

**Final Terms dated 10 December 2010**

**Vermillion Protective Bond Portfolio p.l.c.**

(incorporated with limited liability in Ireland with registered number 426055)

**Series No. 2010-5 Floating Rate Secured Senior Notes (the "Notes")  
issued pursuant to the  
EUR 40,000,000,000 Programme for the issue of Notes  
arranged by**

**KBC Bank NV**

**PART A  
CONTRACTUAL TERMS, LISTING AND RATING**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 10 December 2010 which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"). This document constitutes Final Terms of the Notes 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 Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the registered office of the Issuer and copies may be obtained from the registered office of the Issuer.

**(A) The terms of the Notes are as follows:**

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|----|--|--|
| 1. | Issuer:  | Vermillion Protective Bond Portfolio p.l.c.  |
| 2. | (i) Series No:   | 2010-5 Senior  |
|    | (ii) Tranches Number(s):   | 1  |
|    | (if fungible with an existing Series, details of that Series, including the date on which the Notes become fungible) |  |
|    | (iii) Status   | Senior, General  |
|    | (iv) Date Board approval for Issuance of Notes obtained:   | 01 December 2010   |
| 3. | Specified Denomination(s):   | EUR 50,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR99,000. No Notes in definitive form will be issued with a denomination above EUR99,000. |

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|-----|---|---|
| 4.  | Relevant Currency (or Currencies in the case of Dual Currency Notes):       | EUR   |
| 5.  | Principal Amount of:  |   |
|     | (i) Series (aggregate Principal Amount outstanding including this Tranche): | EUR 47,164,000  |
|     | (ii) Tranche:   | EUR 47,164,000  |
| 6.  | Issue Date:   | 02 December 2010  |
| 7.  | Issue Price:  | 100 per cent  |
| 8.  | Net Proceeds:   | EUR 47,164,000 less an amount (being EUR 1,100) equal to Dealer's commission and expenses related to admission to trading   |
| 9.  | Maturity Date:  | Interest Payment Date falling in or nearest to June 2014, or, if the Issuer so elects by giving notice to the Noteholders in accordance with Condition 13 no later than 10 Business Days prior to the then scheduled Maturity Date, the Maturity Date may be extended to the next following anniversary of the Interest Payment Date falling in or nearest to June 2014, which election may be made more than once, so that the Maturity Date may (subject to notice being given to the Noteholders as aforesaid) be postponed to the then next following anniversary of the Interest Payment Date falling in or nearest to June 2014 on any number of occasions, and provided further that the Maturity Date shall in any event be subject to adjustment in accordance with the Business Day Convention. |
| 10. | Form of Notes:  | Bearer  |
| 11. | Interest Basis:   | Floating Rate and Additional Interest as provided for in paragraph 57 and Annex 1 below.  |

12.	Interest Commencement Date:	23 June 2010
13.	Interest Cessation Date:	Maturity Date
14.	Redemption Amount:	Principal Amount
15.	Early Redemption Amount:	Principal Amount

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

16.	Interest Rate (including after Maturity Date):	Floating Rate
17.	Interest Payment Dates:	For payment of Interest Amounts calculated in accordance with the Floating Rate: 23 June and 23 December of each year, subject to the Business Day Convention.
18.	Interest Amount (Fixed Rate Notes):	N/A
19.	Broken Amount (Fixed Rate Notes):	N/A
20.	Primary Source for Floating Rate (Floating Rate Notes):	Reuters
21.	Benchmark (Floating Rate Notes):	Six-month EURIBOR
22.	Reference banks (Floating Rate Notes):	KBC Bank NV, The Bank of New York Mellon and two other banks selected by the Calculation Agent at its discretion
23.	Representative Amount:	None specified
24.	Specified Duration:	None specified
25.	Relevant Financial Centre (Floating Rate Notes):	None specified
26.	Relevant Time (if applicable):	None specified
27.	Margin (Floating Rate Notes):	-0.070 per cent. per annum
28.	ISDA Rate (if applicable)	
	(i) Floating Rate Option:	N/A
	(ii) Designated Maturity:	N/A
	(iii) Reset Dates:	N/A
29.	Interest Determination Date (if applicable):	N/A
30.	Reset Date:	N/A
31.	Interest Bearing Amount:	Principal Amount

32.	Interest Period Date(s) (if applicable):	Interest Payment Dates
33.	Minimum Interest Rate (if applicable):	N/A
34.	Maximum Interest Rate (if applicable):	N/A
35.	Reference Price (Zero Coupon Notes):	N/A
36.	Amortisation Yield (Zero Coupon Notes):	N/A
37.	Business Day Convention:	Preceding Business Day Convention
38.	Relevant Business Day:	TARGET Business Day
39.	Day Count Fraction:	ACTUAL/360

