in the relevant Pricing Supplement, Physical Settlement;

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

“**Sovereign Agency**” means any agency, instrumentality, ministry, department or other authority (including, without limiting the foregoing, the central bank) of a Sovereign;

“**Specified Currency**” means (i) if Specified Currency is specified in the relevant Pricing Supplement, any of the lawful currencies 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 or (ii) any currency or

currencies specified in the relevant Pricing Supplement. Notwithstanding the provisions of this definition, the Bank may specify a single Specified Currency in any relevant Pricing Supplement;

“**Subordination**” means, with respect to an obligation (the “**Subordinated Obligation**”) and another obligation of the Reference Entity to which such obligation is being compared (the “**Senior Obligation**”), a contractual, trust or similar arrangement providing that (i) upon the liquidation, dissolution, reorganization or winding up of the Reference Entity, claims of the holders of the Senior Obligation will be satisfied prior to the claims of the holders of the Subordinated Obligation or (ii) the holders of the Subordinated Obligation will not be entitled to receive or retain 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 Senior Obligation. “**Subordinated**” will be construed accordingly. For purposes of determining whether Subordination exists or whether an obligation is Subordinated with respect to another obligation to which it is being compared, the existence of preferred creditors arising by operation of law or of collateral, credit support or other credit enhancement 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;

“**Substitute Reference Obligation**” means one or more obligations of the Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or, if “All Guarantees” is applicable in the relevant Pricing Supplement, Qualifying Guarantee) that will replace one or more Reference Obligations, identified by the Calculation Agent in accordance with the following procedures:

- (a) In the event that (i) a Reference Obligation is redeemed in whole or (ii) in the opinion of the Calculation Agent (A) the aggregate amounts due under any Reference Obligation have been materially reduced by redemption or otherwise (other than due to any scheduled redemption, amortization or prepayments), (B) 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 (C) for any other reason, other than due to the existence or occurrence of a Credit Event, any Reference Obligation is no longer an obligation of a Reference Entity (including, without limitation, circumstances in which one or more Successors to the Reference Entity have been identified and any one or more such Successors have not assumed the Reference Obligation), the Calculation Agent shall, in its sole discretion, identify one or more Obligations to replace such Reference Obligation.
- (b) Any Substitute Reference Obligation shall be an obligation that (1) ranks pari passu in priority of payment with the ranking in priority of payment of each of the Substitute Reference Obligation and such Reference Obligation (with the ranking in priority of payment of such Reference Obligation being determined as of the date as of which such Reference Obligation was issued or incurred and not reflecting any change to such ranking in priority of payment after such later date), (2) preserves the economic equivalent, as closely as practicable as determined by the Calculation Agent, in its sole discretion, of the Security as originally issued and (3) is an obligation of the relevant Reference Entity (either directly or as provider of a Qualifying Affiliate Guarantee, or if “All Guarantees” is specified as applicable in the relevant Pricing Supplement, Qualifying Guarantee. The Substitute Reference Obligation(s) identified by the Calculation Agent shall, without further action, replace such Reference Obligation or Reference Obligations.
- (c) If more than one specific obligation is identified as a Reference Obligation, any of the events set forth under provision (a) above has occurred with respect to one or more but not all of the Reference Obligations, and the Calculation Agent determines, in its sole discretion, that no Substitute Reference Obligation is available for one or more of such Reference Obligations, each Reference Obligation for which no Substitute Reference Obligation is available shall cease to be a Reference Obligation.
- (d) If more than one specific obligation is identified as a Reference Obligation, any of the events set forth under provision (a) above has occurred with respect to all of the Reference Obligations, and the

Calculation Agent determines, in its sole discretion, that at least one Substitute Reference Obligation is available for any such Reference Obligation, then each such Reference Obligation shall be replaced by a Substitute Reference Obligation and each Reference Obligation for which no Substitute Reference Obligation is available will cease to be a Reference Obligation.

- (e) If (i) more than one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under provision (a) above has occurred with respect to all of the Reference Obligations and the Calculation Agent determines, in its sole discretion, that no Substitute Reference Obligation is available for any of the Reference Obligations, or (ii) only one specific Reference Obligation is identified as a Reference Obligation, any of the events set forth under provision (a) above has occurred with respect to such Reference Obligation and the Calculation Agent determines, in its sole discretion, that no Substitute Reference Obligation is available for that Reference Obligation, then the Calculation Agent shall continue to attempt to identify a Substitute Reference Obligation until the last day of the Evaluation Period or (if a Potential Credit Event Period is in effect at the end of the Evaluation Period) the last day of such Potential Credit Event Period.
- (f) For purposes of identification of a Reference Obligation, any change in the Reference Obligation's CUSIP or ISIN number or other similar identifier will not, in and of itself, convert such Reference Obligation into a different Obligation;

“succeed” means, for purposes of the definition of Succession Event and Successor, with respect to a Reference Entity and its Relevant Obligations (or, as applicable, obligations), that a party other than such Reference Entity (i) assumes or becomes liable for such Relevant Obligations (or, as applicable, obligations) whether by operation of law or pursuant to any agreement or (ii) issues Bonds that are exchanged for Relevant Obligations (or, as applicable, obligations), and in either case such Reference Entity is no longer an obligor (primarily or secondarily) or guarantor with respect to such Relevant Obligations (or, as applicable, obligations). The determinations required to be made by the Calculation Agent pursuant to the definition of Successor shall be made, in the case of an exchange offer, on the basis of the outstanding principal balance of Relevant Obligations tendered and accepted in the exchange and not on the basis of the outstanding principal balance of Bonds for which Relevant Obligations have been exchanged;

“Succession Event” means (i) with respect to a Reference Entity that is not a Sovereign an event such as a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event in which one entity succeeds to the obligations of another entity, whether by operation of law or pursuant to any agreement, or (ii) with respect to a Reference Entity that is a Sovereign, an event such as an annexation, unification, secession, partition, dissolution, consolidation, reconstitution or other event that results in any direct or indirect successor(s) to such Reference Entity. Notwithstanding the foregoing, “Succession Event” shall not include an event (A) in which the holders of obligations of the Reference Entity exchange such obligations for the obligations of another entity, unless such exchange occurs in connection with a merger, consolidation, amalgamation, transfer of assets or liabilities, demerger, spin-off or other similar event or (B) with respect to which the legally effective date (or in the case of a Reference Entity that is a Sovereign, the date of occurrence) has occurred prior to the Succession Event Backstop Date (determined by reference to Greenwich Mean Time);

“Succession Event Backstop Date” means (i) for purposes of any DC Resolution of the relevant Credit Derivatives Determinations Committee with respect to whether or not a Succession Event has occurred, the date that is 90 calendar days prior to the Succession Event Resolution Request Date (determined by reference to Greenwich Mean Time) or (ii) otherwise, the date that is 90 calendar days prior to the earlier of (A) the date on which the Succession Event Notice is effective and (B) in circumstances where (I) the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in subparagraphs (a) and (b) of the definition of “Succession Event Resolution Request Date” are satisfied in accordance with the Rules, (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters and (III) the Succession Event Notice is given by the Calculation Agent to the Securityholders not more than fourteen calendar days after the day on which ISDA publicly announces that the

relevant Credit Derivatives Determinations Committee has Resolved not to determine such matters, the Succession Event Resolution Request Date. The Succession Event Backstop Date shall not be subject to adjustment in accordance with any Business Day Convention;

“**Succession Event Notice**” means an irrevocable notice from the Calculation Agent to the Securityholders in accordance with Product Term 12 that describes a Succession Event that occurred on or after the Succession Event Backstop Date (determined by reference to Greenwich Mean Time);

“**Succession Event Resolution Request Date**” means, with respect to a notice to ISDA, given in accordance with the Rules, requesting that a Credit Derivatives Determinations Committee be convened to Resolve:

- (a) whether an event that constitutes a Succession Event has occurred with respect to the relevant Reference Entity; and
- (b) if the relevant Credit Derivatives Determinations Committee Resolves that such event has occurred, (A) with respect to a Reference Entity that is not a Sovereign, the legally effective date of such event or (B) with respect to a Reference Entity that is a Sovereign, the date of the occurrence of such event,

the date, as publicly announced by ISDA, that the relevant Credit Derivatives Determinations Committee Resolves to be the date on which such notice is effective;

“**Successor**” means,

- (a) in relation to a Reference Entity that is not a Sovereign, the entity or entities, if any, determined by the Calculation Agent, in its sole discretion, as set forth below:
 - (i) if one entity directly or indirectly succeeds to seventy-five per cent or more of the Relevant Obligations of the Reference Entity by way of a Succession Event, that entity will be the sole Successor;
 - (ii) if only one entity directly or indirectly succeeds to more than twenty-five per cent (but less than seventy-five per cent) of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entity that succeeds to more than twenty-five per cent of the Relevant Obligations will be the sole Successor;
 - (iii) if more than one entity each directly or indirectly succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and not more than twenty-five per cent of the Relevant Obligations of the Reference Entity remain with the Reference Entity, the entities that succeed to more than twenty-five per cent of the Relevant Obligations will each be a Successor;
 - (iv) if one or more entities each directly or indirectly succeeds to more than twenty-five per cent of the Relevant Obligations of the Reference Entity by way of a Succession Event, and more than twenty-five 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 Successor;
 - (v) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, 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
 - (vi) if one or more entities directly or indirectly succeed to a portion of the Relevant Obligations of the Reference Entity by way of a Succession Event, 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 (or, if two or more entities succeed to an equal percentage of Relevant Obligations, the entity from among those entities which succeeds to the greatest percentage of obligations of the Reference Entity) will be the sole Successor;

- (b) with respect to a Sovereign Reference Entity, “**Successor**” means each entity which becomes a direct or indirect successor to such Reference Entity by way of Succession Event, irrespective of whether any such successor assumes any of the obligations of such Reference Entity.

