

**DATED: 04 MAY 2011**

**EIRLES TWO LIMITED**

*(incorporated with limited liability in Ireland)*  
(the “**Issuer**”)

**PROSPECTUS**

**Series 351 USD 30,000,000 Variable Rate Secured Notes due  
2016**

(the “**Notes**”)

**DEUTSCHE BANK AG, LONDON BRANCH**  
**as Arranger**

*The attention of investors is drawn to the section headed “Investment Considerations and Risk Factors” on page 1 of this Prospectus.*

## TABLE OF CONTENTS

INVESTMENT CONSIDERATIONS AND RISK FACTORS .....	1
GENERAL .....	9
TERMS AND CONDITIONS OF THE NOTES .....	12
ANNEX A Asset Swap Confirmation .....	23
ANNEX B .....	29
ANNEX 1: DESCRIPTION OF THE DEUTSCHE BANK FRB AND DEUTSCHE BANK FRB BASKET INDICES – DBFRB/ DBFRB BASKET .....	47
ANNEX 2: DEUTSCHE BANK FRB INDICES DBFRB CHF INDEX.....	52
ANNEX 3: DEUTSCHE BANK FRB INDICES DBFRB EUR INDEX .....	55
ANNEX 4: DEUTSCHE BANK FRB INDICES DB FORWARD RATE BIAS USD INDEX.....	58
FURTHER INFORMATION CONCERNING THE TRUST INSTRUMENT .....	61
INFORMATION CONCERNING THE CALCULATION AGENT .....	63
FURTHER INFORMATION CONCERNING THE SWAP AGREEMENT.....	64
USE OF PROCEEDS .....	65
TAX CONSIDERATIONS .....	65
LEGAL OPINIONS .....	65
AVAILABILITY OF PROSPECTUS AND OTHER DOCUMENTS .....	65
PAYING AGENTS AND LISTING AGENT .....	65
SELLING RESTRICTIONS.....	66
ANNEX 1: INFORMATION CONCERNING THE ISSUER.....	71
ANNEX 2: INFORMATION CONCERNING THE COLLATERAL .....	72

## INVESTMENT CONSIDERATIONS AND RISK FACTORS

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the Collateral and the obligor(s) in respect thereof, the security arrangements, the Notes, the Swap Counterparty, the Repurchase Counterparty and all other relevant persons and market and economic factors as they deem appropriate to evaluate the merits and risks of an investment in the Notes. The Issuer and the Arranger disclaim any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time thereafter. However, as part of such independent investigation and analysis, prospective purchasers of Notes should consider all the information set forth in the base prospectus dated 14 October 2010 (the “**Base Prospectus**”) and this Prospectus, including but not limited to the considerations set forth below.

Investment in the Notes is only suitable for investors who:

- (1) have the requisite knowledge and experience in financial and business matters, and access to, and knowledge of, appropriate analytical resources, to evaluate the information contained in the Base Prospectus and this Prospectus and the merits and risks of an investment in the Issuer in the context of such investors’ financial position and circumstances;
- (2) are capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time;
- (3) recognise that it may not be possible to make any transfer of the Notes for a substantial period of time, if at all; and
- (4) are banks, investment banks, pension funds, insurance companies, securities firms, investment institutions, central governments, large international or supranational organisations or other entities, including, *inter alia*, treasuries and finance companies of large enterprises that are active on a regular and professional basis in the financial markets for their own account.

Further, each prospective purchaser of Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or if it is acquiring the Notes in a fiduciary capacity, the beneficiary’s) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines, regulatory requirements and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. None of the Issuer, the Arranger, the Swap Counterparty, the Repurchase Counterparty, the Index Sponsor (as defined in Annex B to the Terms and Conditions of the Notes) or any other person has or will make any representation or statement as to the suitability of the Notes for investors. Investors should obtain all required independent professional advice before purchasing the Notes.

Investors should further note that if the net proceeds of the realisation of the security created pursuant to the Trust Instrument are not sufficient to make all payments due in respect of the Notes and for the Issuer to meet its obligations in respect of the termination of the Swap Agreement then the obligations of the Issuer in respect of the Notes and the Swap Agreement will be limited to such net proceeds, and the other assets of the Issuer will not be available for payment of any such shortfall which shall be borne by the Noteholders and the Swap Counterparty according to the priorities specified in the Trust Instrument.

The Notes are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves and secured in the manner described in Paragraph 18 of the Terms of the Notes. Recourse in respect of the Notes will be limited to the Mortgaged Property relating to the Notes. Claims of Noteholders in respect of the Notes and any other persons entitled to the benefit of the security for such Series shall rank in accordance with the priorities specified in the Trust Instrument and in this Prospectus.

Each Noteholder will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes like assessment or charges that may be applicable to any payment to it in respect of the Notes. The Issuer will not pay any additional amounts to Noteholders to reimburse them for any tax, assessment, or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer, although the imposition of such tax, assessment, or charge may in some circumstances lead to an early redemption of the Notes.

Rebates and/or discounts may have been paid or applied to the initial offering which are not reflected in this Prospectus. If you would like more information regarding these discounts or fees please contact Deutsche Bank AG, London Branch. Deutsche Bank AG, London Branch disclaims any liability for the misuse of this information.

### **No principal protection**

The Notes are not principal protected and future returns are not guaranteed. Accordingly, a Noteholder may lose a substantial amount or potentially all of its investment in the Notes.

### **Additional Payment Amount linked to the Cumulative db GLOBE Index Return is subject to the maximum rate**

The Additional Payment Amount Rate in respect of each Interest Period from (but excluding) the Interest Period ending in April 2012 is equal to 3-month LIBOR plus the Margin (which is 3.00 per cent.) plus the Index Return. Such Additional Payment Amount Rate is subject to a maximum rate of 6.50 per cent. per annum and a minimum rate (i) in respect of each Interest Period from and including the Interest Period commencing in April 2012 to and including the Interest Period ending in April 2013, of zero; and (ii) thereafter, of 0.50 per cent per annum. The Index Return is calculated (in part) by reference to the performance of the db GLOBE Index on the date falling 5 Business Days prior to the relevant Interest Date. The performance of the db GLOBE Index is determined by dividing the db GLOBE Index Level on the relevant day by the db GLOBE Index Level on the Issue Date.

If the db GLOBE Index Level is not available on the relevant Bloomberg page, such level will be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to such sources it considers appropriate. Potential investors in the Notes should be aware that depending on the performance of the db GLOBE Index, they may receive a limited amount or, in certain circumstances, nothing, in respect of the Additional Payment Amount. Prospective purchasers of the Notes are strongly advised to understand fully, and seek professional assistance if necessary, the db GLOBE Index and the economics underlying such index (and each of the constituent indices to the db GLOBE Index (the “**Constituent Indices**”)) before investing in the Notes. For the purposes of this section “*Interest linked to the Cumulative db GLOBE Index Return is subject to the maximum interest rate*” and the following section “*db GLOBE Index is a proprietary index*”, to the extent relevant, references to the “db GLOBE Index” shall also be deemed to include references to the Constituent Indices. Please refer to Annex B for a description of the db GLOBE Index.

The market price of the Notes may be volatile and may depend on, *inter alia*, the volatility of the db GLOBE Index Level. The db GLOBE Index Level may be affected by economic, financial and political events in one or more jurisdictions. Movements in the db GLOBE Index Level may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices and the timing of changes in the db GLOBE Index Level may affect the actual yield to investors, even if the average level is consistent with their expectations.

Information on the past and future performance of the db GLOBE Index and its volatility can be found Bloomberg page DBGLOBE<Index> or its successor or replacement page. As at the Issue Date the db GLOBE Index Level was 132.6189.

### **db GLOBE Index is a proprietary index**

db GLOBE Index is a proprietary index composed and calculated by Deutsche Bank AG, London Branch as Index Sponsor. Although the Index Sponsor will obtain information for inclusion in or for use in the calculation of the db GLOBE Index from sources which it considers reliable, the Index Sponsor will not independently verify such information and does not guarantee the accuracy and/or completeness of the db GLOBE Index or any data included therein. The Index Sponsor shall not be liable (whether in negligence or otherwise) to any person for any error in the level of db GLOBE Index or the calculation thereof (including the information used therefor) and the Index Sponsor is under no obligation to advise any person of any error therein.

Index Sponsor does not make any express or implied representations or warranties as to (a) the advisability of purchasing or assuming any risk in connection with any such transaction (b) the levels at which db GLOBE Index stands at any particular time on any particular date (c) the results to be obtained by the Issuer of any security or any counterparty or any such Issuer's securityholders or customers or any such counterparty's counterparties or customers or any other person or entity from the use of db GLOBE Index or any data included therein in connection with any licensed rights or for any other use or (d) any other matter. The Index Sponsor does not make any express or implied representations or warranties of merchantability or fitness for a particular purpose with respect to db GLOBE Index or any data included therein.

The Index Sponsor makes no express or implied representations or warranties of merchantability or fitness for a particular purpose with respect to the db GLOBE Index or any data used or published in connection with the db GLOBE Index.

Without limiting any of the foregoing, in no event shall the Index Sponsor be liable (whether directly or indirectly, in contract, in tort or otherwise) for any loss incurred by any person that arises out of or in connection with the db GLOBE Index, including in relation to the performance by the Index Sponsor of any part of its role as Index Sponsor under the Index Rules, provided that nothing shall relieve the Index Sponsor from any liability arising by reason of acts or omissions constituting any breach of regulation (including the regulatory system) or other law.

The Index Sponsor owns intellectual property rights in the db GLOBE Index. Any use of any such intellectual property rights must be with the prior written consent of the Index Sponsor.

There are provisions under the rules of the db GLOBE Index that provide for adjustments, rebalancings and extraordinary or disruption events. The rules of the db GLOBE Index may also be amended by the Index Sponsor. The Index Sponsor has discretions under the rules of the db GLOBE Index and any determinations of the Index Sponsor may directly affect the db GLOBE Index Level and, in turn, the Additional Payment Amount payable under, and the market value of, the Notes. No assurance can be given that any such amendments, adjustments or determinations would not be prejudicial to Noteholders. None of the Issuer, the Swap Counterparty, the Index Sponsor or the relevant publisher is obliged to publish any information regarding the db GLOBE Index other than as stipulated in its rules. Accordingly, prospective purchasers of the Notes are strongly advised to understand fully, and seek professional assistance if necessary, the rules of the db GLOBE Index before investing in the Notes. Please refer to Annex B for a description of the db GLOBE Index.

### **Priority of Claims**

Any shortfall from the proceeds of realisation of the Mortgaged Property will be borne by the Noteholders, the Swap Counterparty, and the other secured creditors in accordance with the relevant order of priority and each party's right to be paid will be subordinated to all higher ranking claims. Prospective investors should be aware that the Swap Counterparty and the Repurchase Counterparty will rank ahead of the Noteholders in all circumstances except to the extent that the notes redeem early as a result of such entity's default.

A Noteholder, by purchasing the Notes, will be deemed to accept and acknowledge that it is fully aware that, in the event of a shortfall, (a) the Issuer shall be under no obligation to pay, and the other assets (if any) of the Issuer including, in particular, assets securing other loans or series of notes, will not be available for

payment of such shortfall, (b) all claims in respect of such shortfall shall be extinguished and (c) the Trustee, the Noteholders, the Swap Counterparty and the other secured creditors shall have no further claim against the Issuer in respect of such unpaid amounts.

### **Trustee Fees and Expenses**

The Trustee has a right to recover from the Mortgaged Property all liabilities and expenses properly incurred by it including, without limitation, fees and extraordinary or unanticipated expenses and it shall be entitled to be indemnified out of the Mortgaged Property in respect of the execution of any of its powers, authorities or discretions. In the event that the Trustee exercises this right, in respect of any such liabilities or expenses which are not otherwise met, this will result in a reduction of the amounts (if any) available for distribution to the holders of the Notes.

Where the security constituted by or created pursuant to the Trust Instrument over the Mortgaged Property becomes enforceable the Trustee shall not be obliged to act on the direction of the holders of the requisite percentage of outstanding Notes unless it has been indemnified and/or secured and/or prefunded to its satisfaction against any loss, liability cost, claim, action, demand or expense which may be incurred or made against it.

### **Taxation**

The Noteholders will assume and be solely responsible for any and all taxes of any jurisdiction or governmental or regulatory authority, including, without limitation, any state or local taxes or other like assessment or charges that may be applicable to any payment to it in respect of the Notes. The Issuer will not pay any additional amounts to the Noteholders to compensate them for any tax, assessment or charge required to be withheld or deducted from payments in respect of the Notes by the Issuer or any Paying Agents, although the imposition of such tax, assessment, or charge may in some circumstances lead to an early redemption of the Notes.

Purchasers of Notes should conduct such independent investigation and analysis regarding the tax treatment of the Notes, including the Swap Agreement and the Repurchase Agreement, as they deem appropriate to evaluate the merits and risks of an investment in the Notes. Tax risks include, without limitation, a change in any applicable law, treaty, rule or regulation or the interpretation thereof by any relevant authority which may adversely affect payments or deliveries in respect of the Notes, the Repurchase Agreement and/or the Swap Agreement.

### **Mandatory Redemption Events**

The Notes may be redeemed as a result of the occurrence of a Mandatory Redemption Event as set out in Paragraph 30 of the Terms of the Notes. In such circumstances, the amount available to Noteholders may be significantly less than their initial investment in the Notes. Furthermore, the Mandatory Redemption Event triggered the mandatory redemption, the Mandatory Redemption Amount will take into account the Mandatory Redemption Unwind Costs (which may be positive or negative), if there are amounts payable by the Issuer to the Swap Counterparty (vice versa) on termination of the Swap Agreement. The Mandatory Redemption Unwind Costs may represent a considerable portion of (or exceed) the Principal Amount of the Notes and/or the value of the Collateral, so investors may receive less than their initial investment in the Notes and in certain circumstances may receive nothing.

### **Collateral Risk**

The holders of the Notes are exposed to the performance of the Collateral. If the Notes are redeemed prior to the Maturity Date, the Noteholders are exposed to the risk of the market value of the Collateral. If the Collateral defaults or a default is capable of being declared, the Notes will be subject to redemption in accordance with the terms and conditions of the Notes. In such circumstances, the redemption value of the Notes will in part be based on the market value of the Collateral and accordingly Noteholders will be exposed to the market value of the Collateral. In such circumstances, the value of the Collateral may be

significantly less than the original investment of the Noteholders and may be zero. Accordingly, the Noteholders could lose all or substantially all of their original investment.

## **Events of Default**

The rating of the Notes solely relates to the repayment of principal and payments of Rated Interest Amounts (as defined in the Conditions), but not to payments of the Additional Payment Amount (as defined in the Conditions). Sub-paragraph (i) of the Events of Default under Condition 11 (*Events of Default*) of the Notes has been amended to provide that no Event of Default will occur if the Issuer fails to make a payment solely in respect of the Additional Payment Amount, until such time as the Issuer has made all payments of principal and Rated Interest Amounts under the Notes. The amendment is made so that a failure to pay the Additional Payment Amount will not cause an Event of Default. Therefore, to the extent that the Issuer fails to make any payment in respect of any Additional Payment Amount only, notwithstanding that normal market practice would be for such failure to constitute an Event of Default pursuant to which the Notes would be redeemed early and notwithstanding the high correlation between the risks of payment default in respect of any Additional Payment Amount and the risks of a payment default in respect of Rated Interest Amounts and principal, no enforcement action may be taken by the Noteholders (or the Trustee acting on their behalf) with respect to such failure until such time as all principal amounts and all Rated Interest Amounts have been paid in full. This is without prejudice to the rights of the Noteholders (or the Trustee acting on their behalf) to take enforcement action in respect of a failure to pay Rated Interest Amounts or principal amounts under the Notes in accordance with the provisions of Condition 11 (*Events of Default*). The inability to call an Event of Default following a failure to pay amounts in respect of any Additional Payment Amount may delay, and may delay significantly, the ability for the Noteholders to recover their investment. Such delay may reduce the level (potentially to nil) of recoveries made by the Noteholders when compared against the level of recoveries that might have been achieved had an Event of Default occurred in respect of, and at the time of, the initial failure to pay such Additional Payment Amount. Such a risk would not be present were it not for this amendment. Please refer to Paragraph 31 (*Events of Default*) of the Terms and Condition 11 (*Events of Default*) of the Notes.

The grace period for sub-paragraph (ii) of the Event of Default under Condition 11 (*Events of Default*) of the Notes has been extended from 30 days to 60 days. The effect of this change is that, in summary, an Event of Default will occur if the Issuer fails to perform or observe any of its non-payment obligations under the Notes or the Trust Instrument, such failure continues for a period of 60 days (instead of 30 days) following the service by the Trustee on the Issuer of notice requiring the same to be remedied. Furthermore, holders of the Notes will not receive any accrued interest (if any) to the date of payment following the acceleration of the Notes pursuant to Condition 11 (*Events of Default*) of the Notes. Please refer to Paragraph 31 (*Events of Default*) of the Terms and Condition 11 (*Events of Default*) of the Notes.

## **General**

### **Credit Risk**

The ability of the Issuer to meet its obligations under the Notes will be dependent upon the payment of all sums due from the Swap Counterparty under the Swap Agreement and the obligor in respect of the Collateral, upon the Agent and the Custodian making the relevant payments when received and upon all parties to the transaction documents (other than the Issuer) performing their respective obligations thereunder. Accordingly, Noteholders are exposed, *inter alia*, to the creditworthiness of the Swap Counterparty, the Repurchase Counterparty (if relevant) and the Custodian.

### **Special purpose vehicle**

The Issuer is a special purpose vehicle whose business is the raising of money by issuing notes and entering into loans for the purposes of purchasing assets and entering into related derivatives and other contracts.

### **Custodian and Trustee**

Any portion of the Collateral that is not subject to a repurchase under a Repurchase Agreement will be held by the Custodian. To the extent any purchase price is received from the Repurchase Counterparty in accordance with the Repurchase Agreement, the Custodian will credit such amount to the Repurchase Account. The Custodian will receive payments on the Collateral and the Swap Agreement. The Paying Agent will remit payments to the Noteholders and Swap Counterparty in discharge of the Issuer's obligations under the Notes and Swap Agreement. In the event that the Custodian is bankrupt or does not otherwise perform its obligations, the Noteholders may not receive payments when expected and may experience considerable delays in the realisation of their investment.