#### **PROVISIONS RELATING TO REDEMPTION**

40.	Terms of redemption at the option of the Issuer or other Issuer's option (if applicable):	The Notes are Callable Notes. The Issuer has the right, but not the obligation, to redeem the Notes in whole on the 16th or the last day of any month (subject to the Business Day Convention) (each, an " <b>Optional Redemption Date</b> ") by notifying the Noteholders no less than 5 Business Days prior to the relevant Optional Redemption Date in accordance with the Conditions.
41.	Issuer's Option Period:	Until the Maturity Date
42.	Issuer's Optional Redemption Amount:	In respect of each Note the amount determined in accordance with the following formula: $AV/N$ , where:  <b>"AV"</b> means (in each case as at the last Valuation Date) such proportion of the Asset Value of the General Portfolio as is equal to the proportion that the Notes represent of the General Outstanding Note Liability as determined by the Administration Agent (or such other person as may be responsible for calculating the Asset Value with respect to

the Notes in accordance with the Agency Agreement) in accordance with clause 17 of the Agency Agreement and in consultation with the Portfolio Manager, adjusted, in consultation with the Portfolio Manager, to account fully for any losses, expenses and costs to the Issuer of unwinding any underlying or related hedging and funding arrangements; and

**"N"** means the number of Notes in issue (as at the last Valuation Date).

43. Terms of redemption at the option of the Noteholders or other Noteholders' Option (if applicable):

The Notes are Puttable Notes. Each Noteholder has the right, but not the obligation, to require the Issuer to redeem the Notes held by such Noteholder on any Optional Redemption Date (as defined above) by providing a duly completed Exercise Notice to the Principal Paying Agent not less than 10 Business Days prior to the relevant Optional Redemption Date.

44. Noteholders' Option Period:

Until the Maturity Date

45. Noteholders' Optional Redemption Amount:

In respect of each Note, the amount determined in accordance with the following formula:  $AV/N$ , where:

**"AV"** means (in each case as at the last Valuation Date) such proportion of the Asset Value of the General Portfolio as is equal to the proportion that the Notes represent of the General Outstanding Note Liability as determined by the Administration Agent (or such other person as may be responsible for calculating the Asset Value with respect to the Notes in accordance with the Agency Agreement) in accordance with clause 17 of the Agency Agreement and in consultation with the Portfolio

Manager, adjusted, in consultation with the Portfolio Manager, to account fully for any losses, expenses and costs to the Issuer of unwinding any underlying or related hedging and funding arrangements; and

“N” means the number of Notes in issue (as at the last Valuation Date).

46. Unmatured Coupons to become void upon early redemption: Yes

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

47. Clearing System (if applicable): Clearstream and Euroclear
48. Calculation Agent: The Bank of New York Mellon pursuant to the Agency Agreement
49. Permanent Global Note without the TEFRA legend: Yes
50. Exchange for Definitive Notes at the request of the holder at the expense of: No
51. Payment Business Day Centre (Condition 8(h)): Brussels
52. Exchange:
- (a) Notes to be represented on issue by: Permanent Global Note
- (b) Applicable TEFRA exemption: C Rules
- (c) Temporary Global Note exchangeable for Permanent Global/Definitive Bearer/Registered Notes: No
- (d) Permanent Global Note exchangeable for Definitive Bearer/ Registered Notes: Permanent Global Note exchangeable for Definitive Bearer Notes
- (specify only if different from “Summary of Provisions relating to Notes while in Global Form”)
53. Specific Charged Assets: N/A
54. Specific Hedging Agreement (if applicable): N/A

55.	Hedging Counterparty in respect of relevant Specific Hedging Agreement (if applicable):	N/A
56.	Specific Security (order of priorities) (if applicable):	N/A
57.	Details of any other additions or variations to the Conditions:	The Notes shall bear additional interest (" <b>Additional Interest</b> ") in accordance with the provisions set out at Annex 1.

### **DISTRIBUTION**

58.	Details of the Stabilising Manager(s) (if applicable):	KBC Bank NV
59.	Details of any additions or variations to the selling restrictions:	None
60.	Details of any additions or variations to the Dealer Agreement:	None
61.	Method of Issue:	Individual Dealer
62.	Dealers' commission (if applicable):	EUR 600
63.	Net Price payable to the Issuer (Syndicated Issue):	N/A
64.	Members of syndicate (Syndicated Issue):	N/A

### **USE OF PROCEEDS**

The net proceeds of the issue will be used by the Issuer to purchase General Eligible Assets and in meeting certain expenses and fees payable in connection with the operations of the Issuer and the issue of the Notes.

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

These Final Terms will comprise the Final Terms required to list and have admitted to trading the issue of Notes described herein pursuant to the €40,000,000,000 Programme for the issue of Notes of the Issuer.

## **RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms. None of the Trustee, Paying Agents, Administration Agent, Registrar, Transfer Agent, Calculation Agent, Arranger, Dealers or Portfolio Manager accept responsibility for the information contained in these Final Terms.

These Final Terms are hereby executed by or on behalf of the Issuer.  
Vermillion Protective Bond Portfolio p.l.c.