In the case of (a) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than 14 calendar days after the legally effective date of the relevant Succession Event), and with effect from the legally effective date of the relevant Succession Event, whether the relevant thresholds set forth above have been met, or which entity qualifies under (a)(vi) above, as applicable; provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in (a) above, and subparagraphs (a) and (b) (A) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred. In calculating the percentages used to determine whether the relevant thresholds set out in (a) above have been met, or which entity qualifies under (a)(vi) above, as applicable, the Calculation Agent shall use, with respect to each applicable Relevant Obligation included in such calculation, the amount of the liability with respect to such Relevant Obligation listed in the Best Available Information and shall notify the Issuer, the Counterparty and the Trustee of such calculation.

In the case of (b) above, the Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant Succession Event (but no earlier than fourteen calendar days after the date of the occurrence of the relevant Succession Event), and with effect from the occurrence of the Succession Event, each Sovereign and/or entity, if any, that qualifies under (b) above; provided that the Calculation Agent will not make such determination if, at such time, either (A) ISDA has publicly announced that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in (b) above, and subparagraphs (a) and (b) (B) of the definition of Succession Event Resolution Request Date are satisfied in accordance with the Rules (until such time, if any, as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved not to determine a Successor) or (B) ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved that no event that constitutes a Succession Event has occurred;

“**Supranational Organization**” means any entity or organization established by treaty or other arrangement between two or more Sovereigns or the Sovereign Agencies of two or more Sovereigns and includes, without limiting the foregoing, the International Monetary Fund, European Central Bank, International Bank for Reconstruction and Development and European Bank for Reconstruction and Development;

“**Trade Date**” shall be as specified in any relevant Pricing Supplement;

“**Tranche**” has the meaning set out in Product Term 4;

“**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:

- (A) contractual, statutory or regulatory restrictions that provide for eligibility for resale pursuant to Rule 144A or Regulation S promulgated under the United States Securities 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); or

- (B) restrictions on permitted investments such as statutory or regulatory investment restrictions on insurance companies and pension funds;

“**Undeliverable Obligation**” has the meaning set out in Product Term 2(e)(i);

“**Undeliverable Obligation Valuation Date**” has the meaning set out in Product Term 2(e)(i);

“**Underlying Obligation**” has the meaning given to it in the definition of “Qualifying Guarantee”;

“**Underlying Obligor**” has the meaning given to it in the definition of “Qualifying Guarantee”;

“**Valuation Date**” has the meaning given to it in the Pricing Supplement or as specified in Product Term 2(c)(iii), as the case may be;

(a) if “Single Valuation Date” is specified in the relevant Pricing Supplement, subject to Product Term 2(m), the date that is the number of Business Days specified in the relevant Pricing Supplement after the Event Determination Date or, if the number of Business Days is not so specified, five Business Days, (or, if “Cash Settlement” is applicable pursuant to the Fallback Settlement Method, any Auction Cancellation Date, or any No Auction Announcement Date, if later) and (b) if “Multiple Valuation Dates” is specified in the relevant Pricing Supplement, each of the following dates:

- (i) subject to Product Term 2(m), the date that is the number of Business Days specified in the relevant Pricing Supplement after the Event Determination Date (or, if the number of Business Days is not so specified, five Business Days) (or, if “Cash Settlement” is applicable pursuant to the Fallback Settlement Method, any Auction Cancellation Date, or any No Auction Announcement Date, if later); and
- (ii) each successive date that is the number of Business Days specified in the relevant Pricing Supplement (or, if the number of Business Days is not so specified, five 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, the total number of Valuation Dates shall be equal to the number of Valuation Dates specified in the relevant Pricing Supplement (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 Pricing Supplement, Single Valuation Date shall apply;

“**Valuation Method**” means the Valuation Method specified in the relevant Pricing Supplement;

“**Valuation Obligations**” has the meaning set out in the Pricing Supplement;

“**Valuation Obligation Notice Date**” has the meaning set out in Product Term 2(c)(iii);

“**Valuation Time**” means the time specified as such in the relevant Pricing Supplement or, if no time is so specified, 11:00 a.m. in the principal trading market for the Reference Obligation;

“**Value**” has the meaning set out in Product Term 2(c)(iii) or 2(e)(ii), as the case may be;

“**Voting Shares**” shall mean those shares or other interests that have the power to elect the board of directors or similar governing body of an entity; and

“**Weighted Average Quotation**” means, in accordance with the Quotation Method, the weighted average of firm quotations obtained from Dealers at the Valuation Time, to the extent reasonably practicable, each for an amount of the Reference Obligation with an outstanding principal balance of as large a size as available but less than the Quotation Amount (but of a size equal to the Minimum Quotation Amount or, if quotations of a size equal to the Minimum Quotation Amount are not available, quotations as near in size as practicable to the Minimum Quotation Amount) that in the aggregate are approximately equal to the Quotation Amount.

2 Redemption

(a) Redemption other than following an Event Determination Date

- (i) **Redemption at Maturity.** Unless previously redeemed, or purchased by the Bank and cancelled, and provided that the Bank has not given a Credit Event Notice, in respect of the relevant Tranche where applicable, to the Securityholder(s) either (A) (if no Potential Credit Event Period is in effect on the Maturity Date) on or prior to the expiration of the Evaluation Period or (B) (if a Potential Credit Event Period is in effect on the Maturity Date) on or prior to the expiration of such Potential Credit Event Period, each Security shall be redeemed by the Bank at its Final Redemption Amount, in the case of (A), on the Maturity Date or, in the case of (B), on the second Business Day following the earlier of: (I) the last day of the Potential Credit Event Period as determined in accordance with Product Term 3, and (II) such earlier date as the Bank may determine in its sole and absolute discretion.
- (ii) **Redemption for illegality.** The Calculation Agent, based on such information as it deems appropriate, may, in its sole and absolute discretion, determine at any time on or prior to the expiration of the Evaluation Period (the date of such determination being the “**Early Redemption Determination Date**”), that the performance of the Bank’s obligations under the Securities or any arrangements made to hedge its position under the Securities is or will become unlawful, illegal or otherwise prohibited in whole or in part as a result of compliance with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power, or any change in the interpretation thereof; in which event (each an “**Early Redemption Event**”) as soon as practicable after such determination and, in any case, no later than the thirtieth calendar day following the Early Redemption Determination Date, the Calculation Agent, acting on behalf of the Bank, will give notice to the Securityholders of the determination of the Early Redemption Event stating the nature of the Early Redemption Event (the date of such notification being a “**Notice Date**”). Such notice will be given in accordance with Product Term 12 and may be given irrespective of whether the relevant Early Redemption Event is continuing. Interest shall cease to accrue from and including the Interest Payment Date immediately preceding the Early Redemption Determination Date or from and including the Payment Date, as the case may be, and thereafter no payments of interest or principal on the Securities will be made and each Security will be redeemed by the Bank at an amount that has the effect of preserving for Securityholders the economic equivalent of the payment obligations of the Bank that would have arisen but for the early redemption (calculated with reference to the credit of the Reference Entities).

(b) Redemption upon the occurrence of a Credit Event

If:

- (A) a Credit Event has occurred on or prior to the expiration of the Evaluation Period or a Potential Failure to Pay (or, if “Repudiation/Moratorium” is specified as applicable in the relevant Pricing Supplement, Potential Repudiation/Moratorium) has occurred during the Evaluation Period which results in the occurrence of a Failure to Pay (or, if “Repudiation/Moratorium” is specified as applicable in the relevant Pricing Supplement, Repudiation/Moratorium) on or prior to the expiration of any applicable Potential Credit Event Period; and
- (B) the Conditions to Settlement are satisfied;

For the purposes of the Securities, the provisions in the remainder of this Product Term 2(b) shall apply in respect of the first Credit Event Notice, in respect of the relevant Tranche if applicable, given by the Bank to the Securityholder(s) in respect of the occurrence of any Credit Event in respect of any Reference Entity, unless otherwise specified in the Pricing Supplement.

then:

- (i) *if Physical Settlement is specified in the relevant Pricing Supplement as the Settlement Method or is applicable as the Fallback Settlement Method and subject to Product Term 2(m) below:* on or prior to the second Business Day following the later of (X) the thirtieth calendar day following the Event Determination Date, (or, if Physical Settlement is applicable as the Fallback Settlement Method, any Auction Cancellation Date or any No Auction Announcement Date, if later) or (Y) the Business Day following the tenth calendar day after the day on which ISDA publicly announces that either (I) the relevant Credit Derivatives Determinations Committee has Resolved the matters described in paragraph (iv) of the definition of "Event Determination Date Conditions" above (but as if references in that paragraph to "other than Restructuring" were for the purposes of this Product Term 2(b)(B)(i) omitted) or (II) the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters set forth in paragraphs (a) and (b) of the definition of "Credit Event Resolution Request Date", in either case relating to a Credit Event Resolution Request Date which occurred on or prior to the date described in (X) above, the Calculation Agent, acting on behalf of the Bank, will use reasonable endeavours to give notice to the Securityholders (the date stated in such notice being the "**Delivery Notice Date**") of the Deliverable Obligations which the Bank expects to comprise the Portfolio and designating a Business Day not later than the tenth, or earlier than the sixth, Business Day following the Delivery Notice Date as the "**Delivery Commencement Date**"; and the provisions of Product Term 2(d), 2(e), 2(f), 2(g) and 2(h) shall apply. On or prior to the Delivery Commencement Date, the Calculation Agent, acting on behalf of the Bank, may give notice to the Securityholders that the Bank is changing one or more Deliverable Obligations comprising the Portfolio, as more particularly provided in the definition of "Portfolio".
- (ii) *if Cash Settlement is specified in the relevant Pricing Supplement as the Settlement Method or is applicable as the Fallback Settlement Method and subject to Product Term 2(m) below:* subject to Product Term 2(c) and 2(h) on the Cash Settlement Date the Bank shall pay to the Securityholders the Credit Event Redemption Amount related to each Security. Upon such payment being made, the Bank will be discharged from its obligations and liabilities under the Securities to each Securityholder and the Securities of each such Securityholder will be cancelled.
- (iii) *if Auction Settlement is specified in the relevant Pricing Supplement as the Settlement Method and an Auction Final Price Determination Date occurs:* on the fifth Business Day following the Auction Settlement Date, the Bank shall pay to the Securityholders the Auction Credit Event Redemption Amount related to each Security. Upon such payment being made, the Bank will be discharged from its obligations and liabilities under the Securities to each Securityholder and the Securities of each Securityholder will be cancelled. Without prejudice to the above, but without duplication of settlement, if:
 - (a) an Auction Cancellation Date occurs;
 - (b) a No Auction Announcement Date occurs;

- (c) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, following a Credit Event Resolution Request Date, not to determine whether or not an event constitutes a Credit Event;
- (d) ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that an event that constitutes a Restructuring has occurred; or
- (e) an Event Determination Date was determined under sub paragraph (i) of the definition of Event Determination Date and no Credit Event Resolution Request Date has occurred within three Business Days of such Event Determination Date,

(each, a “**Fallback Settlement Method Event**”) (A) if “Cash Settlement” is specified as the applicable Fallback Settlement Method in the relevant Pricing Supplement, the Product Terms shall apply in respect of such Credit Event as if “Cash Settlement” is specified as “Applicable” and Product Term 2(b)(B)(ii) shall apply and (B) if “Physical Settlement” is specified as the Fallback Settlement Method in the relevant Pricing Supplement, the Product Terms shall apply in respect of such Credit Event as if “Physical Settlement” was specified as “Applicable” and Product Term 2(b)(i) shall apply.

(iv) **if Optional Physical Settlement is applicable in the relevant Pricing Supplement and Cash Settlement is applicable as either the Settlement Method or as the Fallback Settlement Method:** subject to Product Term 2(m) and sub paragraphs 1 – 3 below, the provisions of Product Term 2(c)(iii) shall apply, provided that the Valuation Obligations may only comprise of Deliverable Obligations;

1. the Securityholder(s) shall have the option to elect that, in lieu of receiving the Credit Event Redemption Amount, the Bank will deliver Deliverable Obligations, as determined pursuant to the provisions below. The Securityholder(s) may make such election by giving the Bank notice within thirty calendar days following the Event Determination Date (a “**Securityholder Physical Settlement Election Notice**”);
2. thereafter, the Valuation Obligation Notice Date shall be deemed to have been the “**Delivery Notice Date**” and the Valuation Obligations shall be deemed to be the Deliverable Obligations which the Bank expects to comprise the Portfolio. Subject to Product Term 2(m), the Calculation Agent, acting on behalf of the Bank shall designate a Business Day not later than the tenth, or earlier than the sixth, Business Day following the Delivery Notice Date as the “**Delivery Commencement Date**”. On or prior to the Delivery Commencement Date, the Calculation Agent, acting on behalf of the Bank, may give notice to the Securityholders that the Bank is changing one or more Deliverable Obligations comprising the Portfolio, as more particularly provided in the definition of "Portfolio"; and
3. on the Delivery Commencement Date, the Bank or Designated Affiliate will, subject to the occurrence of a Settlement Disruption Event and receipt of an Asset Delivery Notice, commence procuring the delivery to each Securityholder of the relevant Deliverable Obligation(s), irrespective of whether the relevant Credit Event is continuing, and, subject to Product Term 2(d), 2(e), 2(f), 2(g) and 2(h).

Subject to Product Term 2(m), if the Bank has not received a Securityholder Physical Settlement Election Notice by 5.00 p.m., London time on the day which is

the thirtieth calendar day following the Event Determination Date, within five Business Days following the Valuation Date the Calculation Agent, acting on behalf of the Bank, will pay to the Securityholders (in accordance with the conditions of the Securities) the Credit Event Redemption Amount determined on the Valuation Date.

- (v) Where the Credit Event relates to a Reference Entity which is a Successor (so that Tranches of the Securities exist pursuant to the terms set out in the definition of “Reference Entity”), then:
 - 1. the provisions of Product Terms 2(c), 2(d), 2(e), 2(f), 2(g), 2(h) and 3, shall apply, only in respect of the relevant Tranche(s) of Securities;
 - 2. the relevant Tranche(s) of Securities shall be partially redeemed upon the satisfaction of the Bank’s obligations under Product Terms 2(c), 2(d), 2(e), 2(f), 2(g), 2(h) and 3;
 - 3. the Securities shall remain outstanding (until the earlier of the Maturity Date or a Credit Event in respect of all outstanding Tranches) and shall continue to accrue interest, if applicable; and
 - 4. all references to “the Securities” in Product Terms 2(c), 2(d), 2(e), 2(f), 2(g), 2(h) and 3 and shall be read and construed as references to “the relevant Tranche(s) of Securities”.
- (vi) The notices referred to in paragraphs (i) and (ii) above will be given in accordance with the provisions of Product Term 12 and may be given irrespective of whether the relevant Credit Event is continuing or whether the dates of such notices fall after the Maturity Date.
- (vii) Interest shall cease to accrue from and including the Interest Payment Date immediately preceding the Event Date or from and including the Payment Date, as the case may be, and thereafter no payments of interest or principal on the Securities will be made and each Security will be redeemed in the manner provided for in this Product Term 2.

(c) **Determination of Cash Settlement Amount**

The “**Cash Settlement Amount**” will be determined by the Calculation Agent in accordance with the following provisions:

- (i) If a Cash Settlement Amount is specified in the relevant Pricing Supplement and “Cash Settlement” is applicable as the Settlement or the Fallback Settlement Method, the Cash Settlement Amount will be such specified amount.
- (ii) If “Final Price” is specified in the relevant Pricing Supplement, and “Cash Settlement” is applicable as the Settlement Method or the Fallback Settlement Method, the Cash Settlement Amount is the greater of (a)(i) the outstanding nominal amount of the Security multiplied by (ii) the Reference Price minus the Final Price and (b) zero;
- (iii) If “Market Value of Valuation Obligations” is specified as applicable in the relevant Pricing Supplement and “Cash Settlement” is applicable as the Settlement Method or the Fallback Settlement Method or “Optional Physical Settlement” is specified as applicable in the relevant Pricing Supplement, the Cash Settlement Amount will, subject to Product Term 2(m), be determined in accordance with the following provisions:

1. For the purpose of determining the Cash Settlement Amount, on or prior to the second Business Day following the thirtieth calendar day following the Event Determination Date the Calculation Agent, acting on behalf of the Bank, may give notice to the Securityholders (the date stated in such notice being the “**Valuation Obligations Notice Date**”) of the Valuation Obligations which the Bank expects to comprise the Portfolio and designating a Business Day (the “**Valuation Date**”) not later than the sixth Business Day following the Valuation Obligations Notice Date. On or prior to the Valuation Date, the Calculation Agent, acting on behalf of the Bank, may give notice to the Securityholders that the Bank is changing one or more Valuation Obligations comprising the Portfolio, as more particularly provided in the definition of "Portfolio". On the Valuation Date the Cash Settlement Amount shall be determined as follows:

2. The Calculation Agent shall determine the value (“**Value**”) of the Outstanding Amount of each Valuation Obligation comprised in the Portfolio by requesting each of five dealers in the relevant market to provide its all-in bid price in the Specified Currency to purchase on the Valuation Date an Outstanding Amount of such Valuation Obligation. For the purpose of making such requests, the Bank may, in its sole and absolute discretion (but, for the avoidance of doubt, shall never be obliged to): (i) request all-in bid prices from a dealer from which the Bank and/or its affiliates has requested or will contemporaneously request prices in connection with other notes, transactions or proprietary holdings unrelated to these Securities or otherwise, (ii) request all-in bid prices from dealers either orally, by electronic messaging (including, without limitation, E-mail, Bloomberg or Reuters), by facsimile, courier or post and (iii) request all-in bid prices for a Valuation Obligation in a nominal amount which is equal to or less than, but not less than 5% of, the Outstanding Amount of such Valuation Obligation comprised in the Portfolio; and (iv) rather than making separate requests for all-in bid prices for the purposes of this provision, rely on a request or requests which were made in connection with other notes, transactions or proprietary holdings or otherwise unrelated to these Securities (with each such request constituting a request hereunder for the purposes of the Securities). In the event that the Bank receives an all-in bid price for an Outstanding Amount of the relevant Valuation Obligation that differs from the Outstanding Amount of that Valuation Obligation comprised in the Portfolio, it shall determine the all-in bid price for the Outstanding Amount of the relevant Valuation Obligation comprised in the Portfolio as a pro rata amount of the price obtained. Each all-in bid price provided and/or determined in accordance with this paragraph shall be a “**Quotation**”.