In the event that the Noteholders require the Trustee to enforce the security, the Noteholders should be aware that the Trustee may not take any such action until it is indemnified and/or secured and/or prefunded to its satisfaction. This may involve the Noteholders providing an indemnity and may cause delays in the redemption of the Notes during which time the market price of the Collateral may decrease and this may reduce the amount of any payment that is made to the Noteholders.

### **Limited scope of credit ratings**

Credit ratings represent the rating agencies' opinions regarding credit quality and are not a guarantee of quality. Rating agencies attempt to evaluate the safety of principal and/or interest payments and do not evaluate the risks of fluctuations in market value. Accordingly, the credit ratings of the Collateral, the Swap Counterparty, the Repurchase Counterparty, the Custodian or the Notes, if any, may not fully reflect the true risks of the Notes. Also, rating agencies may fail to make timely changes in credit ratings in response to subsequent events, so that the Issuer's current financial condition may be better or worse than a rating indicates.

The A+ rating in respect of the Notes has been assigned by Standard & Poor's (Australia) Pty Limited which is not established in the European Community and has not applied for registration pursuant to Article 15 of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies.

### **Limited Recourse Obligations**

The Notes represent limited recourse debt obligations of the Issuer. The Notes are payable solely from the realisation of the security created pursuant to the Trust Instrument. None of the Trustee, the Swap Counterparty or any of their affiliates or any other person or entity will be obliged to make payments in respect of the Notes. Consequently, the holders of the Notes must rely solely on distributions from the Swap Agreement and the Collateral charged to secure the Notes for the payment of principal and interest and any Additional Payment Amounts thereon. If payments by the Swap Counterparty and/or secured property are insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency and, following realisation of the Mortgaged Property charged to secure the Notes, none of the Issuer, the Swap Counterparty, the Trustee, the Index Sponsor or any of their Affiliates nor any other person shall be obliged to pay any deficiency and all outstanding claims shall be extinguished.

In addition, the Trustee is obliged pursuant to the terms of the Trust Instrument in relation to the Notes to apply all moneys received by it in connection with the realisation or enforcement of the security constituted by or pursuant to such Trust Instrument in accordance with the Counterparty Priority (as amended). In such circumstances (and other than where the realisation or enforcement of the security results from any event of default relating to the Swap Counterparty and/or the Repurchase Counterparty under the applicable agreement (as relevant)), the Trustee will apply moneys received by it to pay any amounts owed to it under the Trust Instrument, to the Swap Counterparty under the Swap Agreement and/or to the Repurchase Counterparty under the Repurchase Agreement (as applicable) before paying amounts owing to Noteholders under the Notes. There may be insufficient moneys left from the realisation or enforcement of the security, following such payments to pay amounts owing to Noteholders in full or at all.

### **Swap Agreement**



The Issuer or the Swap Counterparty may terminate the Swap Agreement in certain circumstances specified therein. If the Notes become due for redemption prior to their scheduled maturity, the Swap Agreement will be terminated. In addition, a termination of the Swap Agreement will result in mandatory redemption of the Notes. In the event that the Swap Agreement is terminated, the Issuer may be required to make substantial termination payments to the Swap Counterparty, such payments will be made before any payments are made on the Notes and will reduce the amounts available to make payments to Noteholders.

### **Repurchase Agreement**

Under the Repurchase Agreement, the Repurchase Counterparty has the right to request that the Issuer deliver to it any assets comprising the Collateral against payment to the Issuer of a purchase price on a delivery date. Following any such delivery of Collateral to the Repurchase Counterparty (and any such delivered Collateral shall become Purchased Collateral), the Issuer will be reliant on the Repurchase Counterparty making payments in respect of interest, principal and other distributions to the Issuer in order to fund its periodic payments under the Swap Agreement. On the relevant Repurchase Date, the Repurchase Counterparty shall redeliver the relevant Purchased Collateral (or equivalent thereof) to the Issuer and the Issuer shall transfer the relevant purchase price (plus any interest) back to the Repurchase Counterparty.

For so long as any part of the Collateral forms Purchased Collateral under the Repurchase Agreement, the only rights that the Issuer will have in respect of that Purchased Collateral are the rights it has against the Repurchase Counterparty under the Repurchase Agreement. Accordingly, it will have no remaining proprietary rights against any Collateral forming part of the Purchased Collateral and will be solely reliant on the Repurchase Counterparty to make the relevant payments and deliveries under the Repurchase Agreement. Please see “*Credit Risk*” above in this regard.

A termination of the Repurchase Agreement as a result of a failure by the Repurchase Counterparty to make payments due to the Issuer or deliveries of Purchased Collateral or Fungible Collateral to the Issuer when required under the Repurchase Agreement will result in mandatory redemption of the Notes. Please see “*Credit Risk*” above in this regard.

### **No Secondary Market**

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

In addition, the Notes are subject to significant transfer restrictions as described under “Subscription and Sale and Transfer Restrictions” in the Base Prospectus which further limit the liquidity of the Notes.

### **Potential Conflicts of Interest Deutsche Bank AG, London Branch**

Deutsche Bank AG, London Branch may have placed, underwritten or may hold long and/or short positions in the assets comprising the Collateral. Furthermore, Deutsche Bank AG, London Branch may have provided certain investment banking, commercial banking or other services to other parties in respect of the issuer of the Collateral.

The Swap Counterparty, the Repurchase Counterparty, the Calculation Agent, the Agent, the Custodian, the Purchaser and the Index Sponsor are the same corporate entity, although performing different functions with respect to the Notes. Certain of these roles provide such entity with discretionary powers, which may have a material impact on the value and performance of the Notes. Such discretions may create conflicts of

interest due to the capacities in which such entities are acting and these discretions may be exercised (or not be exercised) in a way that could adversely affect the holders of the Notes.

### **Market Risk**

The Notes may be volatile instruments and subject to considerable fluctuations in value and other risks inherent in investing in securities and/or derivatives. The value of a Notes may rapidly decrease or increase due to numerous factors, including, but not limited to, systemic risks, variations in the frequency and magnitude of changes in interest rates, inflation outlook and the price/level of the assets comprising the Collateral.

### **Basis Selection**

Investors in the Notes may be exposed to a variation in the proportion which the principal amount of the Collateral bears to the principal amount of the Notes, depending on the Basis Selection elected by the Issuer on any issue of Further Notes (as described in Condition 15 of the Notes).

THE CONSIDERATIONS SET OUT ABOVE ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES. THE ATTENTION OF INVESTORS IS ALSO DRAWN TO THE SECTIONS HEADED “INVESTOR SUITABILITY” AND “INVESTMENT CONSIDERATIONS AND RISK FACTORS” IN THE BASE PROSPECTUS.

## GENERAL

The Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**"), as competent authority under the Prospectus Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange (the "**Irish Stock Exchange**") for the Notes to be admitted to the Official List and trading on its regulated market. Such approval relates only to the Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange or other regulated markets for the purposes of Directive 2004/39/EC or which are to be offered to the public in any Member State of the European Economic Area.

This Prospectus, under which the Series 351 USD 30,000,000 Variable Rate Secured Notes due 2016 described herein (the "**Notes**") are issued, incorporates by reference the base prospectus dated 14 October 2010 (the "**Base Prospectus**") issued in relation to the EUR 10,000,000,000 Secured Note Programme (the "**Programme**") of Eirles Two Limited (the "**Issuer**").

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

Terms defined in the Base Prospectus have the same meaning in this Prospectus.

This Prospectus comprises a prospectus for the purposes of the Prospectus Directive.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Prospectus in any jurisdiction where such action is required.

The Issuer is a private limited company and accordingly its Articles of Association prohibit any invitation to the public to subscribe for any shares or debentures of the Issuer. This Prospectus does not constitute an invitation to the public within the meaning of the Irish Companies Acts 1963 to 2009 to subscribe for the Notes.

The Notes will be governed by and construed in accordance with English law.

Subject to any limitations set out at Annex 2 herein and save as provided below, the Issuer accepts responsibility for the information contained in this document. To the best of the knowledge and belief of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information in Annex B to the Terms and Conditions of the Notes and Annexes 1, 2, 3 and 4 thereto has been reproduced from information provided by the Index Sponsor. The Issuer takes responsibility only for the accuracy of the extraction and/or reproduction of such information and has made no independent investigation or verification thereof. So far as the Issuer is aware and is able to ascertain from information provided by the Index Sponsor no facts have been omitted which would render the reproduced information inaccurate or misleading.

For the avoidance of doubt, any websites referenced in this Prospectus do not form part of this Prospectus.

No person has been authorised to give any information or to make representations other than those contained in this Prospectus in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by the Issuer, the Arranger or either of them. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The net proceeds of realisation of the Mortgaged Property may be less than the sums due to the Noteholders and the Swap Counterparty (the difference being referred to herein as a “**shortfall**”). The shortfall will be borne by the holders of the Notes pro rata and the Swap Counterparty, in accordance with the Terms and Conditions of the Notes and the order of priorities specified in this Prospectus.

Each holder of the Notes, by subscribing for or purchasing such Notes, will be deemed to accept and acknowledge that it is fully aware that, in the event of a shortfall, (i) the Issuer shall be under no obligation to pay, and the other assets (if any) of the Issuer, including, in particular, assets securing other series of Notes will not be available for payment of such shortfall, (ii) all claims in respect of such shortfall shall be extinguished and (iii) the Trustee, the holders of the Notes and the Swap Counterparty shall have no further claim against the Issuer nor against its officer(s), director(s), agent(s), member(s), employee(s), securityholder(s) or incorporator(s) or their respective successors or assigns in respect of such unpaid amounts and will accordingly not be able to petition for the winding up of the Issuer as a consequence of such shortfall. None of the Trustee, the Issuer or the Arranger has any obligation to any holders of the Notes and the Swap Counterparty for payment of any such shortfall amount by the Issuer in respect of the Notes.

Except as specified in this Prospectus, the Issuer does not intend to provide post issuance transaction information regarding the Notes or the Collateral.

### **Documents Incorporated By Reference**

This Prospectus should be read and construed in conjunction with the Base Prospectus which has been previously published and approved by the Central Bank of Ireland. The Base Prospectus shall be deemed to be incorporated in, and form part of, this Prospectus, save that any statement contained in the Base Prospectus which is deemed to be incorporated herein shall be deemed to be modified or superseded for the purpose of this 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 Prospectus.

### **Expenses**

All payment of costs and expenses of the Issuer in connection with the issue of the Notes and any related Swap Agreement described in paragraph 20 of the Terms of the Notes set out below, will be met by the Swap Counterparty. It is anticipated that no surpluses shall be accumulated by the Issuer in respect of the Notes.

The expenses related to the admission to trading of the Notes on the Irish Stock Exchange are estimated to be EUR 2,600.

### **Documents Available for Inspection**

Copies of the following documents will be available for inspection and collection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer, the specified office of the Principal Paying Agent in London (“**Principal Paying Agent**”) and the specified office of the Paying Agent in Ireland (the “**Irish Paying Agent**” together with the Principal Paying Agent, the “**Paying Agents**”), free of charge, for so long as the Notes shall remain outstanding and, for so long as the Notes remain listed on the Irish Stock Exchange, at the office of the Listing Agent specified on the back page of this Prospectus:

- (i) this Prospectus, the Base Prospectus and any notice of amendment;
- (ii) the Trust Instrument and any supplemental trust instrument;
- (iii) each document incorporated by reference into the Trust Instrument (including without limitation the documents setting out the terms of the Agency Agreement, the Purchase Agreement, the

Repurchase Agreement and the Swap Agreement referred to in the Terms of the Notes set out below);

- (iv) annual financial statements of the Issuer;
- (v) the annual financial statements and the quarterly interim financial statements of Deutsche Bank Aktiengesellschaft;
- (vi) copies of any offering documents setting forth the terms and conditions of the securities constituting the Collateral;
- (vii) copies of the annual financial statements and interim financial statements (if any) of the issuer of the securities constituting the Collateral; and
- (viii) the Issuer's memorandum and articles of association.

### **ERISA Considerations**

By its purchase and acceptance of a Note, each holder will be deemed to have represented and warranted that either (i) no ERISA Plan (as defined below) assets have been used to purchase such Notes or (ii) one or more prohibited transaction statutory or administrative exemptions applies such that the use of such plan assets to purchase and hold such Notes will not constitute a non-exempt prohibited transaction under the U.S. Employee Retirement Income Security Act of 1974, as amended (“**ERISA**”), or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**Code**”). As used herein “**ERISA Plan**” means employee benefit plans subject to Title 1 of ERISA or an individual retirement account or employee benefit plan subject to Section 4975 of the Code or entities which may be deemed to hold the assets of any such plans.

## TERMS AND CONDITIONS OF THE NOTES

The Notes designated as above (the **Notes**) shall have the following “Terms” which shall complete, modify and amend the Conditions set out in the Trust Instrument dated 6 April 2011 (the Trust Instrument) which shall apply to the Notes as so completed, modified and amended. Unless the context otherwise requires, expressions used herein and not otherwise defined in the Trust Instrument shall have the meanings respectively ascribed to them by the provisions of the 2006 ISDA Definitions as published by the International Swaps and Derivatives Association, Inc. References in the Terms to “paragraphs” and “sub-paragraphs” are to the paragraphs and sub-paragraphs of the Terms, unless the context requires otherwise.

1. Issuer: Eirles Two Limited
2. Arranger: Deutsche Bank AG, London Branch acting through its office at Winchester House, 1 Great Winchester Street, London EC2N 2DB.
3. Series No: 351.
4. Relevant Currency: United States Dollars (**USD**).
5. Principal Amount: USD30,000,000.
6. Form of the Notes: Bearer.
7. Status: Secured and limited recourse obligations of the Issuer, secured as provided below.
8. Denomination: USD1,000,000.
9. Issue Price: 100 per cent.
10. Issue Date: 6 April 2011.  
Trade Date: 16 March 2011.
11. Maturity Date: 6 April 2016.

### **Rated Interest Amount**

12. Interest: The Interest Amount payable on each Interest Payment Date during the period from (and including) the Interest Commencement Date to (but excluding) the Maturity Date of the Notes will vary in accordance with the provisions set out in this paragraph 12.  
  
Interest Commencement Date: The Issue Date.  
  
Interest Payment Dates: Each Interest Period End Date.  
  
Interest Period End Dates: Subject as provided in these Terms and the Conditions, 6 January, 6 April, 6 July and 6 October in each year, provided that the first Interest Period End Date shall be 6 July 2011 and the final Interest Period End Date shall be 6 April 2016. The Interest Period End Dates shall not be subject to adjustment in accordance with any Business Day

Convention.

Interest Periods:	The period from (and including) the Interest Commencement Date to (but excluding) 6 July 2011 and thereafter each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the following Interest Period End Date.
Interest Rate:	means 1.50 per cent. per annum (and the relevant Interest Amount shall be the “ <b>Rated Interest Amount</b> ”).
Day Count Fraction:	Actual/360.
Business Day Convention:	Not applicable.
Calculation Agent:	The Calculation Agent shall be Deutsche Bank AG, London Branch in such capacity.

### **Additional Payment Amounts**

12. Additional Payment Amount: The relevant provisions relating to calculation and payment of interest under the Conditions shall apply to the calculation and payment of any Additional Payment Amount, *mutatis mutandis* (and with such other amendments as the Calculation Agent determines, acting in good faith and a commercially reasonable manner, are necessary or desirable in order to reflect the commercially reasonable understanding of the Issuer, the Noteholders and the other parties to the Trust Instrument) and otherwise in accordance with the following provisions of this paragraph 12.

Additional Payment Amount Rate: **Additional Payment Amount Rate** means:

- (1) in respect of each Interest Period from (and including) the Interest Period commencing on the Interest Commencement Date to (and including) the Interest Period ending in April 2012, a rate (expressed as a per annum rate) equal to LIBOR plus the relevant Margin; and
- (2) in respect of each Interest Period thereafter, a rate (expressed as a per annum rate) equal to LIBOR plus the relevant Margin plus the Index Return,

provided that, in each case, the Additional Payment Amount Rate under sub-paragraph (2) above is subject to a maximum equal to the Maximum Additional Payment Amount Rate and a minimum equal to the Minimum Additional Payment Amount Rate.

Margin: **Margin** means:

- (1) in respect of each Interest Period from (and including) the Interest Period commencing on the Interest Commencement Date to (and including) the Interest Period ending in April 2012, 1.50 per cent.

per annum; and

- (2) in respect of each Interest Period thereafter, 3.00 per cent. per annum.

LIBOR:

In respect of an Interest Period, the Floating Rate that would be determined pursuant to the 2006 ISDA Definitions as if (a) the Calculation Period were such Interest Period; (b) the Floating Rate Option were USD-LIBOR-BBA; (c) the Designated Maturity were 3 months; and (d) the Reset Date was the first day of such Interest Period, as determined by the Calculation Agent.

Maximum Additional Payment Amount Rate (if applicable):

6.50 per cent. per annum.

Minimum Additional Payment Amount Rate (if applicable):

means:

- (1) in respect of each Interest Period from (and including) the Interest Period commencing in April 2012 to (and including) the Interest Period ending in April 2013, zero (0); and
- (2) in respect of each Interest Period thereafter, 0.50 per cent. per annum.