By:

Authorised Signatory

A handwritten signature in black ink, consisting of a large initial 'V' followed by a series of loops and a final horizontal stroke.



**PART B  
OTHER INFORMATION**

<b>1</b>	<b>LISTING</b>	
	(i) Listing:	Yes
	(ii) Admission to trading:	Application has been made for the Notes to be admitted to trading on the Irish Stock Exchange with effect from 13 December 2010.
	(iii) Estimate of total expenses related to admission to trading:	EUR 500
<b>2</b>	<b>RATINGS</b>	The Notes to be issued have not been rated.
<b>3</b>	<b>OPERATIONAL INFORMATION</b>	
	ISIN Code for the Original Notes and Series:	XS0563615961
	Common Code for the Original Notes and Series:	56361596
	CUSIP Number:	N/A
	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s):	N/A
	Delivery:	Matching free of payment
	Names and addresses of additional Paying Agent(s) (if any):	None
<b>4</b>	<b>GENERAL</b>	
	The aggregate principal amount of Notes issued has been translated into euro at the rate of EUR/[•] [•], producing a sum of (for Notes not denominated in euro):	Not Applicable

## Annex 1

### Additional Interest

The Notes shall bear Additional Interest in accordance with the following provisions:

On each Interest Payment Date the Issuer shall pay by way of additional interest on each Note the Additional Interest Amount in respect of such Note and such Interest Payment Date if the following conditions are met (at Interest Payment Date):

1. MtM valuation of the notes is not below par
2. Additional Interest payment will not cause MtM valuation to drop below par
3. the nominal of outstanding Third Party Notes does not exceed the nominal of the assets

The "**Additional Interest Amount**" in respect of each Note and an Interest Payment Date shall be calculated in accordance with the following formula:

$$\sum_{i=1}^{n/2} [\text{Aggregate Available Additional Interest Amount}_i / \text{Number of Third Party Notes} * u_i * v_i] * w_i$$

For such purposes:

"**n**" means the number of days in the calendar year which are Interest Payment Dates in respect of any Notes of any General Series of Senior Notes under the Programme and the last of the  $n/2$  Interest Payment Dates to be taken into account for the purpose of determining the Additional Interest Amount payable in respect of the Notes of this Series on an Interest Payment Date is the one immediately preceding such Interest Payment Date.

"**Aggregate Available Additional Interest Amount**" in respect of an Interest Payment Date means such amount as is calculated by the Issuer (or the Portfolio Manager on its behalf) as the aggregate amount of income received by the Issuer in the related Additional Interest Amount Calculation Period in respect of the General Portfolio of the Issuer after deducting the following amounts which the Issuer shall have paid or provided for:

- (a) the fees, costs, expenses and liabilities due to the Trustee in respect of any General Series during such Additional Interest Amount Calculation Period;
- (b) the fees, costs, expenses and liabilities due to the Agents in respect of any General Series and the General Portfolio during such Additional Interest Amount Calculation Period;
- (c) all amounts due to any Hedging Counterparty under or in respect of any General Hedging Agreement during such Additional Interest Amount Calculation Period;
- (d) all amounts of interest due to the holders of each General Series during such Additional Interest Amount Calculation Period;
- (e) all amounts of principal due to the holders of each General Series during such Additional Interest Amount Calculation Period;

- (f) all other amounts properly due and payable by the Issuer to any other person in connection with any General Series or the General Portfolio during such Additional Interest Amount Calculation Period; and
- (g) an annual profit amount of EUR1,000 to be retained by the Issuer and to be available to be distributed by it to its shareholders, subject to applicable law.

“**u**” means:

Aggregate principal amount of all Third Party Notes (of all General Series of Senior Notes) issued by the Issuer under the Programme in the Relevant Currency

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Aggregate principal amount of all Third Party Notes (of all General Series of Senior Notes) issued by the Issuer under the Programme

“**v**” means:

Aggregate principal amount of all Third Party Notes (of this Series) issued by the Issuer under the Programme in the Relevant Currency

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Aggregate principal amount of all Third Party Notes (of all General Series of Senior Notes) issued by the Issuer under the Programme in the Relevant Currency

“**w**” means the currency exchange rate applied by the Issuer (or the Portfolio Manager on its behalf) to effectively exchange EUR against the Relevant Currency.

“**Additional Interest Amount Calculation Period**” in respect of an Interest Payment Date (of this Series) means the period commencing on (but excluding) the day which is two Interest Payment Dates (in respect of any General Series of Senior Notes issued by the Issuer under the Programme) prior to the relevant Interest Payment Date (of this Series) and ending on (and including) the Interest Payment Date (in respect of any General Series of Senior Notes issued by the Issuer under the Programme) falling immediately prior to the relevant Interest Payment Date (of this Series).

“**Third Party Notes**” means those Notes outstanding other than those Notes outstanding which are held by or for the benefit of the Issuer. Unless specified otherwise, references to “Third Party Notes” are to Notes of this Series.