If, following the Bank’s request, four or more Quotations are provided or determined (as the case may be) in respect of a Valuation Obligation, the Bank shall disregard the highest and lowest Quotations and the respective Value for such Valuation Obligation shall be the arithmetic mean of the remaining Quotations. If three Quotations only are provided or determined (as the case may be) in respect of a Valuation Obligation, the Bank shall disregard the highest and lowest Quotations and the respective Value for such Valuation Obligation shall be the remaining Quotation. If more than one Quotation in respect of a Valuation Obligation has the same highest or lowest value, then the Bank shall disregard one such Quotation. If two or fewer than two Quotations are provided or determined (as the case may be) in respect of a Valuation Obligation, the respective Value for such Valuation Obligation shall be determined by the Bank in its sole and absolute discretion.

3. The Cash Settlement Amount shall be the outstanding nominal amount of each Security as of the Valuation Date less an amount equal to (a) the sum of each Value for each Valuation Obligation contained in the Portfolio divided by (b) the number of Securities outstanding as of the Valuation Date.

(d) **Delivery in respect of Physical Settlement**

- (i) The Bank or its Designated Affiliate shall, on the Delivery Commencement Date, commence procuring the delivery, in accordance with Product Term 2(d)(ii), 2(d)(iii) and 2(d)(iv), if applicable, to each Securityholder, or to such party as such Securityholder may specify, of the portion of the Portfolio equal to the proportion which the aggregate nominal amount of the Securities of such Securityholder bears to the Aggregate Nominal Amount of all the Securities outstanding on the Delivery Commencement Date (x) reduced by an amount of Deliverable Obligations comprised within the Portfolio determined by the Calculation Agent, in its sole and absolute discretion, to equal in value the Delivery Expenses in respect of such proportion of the Portfolio and (y) rounded down to the nearest integral authorised denomination of the relevant Deliverable Obligation(s) to be delivered, all as determined by the Calculation Agent in its sole and absolute discretion, and irrespective of whether the relevant Credit Event is continuing; subject to the provisions of Product Term 2(d)(ii)–(v) (inclusive), 2(e), 2(f), 2(g), 2(h) and 2(m).

If the Calculation Agent determines that it is not practicable to deliver in respect of each Security of a particular Denomination an identical Outstanding Amount of each Deliverable Obligation comprised in the Portfolio it may in its sole and absolute discretion elect that the Deliverable Obligations (and in which Outstanding Amount) to be delivered in respect of each Security shall be determined by lot.

- (ii) The procuring of delivery of Deliverable Obligations pursuant to Product Term 2(d)(i) above shall be effected in such commercially reasonable manner as the Bank shall, in its sole and absolute discretion, determine to be appropriate and customary for such delivery and settlement of the applicable Deliverable Obligation in order to convey all right, title and interest to the relevant Securityholder free and clear of any liens, charges, claims or encumbrances created or incurred by the Bank or any of its Affiliates, but subject to any counterclaim or defence of a Reference Entity (other than any caused by the Bank or any of its Affiliates) for settlement within such period, subject to Product Term 2(m), beginning on the Delivery Commencement Date, that the Calculation Agent, in its sole and absolute discretion, determines as customary for such delivery and settlement (such period being the "**Physical Settlement Period**"); provided that if the Calculation Agent determines, in its sole and absolute discretion, that any of the circumstances described in subparagraphs (A), (B), or (C) of Product Term 2(e)(i) apply in respect of a Deliverable Obligation(s), the obligation to procure the delivery and settlement of such Deliverable Obligation(s) as provided above shall be deferred until such time that such circumstances cease to exist (subject to Product Term 2(e) and 2(f)).

Notwithstanding the foregoing, in the case of a Deliverable Obligation which is a Loan, the Bank and the Securityholders agree to comply, for the purposes of settlement of the relevant Securities, with the provisions of any documentation (which term shall be deemed to include any market advisory that the relevant Credit Derivatives Determinations Committee Resolves to approve for such purpose) that the relevant Credit Derivatives Determinations Committee Resolves constitutes documentation customarily used in the relevant market for delivery of such Loan at that time, as such documentation may be amended to the extent that the relevant Credit Derivatives Determinations Committee Resolves is appropriate, which is consistent with the payment and delivery obligations of the parties hereunder. The Bank and the Securityholders further agree that compliance by the Bank and the Securityholders with the provisions of any such documentation shall be required for, and, without further action, constitute, delivery for the purposes of this Product Term 2(d) (to the extent that such documentation contains provisions describing how delivery should be effected).

The Bank's obligation to procure the delivery of Deliverable Obligations to Securityholders shall not require or oblige the Bank and/or any of its Affiliates to (x) open any account for the purpose of any such delivery or to arrange any other formality or other action to be taken with respect to such delivery or (y) arrange for or effect delivery to a trustee or fiduciary to hold Deliverable Obligations on behalf of the Securityholders. It shall be the responsibility of the relevant Securityholder to open any account for the purpose of any delivery of Deliverable Obligations or to arrange any other formality or other action to be taken with respect to such delivery. Delivery of the relevant portion of the Portfolio in the manner provided above will be at the risk of the relevant Securityholder. To the extent that the Deliverable Obligations consist of a Qualifying Guarantee, the Bank's obligation to deliver such Deliverable Obligation shall be satisfied by delivering the Underlying Obligation along with the benefit of the Qualifying Guarantee. Upon the satisfaction of its obligations under this provision, the Bank and its Affiliates shall have no further obligations or liability whatsoever in respect of the relevant Securities and the Securities of the relevant Securityholder shall forthwith be partially redeemed in respect of the relevant Tranche(s) or, where all outstanding Tranches of Securities are affected, the Securities shall forthwith be cancelled.

- (iii) As a precondition to the delivery of the relevant portion of the Portfolio to a Securityholder in the manner provided in Product Term 2(d)(i) and (ii) above, the relevant Securityholder must deliver to the Fiscal Agent, at the address specified in the relevant Pricing Supplement (or such other address as the Bank may notify to Securityholders, from time to time, in accordance with Product Term 12) no later than 5.00 p.m., London time on the fifth Business Day following the Delivery Notice Date (x) a duly completed Asset Delivery Notice substantially in the form set out in the pro-forma Asset Delivery Notice attached to this Product Supplement (the "**Asset Delivery Notice**") a copy of which may be obtained from the Paying Agent and (y) in the case of those Securityholders to whom definitive Securities had been made available or sent in accordance with General Condition 2, such definitive Securities. The Asset Delivery Notice must be delivered in writing. If the relevant definitive Securities (if they are then so represented) and the Asset Delivery Notice are not delivered in accordance with this provision, the obligations of the Bank to commence procuring the delivery of the relevant portion of the Portfolio to such Securityholder shall, subject to Product Term 2(d), 2(e) and 2(m) be deferred until the later of (a) the Delivery Commencement Date and (b) the third Business Day following the date on which such Securityholder delivers the Asset Delivery Notice. The relevant Securityholder shall not be entitled to any payment, whether of interest or otherwise, in the event of such deferred delivery. On receipt of such Securities and Asset Delivery Notice the Fiscal Agent shall issue to the holder of the Securities as a receipt for such Securities a copy of such Asset Delivery Notice duly marked with the Fiscal Agent's stamp and the date and time of receipt and shall deliver to the Custodian, the Calculation Agent, the Bank and, in the case of Registered Securities, the Registrar a copy of such Asset Delivery Notice as soon as practicable after receipt thereof. A copy of the Asset Delivery Notice shall act as a receipt for both the Securities and the Asset Delivery Notice. Such copy shall be non-transferable and shall be prima facie evidence of entitlement of the person named therein to the relevant portion of the Portfolio in respect of the Securities specified therein. However, the records of the Fiscal Agent shall be conclusive evidence of such entitlement.

Securityholders should note, in relation to Securities held in Euroclear or Clearstream, Luxembourg, that such Securities will be presented and the Asset Delivery Notice in respect thereof delivered, on behalf of Securityholders by Euroclear or Clearstream, Luxembourg, as the case may be, and that holders of Securities held in Euroclear or Clearstream, Luxembourg will be required to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to present such Securities and to deliver such Asset Delivery Notice not later than 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Clearance System Business Day prior to the date on which such Asset Delivery Notice is to be delivered. For these purposes, "**Clearance System Business Day**" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

- (iv) The Asset Delivery Notice referred to in Product Term 2(d)(iii) must:
 - (a) specify the name and address of the relevant Securityholder and the person from whom the Bank may obtain details for the transfer or assignment of the relevant portion of the Portfolio and specify the account details for payment in the Specified Currency as set out in the relevant Pricing Supplement to the relevant Securityholder (in case such payment should be required);
 - (b) authorise the production of such notice in any applicable administrative or legal proceedings; and
 - (c) if the Securities are in bearer form, include or be accompanied by evidence, satisfactory to the Calculation Agent, of the ownership of the Securities by the relevant Securityholder.