Index Return:

In respect of an Interest Payment Date, a rate (expressed as a per annum rate) calculated by the Calculation Agent in accordance with the following formula:

$$5 \times (\text{db GLOBE Index Return} - \text{Strike})$$

db Globe Index Return:

In respect of an Interest Payment Date, a rate (expressed as a per annum rate) calculated by the Calculation Agent in accordance with the following formula:

$$(\text{db GLOBE Index Final} / \text{db GLOBE Index Inception}) - 1$$

Where,

**db GLOBE Index Final** means, in respect of each Interest Period, the db GLOBE Index Level on the date falling 5 Business Days prior to the related Interest Period End Date;

**db GLOBE Index Inception** means the db GLOBE Index Level on the Issue Date;

**db GLOBE Index Level** means, in respect of a Business Day, the closing level of the db GLOBE Index as appearing on the Bloomberg page DBGLOBE<Index> or its successor or replacement page, provided that if such page is not available, the db GLOBE Index Level shall be determined by the Calculation Agent acting in good faith and in a commercially reasonable manner by reference to such



sources it considers appropriate; and

**db GLOBE Index** means the db GLOBE Index, which is described in Annex B to the Terms set out in the Trust Instrument.

Strike:

Means, in respect of the relevant Interest Payment Date specified in the table below, the relevant Strike specified in the column immediately to its right:

<b>Interest Payment Date falling in:</b>	<b>Strike</b>	<b>Interest Payment Date falling in:</b>	<b>Strike</b>
July 2012	0.90%	July 2014	2.34%
October 2012	1.08%	October 2014	2.52%
January 2013	1.26%	January 2015	2.70%
April 2013	1.44%	April 2015	2.88%
July 2013	1.62%	July 2015	3.06%
October 2013	1.80%	October 2015	3.24%
January 2014	1.98%	January 2016	3.42%
April 2014	2.16%	April 2016	3.60%

Day Count Fraction:

Actual/360.

Business Day Convention:

Not applicable.

Calculation Agent:

The Calculation Agent shall be Deutsche Bank AG, London Branch in such capacity.

13. Redemption:

(A) Subject as set forth elsewhere in these Terms and Conditions in relation to mandatory redemption of the Notes, the Redemption Amount for each Note on the Maturity Date shall be its Denomination.

Payment by the Issuer of the Redemption Amount on the Maturity Date will be in full and final settlement of all claims accruing at any time in respect of the relevant Note, whether before or after such date.

(B) Conditions 8.4, 8.6, 8.7, 8.8, 8.9 and 8.11 shall not apply to the Notes.

(C) Upon redemption of the Collateral on its scheduled maturity date, the redemption proceeds of the Collateral will be credited to the Custodian Account.

14. Unmatured Coupons to become void upon early redemption: Yes.
15. Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity for each Talon (Bearer Notes): No.
16. Business Day Jurisdictions for Condition 9.8 (jurisdictions required to be open for payment): London, New York, TARGET, Tokyo, Sydney, Zurich.
17. (a) Notes to be represented on issue by: Temporary Global Note held by Common Depositary for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).
- (b) Applicable exemption: TEFRA D Rules.
- (c) Temporary Global Note exchangeable for Permanent Global/Definitive Bearer/Registered Notes: Yes – exchangeable for interests in Permanent Global Note held by Common Depositary for Euroclear and Clearstream, Luxembourg on or after 40 days from Issue Date (or such later date as may be determined to be the Exchange Date in accordance with the terms of the Temporary Global Note) upon certification as to non-U.S. beneficial ownership.
- (d) Permanent Global Note exchangeable for Definitive Bearer/Registered Notes at the request of the holder: Yes, for definitive Bearer Notes but only if Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.
18. Security: Collateral charged to Trustee.
19. Collateral:
- (A) The **Collateral** means USD30,000,000 in principal amount of the USD30,000,000 4.38% Senior Notes due 2016 issued by Lloyds TSB Bank plc (ISIN: XS0607798484).
- (B) Condition 4.5 (*Replacement and/or Substitution of Collateral*) and 4.6 (*Purchase of Collateral maturing after the Maturity Date*) shall not apply.
- (C) The Trustee shall apply all moneys received by it under the Trust Instrument in connection with the realisation or enforcement of the security constituted by or pursuant to the Trust Instrument on the basis of Counterparty Priority provided that Condition 4.4(A) will be deleted and replaced with the following:
- “(A) If “**Counterparty Priority**” is specified in the Terms, the Trustee shall apply such monies received by it in accordance with Clause 18.1 (*Counterparty Priority*) as set out in the DBL/DBAG Structured Investment Terms Module

3.1.1.4 (Security for English law Notes; Euroclearable Collateral / Collateral held by Custodian in U.S. Clearing System; Standard & Poor's / Moody's Rated Issuer)), October 2010 Edition (as amended).”

(D) The Trust Instrument provides that the Trustee shall release from the security created by the Trust Instrument the Collateral subject to such security (or, as the case may be, the relevant part thereof):

(i) on the date on which the Notes are due to be redeemed in accordance with paragraph 23 or in connection with the redemption of the Notes on the Maturity Date or following an Event of Default;

(ii) to the extent required, *inter alia*, to make payments of principal and/or interest by the Issuer to the Noteholders in accordance with the Terms and Conditions of the Notes; and

(iii) to the extent required, *inter alia*, to make deliveries to the Repurchase Counterparty in accordance with the provisions of the Repurchase Agreement.

(E) The Selling Agent is Deutsche Bank AG, London Branch.

20. Swap Agreement: Yes – the Asset Swap.

Asset Swap: The ISDA Master Agreement (including the Schedule thereto) entered into by the Issuer and the Swap Counterparty by executing the Trust Instrument, as so supplemented by a confirmation thereto in the form attached as Annex A to the Terms set out in the Trust Instrument with an effective date of the Issue Date (the **Swap Confirmation**, and the Transaction (as defined in the ISDA Master Agreement) documented under such Swap Confirmation, the **Asset Swap**) (the ISDA Master Agreement as so supplemented by the Swap Confirmation, the **Swap Agreement**).

Swap Counterparty: Deutsche Bank AG, London Branch. In its capacity as Swap Counterparty, Deutsche Bank AG, London Branch is also designated as the calculation agent (the **Swap Calculation Agent**) for the purpose of the Swap Agreement. Any determination by the Swap Calculation Agent shall be conclusive and binding on the Issuer, the Trustee, the Noteholders, the Agent and all other persons and no liability shall attach to the Swap Calculation Agent in respect thereof.

*The foregoing in this paragraph 20 is qualified in its entirety*

*by the terms of the Swap Agreement.*

21. Repurchase Agreement: Applicable.
- Repurchase Counterparty: Deutsche Bank AG, London Branch.
22. Credit Support Document: None.
23. Mandatory Redemption: The Notes are subject to mandatory redemption pursuant to Condition 8.2 (as amended herein) and Condition 8.3 (as amended herein).
24. Listing: Application will be made on or after the Issue Date to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market. No assurance can be given that the Notes will be listed, and if listed, such listing will be maintained for the term of the Notes, on the Irish Stock Exchange.
25. The Notes have been accepted in Euroclear and Clearstream, Luxembourg and have the following security codes:
- Common Code: 060813779
- ISIN Code: XS0608137799
26. Rating: The Notes are expected to be rated “A+ (sf)” by Standard & Poor's Rating Services, a division of The McGraw-Hill Companies Inc. (“**Standard & Poor's**”) with respect to the repayment of principal and Rated Interest Amount only. The obligations of the Issuer with respect to Additional Payment Amounts on the Notes is not rated.
- There can be no assurance that any such rating will be obtained or, if any such rating is obtained, that it will be maintained for the term of the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
27. Custody: The Custodian in respect of the Collateral will be Deutsche Bank AG, London Branch or any other person subsequently appointed as Custodian pursuant to the Agency Agreement.
- All Collateral (including any amounts representing distributions, interest, principal, redemption proceeds or other payments derived therefrom) shall be credited to account number 91622 of the Custodian with Euroclear (the **Custodian Account**), or to such other account of or on behalf of the Custodian as the Trustee may approve, subject in all cases to the security created by and pursuant to the Trust Instrument.

Notwithstanding any provision of the Agency Agreement,

the Custodian may hold the Collateral in any account used by it solely to hold securities on behalf of customers to whom it provides custody services.

In accordance with the terms of the Agency Agreement, the Custodian has undertaken to ensure that cash in respect of the Notes will be held in an account with an entity that is rated no lower than the rating of the Notes from time to time.

28. Agent for Service of Process: Deutsche Bank AG, London Branch at its registered office for the time being (currently at Winchester House, 1 Great Winchester Street, London EC2N 2DB).
29. Governing Law: All contractual and non-contractual obligations arising out of or in connection with the Notes will be governed and construed in accordance with English law.

30. **Provisions relating to Mandatory Redemption and Redemption for taxation and other reasons.**

- (1) Condition 8.2 (*Mandatory Redemption*) shall be amended by:
- (i) the insertion of the words “(for the avoidance of doubt, following the expiry of any applicable grace period)” immediately after the words “payment default” and immediately prior to the words “in respect of any of the Collateral” in the third line thereof;
  - (ii) the deletion of the words “Redemption Amount” and the replacement therefor with the words “Mandatory Redemption Amount” each time that such words appear; and
  - (iii) the deletion of the following sentence “Interest shall continue to accrue on the part of the principal amount of Notes which has become due for redemption until payment thereof has been made to the Trustee and notice is given in accordance with Condition 16 (*Notices*) that such amount is available for payment.”.
- (2) Condition 8.3(B) shall be deleted in its entirety and replaced with the following:
- (B) due to the adoption of, or any change in, any applicable law after the Issue Date, or due to the promulgation of, or any change in, the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law after such date, it becomes unlawful for the Issuer (1) to perform any absolute or contingent obligation to make a payment or delivery in respect of the Notes and/or any agreement related to the Notes or (2) to hold the Collateral or to receive a payment or delivery in respect of any Collateral or (3) to comply with any other material provision of the Notes and/or any agreement related to the Notes; and/or
- (3) Condition 8.3 (*Redemption for taxation and other reasons*) shall be amended by:
- (i) the following words shall be added immediately following Condition 8.3(D)  
  
“(each of the events described in Condition 8.3(A) to Condition 8.3(D) above and Condition 8.2 is referred to as a **Mandatory Redemption Event**)”

- (ii) the deletion of the words “at their outstanding Redemption Amount together with any interest accrued to the date fixed for redemption” and the replacement therefor with the words “at their Mandatory Redemption Amount”;
- (iii) the deletion of the words “Redemption Amount” in the second paragraph and the replacement therefor with the words “Mandatory Redemption Amount”; and
- (iv) the following words shall be added immediately following the first paragraph:

“For the avoidance of doubt, if a Mandatory Redemption Event occurs but the related Mandatory Redemption Date does not occur prior to the Maturity Date, the Notes will be redeemed on the Mandatory Redemption Date (notwithstanding the occurrence of the Maturity Date).”

- (4) If the Notes become subject to mandatory redemption pursuant to a Mandatory Redemption Event as set out Condition 8.2 or 8.3 (each as amended by this paragraph 30), each Note shall be redeemed in full on the Mandatory Redemption Date at the relevant Mandatory Redemption Amount. The Swap Agreement will terminate on the Mandatory Redemption Date.

**Mandatory Redemption Amount** means an amount in USD (subject to a minimum of zero) that is equal to the liquidation proceeds of the Collateral (as determined by the Swap Counterparty in its sole and absolute discretion) less the Mandatory Redemption Unwind Costs.

**Mandatory Redemption Date** means the day falling three Business Days after the determination of the Mandatory Redemption Amount by the Calculation Agent.

**Mandatory Redemption Unwind Costs** means an amount in USD equal to the aggregate of:

- (i) the amount, (if any), expressed as a positive number, payable by the Issuer to the Swap Counterparty or the amount (if any) expressed as a negative number, payable by the Swap Counterparty to the Issuer on the termination of the Swap Agreement as a result of the Notes becoming subject to mandatory redemption as a result of a Mandatory Redemption Event; and
- (ii) all legal and other ancillary costs (including any costs in relation to the realisation of the Collateral and the cost of any re-hedging activities) (expressed as a positive number) incurred by the Issuer, the Trustee or the Swap Counterparty as a result of the Notes becoming subject to mandatory redemption as a result of a Mandatory Redemption Event,

for the avoidance of doubt, if a Mandatory Redemption Event has occurred pursuant to Condition 8.3(C) as a result of an event of default (as defined in the Swap Agreement) relating to the Swap Counterparty, for the purposes of calculating amounts payable by the Issuer to the Swap Counterparty under (i) above, such amounts will be reduced in accordance with the limited recourse provisions applicable to the Swap Counterparty and the applicable priority of payment provisions set out in Clause 18.2 of the DBL/DBAG Structured Investment Terms Module 3.1.1.4 (Security for English law Notes; Euroclearable Collateral / Collateral held by Custodian in U.S. Clearing System; Standard & Poor's / Moody's Rated Issuer)), October 2010 Edition (as amended).

- (5) The Calculation Agent shall determine if the Notes have become subject to mandatory redemption under Condition 8.2 or Condition 8.3 (each as amended by this paragraph 30), which determination shall, in the absence of manifest error, be conclusive and binding on

the Issuer, the Trustee, the Noteholders, the Paying Agents, the Swap Counterparty, the Repurchase Counterparty and all other persons and no liability shall attach to the Calculation Agent in respect thereof.

- (6) The Mandatory Redemption Amount and each part thereof shall be determined by the Calculation Agent, which determination shall, in the absence of manifest error, be conclusive and binding on all parties. The payment by the Issuer of the Mandatory Redemption Amount in respect of each Note determined as set forth above shall be in full and final satisfaction of all claims whether of principal, interest or otherwise accruing at any time in respect of such Note, whether before or after such date.

For the avoidance of doubt, upon any asset comprising the Collateral becoming repayable or capable or being declared due and payable prior to its stated maturity for whatever reason or (unless the Trustee otherwise agrees) there is a payment default in respect of any asset comprising the Collateral, the Notes will be redeemed in whole but not in part in accordance with the Condition 8.2.

### 31. **Events of Default**

The following amendments shall be made to Condition 11 (*Events of Default*):

- (1) the following shall be deleted from the first paragraph “together with accrued interest (if any) thereon to the date of payment”;
- (2) Condition 11(i) shall be deleted in its entirety and replaced with the following:
- “(i) if (A) default is made for a period of 14 days or more in the payment of any principal amount or Rated Interest Amount (as set out in paragraph 12 of the Terms) due in respect of the Notes or any of them; or (B) following the date on which all amounts are paid in full in respect of principal and all Rated Interest Amounts on the Notes, any default occurs or has occurred and is continuing in relation to the payment of any Additional Payment Amount due in respect of the Notes or any of them;”
- (3) the words “(for the avoidance of doubt, excluding any of its payment obligations)” shall be added immediately following the words “if the Issuer fails to perform or observe any of its other obligations” in Condition 11(ii); and
- (4) the reference to “30 days” in Condition 11(ii) shall be deleted and replaced with “60 days”.

### 32. **Notice to Noteholders**

For so long as the Notes are represented by a Global Note, any notice may be validly given if delivered to Euroclear and/or Clearstream, Luxembourg for communication by them to the Noteholders, and shall be deemed to be given to Noteholders on the day on which it is so delivered to Euroclear and/or Clearstream, Luxembourg. None of the Issuer, the Trustee or the Agent shall have any responsibility in respect of any delay or failure by Euroclear and/or Clearstream, Luxembourg to communicate a notice to the Noteholders or any other persons having a direct or indirect interest in the Notes. Any requirement to have any notice to Noteholders approved in advance by the Trustee under Clause 4.1(G) of the General Trust Terms for Structured Investments arranged by Deutsche Bank AG London / Deutsche Bank Aktiengesellschaft; Standard & Poor's / Moody's Rated Issuer, October 2010 Edition or otherwise shall not apply.

## **SCHEDULE**

### **SPECIAL CONDITIONS**

The following Special Conditions set out herein shall supplement and modify the Terms and Conditions of the Notes. In the event of any inconsistency between the Terms and Conditions and the Special Conditions, the Special Conditions shall prevail and the Terms and Conditions shall be amended and construed accordingly.

#### **1. Tax**

All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any tax unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments on account of tax unless so required by law or any relevant taxing authority. Any such withholding or deduction shall not constitute an Event of Default under Condition 11 (*Events of Default*).



## ANNEX A

### Asset Swap Confirmation

#### ASSET SWAP CONFIRMATION

**Deutsche Bank  
Aktiengesellschaft**

Date: 6 April 2011

To: Eirles Two Limited

Attention: The Directors

From: Deutsche Bank AG, London Branch (in its capacity as Swap Counterparty)

**Re: Asset Swap Transaction – Eirles Two Limited – Series 351 USD30,000,000 Variable Rate Secured Notes due 2016 (the Notes) (ISIN: XS0608137799)**

Dear Sirs:

The purpose of this letter (this “**Confirmation**”) is to confirm the terms and conditions of the single Transaction entered into between Deutsche Bank AG, London Branch (“**Party A**”) and Eirles Two Limited (“**Party B**”) on the Trade Date specified below (the “**Transaction**”). This Confirmation constitutes a “Confirmation” as referred to in the Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (the “**Definitions**”) as published by the International Swaps and Derivatives Association, Inc. are incorporated by reference herein. In the event of any inconsistency between the Definitions and this Confirmation, this Confirmation will govern.

For the purposes of this Confirmation, all references in the Definitions and the Agreement (as defined below) to a “Swap Transaction” shall be deemed to apply to the Transaction referred to herein.

This Confirmation supplements, forms part of, and is subject to the ISDA Master Agreement dated as of 6 April 2011 (as the same may be amended, modified or supplemented from time to time, the “**Agreement**”) entered into between Party A and Party B by their execution of the Trust Instrument (as the same may be amended, modified or supplemented from time to time, the “**Trust Instrument**”) dated 6 April 2011 between, *inter alios*, Party A, Party B and Deutsche Trustee Company Limited. All provisions contained in the Agreement shall govern this Confirmation except as expressly modified below.

Capitalised terms neither defined in this Confirmation nor in the Definitions shall have the meanings given to them in the terms and conditions of the Notes (including the Special Conditions in Schedule 1 to the Terms) (as the same may be amended, modified or supplemented from time to time, the “**Conditions**”) and as set out or otherwise incorporated into the Trust Instrument. In the event of any inconsistency between the Definitions and the Trust Instrument, the Trust Instrument shall prevail. References herein to **paragraphs** and **Special Provisions** are to the paragraphs and Special Provisions hereof, unless the context requires otherwise.

#### 1. General Terms

The terms of the Transaction to which this Confirmation relates are as follows:

Trade Date: 16 March 2011.