Failure to properly complete and deliver such notice will result in such notice being null and void for the purposes of Product Term 2(d)(iii) above. Any determination as to whether such notice has been properly completed and delivered as provided in the General Conditions and/or the Product Supplement shall be made by the Calculation Agent, in its sole and absolute discretion, and shall be conclusive and binding on the Bank and the relevant Securityholder. The Asset Delivery Notice is irrevocable and may not be withdrawn after receipt thereof by the Bank.

- (v) None of the Bank, its Affiliates or any other such person shall, prior to or following the delivery of Deliverable Obligations in accordance with these General Conditions, be under:
 - (i) any obligation to deliver or procure the delivery to any Securityholder, or any subsequent beneficial owner of the relevant Deliverable Obligations, of any letter, certificate, notice, circular or any other document or payment whatsoever received by that person in its capacity as the holder of such Deliverable Obligations; (ii) any obligation to exercise or procure exercise of any or all rights (including, without limitation, voting rights) attaching to the relevant Deliverable Obligations; or (iii) any liability to any Securityholder or any subsequent beneficial owner of the relevant Deliverable Obligations in respect of any loss or damage which such Securityholder or subsequent beneficial owner may sustain or suffer as a result, whether directly or indirectly, of that person being the legal owner of the Deliverable Obligations.

(e) **Alternative Settlement in respect of Physical Settlement**

- (i) Subject to Product Term 2(f) and Product Term 2(g) if, in the determination of the Calculation Agent, acting on behalf of the Bank:
 - (A) due to circumstances beyond the control of the Bank, it is or would be impossible, illegal or in breach of any restriction (whether regulatory, fiduciary or contractual) which may be claimed by any person, for the Bank or Designated Affiliate to obtain in order to deliver or deliver some or all of the Deliverable Obligations forming part of the Portfolio to a Securityholder or Securityholders (each an “**Affected Securityholder**”) as provided in Product Term 2(c), including, but not limited to, circumstances in which the Bank or Designated Affiliate is or would be unable to obtain or deliver Deliverable Obligations as a result of a Settlement Disruption Event subsisting or due to any law, regulation or court order;
 - (B) due to circumstances beyond the control of the Bank, it is or would be impracticable (whether on grounds of illiquidity or otherwise) for the Bank or Designated Affiliate to obtain in order to deliver or deliver some or all of the Deliverable Obligations forming part of the Portfolio to a Securityholder or Securityholders and/or it is not commercially reasonable for the Bank or Designated Affiliate to make such delivery (each also an “**Affected Securityholder**”) as provided in Product Term 2(d); and/or

- (C) due to circumstances within the control of the relevant Securityholder (including, without limitation, its failure to take delivery of the Deliverable Obligations), the Bank or Designated Affiliate is unable to arrange, or conditions (including, without limitation, Product Term 2(c)(iii)) are not fulfilled, for the delivery of some or all of the Deliverable Obligations forming part of the Portfolio as provided in Product Term 2(c) to such Securityholder or Securityholders (each also an “**Affected Securityholder**”),

and such circumstances continue for a period ending on the fiftieth (50th) Business Day following the Delivery Commencement Date (the “**Delivery Cut-Off Date**”), the Bank shall have no further delivery obligations under the Securities to the Affected Securityholder(s) with respect to those Deliverable Obligations the delivery of which to such Affected Securityholder is affected by circumstances described in (A), (B) and/or (C) above (each such Deliverable Obligation an “**Undeliverable Obligation**” with respect to such Affected Securityholder) and the Calculation Agent, acting on behalf of the Bank, shall, on the Business Day following the Delivery Cut-Off Date, designate a Business Day (the “**Undeliverable Obligation Valuation Date**”) within five Business Days of the Delivery Cut-Off Date. The Bank will pay to each Affected Securityholder in accordance with the Asset Delivery Notice within five Business Days following the Undeliverable Obligation Valuation Date the respective Affected Securityholder Cash Redemption Amount irrespective of whether the relevant Credit Event and the circumstances described in (A), (B) and/or (C) above are continuing. Upon such payment being made by the Bank in respect of all Undeliverable Obligations, the Bank will be discharged from its obligations and liabilities under the Securities to the Affected Securityholder and the Securities of the Affected Securityholder will be partially redeemed in respect of the relevant Tranche(s) or, where all outstanding Tranches of Securities are affected, the Securities will be cancelled.

- (ii) For the purposes of determining the Affected Securityholder Cash Redemption Amount, the Calculation Agent shall determine the value (“**Value**”) of the Outstanding Amount of each Undeliverable Obligation comprised within the Portfolio by requesting each of five dealers in the relevant market to provide its all-in bid price, in the Specified Currency as set out in the relevant Pricing Supplement, to purchase on the Undeliverable Obligation Valuation Date a nominal amount of each Undeliverable Obligation. For the purpose of making such requests, the Calculation Agent may, in its sole and absolute discretion (but, for the avoidance of doubt, shall never be obliged to): (i) request all-in bid prices from a dealer from which the Calculation Agent and/or its affiliates has requested or will contemporaneously request prices in connection with other notes, transactions or proprietary holdings unrelated to these Securities or otherwise; (ii) request all-in bid prices from dealers either orally, by electronic messaging (including, without limitation, E-mail, Bloomberg or Reuters), by facsimile, courier or post; (iii) request all-in bid prices for a type of Undeliverable Obligation in a nominal amount which is equal to or less than, but not less than 5% of, the Outstanding Amount of such Undeliverable Obligation comprised within the Portfolio; and (iv) rather than making separate requests for all-in bid prices for the purposes of this provision, rely on a request or requests which were made in connection with other securities, transactions or proprietary holdings or otherwise unrelated to these Securities (with each such request constituting a request hereunder for the purposes of the Securities). In the event that the Calculation Agent receives an all-in bid price for an Outstanding Amount of the Undeliverable Obligation that differs from the Outstanding Amount of that Undeliverable Obligation comprised within the Portfolio it shall determine the all-in bid price for the Outstanding Amount of such Undeliverable Obligation comprised within the Portfolio as a pro rata amount of the price obtained. Each all-in bid price provided and/or determined in accordance with this paragraph shall be a “**Quotation**”.

If, following the Calculation Agent’s request, four or more Quotations are provided or determined (as the case may be) in respect of an Undeliverable Obligation, the Calculation Agent shall disregard the highest and lowest Quotations and the respective Value shall be the arithmetic mean of the remaining Quotations. If three Quotations only are provided or

determined (as the case may be) in respect of an Undeliverable Obligation, the Calculation Agent shall disregard the highest and lowest Quotations and the respective Value shall be the remaining Quotation. If more than one Quotation in respect of an Undeliverable Obligation has the same highest or lowest value, then the Calculation Agent shall disregard one such Quotation. If two or fewer than two Quotations are provided or determined (as the case may be) in respect of an Undeliverable Obligation, the respective Value shall be determined by the Calculation Agent in its sole and absolute discretion.

- (iii) The “**Affected Securityholder Cash Redemption Amount**” for an Affected Securityholder shall be the sum of each Affected Securityholder Value for each Undeliverable Obligation comprised within the Portfolio. The “**Affected Securityholder Value**” for an Affected Securityholder in respect of an Undeliverable Obligation or amount of Undeliverable Obligations of the same type, shall be the product of the respective Affected Securityholder Proportion and the Value for such Undeliverable Obligation or amount of Undeliverable Obligations of the same type. “**Affected Securityholder Proportion**” for an Affected Securityholder in respect of an Undeliverable Obligation or amount of Undeliverable Obligations of the same type, shall be the proportion which the Outstanding Amount of such Undeliverable Obligation(s) which would otherwise be deliverable to such Affected Securityholder bears to the aggregate Outstanding Amount of such Undeliverable Obligations comprised in the Portfolio.

The Affected Securityholder Cash Redemption Amount or the relevant portion of the Portfolio, as the case may be, may be substantially less in value than the nominal amount of a Security and may in certain circumstances, in the case of the Affected Securityholder Cash Redemption Amount, be zero. In the event that the Affected Securityholder Cash Redemption Amount or relevant portion of the Portfolio, as the case may be, is less in value than the nominal amount of a Security the Bank shall have no liability in respect of the shortfall.

The Bank shall have full discretion as to whether or not, and the extent to which, it may determine to enter into arrangements intended to hedge all or part of its exposure in respect of the Securities, including purchasing Obligations. In the event that the Bank does enter into any such hedging arrangements, in no circumstances shall any Securityholder have any beneficial, participation or other interests or rights whatsoever in any such hedging arrangements.

(f) **Optional Physical Settlement in case of an Alternative Settlement**

If specified as applicable in the relevant Pricing Supplement, the Securityholder(s) shall have the option, as an alternative to receiving the Affected Securityholder Cash Redemption Amount in accordance with Product Term 2(e), to request on the Business Day following the Delivery Cut-Off Date, that the Bank or the Designated Affiliate shall, from time to time, deliver to the Securityholder(s) any amounts received by it in respect of such Undeliverable Obligations during the period commencing on the Event Determination Date and expiring on the Business Day which is 5 years after the Delivery Commencement Date (the “**Alternative Settlement End Date**”), provided that such amounts received are able to be transferred to the Securityholder(s). On the Alternative Settlement End Date the Calculation Agent shall designate a Business Day (the “**5 Year Valuation Date**”) within five Business Days following the Alternative Settlement End Date and the Bank will pay to the Securityholder(s) the Affected Securityholder Cash Redemption Amount (provided that for the purposes of calculating the Affected Securityholder Cash Redemption Amount, Undeliverable Obligation Valuation Date shall mean the 5 Year Valuation Date), on the fifth Business Day following the 5 Year Valuation Date, determined by means of requesting quotes from dealers as more particularly set out in the Product Terms and after taking account of any deliveries or payments made by the Bank or its Designated Affiliates prior to the Alternative Settlement End Date pursuant to this Product Term 2(f), provided that if the Bank or its Designated Affiliate, at any time before the

Alternative Settlement End Date, is able to make delivery of some or all of the Undeliverable Obligations and any amounts received in respect thereof the Bank or its Designated Affiliate, may, or if it is requested by the Affected Securityholder(s), shall use reasonable endeavours to deliver such Undeliverable Obligation(s) and any amounts received in respect thereof to the Affected Securityholder(s).

(g) **Alternative Settlement for Certain Loans in respect of Physical Settlement**

- (i) If the Bank is unable to deliver by way of assignment or novation certain Loan(s) comprising the Portfolio (“**Undeliverable Loan Obligation(s)**”) due to the non-receipt of any requisite consents and such consents are not obtained or deemed given by the 30th day following the Delivery Commencement Date, the Bank shall be released from any obligation to deliver such Undeliverable Loan Obligation and the Bank shall, from time to time, deliver to each Securityholder any amounts received by it in respect of the Undeliverable Loan Obligation(s) during the period commencing on the Event Determination Date and expiring on the Business Day which is 1 year after the Delivery Commencement Date (“**End Date**”), provided that such amounts received are able to be transferred to the Securityholder(s) and on the End Date the Bank shall be released from its requirement to perform any outstanding or future (contingent or otherwise) obligation with respect to the Notes and the Securities shall be cancelled forthwith on the End Date;
- (ii) If the Bank or its Designated Affiliate, at any time before the End Date, obtains or is deemed to be given consent to assign or novate any outstanding Undeliverable Loan Obligation(s) the Bank or its Designated Affiliate may, or if it is requested by the Securityholder, shall use reasonable endeavours to, assign or novate such Undeliverable Obligation(s) to the Securityholder(s), after which the Security shall be cancelled forthwith and all obligations (outstanding or otherwise) of the Bank with respect to the Security shall be immediately discharged thereafter.

(h) **Adjustment following a Regulatory Change Event and Non-Convertibility Condition**

- (i) If the Calculation Agent, in its sole and absolute discretion, determines on or at any time prior to the expiration of the Evaluation Period that a Regulatory Change Event has occurred then any interim or final payments due, the Credit Event Redemption Amount, or the Deliverable Obligations to be delivered, as the case may be, shall be reduced by an amount equal in value to the allocable proportion of any Regulatory Change Costs, as determined by the Calculation Agent, in its sole and absolute discretion.
- (ii) If the Calculation Agent, in its sole and absolute discretion, determines on the Maturity Date that a Non-Convertibility Condition exists (the “**Non-Convertibility Condition Determination Date**”) then the Bank shall satisfy its payment obligations by paying to the Securityholders (pro-rata according to the nominal amount of Securities held by each Security holder), on the Maturity Date an amount in the currency in which the Reference Obligation is denominated equal to any payment a holder of the Reference Obligations in an amount equal to the Aggregate Nominal Amount of the Securities, may receive on or around such date, including any interest, fees or principal repayments that the Bank may receive by virtue of holding the Reference Obligations, less any Regulatory Change Costs (if any); provided that if, prior to the delivery of such Reference Obligation relevant amount, an event beyond the control of the Bank exists as a result of which the Bank cannot make delivery of such amount in a commercially reasonable manner, then delivery shall be postponed until such event ceases to exist. If such condition still exists on the Business Day which is 5 years after the Non-Convertibility Condition Determination Date, then the Bank’s outstanding obligations to deliver such amount in the currency in which the Reference Obligation is denominated will be discharged in full.

(i) **Determination of Credit Event**

- (i) When the existence of a Credit Event is determined by the Calculation Agent, the determination shall be made without regard to (a) any lack or alleged lack of authority or

capacity of a 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. If the Calculation Agent determines that an occurrence constitutes 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, the circumstances described in Product Term 2(i)(i) (a), (b), (c) and/or (d) above.

- (ii) In determining whether a payment failure has (or may have) occurred, the Calculation Agent may rely on evidence of non-receipt of funds.

None of the Bank nor any of its Affiliates has any duty, obligation or responsibility towards a Securityholder unless otherwise agreed in writing with that Securityholder or in these Product Terms of the Securities. In particular, without limiting the foregoing, none of the Bank nor any of its Affiliates need provide information to, act on the instruction or request of, find alternative mechanisms for realising money for, or take into account the views of any Securityholder. In taking action against third parties, the Bank and its Affiliates may combine holdings of debt, securities or other interests as they shall see fit and apply proceeds thereof, as they shall see fit. The Bank may only waive contractual obligations in respect of the Securities in writing.

(j) **Currency Conversion**

The Bank or the Calculation Agent, as the case may be, will, when determining the Specified Currency equivalent of amounts denominated or payable in currencies other than the Specified Currency as set out in the relevant Pricing Supplement, do so by reference to the Currency Rate Source on the relevant date, or in such other commercially reasonable manner as the Bank or the Calculation Agent, as the case may be, will determine in its sole and absolute discretion.

In the event of any conflict between the foregoing paragraph and the definitions of "Currency Amount", "Currency Rate" and related definitions, the provisions of such definitions shall prevail.

(k) **Cancellation and Partial Redemption**

Upon redemption of any Note, including satisfaction of the Bank's obligations under Product Terms 2 and/or, as the case may be, 3, such Security will be cancelled by the Paying Agent forthwith save that the Securities shall be partially redeemed only where a Credit Event has occurred with respect to one or more, but not all, Tranches of Securities

(l) **Performance of Bank Obligations**

Any obligation of the Bank may be performed by its Designated Affiliate or Affiliates or a person designated by the Bank. If a Designated Affiliate and/or an Affiliate and/or a designee performs the obligations of the Bank hereunder, the Bank shall be discharged of its obligations to the extent of such performance.

(m) **Settlement Suspension**

If, following the occurrence of an Event Determination Date in accordance with sub paragraph (i) of the definition of Event Determination Date, but prior to the Physical Settlement Date or, to the extent

applicable, a Valuation Date, ISDA publicly announces that the conditions to convening a Credit Derivatives Determinations Committee to Resolve the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date are satisfied in accordance with the Rules, the timing requirements of Product Terms 2(b)(B)(i), 2(b)(B)(ii), 2(b)(B)(iv), 2(c)(iii), 2(d)(i), 2(d)(ii) and 2(d)(iii) and the definitions of "Cash Settlement Date", "Delivery Commencement Date" and "Valuation Date" and any other Product Term pertaining to settlement as determined by the Calculation Agent acting in its sole discretion, shall toll and remain suspended until such time as ISDA subsequently publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved (a) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (b) not to determine such matters. Once ISDA has publicly announced that the relevant Credit Derivatives Determinations Committee has Resolved (i) the matters described in sub-paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date or (ii) not to determine such matters, the relevant timing requirements of the Product Terms that have previously tolled or been suspended shall resume on the Business Day following such public announcement by ISDA with the parties having the benefit of the full day notwithstanding when the tolling or suspension began in accordance with this Product Term 2(m).

The Calculation Agent shall make such adjustments to the accrual and payment of interest under the Notes as it shall consider necessary to give effect to the foregoing, which adjustments shall be binding upon the Bank and the Securityholders.

(n) **DC Resolutions**

The Bank shall use reasonable endeavours to notify Securityholders in accordance with the provisions of Product Term 12 of the announcement by ISDA of any DC Resolution with respect to the relevant Reference Entity or Obligation thereof within 5 Business Days of the Bank becoming aware of such announcement, provided that any failure of the Bank to so notify shall not affect the operation of the remaining provisions hereunder.

3 POTENTIAL CREDIT EVENT PERIOD

(a) If during the Evaluation Period the Calculation Agent determines, in its sole and absolute discretion, that a Potential Failure to Pay may exist, no payment whatsoever shall be made under the Securities during the period (a "**Potential Failure to Pay Period**") from and including the date of such determination until and including three Business Days following the last day of the Grace Period.

(b) If during the Evaluation Period

(i) the Calculation Agent determines, in its sole and absolute discretion, that a Potential Repudiation/Moratorium has occurred, or

(ii) a Credit Event Resolution Request Date occurs with respect to a Potential Repudiation/Moratorium,

no payment whatsoever shall be made under the Securities during the period (a "**Potential Repudiation/Moratorium Period**") from and including the earlier of the date of such determination and the Credit Event Resolution Request Date until and including the later of

(A) three Business Days following the Repudiation/Moratorium Evaluation Date and

(B) (if (ii) above applies) the date on which ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved that either (x) a Potential Repudiation/Moratorium has not occurred, (y) a Potential Repudiation/Moratorium has occurred but such event occurred after the Maturity Date or (z) the relevant Credit Derivatives Determinations Committee shall not determine the matters set forth in sub-

paragraphs (a) and (b) of the definition of Credit Event Resolution Request Date (each determined by reference to Greenwich Mean Time).