Effective Date:	6 April 2011.
Termination Date:	The earlier to occur of: <ul style="list-style-type: none"> <li>(i) Final Exchange Date I; and</li> <li>(ii) Final Exchange Date II.</li> </ul>
Calculation Agent:	Deutsche Bank AG, London Branch.
Business Days:	London, New York, TARGET, Tokyo, Sydney, Zurich.
Business Day Convention:	Following.
Periodic Payments - Party A:	Party A shall pay to Party B amounts that are equal to the sum of each Interest Amount and Additional Payment Amount payable by Party B on each Interest Payment Date in respect of the Notes in accordance with the Conditions from time to time until the Termination Date.
Periodic Payments - Party B:	<p>Party B shall pay to Party A amounts that are equal to any payments in the nature of interest and principal on the Collateral (or, where a Purchase Transaction is outstanding at the relevant time, the relevant Income Payment received from the Repurchase Counterparty) on the first Business Day after each day it receives such sums from time to time until the Termination Date.</p> <p>The terms “Purchase Transaction”, “Income Payment” and “Repurchase Counterparty” shall have the meaning specified in the DBL/DBAG Structured Investment Terms Module 7.3.1.2 (Repurchase Agreement Notes; Standard &amp; Poor’s/Moody’s Rated Issuer), September 2002 Edition.</p>
<b>Exchange Amounts:</b>	
Initial Exchange Date:	Effective Date.
Party A Initial Exchange Amount:	Party A shall pay to Party B on the Initial Exchange Date an amount that is equal to the purchase price of the Collateral.
Party B Initial Exchange Amount:	Party B shall pay to Party A on the Initial Exchange Date an amount that is equal to the net proceeds of issue of the Notes.
Final Exchange Date I:	The Mandatory Redemption Date in connection with the mandatory redemption of the Notes in accordance with Condition 8.2 or 8.3.
Party A Final Exchange Amount I:	Party A shall pay to Party B on the Final Exchange Date I an amount in USD that is equal to the aggregate Mandatory Redemption Amount in respect of the Notes.
Party B Final Exchange Amount I:	Party B shall deliver to Party A on the Final Exchange Date I all of the Collateral (including, for the avoidance of doubt, any Repurchased Collateral or Fungible Collateral returned

to the Issuer in accordance with the Repurchase Agreement or payment of amounts under Clause 10 of the Repurchase Agreement in lieu of such return of collateral) or the full proceeds of the redemption thereof in accordance with the terms thereof.

- Final Exchange Date II: The Maturity Date of the Notes (provided that, for the avoidance of doubt, no Final Exchange Date II shall occur in circumstances where a Final Exchange Date I has or will occur).
- Party A Final Exchange Amount II: Party A shall pay to Party B on the Final Exchange Date II an amount that is equal to the aggregate Redemption Amount of the Notes on the Maturity Date.
- Party B Final Exchange Amount II: Party B shall deliver the Collateral (including, for the avoidance of doubt, any Repurchased Collateral or Fungible Collateral returned to the Issuer in accordance with the Repurchase Agreement or payment of amounts under Clause 10 of the Repurchase Agreement in lieu of such return of collateral) or the full proceeds of the redemption thereof in accordance with the terms thereof to Party A on the Final Exchange Date II.

For the avoidance of doubt if on any day equal amounts would otherwise be payable and/or deliverable in respect of any Transactions under the Swap Agreement then they shall be subject to the netting provisions as set out in more detail in the Trust Instrument (Amendments to “DBL/DBAG Structured Investment Terms Module 7.1.1.4 (ISDA Master Agreement and Schedule – Deutsche Bank AG London; Notes; Standard & Poor’s / Moody’s Rated Issuer), August 2000 Edition”).

## **2. Special Provisions**

### **2.1 Mandatory Redemption of the Notes**

The receipt by either party of notice of the mandatory redemption of the Notes under Condition 8.2 or Condition 8.3 (excluding, for these purposes, a mandatory redemption of the Notes under Condition 8.3(C)) (each as amended by paragraph 30 of the Terms) shall constitute an Additional Termination Event in respect of this Transaction under the Agreement, for which purpose Party B shall be deemed to be the sole Affected Party. Notwithstanding the provisions of Section 6(b) of the Agreement, an Early Termination Date shall be deemed to be designated on the date that is two Business Days prior to the Mandatory Redemption Date. An amount shall be payable in accordance with the provisions of Section 6(e) of the Agreement in respect of such Early Termination Date.

In the event that an Additional Termination event occurs in connection with mandatory redemption pursuant to Condition 8.2 or Condition 8.3 (as amended by paragraph 30 of the Terms), for the purpose of Section 6(e):

- (i) Party A will determine its “Loss” as if it had no obligation to pay the Party A Final Exchange Amount I and as if Party B had no obligation to make the delivery set out at Party B Final Exchange Amount I; and
- (ii) Party A’s obligation to pay the Party A Final Exchange Amount I and Party B’s obligation to pay the Party B Final Exchange Amount I will survive the occurrence of an Additional Termination Event and the designation and occurrence of an Early Termination Date in

connection with Condition 8.2 or Condition 8.3 (each as amended by paragraph 30 of the Terms).

## 2.2 Basis Selection

For the purposes of Condition 15 (*Further Issues*) of the Notes, Party B shall make the Basis Selection (as therein defined) in such manner as Party A may in its sole and absolute discretion specify.

## 2.3 Event of Default

If an Event of Default has occurred pursuant to Condition 11 (*Events of Default*) and the Notes have become due and payable as a result of such event, it shall constitute an Additional Termination Event in respect of this Transaction, for which purpose Party B shall be deemed to be the sole Affected Party. Notwithstanding the provisions of Section 6(b) of, or the Schedule to, the Agreement, an Early Termination Date shall be deemed to be designated two Business Days prior to the relevant date for early repayment of the Notes and an amount shall be payable in accordance with the provisions of Section 6(e) of the Agreement in respect of such Early Termination Date, on the relevant redemption date.

## 2.4 Purchase of Notes

Party B shall, at any time upon being so required by Party A, purchase the Notes held by Party A in accordance with Condition 8.5 (*Purchases*), and shall, on the date of such purchase, deliver to Party A for its own account a proportion of the Collateral (if applicable) equal to the proportion of the Notes to be purchased. Party B's obligation to purchase the Notes in accordance with this paragraph 2.4 shall be conditional upon (1) Party A agreeing to bear and/or pay, and to indemnify Party B against, all costs, expenses and taxes (if any) payable by Party B in connection with such purchase (for the avoidance of doubt, in addition to the payment of any relevant termination payment that may be due from Party A to Party B in accordance with the terms of this Agreement); and (2) the Swap Counterparty delivering a Ratings Notification to the Trustee and the Issuer.

Upon such delivery and payment (if any), this Agreement (or pro rata part thereof, as the case may be) will terminate and the obligations of the parties hereunder will terminate (or be reduced pro rata, as the case may be) and the parties agree to make any amendments to this Agreement that the Calculation Agent determines would maintain the economic effect of this Agreement following such purchase, delivery and payment.

## 2.5 Representations

- (a) Each party represents and warrants to the other party as of the Trade Date that it is entering into this Transaction for investment, financial intermediation, hedging or other commercial purposes.
- (b) Each party hereby represents and warrants to the other party (except for paragraph 2.6(b)(iv) below where only Party B represents to Party A) as of the Trade Date that:
  - (i) Non-Reliance. It is acting for its own account, and it has made its own independent decisions to enter into this Transaction and as to whether this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisors as it has deemed necessary. It is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanations related to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No

communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

- (ii) **Assessment and Understanding.** It is capable of assessing the merits of and understanding (on its own behalf or through independent professional advice) and understands and accepts, the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the risks of this Transaction.
- (iii) **Status of Parties.** The other party is not acting as a fiduciary for or an advisor to it in respect of this Transaction.
- (iv) **Transactions in the Collateral.** Party B understands that Party A and its Successors and its Affiliates may engage in proprietary trading in the Collateral or similar instruments for their own account and that such trading may affect the value of the Collateral.
- (v) **Concerning the Calculation Agent.** The Calculation Agent is not acting as a fiduciary for or as an advisor to either party in respect of its duties as Calculation Agent in respect of this Transaction and any determination by the Calculation Agent in the course of such duties shall be conclusive and binding on each party (in the absence of manifest error) and no liability shall attach to the Calculation Agent in respect thereof.

### 3. **Account Details**

Account details for Party A:      USD  
Deutsche Bank Trust Co., New York  
SWIFT Code: BKTRUS33  
A/c no: 04-411-739  
Favour: Deutsche Bank AG, London Branch

Account details for Party B:      USD  
Deutsche Bank Trust Co., New York  
SWIFT Code: BKTRUS33  
Account No: 04-411-747  
Favour: Eirles Two Limited

and/or such other accounts as shall be advised by one Party to the other as and when necessary.

### 4. **Offices**

The Office of Party A for this Transaction is London.

The Office of Party B for this Transaction is Dublin.

### 5. **Calculation Agent**

Party A acting reasonably and in good faith according to its customary practices and procedures, provided, however, that absent manifest error, the Calculation Agent's computations hereunder shall be binding for all purposes.

### 6. **Governing Law**

This Confirmation (and any non-contractual obligations arising out of or in connection with this Confirmation) shall be governed by and construed in accordance with English law.

**EXECUTION PAGE OF ASSET SWAP CONFIRMATION -  
EIRLES TWO LIMITED - SERIES 351**

Please confirm that the foregoing correctly sets forth the terms of our agreement by having an authorised officer sign this fax copy and return it by fax to:

Derivatives Documentation

Tel: +44 207 541 6560

Fax: +44 20 7545 1913

Email: derivative.documentation@db.com

Yours sincerely

**Deutsche Bank AG, London Branch**, in its capacity as Swap Counterparty

By:

By:

Name:

Name:

Confirmed as of the date first written above:

**Eirles Two Limited**

By:

Name:

## **ANNEX B**



### **Description of the db GLOBE Index**

Date: 16 March 2011

Version: 1

## **TABLE OF CONTENTS**

1.	Introduction	31
2.	Summary Description	31
3.	Important Information	32
4.	Definitions	32
5.	Index Components	37
6.	Rebalancing	39
7.	Calculation of Index Closing Level	41
8.	Index Sponsor	42
9.	Disruption Events	42
10.	Adjustments to Sub-Indices	43
11.	Change in Methodology of the Index and Termination	45
12.	Availability and Publication of Index Closing Levels and Adjustments	45
	Annex 1 DESCRIPTION OF THE DEUTSCHE BANK FRB AND DEUTSCHE BANK FRB BASKET INDICES – DBFRB/ DBFRB BASKET	47
	Annex 2 Deutsche Bank FRB Indices DBFRB CHF Index	52
	Annex 3 Deutsche Bank FRB Indices DBFRB EUR Index	55
	Annex 4 Deutsche Bank FRB Indices DB Forward Rate Bias USD Index	58



## 1. **Introduction**

This Description sets out the rules (the “**Index Rules**”) applicable to the db Globe Index (the “**Index**”) and the basis on which the Index will be calculated.

The Index Rules may be amended from time to time as provided in Section 11 (*Change in Methodology of the Index and Termination*). The Index Rules described in this document are subject to change at any time and will be superseded by any subsequent Index Rules. A copy of the current version of the Index Rules can be obtained following the method described in Section 12 (*Availability and Publication of Index Closing levels and Adjustments*).

Terms used in this Description will have the meanings given to them in Section 4 (*Definitions*) below.

## 2. **Summary Description**

Index Sponsor: Deutsche Bank AG, London Branch, which expression shall include any successor in such capacity.

Brief Description: *General*

The Index measures the performance of a long/short allocation to a basket of six equally weighted interest rates futures indices – AUD, USD, JPY, CHF, GBP and EUR.

### *Monthly Rebalancing*

The decision to allocate a long or short position is taken on a monthly basis, based on the dispersion between the closing level of a long basket comprising the six equally weighted indices and the exponential moving average of the closing levels of the long basket. If the absolute value of the dispersion is at or above the 70<sup>th</sup> percentile of such dispersions observed over the preceding 36 months and the dispersion is a positive number, a long position will be allocated. If the absolute value is at or above the 70<sup>th</sup> percentile and the dispersion is a negative number, a short position will be allocated. In all other cases the allocation will remain unchanged. If the allocation is changed, flip costs of 0.02 per cent. will be applied until the next monthly rebalancing.

Calculation & Publication: The Index Closing Level will be calculated on each Index Business Day and published as soon as reasonably practicable in accordance with Section 12 (*Availability and Publication of Index Closing Levels and Adjustments*) below.

Index Commencement Date: The Index has been calculated on a live basis from and including 19 February 2011 and has been retrospectively calculated since 16 March 1990, such date being the Index Commencement Date.

Further Information: See remainder of this document, which qualifies and expands upon this Section 2. Further additional information concerning the Index is available on the DBIQ Website.

Bloomberg code: DBGLOBE<Index>.

### 3. **Important Information**

#### *Calculation of Index*

Whilst the Index is rules based, these Index Rules confer on the Index Sponsor a degree of discretion in making certain determinations, calculations and adjustments in relation to the Index in particular circumstances, provided that the Index Sponsor will act in good faith and in a commercially reasonable manner in exercising such discretion.

The Index Sponsor may, in its sole and absolute discretion, at any time and without notice, terminate the calculation and publication of the Index.

Although the Index Sponsor will obtain information for inclusion in or for use in the calculation of the Index from sources which the Index Sponsor considers reliable, the Index Sponsor will not independently verify such information and does not guarantee the accuracy and/or the completeness of the Index or any data included therein.

#### *Transactions linked to the Index*

The Index Sponsor is not obliged to enter into or promote transactions or investments that are linked to the Index or any Index Component and the Index Sponsor makes no express or implied representations or warranties as to: (a) the advisability of purchasing or assuming any risk in connection with any such transaction; (b) the levels at which the Index stands at any particular time on any particular date; (c) the results to be obtained by the issuer of any security or any counterparty or any such issuer's securityholders or customers or any such counterparty's counterparties or customers or any other person or entity from the use of the Index or any data used or published in connection with the Index in connection with any licensed rights or for any other use; or (d) any other matter. The Index Sponsor makes no express or implied representations or warranties of merchantability or fitness for a particular purpose with respect to the Index or any data used or published in connection with the Index.

#### *General*

Without limiting any of the foregoing, in no event shall the Index Sponsor be liable (whether directly or indirectly, in contract, in tort or otherwise) for any loss incurred by any person that arises out of or in connection with the Index, including in relation to the performance by the Index Sponsor of any part of its role as Index Sponsor under the Index Rules, provided that nothing shall relieve the Index Sponsor from any liability arising by reason of acts or omissions constituting any breach of regulation (including the regulatory system) or other law.

The Index Sponsor owns intellectual property rights in the Index and in this Description of the Index, which has been supplied by the Index Sponsor. Any use of any such intellectual property rights must be with the prior written consent of the Index Sponsor.

### 4. **Definitions**

“**Actual/360**” means the actual number of days in the period from (and including) one date to (but excluding) another date divided by 360.

“**Actual/365**” means the actual number of days in the period from (and including) one date to (but excluding) another date divided by 365.

“**Affiliate**” means in relation to any entity (the “**First Entity**”), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes, “control” means ownership of a majority of the voting power of an entity.

“**AUD**” means Australian dollars.

“**AUD Interest Rates Futures Component Index**” means the AUD interest rate futures index calculated in accordance with Section 5.2 (*Calculation of Component Indices*).

“**Basket Position**” has the meaning given in Section 6 (*Rebalancing*).

“**Bloomberg**” means Bloomberg L.P. or any of its Affiliates, or any successor market price information provider(s).

“**CHF**” means Swiss francs.

“**CHF Interest Rate Futures Sub-Index**” means DBFRB CHF Index.

“**CHF Supplement**” means the Index Supplement with respect to the CHF Interest Rate Futures Sub-Index, as set out in Annex 2 hereto.

“**Component Index**” means each of the AUD Interest Rate Futures Component Index, the GBP Interest Rate Futures Component Index and the JPY Interest Rate Futures Component Index (together, the “**Component Indices**”).

“**Component Index Business Day**” means:

- (i) in respect of the AUD Interest Rates Futures Component Index, each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London and Sydney;
- (ii) in respect of the GBP Interest Rates Futures Component Index, each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London; and
- (iii) in respect of the JPY Interest Rates Futures Component Index, each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in Tokyo.

“**Component Index Currency**” means (a) in relation to the AUD Interest Rate Futures Component Index, AUD; in relation to the GBP Interest Rate Futures Component Index, GBP; and (b) in relation to the JPY Interest Rate Futures Component Index, JPY.

“**Component Index Instruments**” means:

- (i) Component Index Currency cash deposits of 1 month (the “**1 Month Deposit**”), 2 month (the “**2 Month Deposit**”), 3 month (the “**3 Month Deposit**”), 4 month (the “**4 Month Deposit**”), 5 month (the “**5 Month Deposit**”), 6 month (the “**6 Month Deposit**”), 9 month (the “**9 Month Deposit**”) and 12 month (the “**12 Month Deposit**”) durations as selected by the Index Sponsor in its sole and absolute discretion;
- (ii) Component Index Currency fixed for floating interest rate swaps of 2 (the “**2 Year Swap**”), 3 (the “**3 Year Swap**”), 4 (the “**4 Year Swap**”), 5 (the “**5 Year Swap**”), 6 (the “**6 Year Swap**”), 7 (the “**7 Year Swap**”), 8 (the “**8 Year Swap**”), 9 (the “**9 Year Swap**”), 10 (the “**10 Year Swap**”), 12 (the “**12 Year Swap**”) and 15 (the “**15 Year Swap**”) year durations as selected by the Index Sponsor in its sole and absolute discretion;

- (iii) in relation to the AUD Interest Rate Futures Component Index only, the first to fifth generic AUD interest rate futures contracts (as traded on the Sydney Futures Exchange);
- (iv) in relation to the GBP Interest Rate Futures Component Index, the first to fifth generic GBP interest rate futures contracts (as traded on LIFFE); and
- (iv) in relation to the JPY Interest Rate Futures Component Index, the first to fifth generic JPY interest rate futures contracts (as traded on the Tokyo Financial Exchange).

**“Component Index Price Sources”** means:

- (i) in respect of Component Index Currency cash deposits, the daily rates for such deposits shall be determined by the Index Sponsor in its sole and absolute discretion;
- (ii) in respect of Component Index Currency fixed for floating rate interest rate swaps, the daily rates for such swaps shall be determined by the Index Sponsor in its sole and absolute discretion;
- (iii) in respect of the first to fifth generic AUD interest rate futures contracts, Bloomberg page IR\_ (where \_ stands for 1..5) (or such page or service as may replace such page or service for the purposes of displaying the relevant rate);
- (iv) in respect of the first to fifth generic GBP interest rate futures contracts, Bloomberg page L\_ (where \_ stands for 1..5) (or such page or service as may replace such page or service for the purposes of displaying the relevant rate); and
- (v) in respect of the first to fifth generic JPY interest rate futures contracts, Bloomberg page YE\_ (where \_ stands for 1..5) (or such page or service as may replace such page or service for the purposes of displaying the relevant rate).

**“Component Index Roll Day”** means the Friday immediately preceding the third Wednesday in each March, June, September and December, unless such day is not a Component Index Business Day in relation to any Component Index, in which case the Component Index Roll Date in relation to such Component Index shall be the immediately succeeding Component Index Business Day.

**“Component Index Yield Curve”** means, in relation to each Component Index, a yield curve generated by the Index Sponsor in its sole and absolute discretion by inputting prices in respect of the relevant Component Index Instruments derived from the relevant Component Index Price Sources.

**“DBIQ Website”** means <http://index.db.com>.

**“Dispersion”** has the meaning given in Section 6 (*Rebalancing*).

**“Disruption Event”** has the meaning given to it in Section 9 (*Disruption Events*).

**“EUR”** means Euro.

**“EUR Interest Rate Futures Sub-Index”** means DBFRB EUR Index.

**“EUR Supplement”** means the Index Supplement with respect to the EUR Interest Rate Futures Sub-Index, as set out in Annex 3 hereto.

**“Exponential Moving Average”** has the meaning given in Section 6 (*Rebalancing*).

**“Force Majeure Event”** means an event or circumstance (including, without limitation, a systems failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, act of state, riot or labour disruption or any similar intervening circumstance) that affects the ability of the Index Sponsor to calculate or determine the Index and which is beyond the reasonable control of the Index Sponsor.

**“GBP”** means pounds sterling.

**“GBP Interest Rate Futures Component Index”** means the GBP interest rate futures index calculated in accordance with Section 5.2 (*Calculation of Component Indices*).

**“General Sub-Index Description”** means the Description of the Deutsche Bank FRB and Deutsche Bank FRB Basket Indices – DBFRB/DBFRB Basket, as set out in Annex 1 hereto.

**“Index Base Date”** means 16 March 1990.

**“Index Base Level”** means 100.

**“Index Business Day”** means each day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York, Tokyo, Sydney, Zurich and which is a TARGET2 Settlement Day.

**“Index Closing Level”** has the meaning given to it in Section 7 (*Calculation of Index Closing Level*).

**“Index Sponsor”** means Deutsche Bank AG, London Branch.

**“Instrument”** means any asset or financial instrument or security, notional or otherwise, which the Index Sponsor, in its sole and absolute discretion, determines is a component of, or whose price, value or level is relevant for the purposes of making any determination relating to, the Index or any Sub-Index including, but not limited to, any cash deposits and cash deposit rates, interest rate swaps and swaptions, futures contracts and options and any other financial instruments that the Index Sponsor deems, in its sole and absolute discretion, appropriate for such purpose.

**“JPY”** means Japanese Yen.

**“JPY Interest Rate Futures Component Index”** means the JPY interest rate futures index calculated in accordance with Section 5.2 (*Calculation of Component Indices*).

**“Long Basket Index”** means the index calculated in accordance with Section 5.3 (*Calculation of Long Basket Index*).

**“Long Basket Index Closing Level”** has the meaning given in Section 5.3 (*Calculation of Long Basket Index*).

**“Long Basket Index Return”** has the meaning given in Section 5.3 (*Calculation of Long Basket Index*).

**“Price Sources”** means any providers of market price information relating to any Instrument, including but not limited to (i) Reuters, Bloomberg and any other such provider, and/or (ii) any proprietary information, published or unpublished, of the Index Sponsor or any of its Affiliates relevant to determining the price of such Instrument, in each case as applicable, as determined by the Index Sponsor in its sole and absolute discretion.

**“Rebalancing Date”** means the last Index Business Day of each calendar month, except that the Rebalancing Date for each December shall be the fourth Index Business Day of the following January.

**“Relevant Sub-Index Description”** means:

- (i) with respect to the CHF Interest Rate Futures Sub-Index, the General Sub-Index Description and the CHF Supplement;
- (ii) with respect to the EUR Interest Rate Futures Sub-Index, the General Sub-Index Description and the EUR Supplement; and
- (iii) with respect to the USD Interest Rate Futures Sub-Index, the General Sub-Index Description and the USD Supplement.

**“Reuters”** means Reuters Group PLC or any of its Affiliates and subsidiaries, or any successor market price information provider(s).

**“Selection Date”** means, in relation to each Rebalancing Date, the second London business day preceding such Rebalancing Date, unless such day is not an Index Business Day, in which case the Selection Date shall be the immediately preceding Index Business Day. Accordingly, the Selection Date in relation to the Rebalancing Date for each December will fall in the following January.

**“Sub-Index”** means each of the CHF Interest Rate Futures Sub-Index, the EUR Interest Rate Futures Sub-Index and the USD Interest Rate Futures Sub-Index (together, the **“Sub-Indices”**).

**“Sub-Index Business Day Holiday”** means, with respect to any Sub-Index, a day on which commercial banks and foreign exchange markets that settle payments are not open for general business (including dealings in foreign exchange and foreign currency deposits) in the relevant financial centres specified in the Relevant Sub-Index Description.

**“Sub-Index Business Day Holiday Convention”** means, with respect to any Sub-Index, if a Sub-Index Business Day Holiday occurs for that Sub-Index on an Index Calculation Date, then the Index Sponsor shall make all determinations necessary, for the purposes of calculating the Index on such Index Calculation Date, using the Sub-Index Closing Level as most recently published by the Index Sponsor (as defined in the Relevant Sub-Index Description) adjusted as the Index Sponsor determines to be appropriate in the context of recent or current market conditions, notwithstanding that such Sub-Index Closing Level may have been used for such purposes on any preceding Index Calculation Date.

**“Sub-Index Cancellation”** has the meaning given to it in sub-Section 10.2 (*Sub-Index Events*).

**“Sub-Index Closing Level”** means, with respect to a Sub-Index on any Index Business Day, the Index Closing Level (as defined in the Relevant Sub-Index Description) of that Sub-Index, published by the Sub-Index Sponsor, specified in the Relevant Sub-Index Description (or Successor Sub-Index Sponsor, if applicable) on such date.

**“Sub-Index Disruption”** has the meaning given to it in sub-Section 10.2 (*Sub-Index Events*).

**“Sub-Index Error”** has the meaning given to it in sub-Section 10.2 (*Sub-Index Events*).

**“Sub-Index Event”** has the meaning given to it in sub-Section 10.2 (*Sub-Index Events*).

**“Sub-Index Modification”** has the meaning given to it in sub-Section 10.2 (*Sub-Index Events*).

“**Sub-Index Sponsor**” has the meaning given to it in sub-Section 10.1 (*Successor Sub-Index Sponsor and Successor Sub-Index*).

“**Successor Sub-Index**” has the meaning given to it in sub-Section 10.1 (*Successor Sub-Index Sponsor and Successor Sub-Index*).

“**Successor Sub-Index Sponsor**” has the meaning given to it in sub-Section 10.1 (*Successor Sub-Index Sponsor and Successor Sub-Index*).

“**TARGET2 Settlement Day**” means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) system is open.

“**Threshold Level**” has the meaning given in Section 6 (*Rebalancing*).

“**Unchanged Basket Position**” has the meaning given in Section 6 (*Rebalancing*).

“**USD**” means United States dollars.

“**USD Interest Rate Futures Sub-Index**” means DBFRB USD Index.

“**USD Supplement**” means the Index Supplement with respect to the USD Interest Rate Futures Sub-Index, as set out in Annex 4 hereto.

## 5. **Index Components**

### 5.1 General

The Index Components are the CHF Interest Rate Futures Sub-Index, the EUR Interest Rate Futures Sub-Index, the USD Interest Rate Futures Sub-Index, the AUD Interest Rate Futures Component Index, the GBP Interest Rate Futures Component Index, the JPY Interest Rate Futures Component Index and the Long Basket Index.

### 5.2 Calculation of Component Indices

On each Index Business Day (“**Index Business Day (t)**”), including each Component Index Roll Day, the Index Sponsor will calculate the closing level of each of the AUD Interest Rate Futures Component Index, the GBP Interest Rate Futures Component Index and the JPY Interest Rate Futures Component Index as a number equal to the product of (A) the closing level of the relevant Component Index on the Component Index Roll Day immediately preceding Index Business Day (t) and (B) the sum of (i) one and (ii) (a) the relevant Component Index Currency forward rate calculated on an Actual/365 basis (in the case of the AUD Interest Rate Futures Component Index and the GBP Interest Rate Futures Component Index) or on an Actual/360 basis (in the case of the JPY Interest Rate Futures Component Index) from the first anniversary of the Component Index Roll Day immediately preceding the date of determination to the Component Index Roll Day immediately following such first anniversary, as determined by the Index Sponsor on the Component Index Roll Day immediately preceding Index Business Day (t) (or, if none, the relevant Component Index Base Date) in its sole and absolute discretion by reference to the relevant Component Index Yield Curve minus (b) the relevant Component Index Currency forward rate calculated on an Actual/365 basis (in the case of the AUD Interest Rate Futures Component Index and the GBP Interest Rate Futures Component Index) or on an Actual/360 basis (in the case of the JPY Interest Rate Futures Component Index) from the first anniversary of the Component Index Roll Day immediately preceding the date of determination to the Component Index Roll Day immediately following such first anniversary, as determined by the Index Sponsor on Index Business Day (t) in its sole and absolute discretion by reference to the relevant Component Index Yield Curve.

Expressed as a formula:

$$CICL(t) = CICL(r) * (1 + FR(t))$$

For the purposes of this formula:

CICL(t)	means the closing level of the relevant Component Index on Index Business Day(t)
CICL(r)	means the closing level of the Component Index on the Component Index Roll day immediately preceding Index Business Day (t)
FR(t)	means ( $Y_{CIC}(r,f) - (Y_{CIC}(t,f))$ )
$Y_{CIC}(r,f)$	means the Component Index Currency forward rate calculated on an Actual/365 basis (in the case of the AUD Interest Rate Futures Component Index and the GBP Interest Rate Futures Component Index) or on an Actual/360 basis (in the case of the JPY Interest Rate Futures Component Index) from d1 to d2 on the Roll Day immediately preceding Index Business Day (t) or, if none, the Index Base Date, as determined by the Index Sponsor in its sole and absolute discretion by reference to the relevant Component Index Yield Curve
$Y_{CIC}(t,f)$	means the Component Index Currency forward rate calculated on an Actual/365 basis (in the case of the AUD Interest Rate Futures Component Index and the GBP Interest Rate Futures Component Index) or on an Actual/360 basis (in the case of the JPY Interest Rate Futures Component Index) from d1 to d2 on Index Business Day (t), as determined by the Index Sponsor in its sole and absolute discretion by reference to the Component Index Yield Curve
d <sub>1</sub>	means the first anniversary of (x) the Component Index Roll Day immediately preceding the date of determination or, if none, (y) the Index Base Date
d <sub>2</sub>	means the Component Index Roll Day immediately following d1.

The closing level of each Component Index on the Index Base Date was 100.

### 5.3 Calculation of Long Basket Index

The Long Basket Index comprises each of the Sub-Indices and each of the Component Indices in equal weights.

On Index Business Day (t) the Index Sponsor will calculate the return of each Sub-Index and each Component Index from the Rebalancing Date immediately preceding the Selection Date to Index Business Day (t) as a number equal to (A) the quotient of (i) the closing level of the relevant Sub-Index or Component Index on Index Business Day (t) (as numerator) and (ii) the Closing Level of the relevant Sub-Index or Component Index on the Rebalancing Date immediately preceding Index Business Day (t) (as denominator), minus (B) one.

Expressed as a formula:

$$SIR = (SIL(i,t)/SIL(i,r)) - 1$$



For the purposes of this formula:

SIR	means the return of the relevant Sub-Index or Component Index
SIL (i,t)	means the closing level of the relevant Sub-Index or Component Index on the Index Business Day (t)
SIL (i,r)	means the closing level of the relevant Sub-Index or Component Index on the Rebalancing Date immediately preceding Index Business Day (t).

On Index Business Day (t) the Index Sponsor will calculate the return of the Long Basket Index from the Rebalancing Date immediately preceding Index Business Day (t) to Index Business Day (t) (the “**Long Basket Index Return**”) as a number equal to (A) the sum of the returns of each Sub-Index and each Component Index from the Rebalancing Date immediately preceding Index Business Day (t) to Index Business Day (t), divided by (B) six.

Expressed as a formula:

$$\text{basket\_rtn}(t) = (1/6) * AR$$

For the purposes of this formula:

basket_rtn(t)	means the Long Basket Index Return
AR	means the sum of the returns of each Sub-Index and each Component Index from the Rebalancing Date immediately preceding Index Business Day (t) to Index Business Day (t).

On Index Business Day (t) the Index Sponsor will calculate the closing level of the Long Basket Index (the “**Long Basket Index Closing Level**”) as a number equal to the product of (A) the Long Basket Index Closing Level on the Rebalancing Date immediately preceding Index Business Day (t) and (B) the sum of (i) one and (ii) the Long Basket Index Return.

Expressed as a formula:

$$BIL(t) = BIL(r) * (1 + \text{basket\_rtn}(t))$$

For the purposes of this formula:

BIL(t)	means the Long Basket Index Closing Level on Index Business Day (t)
BIL(r)	means the Long Basket Index Closing Level on the Rebalancing Date immediately preceding Index Business Day (t)
basket_rtn(t)	means the Long Basket Index Return

The Long Basket Index Closing Level on the Index Base Date was 100.

## 6. **Rebalancing**

On Index Business Day (t) the Index Sponsor will calculate the exponential moving average of the Long Basket Index Closing Level (the “**Exponential Moving Average**”) as a number equal to the sum of (A) the product of (i) three tenths and (ii) the Long Basket Index Closing Level on Index

Business Day (t) and (B) the product of (i) one minus three tenths and (ii) the Exponential Moving Average on the Index Business Day immediately preceding Index Business Day (t).

Expressed as a formula:

$$EBIL(t) = 0.3 * BIL(t) + (1-0.3) * EBIL(t-1)$$

For the purposes of this formula:

EBIL(t)	means the Exponential Moving Average on Index Business Day (t)
BIL(t)	means the Long Basket Index Closing Level on Index Business Day (t)
EBIL(t-1)	means the Exponential Moving Average on the Index Business Day immediately preceding Index Business Day (t)

The Exponential Moving Average was 100 on the Index Base Date.

On each Selection Date the Index Sponsor will calculate (i) the Exponential Moving Average (ii) the dispersion between the Long Basket Index Closing Level and the Exponential Moving Average (the “**Dispersion**”) and (iii) the value which will be allocated to the Long Basket Index (the “**Basket Position**”) and which will be effective from the first Index Business Day following the Rebalancing Date immediately following the Selection Date (the “**Effective Rebalancing Date**”) to (and including) the Rebalancing Date immediately following the Effective Rebalancing Date.

On each Selection Date the Index Sponsor will calculate the Dispersion as a number equal to the quotient of (A) (i) Long Basket Index Closing Level on the Selection Date minus (ii) the Exponential Moving Average on the Selection Date (as numerator) and (B) the Long Basket Closing Level on the Selection Date (as denominator).

Expressed as a formula:

$$Disp(s) = \frac{BIL(t) - EBIL(t)}{BIL(t)}$$

For the purposes of this formula:

Disp(s)	means the Dispersion on the Selection Date
BIL(t)	means Long Basket Index Closing Level on the Selection Date
EBIL(t)	means the Exponential Moving Average on the Selection Date

If the absolute value of the Dispersion is at or above the 70<sup>th</sup> percentile of the Dispersions calculated on the 36 Selection Dates immediately preceding the Selection Date (the “**Threshold Level**”) and the Dispersion is positive number, the Basket Position will be 100 per cent.

If the absolute value of the Dispersion is at or above the Threshold Level and the Dispersion is a negative number, the Basket Position will be minus 100 per cent.

If the absolute value of the Dispersion is below the Threshold Level, then whether the Dispersion is a positive or negative number, the Basket Position will be the same as the Basket Position calculated on the Selection Date immediately preceding the Selection Date (such Basket Position an “**Unchanged Basket Position**”).

Expressed in table form:

<b>Condition1</b>	<b>Condition2</b>	<b>Allocation</b>
<i><b><math>abs(Disp(s)) \geq PercDisp(s)</math></b></i>	<i><b>positive Dispersion</b></i>	<i><b><math>basket\_pos(r) =</math></b></i>
TRUE	TRUE	100%
TRUE	FALSE	-100%
FALSE	TRUE/FALSE	$basket\_pos(r^1)$

For the purposes of this table:

$abs(Disp(s))$	means the absolute value of the Dispersion
$PercDisp(s)$	means the Threshold Level
$Disp(s)$	means the Dispersion
$basket\_pos(r)$	means the Basket Position
$basket\_pos(r^1)$	means the Basket Position calculated on the immediately preceding Selection Date

On each Selection Date falling in or before February 1993, when there had been less than 36 preceding Selection Dates and there was therefore insufficient data to enable the Basket Position to be calculated, the Basket Position was set at 100 per cent.

## 7. **Calculation of Index Closing Level**

On Index Business Day (t) the Index Sponsor will calculate the closing level of the Index (the “**Index Closing Level**”) as a number equal to the product of (A) the Index Closing Level on the immediately preceding Rebalancing Date and (B) the product of (i) the sum of (a) one and (b) the product of (I) the Basket Position and (II) the Long Basket Index Return and (ii) (a) one minus (b) flip costs, which shall be 0.02 per cent. unless the Basket Position is an unchanged Basket Position, in which case flip costs will be zero.