- (c) If on the Maturity Date a Potential Failure to Pay Period or Potential Repudiation/Moratorium Period is in effect or the Calculation Agent determines, in its sole and absolute discretion, a Credit Event may exist, no payment whatsoever shall be made under the Securities during the period (a “**Potential Notice Delivery Period**”) from and including the date of such determination until and including the later of the Business Day following the fourteenth calendar day following the Maturity Date (determined by reference to Greenwich Mean Time) and the Business Day following the fourteenth calendar day following the last day of the Potential Failure to Pay Period or Potential Repudiation/Moratorium Period, as the case may be.
- (d) If, on or prior to the latest of (i) the Maturity Date, (ii) the last day of the Potential Failure to Pay Period, (iii) the last day of the Potential Repudiation/Moratorium Period or (iv) the last day of the Potential Notice Delivery Period, a Credit Event Resolution Request Date occurs, no payment whatsoever shall be made under the Securities during the period (a “**Potential Credit Event Determination Period**”) from and including such Credit Event Resolution Request Date until and including the Business Day following the fourteenth calendar day following the day on which ISDA publicly announces (including prior to the Trade Date) that either (A) the relevant Credit Derivatives Determinations Committee has Resolved that a Credit Event has occurred with respect to the relevant Reference Entity or Obligation thereof and that such event occurred on or after the relevant Credit Event Backstop Date (determined by reference to Greenwich Mean Time) and on or prior to the Maturity Date or (if the relevant Credit Event is a Failure to Pay) on or prior to the last day of the Potential Failure to Pay Period or (if the relevant Credit Event is a Repudiation/Moratorium) on or prior to the last day of the Potential Repudiation/Moratorium Period, (B) the relevant Credit Derivatives Determinations Committee has Resolved that a Credit Event has not occurred with respect to the relevant Reference Entity or Obligation thereof or (C) the relevant Credit Derivatives Determinations Committee has Resolved not to determine the matters set forth in sub-paragraphs (a) and (b) of the definition of “Credit Event Resolution Request Date”.

Each of a “Potential Failure to Pay Period”, a “Potential Repudiation/Moratorium Period”, a “Potential Notice Delivery Period” and a “Potential Credit Event Determination Period” shall hereinafter be referred to as a “**Potential Credit Event Period**”.

The Calculation Agent, acting on behalf of the Bank, will, within ten Business Days of the commencement of a Potential Credit Event Period, use reasonable endeavours to give notice to the Securityholders (which notice will be given in accordance with Product Term 12) of the Potential Credit Event Period briefly describing the facts or events which may amount to, become or create a Potential Failure to Pay, (or, if Repudiation/Moratorium is specified as applicable in the relevant Pricing Supplement, Potential Repudiation/Moratorium) and/or the relevant Credit Event.

At any time during a Potential Credit Event Period, the Calculation Agent may determine that a Credit Event, (or, if Repudiation/Moratorium is specified as applicable in the relevant Pricing Supplement, Potential Repudiation/Moratorium) or Potential Failure to Pay has occurred and, for the avoidance of doubt, such Credit Event, (or, if Repudiation/Moratorium is specified as applicable in the relevant Pricing Supplement, Potential Repudiation/Moratorium) or Potential Failure to Pay (i) may be different from any Credit Event, (or, if Repudiation/Moratorium is specified as applicable in the relevant Pricing Supplement, Potential Repudiation/Moratorium) or Potential Failure to Pay specified, referred to or described in the notice of the Potential Credit Event Period to the Securityholders and/or (ii) may result from facts or events other than those specified, referred to or described in the notice of the Potential Credit Event Period to the Securityholders.

If, at any time during a Potential Credit Event Period, the Calculation Agent determines, or ISDA publicly announces that the relevant Credit Derivatives Determinations Committee has Resolved, that a Credit Event has occurred (i) in the case of (a), (b) or (d) above, during the Potential Failure to Pay Period or Potential Repudiation/Moratorium Period as the case may be; and (ii) in the case of (c) above, during the Evaluation Period, the provisions of Product Term 2(b) shall apply.

If on or prior to (a) the expiry of the final Business Day of a Potential Credit Event Period (determined by reference to Greenwich Mean Time) or (b) if earlier and if specified in the relevant Pricing Supplement, the Long-Stop Date³, the Conditions to Settlement have not been satisfied then, on the second Business Day following such day as is referred to in (a) or (b) as applicable, the Bank shall, subject as provided above in this Product Term 3, pay to the Securityholders an amount equal to any scheduled payment that was due in respect of the Securities plus an additional amount representing interest that has accrued on such scheduled payment during the Potential Credit Event Period at the relevant overnight rate for deposits in the Specified Currency.

4 ADDITIONAL PROVISIONS UPON THE OCCURRENCE OF A SUCCESSION EVENT

Where a Succession Event has occurred and a Successor or Successors has been determined, each Successor shall be a Reference Entity provided that:

- (a) where more than one Successor is determined the Securities shall be deemed to be split into a number of “**Tranches**” equal to the number of Successors whereby each Tranche shall include one of the Successors together with the other Reference Entities not subject to the relevant Succession Event and each Tranche shall have a principal amount equal to the Aggregate Nominal Amount, as stated in the relevant Pricing Supplement, divided by the number of Successors;
- (b) where a Succession Event has already occurred with respect to a Reference Entity and Tranches of Securities exist pursuant to (a) above, upon a subsequent Succession Event occurring with respect to any Reference Entity the relevant Tranche of Securities (the “**Original Tranche**”) shall be deemed to be split into a number of new Tranches equal to the number of Successors whereby each new Tranche shall include one of the Successors together with the Reference Entities not subject to the relevant Succession Event and each new Tranche shall have a principal amount equal to the Aggregate Nominal Amount of the Original Tranche divided by the number of Successors;
- (c) where the effect of the Successor provisions would be to specify a Reference Entity more than once with respect to a single Tranche, that Reference Entity shall be deemed to be specified once only for the purposes of that Tranche and, a new Reference Entity shall be selected by the Calculation Agent, in its sole and absolute discretion, within 20 Business Days after the date when the Calculation Agent has determined that the relevant Succession Event has occurred (the “**Selection Period**”), provided that such entity satisfies the requirements set out in the definition of “Eligible Reference Entity” for the purposes of that Tranche provided further that where no such selection has been made within the Selection Period such Tranche shall continue without any new Reference Entities; and
- (d) where (i) a Reference Obligation has been specified with respect to a Reference Entity; (ii) one or more Successors to that Reference Entity have been identified; and (iii) any one or more Successors have not assumed the Reference Obligation, a Substitute Obligation will be determined in accordance with the provisions of the definition of “Substitute Reference Obligation” with respect to each such Successor.

5 INTERPRETATION

- (a) If the Obligation Characteristic “Listed” is specified in the relevant Pricing Supplement, the Pricing Supplement shall be construed as though Listed had been specified as an Obligation Characteristic only with respect to Bonds and shall only be relevant if the relevant obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, Bonds (as set out in the relevant Pricing Supplement);
- (b) If (i) either of the Deliverable Obligation Characteristics “Listed” or “Not Bearer” is specified in the relevant Pricing Supplement, the Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Bonds and shall only be relevant if the relevant Obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, Bonds (as set out in the relevant Pricing Supplement); (ii) the Deliverable Obligation Characteristic “Transferable” is specified in the relevant Pricing Supplement, the Pricing Supplement 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 (and shall only be relevant to the extent that the relevant obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, obligations other than Loans (as set out in the relevant Pricing Supplement)); or (iii) any of the Deliverable Obligation Characteristics “Assignable Loan”, “Consent Required Loan” or “Direct Loan Participation” is specified in a Pricing Supplement, the Pricing Supplement shall be construed as though such Deliverable Obligation Characteristic had been specified as a Deliverable Obligation Characteristic only with respect to Loans and shall only be relevant if the relevant Obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, Loans (as set out in the relevant Pricing Supplement);

- (c) If the relevant Obligation constitutes or, in the case of a Qualifying Affiliate Guarantee or Qualifying Guarantee, as the case may be, is in respect of, any of Borrowed Money, Loan or Bond or Loan Loans (as set out in the relevant Pricing Supplement) and more than one of Assignable Loan, Consent Required Loan and Direct Loan Participation are specified as Deliverable Obligation Characteristics, 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; and
- (d) In the event that an Obligation or a Deliverable Obligation is a Qualifying Guarantee, the following will apply:
 - (i) For purposes of determining whether such obligation is Borrowed Money, Bond or Loan, the Qualifying Guarantee shall be deemed to satisfy the relevant definitions as those that describe the Underlying Obligation.
 - (ii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, both the Qualifying Guarantee and the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the related Pricing Supplement from the following list: Specified Currency, Not Sovereign Lender, Not Domestic Currency and Not Domestic Law. For these purposes, unless otherwise specified in the related Pricing Supplement, (A) the lawful currency of any of Canada, Japan, Switzerland, the United Kingdom or the United States of America or the euro shall not be a Domestic Currency and (B) the laws of England and the laws of the State of New York shall not be a Domestic Law.
 - (iii) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Qualifying Guarantee must satisfy on the relevant date the Obligation Characteristic or the Deliverable Obligation Characteristic of Not Subordinated, if specified in the related Pricing Supplement.
 - (iv) For purposes of the application of the Obligation Characteristics or the Deliverable Obligation Characteristics, only the Underlying Obligation must satisfy on the relevant date each of the applicable Obligation Characteristics or the Deliverable Obligation Characteristics, if any, specified in the related Pricing Supplement from the following list: Listed, Not Contingent, Not Domestic Issuance, Assignable Loan, Consent Required Loan, Direct Loan Participation, Transferable, Maximum Maturity, Accelerated or Matured and Not Bearer.
 - (v) For 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.
 - (vi) The terms “outstanding principal balance” and “Due and Payable Amount”, when used in connection with Qualifying Guarantees are to be interpreted to be the then “outstanding principal balance” or “Due and Payable Amount”, as applicable, of the Underlying Obligation which is supported by a Qualifying Guarantee.