Expressed as a formula:

$$IL(t) = IL(r) * (1 + basket\_pos(r) * basket\_rtn(t)) * (1 - flip\_cost(r))$$

For the purposes of this formula:

$IL(t)$	means the Index Closing Level
$IL(r)$	means the Index Closing Level on the Rebalancing Date immediately preceding Index Business Day (t)
$basket\_pos(r)$	means the Basket Position
$flip\_cost(r)$	means flip costs, which shall be 0.02 per cent. unless the Basket Position is an Unchanged Basket Position, in which case flip costs shall be zero

The Index Closing Level shall be calculated and published by the Index Sponsor rounded to four decimal places with 0.00005 being rounded upwards, as set out in Section 12 (*Availability and Publication of Index Closing Levels and Adjustments*) below.

The methodology described in this Section 7 is subject to the provisions set out in Section 11 (*Change in the Methodology of the Index and Termination*) below.

8. **Index Sponsor**

Unless otherwise provided and subject to Section 11 (*Change in Methodology of the Index and Termination*) all determinations made by the Index Sponsor will be made by it in good faith and in a commercially reasonable manner by reference to such factors as the Index Sponsor deems appropriate and will be final, conclusive and binding in the absence of manifest error.

The Index Sponsor may delegate and/or transfer any of its obligations or functions under the terms of the Index to one or more third parties as it deems appropriate from time to time.

9. **Disruption Events**

9.1 **Disruption Events**

“**Disruption Event**”, in respect of any Index Business Day, means an event (including a *Force Majeure* Event and a national holiday or a day of national mourning) that would require the Index Sponsor to calculate the Index on an alternative basis were such event to occur or exist on such day, all as determined by the Index Sponsor in its sole and absolute discretion.

Without limitation, each of the following may be a Disruption Event if so determined by the Index Sponsor in its sole and absolute discretion:

- (i) “**Price Source Disruption**”: any Price Source, any price source (as described in the Relevant Sub-Index Description) of any Sub-Index, any Instrument or any other information relevant to the calculation of the Index or any Sub-Index Level is temporarily or permanently discontinued, unavailable or not announced or published thereby preventing or restricting the availability of the information necessary for determining the Index.
- (ii) “**Trading Suspension**”: the material suspension of trading in any Instrument.
- (iii) “**Disappearance of any Instrument**”: the failure of trading to commence, or the permanent discontinuation of trading in any Instrument.
- (iv) “**Material Change in Formula**”: the occurrence of a material change in the formula for or the method of calculating any Sub-Index.
- (v) “**De Minimis Trading**”: the number of Instruments traded on any relevant date is materially reduced or liquidity in the market for any Instrument is otherwise reduced for any reason.
- (vi) “**Change of Law or Rules**”: there is a change in, or amendment to, the laws, rules, regulations or standard form contracts relating to any Instrument or a change in any application or interpretation of such laws, rules, regulations or standard form contracts that has a material effect on such Instrument.
- (vii) “**Settlement Disruption**”: the Index Sponsor determines in its sole and absolute discretion that trading in, or settlement in respect of, any Instrument is subject to any material disruption temporarily or permanently.

- (viii) **“Tax Disruption”**: the imposition of, change in, removal of or change in the interpretation of any tax (including, without limitation, any excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax) on, or in relation to any Instrument, by any government or taxation authority after the relevant Index Commencement Date, if the effect of such imposition, change, removal or change in interpretation is to raise or lower the price, rate or level at which such Instrument trades on the relevant exchange or in the relevant market on any relevant date from the price, rate or level at which it would have traded without that imposition, change, removal or change in interpretation.
- (ix) **“Hedging Disruption”**: The Index Sponsor determines that it and/or any of its Affiliates would be unable, after using commercially reasonable efforts, to: (a) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its position in relation to any securities issue, financial instrument or other relevant financial transaction relating to or calculated by reference to the Index; or (b) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

## 9.2 **Consequences of Disruption Events**

If a Disruption Event occurs or subsists on any Index Business Day, that in the determination of the Index Sponsor prevents or otherwise affects its determinations with respect to the Index Closing Level or any other relevant value that requires determination or calculation by the Index Sponsor in relation to such Index Business Day (including, but not limited to, the determination of any price, value, rate or level of any Instrument relating to the Index), then:

- 9.2.1 first, the Index Sponsor may make such adjustments and/or determinations in relation to the Index (including, but not limited to, these Index Rules) and any relevant value as it may determine, in its sole and absolute discretion, appropriate to facilitate the calculation and publication of the Index Closing Level on such Index Business Day;
- 9.2.2 secondly, if the Index Sponsor determines that any such adjustment or determination referred to in sub-Section 9.2.1 above cannot be made on such Index Business Day, then the Index Sponsor may defer calculation and publication of the Index Closing Level until the next Index Business Day on which the Index Sponsor determines, in its sole and absolute discretion, that no Disruption Event exists provided that where any such deferral of calculation and publication continues for a period of 20 consecutive Index Business Days, then the Index Sponsor may:
  - (i) calculate and publish the Index Closing Level relating to each Index Business Day falling in or after such period having regard to the then prevailing market conditions, the last reported price, value, rate or level of any Instrument relating to the Index and such other factor(s) and condition(s) that the Index Sponsor considers relevant for the purpose of determining such Index Closing Levels including, but not limited to, any modifications that the Index Sponsor determines to be appropriate in relation to reconstitution relating to the Index; and/or
  - (ii) permanently cease to calculate and publish the Index Closing Level as of the later of (x) the date when such Disruption Event commenced or (y) the Index Business Day following the last Index Business Day for which the Index Sponsor calculated and published the relevant Index Closing Level in accordance with sub-section 9.2.2(i) above (if any) and, in each case, as applicable, the Index shall terminate.

## 10. **Adjustments to Sub-Indices**

### 10.1 **Successor Sub-Index Sponsor and Successor Sub-Index**

If at any relevant time, any Sub-Index is:

- (i) not calculated and published by the sponsor of such Sub-Index (an “**Sub-Index Sponsor**”) but is calculated and published by a successor sponsor (a “**Successor Sub-Index Sponsor**”) acceptable to the Index Sponsor; or
- (ii) replaced by a successor index using, in the determination of the Index Sponsor, the same or a substantially similar formula for and method of calculation as used in the calculation of that Sub-Index (a “**Successor Sub-Index**”),

then in each case the relevant Sub-Index will be deemed to be (i) such Sub-Index so calculated and published by that Successor Sub-Index Sponsor or (ii) that Successor Sub-Index, as the case may be.

For the avoidance of doubt, the provisions of this sub-Section 10.1 shall apply to each Successor Sub-Index and each Successor Sub-Index Sponsor *mutatis mutandis* as if such Successor Sub-Index is a Sub-Index and such Successor Sub-Index Sponsor is a Sub-Index Sponsor.

## 10.2 **Sub-Index Events**

If at any relevant time the Sub-Index Sponsor or the Successor Sub-Index Sponsor:

- (i) makes or announces that it will make a material change in the formula for or the method of calculating any Sub-Index or in any other way materially modifies any Sub-Index (other than a modification prescribed in that formula or method to maintain that Sub-Index in the event of permitted changes in its constituents and/or other routine events (a “**Sub-Index Modification**”);
- (ii) permanently cancels the Sub-Index (a “**Sub-Index Cancellation**”);
- (iii) fails to calculate such Sub-Index and publish the levels of such Sub-Index on an Index Calculation Date on which such Sub-Index levels were scheduled to be published (a “**Sub-Index Disruption**”); or
- (iv) the Index Sponsor determines, in its sole and absolute discretion that any price, value or level of such Sub-Index or any Instrument (as defined in the Relevant Sub-Index Description) of such Sub-Index has been calculated by reference to incorrect data or to quotations by dealers that do not reflect the true market trading prices, values or levels of such Sub-Index and/or related Instrument (a “**Sub-Index Error**” and together with any Sub-Index Modification, Sub-Index Cancellation, or Sub-Index Disruption, a “**Sub-Index Event**”),

then, upon the occurrence of any Sub-Index Event, the Index Sponsor may:

- (a) determine the level of such Sub-Index at the relevant time using, in lieu of a published level for that Sub-Index, the level of such Sub-Index as at the relevant time as determined by the Index Sponsor in accordance with the formula for and method of calculating such Sub-Index last in effect prior to the Sub-Index Event or in accordance with any other formula for or method of calculating such Sub-Index as the Index Sponsor determines to be appropriate for such purpose in its sole and absolute discretion;
- (b) select a successor Sub-Index to replace such Sub-Index in its sole and absolute discretion; or
- (c) permanently cease to calculate and publish the Index.

For the avoidance of doubt, in certain circumstances an event may be both a Sub-Index Event and a Disruption Event. In such cases, the Index Sponsor, acting in its sole and absolute discretion, shall

decide whether to exercise its rights under sub-Section 9.2 (*Consequences of Disruption Events*) or this sub-Section 10.2.

## 11. **Change in Methodology of the Index and Termination**

In calculating and determining the value of the Index, the Index Sponsor shall, subject as provided below, employ the methodology described above and its application of such methodology shall be conclusive and binding. While the Index Sponsor currently employs the above described methodology to calculate the Index, no assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting transactions on the same or similar terms to any Instrument for which values will be determined in relation to the Index) will not arise that would, in the view of the Index Sponsor, necessitate or make desirable a modification of or change to such methodology and the Index Sponsor shall be entitled to make any such modification or change.

The Index Sponsor may make modifications to the terms of the Index in any manner that it may deem necessary or desirable, including (without limitation) to correct any manifest or proven error or to cure, correct or supplement any ambiguity or defective provision contained in this Description. In particular, but without limitation, the Index Sponsor may, at any time and without notice, change the frequency of calculation of the Index Closing Level and make such adjustment to the methodology described in this Description as it deems necessary, in its sole and absolute discretion, to take account of the amended frequency of calculation.

In making any such modifications however the Index Sponsor shall make reasonable efforts to ensure that such modifications or changes result in a methodology that is consistent in its intended commercial purpose with the methodology described in the Index Description.

The Index Sponsor may, in its sole and absolute discretion, at any time and without notice, terminate the calculation and publication of the Index.

The Index Sponsor has no obligation to inform any person about such modification or change.

## 12. **Availability and Publication of Index Closing Levels and Adjustments**

### 12.1 **General**

The Index Sponsor will make available the Index Closing Level of the Index on each Index Business Day as soon as reasonably practicable after 16.00 London time on the next Index Business Day following such Index Business Day (the “**Index Publication Time**”). Details of any adjustments made to the Index and the current version of the Index Rules shall be made available by the Index Sponsor on the DBIQ Website and on application to the Index Sponsor’s principal office in London for the time being at Winchester House, 1 Great Winchester Street, London EC2N 2DB (“**Principal Office**”).

### 12.2 **Index Closing Levels**

Each Index Closing Level shall be published:

- (i) at the Index Sponsor’s Principal Office;
- (ii) on Bloomberg/Reuters under the following index title (“**Index Title**”): db GLOBE;
- (iii) on the DBIQ Website under the following index publication heading (“**Index Publication Heading**”): db GLOBE; and

- (iv) on such other information sources as the Index Sponsor may select from time to time at its sole and absolute discretion.

### 12.3 **Miscellaneous**

Any publication described in this Section 12 may be restricted by means determined as appropriate for such purpose by the Index Sponsor in its sole and absolute discretion including, but not limited to, password protection on the DBIQ Website restricting access to a limited set of persons in accordance with arrangements agreed between the Index Sponsor and such persons.

The Index Sponsor may, at any time and without notice, change with respect to the Index: (i) the Index Title; (ii) the Index Publication Heading; and/or (iii) the place of publication of any Index Closing Level, as the case may be.

The Index Sponsor may, at any time and without notice, change the frequency of publication of the Index Closing Level.

The Index Sponsor accepts no legal liability to any person for publishing or not continuing to publish for any period of time any Index Closing Level at any particular place or any particular time.

This Description is written and published by the Index Sponsor. The Index Sponsor is exclusively entitled to construe its provisions and determine or clarify their meaning. If there is any ambiguity in, or uncertainty or dispute about the meaning of, any of the provisions of this Description, the Index Sponsor shall, in its sole and absolute discretion, construe the relevant provision(s) in order to determine the correct interpretation, and the decision of the Index Sponsor shall be final.



## ANNEX 1: DESCRIPTION OF THE DEUTSCHE BANK FRB AND DEUTSCHE BANK FRB BASKET INDICES – DBFRB/ DBFRB BASKET

ALTHOUGH THE INDEX SPONSOR WILL OBTAIN INFORMATION FOR INCLUSION IN OR FOR USE IN THE CALCULATION OF THE INDICES FROM SOURCES WHICH THE INDEX SPONSOR CONSIDERS RELIABLE, THE INDEX SPONSOR WILL NOT INDEPENDENTLY VERIFY SUCH INFORMATION AND DOES NOT GUARANTEE THE ACCURACY AND/OR THE COMPLETENESS OF ANY INDEX OR ANY DATA INCLUDED THEREIN. THE INDEX SPONSOR SHALL NOT BE LIABLE (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY ERROR IN ANY INDEX AND THE INDEX SPONSOR IS UNDER NO OBLIGATION TO ADVISE ANY PERSON OF ANY ERROR THEREIN.

NO TRANSACTION RELATING TO ANY INDEX IS SPONSORED, ENDORSED, SOLD OR PROMOTED BY THE INDEX SPONSOR AND THE INDEX SPONSOR MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES AS TO (A) THE ADVISABILITY OF PURCHASING OR ASSUMING ANY RISK IN CONNECTION WITH ANY SUCH TRANSACTION (B) THE LEVELS AT WHICH AN INDEX STANDS AT ANY PARTICULAR TIME ON ANY PARTICULAR DATE (C) THE RESULTS TO BE OBTAINED BY THE ISSUER OF ANY SECURITY OR ANY COUNTERPARTY OR ANY SUCH ISSUER'S SECURITYHOLDERS OR CUSTOMERS OR ANY SUCH COUNTERPARTY'S COUNTERPARTIES OR CUSTOMERS OR ANY OTHER PERSON OR ENTITY FROM THE USE OF AN INDEX OR ANY DATA INCLUDED THEREIN IN CONNECTION WITH ANY LICENSED RIGHTS OR FOR ANY OTHER USE OR (D) ANY OTHER MATTER. THE INDEX SPONSOR MAKES NO EXPRESS OR IMPLIED REPRESENTATIONS OR WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY INDEX OR ANY DATA INCLUDED THEREIN.

WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT SHALL THE INDEX SPONSOR HAVE ANY LIABILITY (WHETHER IN NEGLIGENCE OR OTHERWISE) TO ANY PERSON FOR ANY DIRECT, INDIRECT, SPECIAL, PUNITIVE, CONSEQUENTIAL OR ANY OTHER DAMAGES (INCLUDING LOST PROFITS) EVEN IF NOTIFIED OF THE POSSIBILITY OF SUCH DAMAGES.

*“Deutsche Bank FRB Indices – DBFRB” and “Deutsche Bank FRB Basket Indices – DBFRB Basket” are Deutsche Bank AG London proprietary indices. Any use of any such indices or their name must be with the consent of Deutsche Bank AG London.*

This Description of the Index has been supplied by the Index Sponsor.

### 1. GENERAL

The Deutsche Bank FRB Indices – DBFRB and Deutsche Bank FRB Basket Indices – DBFRB Basket (the “**Indices**” and each an “**Index**”) are intended to reflect the economic performance over time of one or more financial instruments. The values reflected in the daily closing level for each Index are derived by bootstrapping from a yield curve (or yield curves). The relevant yield curve(s) will be generated by the Index Sponsor in its sole and absolute discretion by inputting price information in respect of various financial instruments (which may include exchange traded interest rate futures contracts, interest rate swap transactions and term deposits) into a market standard methodology (each a “**Yield Curve**”). Each of the Indices uses values derived from the relevant Yield Curve (or Yield Curves) and the same methodology (described in paragraph 2 (Calculation of the Index Closing Level) below) with which to calculate the closing level for that Index. A description of, *inter alia*, the financial instruments used to generate the relevant Yield Curve(s) to which any Index relates, the sources for the price information for such financial instruments and the values derived from such Yield Curve(s) will be specified in a supplement which in relation to the relevant Index shall complete this Description (each such supplement an “**Index Supplement**”). Each Index Supplement will be supplemental to, and must be read in conjunction with, this Description. In the event of any conflict between the terms of an Index Supplement and this Description, the Index Supplement shall prevail in respect of the relevant Index.

The sponsor of the Indices is Deutsche Bank AG London (the “**Index Sponsor**”, which expression shall include any successor in such capacity). Each Index will be established on an index base date as set out in the relevant Index Supplement (each an “**Index Base Date**”).

The Index Closing Level (as defined in paragraph 2 (Calculation of the Index Closing Level) below) for each Index will be calculated by the Index Sponsor on each Index Business Day following the relevant Index Base Date and made available as soon as reasonably practicable after the Index Valuation Time on each Index Business Day in accordance with paragraph 8 (Availability of Index Closing Levels and Adjustments) below. The Index Closing Level for an Index may be quoted in, and an Index may be denominated in, a currency specified as the Index Currency in the relevant Index Supplement (the “**Index Currency**”).

Unless otherwise defined, terms used in this Description will have the meanings given to them in paragraph 5 (Definitions) below.

## 2. **CALCULATION OF THE INDEX CLOSING LEVEL**

Following the Index Base Date, the closing level of an Index (the “**Index Closing Level**”) in respect of each Index Business Day (including a Roll Day) (the “**Relevant Index Business Day**”) will be calculated according to the following formula:

$$ICL(r) \times (1 + R(t))$$

Where:

**ICL(r)** means the Index Closing Level on the Roll Day immediately preceding the Relevant Index Business Day, or if none, the Index Closing Level on the Index Base Date; and

**R(t)** is as set out in the applicable Index Supplement,

subject as provided in paragraph 7 (Change in the Methodology of an Index).

The relevant Index Supplement shall, inter alia, set out: (i) the amount of the Index Currency to which the Index Closing Level for an Index shall be rounded; (ii) a statement as to whether that amount shall be rounded upwards or downwards; and (iii) the Index Closing Level on the relevant Index Base Date.

## 3. **ROLLING OF INDICES VALUES**

An Index may be periodically adjusted by resetting ICL(r) for that Index. If applicable to the relevant Index, each Index Business Day on which ICL(r) with respect to that Index will be reset (each a “**Roll Day**”) will be specified in the applicable Index Supplement.

## 4. **DISRUPTION EVENTS**

**Disruption Event**, in respect of an Index and a day, means an event (other than a Force Majeure Event and including a national holiday or a day of national mourning) that would require the Index Sponsor to calculate the relevant Yield Curve(s) for such Index on an alternative basis were such event to occur or exist on such day, all as determined by the Index Sponsor.

Without limitation, each of the following may be a Disruption Event if so determined by the Index Sponsor:

- (i) **“Price Source Disruption”**: a Price Source is temporarily or permanently discontinued, unavailable or not announced or published thereby preventing or restricting the information necessary for determining the relevant Yield Curve(s).
- (ii) **“Trading Suspension”**: the material suspension of trading in any Instrument.
- (iii) **“Disappearance of Instrument”**: the failure of trading to commence, or the permanent discontinuation of trading in any Instrument.
- (iv) **“Material Change in Formula”**: the occurrence since the relevant Index Base Date of a material change in the formula for or the method of calculating an Instrument.
- (v) **“De Minimis Trading”**: the number of Instruments traded on a relevant exchange on any relevant date is materially reduced or liquidity in any Instrument is otherwise reduced for any reason.
- (vi) **“Tax Disruption”**: the imposition of or change in or removal of any tax (including, without limitation, any excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax) on, or in relation to any Instrument, by any government or taxation authority after the relevant Index Base Date, if the effect of such imposition, change or removal is to raise or lower the price at which such Instrument trades on the relevant exchange on any relevant date from what it would have been without that imposition or change or removal.
- (vii) **“Change of Law or Rules”**: there is a change in, or amendment to, the laws, rules or regulations relating to any Instrument or a change in any application or interpretation of such laws, rules or regulations.
- (viii) **“Yield Curve Disruption”**: the Index Sponsor is temporarily or permanently unable to calculate the relevant Yield Curve(s) (including any software or hardware through which or on which it is made available) or the relevant Yield Curve(s) is (are) temporarily or permanently unavailable for any reason.
- (ix) **“Hedging Disruption”**: The Index Sponsor determines that it and/or any of its Affiliates would be unable, after using commercially reasonable efforts, to: (A) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction(s) or asset(s) it deems necessary to hedge its position in relation to any securities issue or other relevant transactions relating to or calculated by reference to the Index; or (B) realise, recover or remit the proceeds of any such transaction(s) or asset(s).

## 5. DEFINITIONS

**“Affiliate”** means in relation to any entity (the **“First Entity”**), any entity controlled, directly or indirectly, by the First Entity, any entity that controls, directly or indirectly, the First Entity or any entity directly or indirectly under common control with the First Entity. For these purposes, **“control”** means ownership of a majority of the voting power of an entity.

**“Disruption Event”** is as defined in paragraph 4 (Force Majeure and Disruption Events).

**“Force Majeure Event”** means, in respect of an Index, an event or circumstance (including, without limitation, a systems failure, fire, building evacuation, natural or man-made disaster, act of God, armed conflict, act of terrorism, riot or labour disruption or any similar intervening circumstance) that affects the ability of the Index Sponsor to calculate or determine such Index and which is beyond the reasonable control of the Index Sponsor.

**“Index”** is as defined in paragraph 1 (General).

**“Index Base Date”** is as defined in paragraph 1 (General).

**“Index Business Day”** means, in respect of an Index, a day (other than a Saturday or Sunday):

- (a) on which commercial banks and foreign exchange markets are open for general business (including dealings in foreign exchange and foreign currency deposits) in the Relevant Financial Centre(s) specified in the applicable Index Supplement;
- (b) on which TARGET (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open if TARGET is specified as a Relevant Financial Centre in the applicable Index Supplement;
- (c) on which no Disruption Event in respect of such Index is subsisting; and
- (d) on which no Force Majeure Event in respect of such Index is subsisting.

**“Index Closing Level”** is as defined in paragraph 2 (Calculation of the Index Closing Level).

**“Index Currency”** is as defined in paragraph 1 (General).

**“Index Sponsor”** is as defined in paragraph 1 (General).

**“Index Supplement”** is as defined in paragraph 1 (General).

**“Index Valuation Time”** has the meaning given to it in the relevant Index Supplement.

**“Indices”** is as defined in paragraph 1 (General).

**“Instrument”** has the meaning given to it in the relevant Index Supplement.

**“Price Source”** has the meaning given to it in the relevant Index Supplement.

**“Relevant Financial Centre”** has the meaning given to it in the relevant Index Supplement.

**“Relevant Index Business Day”** is as defined in paragraph 2 (Calculation of the Index Closing Level).

**“Roll Day”** is as defined in paragraph 3 (Rolling of Indices Values).

**“Yield Curve”** is as defined in paragraph 1 (General).

## 6. **INDEX SPONSOR**

Unless otherwise provided all determinations made by the Index Sponsor will be made by it in good faith and in a commercially reasonable manner by reference to such factors as the Index Sponsor deems appropriate and will be final, conclusive and binding in the absence of manifest error.

## 7. **CHANGE IN THE METHODOLOGY OF AN INDEX**

In relation to each Index, the Index Sponsor will, subject as provided below, employ the methodology described above and its application of such methodology shall be conclusive and binding. While the Index Sponsor currently employs the above described methodology to calculate each Index, no assurance can be given that fiscal, market, regulatory, juridical, financial or other circumstances (including, but not limited to, any changes to or any suspension or termination of or any other events affecting transactions on the same or similar terms to any financial instrument for

which values will be derived from the relevant Yield Curve(s)) will not arise that would, in the view of the Index Sponsor, necessitate or make desirable a modification of or change to such methodology and the Index Sponsor shall be entitled to make any such modification or change. The Index Sponsor may also make modifications to the terms of any Index in any manner that it may deem necessary or desirable, including (without limitation) to correct any manifest or proven error or to cure, correct or supplement any defective provision contained in this Description or any Index Supplement. The Index Sponsor will make available any such modification or change and the effective date thereof in accordance with paragraph 8 (Availability of Index Closing Levels and Adjustments) below.

#### **8. AVAILABILITY OF INDEX CLOSING LEVELS AND ADJUSTMENTS**

The Index Sponsor will make available (a) the Index Closing Level for each Index for each Index Business Day as soon as reasonably practicable after the relevant Index Valuation Time and (b) details of any adjustments made to any Index, in each case on application to Global Markets Client Valuation Group (telephone number +44 20 7545 8000) at the Index Sponsor's principal office in London for the time being at Winchester House, 1 Great Winchester Street, London EC2N 2DB.

## ANNEX 2: DEUTSCHE BANK FRB INDICES DBFRB CHF INDEX

This document constitutes the Index Supplement relating to the Index described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Description of the Deutsche Bank FRB and Deutsche Bank FRB Basket Indices – DBFRB/DBFRB Basket (the “**Description**”). This Index Supplement is supplemental to and must be read in conjunction with the Description.

1. Index Title: DBFRB CHF Index (the “**Index**”) is a Deutsche Bank AG, London Branch proprietary index. Any use of such index or its name must be with the consent of Deutsche Bank AG, London Branch.
  
2. Place of publication of the Index: Deutsche Bank Securities Inc., 60 Wall Street, New York, USA.  
  
The Index is published daily on Bloomberg Services under the title “DBFRUC”.
  
3. Frequency of Calculation of Index Closing Level: The Index Closing Level shall be calculated on each Index Business Day.
  
4. Number of Yield Curves relevant to the Index: One. A Swiss Franc Instrument comprised Yield Curve.
  
5. Financial instruments used to generate the Yield Curve (the “*Instruments*”) and each an “*Instrument*”):
  - (i) CHF cash deposits of 1 month (the “**1 Month Deposit**”), 2 month (the “**2 Month Deposit**”), 3 month (the “**3 Month Deposit**”), 4 month (the “**4 Month Deposit**”), 5 month (the “**5 Month Deposit**”), 6 month (the “**6 Month Deposit**”), 9 month (the “**9 Month Deposit**”) and 12 month (the “**12 Month Deposit**”) durations as selected by the Index Sponsor in its sole and absolute discretion;
  
  - (ii) CHF fixed for floating interest rate swaps of 2 (the “**2 Year Swap**”), 3 (the “**3 Year Swap**”), 4 (the “**4 Year Swap**”), 5 (the “**5 Year Swap**”), 6 (the “**6 Year Swap**”), 7 (the “**7 Year Swap**”), 8 (the “**8 Year Swap**”), 9 (the “**9 Year Swap**”), 10 (the “**10 Year Swap**”), 12 (the “**12 Year Swap**”) and 15 (the “**15 Year Swap**”) year durations as selected by the Index Sponsor in its sole and absolute discretion; and
  
  - (iii) the first to fifth generic EuroSwiss contract (as traded on LIFFE).
  
6. Sources for the price information for the Instruments (the “*Price Sources*”) and each a “*Price Source*”):
  - (i) In respect of CHF cash deposits, the daily rates for such deposits shall be determined by Deutsche Bank AG, London Branch from Reuters page (a) in respect of the 1 Month Deposit, “CHF1MD=“ (b) in respect of the 2 Month Deposit, “CHF2MD=“ (c) in respect of the 3 Month Deposit, “CHF3MD=“ (d) in respect of the 4 Month Deposit, “CHF4MD=“ (e) in respect of

the 5 Month Deposit, “CHF5MD=“ (f) in respect of the 6 Month Deposit, “CHF6MD=“ (g) in respect of the 9 Month Deposit, “CHF9MD=“ and (h) in respect of the 12 Month Deposit, “CHF1YD=“ (or in each case such page or service as may replace such page or service for the purposes of displaying the relevant rate);

- (ii) in respect of CHF fixed for floating rate interest rate swaps, the daily rates for such swaps shall be determined by Deutsche Bank AG, London Branch from Reuters page (a) in respect of the 2 Year Swap, “CHFAB6L2Y=“ (b) in respect of the 3 Year Swap, “CHFAB6L3Y=“ (c) in respect of the 4 Year Swap, “CHFAB6L4Y=“ and (d) in respect of the 5 Year Swap, “CHFAB6L5Y=“ (or in each case such page or service as may replace such page or service for the purposes of displaying the relevant rate); and
- (iii) in respect of the first to fifth generic EuroSwiss contract, such Reuters page as is customarily used by the market for displaying the rate applicable for such contract (or such page or service as may replace such page or service for the purposes of displaying the relevant rate).

- |     |   |  |
|-----|---|--|
| 7.  | Values to be derived from the Yield Curve:  | The CHF forward rate from $d_1$ to $d_2$ on the Relevant Index Business Day.   |
| 8.  | Index Base Date:  | 16th March, 1990   |
| 9.  | Index Valuation Time:   | 10:30am New York City time.  |
| 10. | Relevant Financial Centre(s) for the purposes of the definition of Index Business Days: | London, Zurich, New York City and TARGET.  |
| 11. | Roll Day:   | The Friday immediately preceding the third Wednesday in each March, June, September and December. If such day is not an Index Business Day, the Roll Day shall be the immediately succeeding Index Business Day. The initial Roll Day shall be 12th March, 2004. |
| 12. | Index Closing Level on the Index Base Date:   | 100  |
| 13. | Amount to which Index Closing Level will be rounded:                                    | 0.0001 upwards   |
| 14. | Index Currency:   | Swiss Franc (“CHF”).   |
| 15. | $R_{(t)}$ :   | $(Y_{CHF (r,f)}) - (Y_{CHF (t,f)})$  |

where:

“ $Y_{CHF(r,f)}$ ” means the CHF forward rate calculated on an Actual/ 360 basis from  $d_1$  to  $d_2$  on the Roll Day immediately preceding the Relevant Index Business Day or, if none, the Index Base Date, as determined by the Index Sponsor in its sole and absolute discretion by reference to the Yield Curve;

“ $Y_{CHF(t,f)}$ ” means the CHF forward rate calculated on an Actual/ 360 basis from  $d_1$  to  $d_2$  on the Relevant Index Business Day as determined by the Index Sponsor in its sole and absolute discretion by reference to the Yield Curve;

“ $d_1$ ” means the first anniversary of (x) the Roll Day immediately preceding the Relevant Index Business Day or, if none, (y) the Index Base Date;

“ $d_2$ ” means the Roll Day immediately following  $d_1$ ; and

“**Actual/360**” means the actual number of days in the period from (and including)  $d_1$  to (but excluding)  $d_2$  (in each case, for the relevant Index Business Day) divided by 360.



### ANNEX 3: DEUTSCHE BANK FRB INDICES DBFRB EUR INDEX

This document constitutes the Index Supplement relating to the Index described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Description of the Deutsche Bank FRB and Deutsche Bank FRB Basket Indices – DBFRB/ DBFRB Basket (the “**Description**”). This Index Supplement is supplemental to and must be read in conjunction with the Description.

1. Index Title: DBFRB EUR Index (the “**Index**”) is a Deutsche Bank AG, London Branch proprietary index. Any use of such index or its name must be with the consent of Deutsche Bank AG, London Branch.
  
2. Place of publication of the Index: Deutsche Bank Securities Inc., 60 Wall Street, New York, USA.  
  
The Index is published daily on Bloomberg Services under the title “DBFRUE”.
  
3. Frequency of Calculation of Index Closing Level: The Index Closing Level shall be calculated on each Index Business Day.
  
4. Number of Yield Curves relevant to the Index: One. A Euro Instrument comprised Yield Curve.
  
5. Financial instruments used to generate the Yield Curve (the “**Instruments**” and each an “**Instrument**”):
  - (i) Euro cash deposits of 1 month (the “**1 Month Deposit**”), 2 month (the “**2 Month Deposit**”), 3 month (the “**3 Month Deposit**”), 4 month (the “**4 Month Deposit**”), 5 month (the “**5 Month Deposit**”), 6 month (the “**6 Month Deposit**”), 9 month (the “**9 Month Deposit**”) and 12 month (the “**12 Month Deposit**”) durations as selected by the Index Sponsor in its sole and absolute discretion;
  - (ii) Euro fixed for floating interest rate swaps of 2 (the “**2 Year Swap**”), 3 (the “**3 Year Swap**”), 4 (the “**4 Year Swap**”), 5 (the “**5 Year Swap**”), 6 (the “**6 Year Swap**”), 7 (the “**7 Year Swap**”), 8 (the “**8 Year Swap**”), 9 (the “**9 Year Swap**”), 10 (the “**10 Year Swap**”), 12 (the “**12 Year Swap**”) and 15 (the “**15 Year Swap**”) year durations as selected by the Index Sponsor in its sole and absolute discretion; and
  - (iii) the first to fifth generic Euribor contract (as traded on LIFFE).
  
6. Sources for the price information for the Instruments (the “**Price Sources**” and each a “**Price Source**”):
  - (i) In respect of Euro cash deposits, the daily rates for such deposits shall be determined by Deutsche Bank AG, London Branch from Reuters page (a) in respect of the 1 Month Deposit, “EUR1MD=“ (b) in respect of the 2 Month Deposit, “EUR2MD=“ (c) in respect of the 3 Month Deposit, “EUR3MD=“ (d) in respect of the 4 Month Deposit, “EUR4MD=“ (e) in respect

of the 5 Month Deposit, “EUR5MD=“ (f) in respect of the 6 Month Deposit, “EUR6MD=“ (g) in respect of the 9 Month Deposit, “EUR9MD=“ and (h) in respect of the 12 Month Deposit, “EUR1YD=“ (or in each case such page or service as may replace such page or service for the purposes of displaying the relevant rate);

- (ii) in respect of Euro fixed for floating rate interest rate swaps, the daily rates for such swaps shall be determined by Deutsche Bank AG, London Branch from Reuters page (a) in respect of the 2 Year Swap, “EURAB6L2Y=“ (b) in respect of the 3 Year Swap, “EURAB6L3Y=“ (c) in respect of the 4 Year Swap, “EURAB6L4Y=“ (d) in respect of the 5 Year Swap, “EURAB6L5Y=“ (e) in respect of the 6 Year Swap, “EURAB6L6Y=“ (f) in respect of the 7 Year Swap, “EURAB6L7Y=“ (g) in respect of the 8 Year Swap, “EURAB6L8Y=“ (h) in respect of the 9 Year Swap, “EURAB6L9Y=“ (i) in respect of the 10 Year Swap, “EURAB6L10Y=“ (j) in respect of the 12 Year Swap, “EURAB6L12Y=“ and (k) in respect of the 15 Year Swap, “EURAB6L15Y=“ (or in each case such page or service as may replace such page or service for the purposes of displaying the relevant rate); and
- (iii) in respect of the first to fifth generic Euribor contract, Reuters page “0#FEI” (or such page or service as may replace such page or service for the purposes of displaying the relevant rate).

- |     |   |  |
|-----|---|--|
| 7.  | Values to be derived from the Yield Curve:  | The Euro forward rate from $d_1$ to $d_2$ on the Relevant Index Business Day.  |
| 8.  | Index Base Date:  | 16th March, 1990   |
| 9.  | Index Valuation Time:   | 10:30am New York City time.  |
| 10. | Relevant Financial Centre(s) for the purposes of the definition of Index Business Days: | London, New York City and TARGET.  |
| 11. | Roll Day:   | The Friday immediately preceding the third Wednesday in each March, June, September and December. If such day is not an Index Business Day, the Roll Day shall be the immediately succeeding Index Business Day. The initial Roll Day shall be 12th March, 2004. |
| 12. | Index Closing Level on the Index Base Date:   | 100  |
| 13. | Amount to which Index Closing Level   | 0.0001 upwards   |

will be rounded:

14. Index Currency: Euro (“EUR”).

15.  $R_{(t)}$ :  $(Y_{EUR(r,f)} - Y_{EUR(t,f)})$

where:

“ $Y_{EUR(r,f)}$ ” means the Euro forward rate calculated on an Actual/ 360 basis from  $d_1$  to  $d_2$  on the Roll Day immediately preceding the Relevant Index Business Day or, if none, the Index Base Date, as determined by the Index Sponsor in its sole and absolute discretion by reference to the Yield Curve;

“ $Y_{EUR(t,f)}$ ” means the Euro forward rate calculated on an Actual/ 360 basis from  $d_1$  to  $d_2$  on the Relevant Index Business Day as determined by the Index Sponsor in its sole and absolute discretion by reference to the Yield Curve;

“ $d_1$ ” means the first anniversary of (x) the Roll Day immediately preceding the Relevant Index Business Day or, if none, (y) the Index Base Date;

“ $d_2$ ” means the Roll Day immediately following  $d_1$ ; and

“**Actual/360**” means the actual number of days in the period from (and including)  $d_1$  to (but excluding)  $d_2$  (in each case, for the relevant Index Business Day) divided by 360.