6 NO REQUIREMENT FOR LOSS

Nothing in the General Conditions or the Terms shall require the Bank to hold the whole or any part of any Reference Obligation at any time and these Product Terms will apply irrespective of the Bank's credit exposure to the Reference Entity or the Reference Obligation, and the Bank need not suffer any loss nor provide evidence of any loss as the result of the occurrence of a Credit Event.

7 TAXATION AND DELIVERY EXPENSES

Notwithstanding the provisions of General Condition 7, the Bank shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Security and all payments made by the Bank shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. For the avoidance of doubt the Bank shall have no obligation to 'gross up' payments hereunder and shall be entitled to reduce any amount payable by it by, or reduce the amount of Deliverable Obligations deliverable by it by an amount of any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. All expenses including any applicable depository charges, transaction or exercise charges, stamp duty, stamp duty reserve tax, and/or other taxes or duties arising from the holding, delivery and/or transfer of Obligations or any other assets in connection with the issue or performance of the Securities shall be for the account of the Securityholders (the "**Delivery Expenses**").

8 MODIFICATION AND WAIVER

Notwithstanding the provisions of General Condition 10, the Bank may, without the consent of the Securityholders, make any modification to any of the General Conditions or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or to correct a manifest error or to comply with mandatory provisions of the law of the jurisdiction of incorporation of the Bank.

Any modification shall be binding on the Securityholders and any modification shall be notified by the Bank to the Securityholders as soon as practical thereafter in accordance with General Condition 13 of the Programme Memorandum.

9 CALCULATION AGENT

The Bank reserves the right at any time to vary or terminate the appointment of the Calculation Agent provided that it shall at all times maintain a Calculation Agent. Notice of any such termination or appointment will promptly be given to the Securityholders in accordance with General Condition 13.

Subject to the express provisions of this document, if any provision of this document permits a determination or calculation to be made by the Calculation Agent, acting in any capacity, during a particular period of time, it may make it at any time during that period and no failure or delay to make it at a particular time within such period shall be deemed to be a waiver of its ability to make it later in that period or in any subsequent period during which it may make it.

In acting under the Agency Agreement in respect of the Securities, the Calculation Agent is acting solely as agent of the Bank and does not assume any obligation or duty to, or any relationship of agency or trust for or with, any Securityholder, and any determination and/or calculation by the Calculation Agent shall, in the absence of manifest error, be final and binding on the Bank and the Securityholders.

10 SET-OFF

The Bank may, without prior notice to any person, set off any obligation (whether or not matured and whether or not contingent) owed by any Securityholder to the Bank or any of its Affiliates (for which purpose the Bank is acting as agent for its Affiliates) against any matured obligation owed by the Bank to the relevant Securityholder in respect of a Note, regardless of the place of payment or booking office or currency of either obligation. If the obligations are in different currencies, the Bank may convert either obligation at a rate of

exchange in accordance with the provisions of Product Term 2(j), mutatis mutandis, for the purpose of the set-off. If either obligation is unliquidated or unascertained, the Bank may set off in an amount estimated by the Calculation Agent in good faith to be the amount of that obligation. Any payment or delivery obligation in respect of a Security may, at the option of the Bank, be reduced by the amount of any obligation owed by the holder of such Security to the Bank or any of its Affiliates accordingly.

This right of set-off is in addition to and not in limitation of any other right or remedy (including any right to set-off, counterclaim or otherwise withhold payment) under applicable law. Nothing in this Product Term will be deemed to create a charge or other security interest.

11 DISCLAIMERS

The Bank and the Securityholders agree:

- (i) that no DC Party (as such term is defined in the Rules) and no legal counsel or other third-party professional hired by a DC Party in connection with such DC Party's performance of its respective duties under the Rules and/or the relevant Credit Derivatives Auction Settlement Terms, as applicable, shall be liable, whether for negligence or otherwise, to the Bank or the Securityholders for any form of damages, whether direct, indirect, special, consequential or otherwise, that might arise in connection with such DC Party's performance of its duties, or any advice given by legal counsel or any other third-party professional hired by such DC Party in connection with such DC Party's performance of its respective duties, under the Rules and/or the relevant Credit Derivatives Auction Settlement Terms, as applicable, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the Rules and/or the relevant Credit Derivatives Auction Settlement Terms, as applicable, may be still be liable to such DC Party;
- (ii) to waive any claim, whether for negligence or otherwise, that may arise against a DC Party and any legal counsel or other third-party professional hired by such DC Party in connection with such DC Party's performance of its duties under the Rules, except in the case of fraud or wilful misconduct on the part of such DC Party, legal counsel or other third-party professional, as applicable; provided that, notwithstanding the foregoing, legal counsel or any other third-party professional hired by a DC Party in connection with such DC Party's performance of its duties under the Rules and/or the relevant Credit Derivatives Auction Settlement Terms, as applicable, may be still be liable to such DC Party;
- (iii) any DC Resolution of the relevant Credit Derivatives Determinations Committee that is, in the sole discretion of the Calculation Agent, relevant to the Securities or would be applicable to the Hypothetical Credit Derivative Transaction shall, with respect to the Securities, be binding on the Bank and the Securityholders to the extent that such DC Resolution is made either by reference to the terms of the 2003 Credit Derivatives Definitions, as supplemented by any supplement to the 2003 Credit Derivatives Definitions published by ISDA or by reference to the terms of any additional provisions published by ISDA and incorporated in the relevant Pricing Supplement:
 - (A) until such time as ISDA publicly announces that such DC Resolution has been reversed by a subsequent DC Resolution of the relevant Credit Derivatives Determinations Committee, if any, (subject to Product Term 11(iii)(B)); and/or
 - (B) unless the effect of such DC Resolution would be to reverse a prior DC Resolution of the relevant Credit Derivatives Determinations Committee, any prior determination by the Calculation Agent or determination that an Event Determination Date has occurred, that has resulted in:
 - (I) the identification of one or more Successors;
 - (II) the identification of one or more Substitute Reference Obligations; or
 - (III) the occurrence of an Auction Final Price Determination Date or to the extent that a Valuation Date, Cash Settlement Date, Auction Settlement Date or redemption of

the Securities under Product Terms 2(a), 2(b)(B)(i), 2(b)(B)(iv) or 2(e), as applicable, has occurred, in each case, on or prior to the date that ISDA publicly announces such DC Resolution of the relevant Credit Derivatives Determinations Committee);

- (C) notwithstanding the fact that:
 - (I) the Product Terms may require such determination to be made by the Calculation Agent; or
 - (II) in order to reach such DC Resolution, the relevant Credit Derivatives Determinations Committee may be required to Resolve one or more factual matters before being able to reach such DC Resolution; and
 - (D) notwithstanding any actual or perceived conflict of interest on the part of a DC Party, legal counsel or other third-party professional hired by such DC Party in connection with such DC Party's performance of its duties under the Rules;
- (iv) that no DC Party is (A) under any obligation to research, investigate, supplement, or verify the veracity of, any information on which the relevant Credit Derivatives Determinations Committee bases its decision and (B) acting as a fiduciary for, or as an advisor to, the Bank or the Securityholders in connection with the relevant Credit Derivative Transaction;
 - (v) that, in reaching any DC Resolution that is applicable to such Credit Derivative Transaction, the relevant Credit Derivatives Determinations Committee shall be under no requirement to consult with, or individually notify, the Bank or the Securityholders, notwithstanding any provision of the Product Terms; and
 - (vi) that, with respect to any DC Resolution of the relevant Credit Derivatives Determinations Committee, in the event of any inconsistency between (A) any provision of either (I) the 2003 Credit Derivatives Definitions or (II) the Product Terms and (B) the Hypothetical Credit Derivative Transaction, the Hypothetical Credit Derivative Transaction will govern.
- (d) At the time Securities are issued, the Bank and the Securityholders shall be deemed to acknowledge the disclaimers set out above.

12 NOTICES

Notwithstanding General Condition 13, notices given to Securityholders under this Product Term 12 shall be validly given if delivered to the relevant Clearing System (in the case of Bearer Securities) or the Registrar (in the case of Registered Securities) and shall be effective on the date of such delivery.

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