## ANNEX 4: DEUTSCHE BANK FRB INDICES DB FORWARD RATE BIAS USD INDEX

This document constitutes the Index Supplement relating to the Index described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Description of the Deutsche Bank FRB and Deutsche Bank FRB Basket Indices – DBFRB/ DBFRB Basket (the “**Description**”). This Index Supplement is supplemental to and must be read in conjunction with the Description.

1. Index Title: DBFRB USD Index (the “**Index**”) is a Deutsche Bank AG, London Branch proprietary index. Any use of such index or its name must be with the consent of Deutsche Bank AG, London Branch.
  
2. Place of publication of the Index: Deutsche Bank Securities Inc., 60 Wall Street, New York, USA.  
  
The Index is published daily on Bloomberg Services under the title “DBFRUU” and on Reuters under the title “.FRBUSD”.
  
3. Frequency of Calculation of Index Closing Level: The Index Closing Level shall be calculated on each Index Business Day.
  
4. Number of Yield Curves relevant to the Index: One. A US Dollar Instrument comprised Yield Curve.
  
5. Financial instruments used to generate the Yield Curve (the “Instruments” and each an “Instrument”):
  - (i) US Dollar cash deposits of 1 month, 2 month, 3 month, 4 month, 5 month, 6 month, 9 month and 12 month durations as selected by the Index Sponsor in its sole and absolute discretion;
  - (ii) US Dollar fixed for floating interest rate swaps of 2,3,4,5,6,7,8,9,10,12 and 15 year duration as selected by the Index Sponsor in its sole and absolute discretion; and
  - (iii) the first to fifth generic Eurodollar contract (as traded on the Chicago Mercantile Exchange).
  
6. Sources for the price information for the Instruments (the “Price Sources” and each a “Price Source”):
  - (i) In respect of US Dollar cash deposits, the daily rates for such deposits shall be determined by Deutsche Bank AG, London Branch in its sole and absolute discretion;
  - (ii) in respect of US Dollar fixed for floating rate interest rate swaps, the daily rates for such swaps shall be determined by Deutsche Bank AG, London Branch in its sole and absolute discretion; and
  - (iii) in respect of the first to fifth generic

Eurodollar contract, Reuters page “0#ED” (or such page or service as may replace such page or service for the purposes of displaying the relevant rate).

7. Values to be derived from Yield Curve: The USD forward rate from  $d_1$  to  $d_2$  on the Relevant Index Business Day.
8. Index Base Date: 16th March, 1990
9. Index Valuation Time: 10:30 am New York City time.
10. Relevant Financial Centre(s) for the purposes of the definition of Index Business Days: London, New York City and TARGET.
11. Roll Day: The Friday immediately preceding the third Wednesday in each March, June, September and December. If such day is not an Index Business Day, the Roll Day shall be the immediately succeeding Index Business Day. The initial Roll Day shall be 12th March, 2004.
12. Index Closing Level on the Index Base Date: 100
13. Amount to which Index Closing Level will be rounded: 0.0001 upwards
14. Index Currency: United States Dollars (USD).
15.  $R_{(t)}$ :  $(Y_{USD(r,f)} - (Y_{USD(t,f)}))$

where:

$Y_{USD(r,f)}$  means the USD forward rate calculated on an Actual/ 360 basis from  $d_1$  to  $d_2$  on the Roll Day immediately preceding the Relevant Index Business Day or, if none, the Index Base Date, as determined by the Index Sponsor in its sole and absolute discretion by reference to the Yield Curve;

$Y_{USD(t,f)}$  means the USD forward rate calculated on an Actual/ 360 basis from  $d_1$  to  $d_2$  on the Relevant Index Business Day as determined by the Index Sponsor in its sole and absolute discretion by reference to the Yield Curve;

$d_1$  means the first anniversary of (x) the Roll Day immediately preceding the Relevant Index Business Day or, if none, (y) the Index Base Date;

$d_2$  means the Roll Day immediately following  $d_1$ ;

and

**Actual/360** means the actual number of days in the period from (and including)  $d_1$  to (but excluding)  $d_2$  (in each case, for the relevant Index Business Day) divided by 360.

## **FURTHER INFORMATION CONCERNING THE TRUST INSTRUMENT**

### **General**

The Trust Instrument is dated the Issue Date and is made between the Issuer, the Trustee (as specified on the back cover of this Prospectus) and the other parties named therein. It is entered into for the purpose of constituting and securing the Notes and setting out the terms of the agreement made between the parties specified therein in relation to the Notes. Set out below is a summary of the main provisions.

### **Provisions Relating to the Issuer and the Trustee**

The Trust Instrument contains standard provisions which set out various obligations of the Issuer and the Trustee.

The Trust Instrument sets out the covenants of the Issuer, including, *inter alia*, provisions relating to its duty to provide various persons with information, to prepare and display certain information, to only do such things as are contemplated within the Trust Instrument (most importantly, in relation to the issue of the Notes and other limited recourse investments which it is permitted to enter into) and its duties with respect to its obligations in respect of the Notes.

The Trust Instrument also sets out the basis for the remuneration, reimbursement of expenses, termination and indemnification of the Trustee in respect of its duties. The Trust Instrument sets out the conditions for replacement of the Trustee; in particular that a replacement trustee must be approved by the Issuer and Noteholders (in the case of both retirement and removal of the Trustee). There will, however, always be a Trustee in place. Provisions which are supplemental to certain statutory provisions and which set out the powers of the Trustee and the extent of its duties are also included.

### **Form of the Notes**

The Trust Instrument sets out the Issuer's covenant to pay in respect of, and certain provisions relating to, the Notes constituted and secured by the Trust Instrument. It also sets out the form of the Notes themselves (both global and definitive forms).

### **Terms and Conditions of the Notes**

The terms and conditions of the Notes (the “**Conditions**”), which are incorporated by reference into the Trust Instrument, set out the terms and conditions of the Notes. The Terms are also set out in this Prospectus. The Terms of the Notes supplement, amend and should be read in conjunction with the Conditions.

### **Swap, Agency, Repurchase and Purchase Agreements**

The Trust Instrument sets out and executes the following:

- a) the Swap Agreement (as further described in the section below);
- b) the Agency Agreement, covering the duties, liabilities, appointment and change of the various agents, including the Agent, the Paying Agent, the Custodian, the Calculation Agent, and the Selling Agent;
- c) the Repurchase Agreement, covering the provisions relating to the purchase and repurchase of the Purchased Collateral at the option of the Repurchase Counterparty, the payment of Income Payments, termination provisions, events of default and other provisions; and
- d) the Purchase Agreement, covering the provisions relating to the purchase of the Notes by the Arranger, the conditions precedent to such arrangement, various representations, warranties,

undertakings and agreements of the Issuer and the Purchaser and the selling restrictions applicable to the distribution of the Notes.

*The above summary is qualified in its entirety by the terms of the Trust Instrument, which will be available as described under the heading “General” above.*



## **INFORMATION CONCERNING THE CALCULATION AGENT**

The Calculation Agent is Deutsche Bank AG, London Branch (the “**Calculation Agent**”) which is the London branch of Deutsche Bank Aktiengesellschaft (“**DB AG**”). The Calculation Agent's address is Winchester House, 1 Great Winchester Street, London, EC2N 2DB. DB AG is the parent company of a group consisting of banks, capital market companies, fund management companies, a property finance company, instalment financing companies, research and consultancy companies and other domestic and foreign companies. DB AG has a relationship with the Issuer acting as Agent, Arranger, Selling Agent, Custodian, Repurchase Counterparty and Swap Counterparty in relation to the Notes.

### **Business Activities**

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

### **Calculation Agent's Responsibilities**

The Calculation Agent is responsible for making any determination or calculation required pursuant to the Terms and Conditions of the Notes. Once a determination or calculation is made, the Calculation Agent is responsible for notifying the Issuer, the Trustee, the Agent, each Paying Agent, the Noteholders, the Arranger and such other persons as may be required by the Terms and Conditions of the Notes.

### **Termination and Appointment of Calculation Agent**

The appointment of the Calculation Agent will terminate if the Calculation Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or if a resolution is passed or an order made for the winding up or dissolution of the Calculation Agent.

The Issuer may appoint a Calculation Agent and/or terminate the appointment of any Calculation Agent by giving at least 60 days' notice to that effect provided that no such termination of the appointment of the Calculation Agent shall take effect until a successor has been appointed and provided further that no such termination shall take effect if as a result of such termination there would cease to be a Calculation Agent. The Issuer will obtain the prior written approval of the Trustee to any appointment or termination by it and take appropriate steps to notify any such appointment or termination to the holders of the Notes.

## **FURTHER INFORMATION CONCERNING THE SWAP AGREEMENT**

The information set out in the section of the Base Prospectus entitled “Information Concerning the Swap Counterparty” is hereby incorporated into this Prospectus in accordance with Article 11.1 of the Prospectus Directive.

The Swap Agreement (as defined in the Terms and Conditions) may be terminated in certain circumstances, including but not limited to the following:

- (i) if at any time any of the Notes becomes repayable in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due under the Swap Agreement;
- (iii) if (subject as provided in the Swap Agreement) withholding taxes are imposed on payments made by the Issuer or the Swap Counterparty under the Swap Agreement or it becomes illegal for either party to perform its obligations under the Swap Agreement;
- (iv) if the Notes are purchased and cancelled by the Issuer pursuant to Condition 8.5; or
- (v) upon the occurrence of certain other events, as described in the Swap Agreement, with respect to either party to the Swap Agreement, including insolvency.

### **Consequences of Early Termination of Swap Agreement**

Upon any early termination of the Swap Agreement, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which of such parties may have caused such termination) or such termination payment may be used in the calculation of the amount that is payable to Noteholders on an early redemption.

Any termination payment will be based on the total losses, gains and costs of the determining party in connection with the Swap Agreement.

In all cases of early termination occurring other than by reason of a default by the Swap Counterparty (in which case the determination will be made by the Issuer), the termination payment will be determined by the Swap Counterparty on the basis of the Swap Counterparty’s determination of the total losses and costs in connection with the Swap Agreement. There is no assurance that any termination payment payable under the Swap Agreement by the Swap Counterparty (if any) to the Issuer will be sufficient to repay the principal amount due to be paid in respect of the Notes and any other amounts in respect thereof that are due.

The above summary is qualified in its entirety by the terms of the Swap Agreement

The information set out in the section of the Base Prospectus entitled “Information Concerning the Swap Counterparty” is hereby incorporated into this Prospectus.

*The above summary is qualified in its entirety by the terms of the Swap Agreement, which will be available as described under the heading “General” above.*

## **USE OF PROCEEDS**

The net proceeds of the issue of the Notes being a sum of USD 30,000,000 will be used by the Issuer to acquire the Collateral on the Issue Date in accordance with the Terms and Conditions of the Notes. Any associated costs of issuance and ongoing expenses of an administrative nature will be borne by the Arranger.

## **TAX CONSIDERATIONS**

Neither the Issuer, nor the Swap Counterparty, is obliged to pay any additional amount for, or on account of, any payments under the Notes or any Swap Agreement which is the subject of a deduction or withholding for or on account of any tax. The imposition of such withholding or deduction would lead to a mandatory redemption of the Notes.

## **LEGAL OPINIONS**

Legal opinions relating to the issue of the Notes and the obligations of the Issuer thereunder have been obtained with respect to the laws of England and Ireland. It is not intended that legal opinions will be obtained with respect to any other applicable laws and no investigation has been made into, or legal opinions obtained with respect to, the validity, binding nature or enforceability of the obligations of any obligor in respect of the Mortgaged Property (or any part thereof) under the laws of England or any other relevant jurisdiction. The legal opinions which have been obtained are subject to qualifications and are made on certain assumptions and, in general, a legal opinion with respect to the laws of one jurisdiction will not extend to express any opinion with respect to the validity or enforceability of security interests stated to be governed by the laws of another jurisdiction.

## **AVAILABILITY OF PROSPECTUS AND OTHER DOCUMENTS**

For as long as any Notes remain outstanding, the Base Prospectus and this Prospectus (and any notice of amendment) issued by the Issuer since the date of first publication of the Base Prospectus will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Issuer and the offices of the Trustee and the Paying Agents specified on the back cover of the Base Prospectus and will be available from the date hereof at the offices of the Listing Agent specified on the back cover of this Prospectus for so long as the Notes are listed on the Irish Stock Exchange.

## **PAYING AGENTS AND LISTING AGENT**

The Principal Paying Agent for the Notes shall be Deutsche Bank AG, London Branch in such capacity and the Irish Paying Agent shall be Deutsche International Corporate Services (Ireland) Limited. The Listing Agent appointed in respect of the Notes is Deutsche Bank AG, London Branch.

## SELLING RESTRICTIONS

### 1. General

No action has been or will be taken in any jurisdiction by the Purchaser or the Issuer that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus, or any part thereof including any Prospectus or Prospectus, as the case may be, or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required.

The Purchaser will, to the best of its knowledge, comply with all applicable laws and regulations in each jurisdiction in which it acquires, offers, sells, or delivers Notes or has in its possession or distributes the Base Prospectus, or any part thereof including any Prospectus or Prospectus, as the case may be, or any such other offering material, in all cases at its own expense, unless otherwise agreed. The Purchaser will also ensure that no obligations are imposed on the Issuer in any such jurisdiction as a result of any of the foregoing actions (except to the extent that such actions are the actions of the Issuer) (but not the Purchaser acting as the agent of the Issuer). The Issuer will not have any responsibility for, and the Purchaser will obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it may make any acquisition, offer, sale or delivery.

### 2. United States of America

The Purchaser understands and agrees that the Issuer has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the “**Investment Company Act**”) and the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”). Consequently, the Notes and the Alternative Investments may not be offered, sold, resold, delivered or transferred within the United States or to, or for the account or benefit of, U.S. persons (as such term is defined in Regulation S under the Securities Act) except in accordance with the Securities Act or an exemption therefrom and under circumstances which will not require the Issuer to register under the Investment Company Act, as and to the extent specifically set forth in a Prospectus or Prospectus (as the case may be) with respect to a particular Series of Notes or Alternative Investments.

In particular, the Purchaser understands and agrees that the Prospectus or Prospectus (as applicable) with respect to any Series of Notes or Alternative Investments may provide that the Issuer may arrange for the offer and resale of Notes or Alternative Investments in the United States in transactions exempt from the registration requirements of the Securities Act either to (i) persons whom the seller reasonably believes to be qualified institutional buyers, as defined in Rule 144A under the Securities Act (“**QIBs**”), (ii) to institutions that qualify as “**accredited investors**” (“**IAIs**”) (as defined in Rule 501 (a)(1), (2), (3) or (7) of Regulation D of the Securities Act who are acquiring the Notes or Alternative Investments for investment purposes and not with a view to the resale or distribution thereof.

The Purchaser understands and agrees that the Prospectus or Prospectus (as the case may be) applicable to any Series of Notes or Alternative Investments to be offered in the United States or to or for the benefit of U.S. persons will specify either (i) the Issuer is relying on the exemption from the Investment Company Act set forth in Section 3 (c) (1) thereof or (ii) the Issuer is relying on the exemption from the Investment Company Act set forth in Section 3 (c) (7) thereof.

The Purchaser represents and agrees that, in the event the Prospectus or Prospectus (as the case may be) applicable to any Series of Notes or Alternative Investments specifies that the Issuer is relying on Section 3 (c) (1) of the Investment Company Act, then at no time may the Notes or Alternative Investments of such Series that are initially offered and sold in the United States or to or for the account or benefit of a U.S. person be owned beneficially by more than 100 U.S. persons. Such number of owners may be further limited by the doctrine of integration under the Investment Company Act, to the extent applicable. In order to ensure compliance with this limitation, the registration of any such Note or Alternative Investment upon its issuance or the registration of the transfer of a Note or Alternative Investment may be refused if as a result of such issuance or transfer, the Notes or Alternative Investments of such Series would be owned

beneficially by more than 100 persons. In connection with this condition, Notes or Alternative Investments will not be offered and may not be transferred to investors (i) that are partnerships, common trust funds, special trusts, pension funds, retirement plans or other entities that were formed, reformed or recapitalized for the specific purposes of investing in the Notes or Alternative Investments; or (ii) that will have invested more than 40% of its assets in securities of the Issuer subsequent to any purchase of the Notes or Alternative Investments described herein. Any transfer or other disposition of any Notes or Alternative Investments that would, in the sole determination of the Issuer, require the Issuer to register as an “**investment company**” under the provisions of the Investment Company Act, will be void and such transfer or other disposition will not be recognized by the Issuer. If, at any time, the number of beneficial owners of the Issuer's securities would require the Issuer to register as an “**investment company**” under the Investment Company Act, the Trustee may, in its discretion, redeem the Notes or Alternative Investments of any holder who holds any Note or Alternative Investment in violation of the applicable transfer restrictions or require any such holder to transfer such Notes or Alternative Investments. The determination of which Notes or Alternative Investments will be redeemed or sold in any particular case is in the discretion of the Issuer.

The Purchaser understands and agrees that in the event that the Prospectus or Prospectus (as the case may be) applicable to any Series of Notes or Alternative Investments specifies that the Issuer is relying on Section 3 (c) (7) of the Investment Company Act, then such Notes or Alternative Investments will only be offered to institutional investors that qualify as Eligible Investors (as hereinafter defined). “**Eligible Investors**”, as used herein, means persons who are QIBs, but excluding therefrom (i) QIBs that are broker dealers with less than U.S.\$25 million in “**securities**” as such term is defined under Rule 144A, (ii) partnerships, common trust funds, special trusts, pension funds, retirement plans or other entities in which the partners, beneficiaries or participants, as the case may be, may designate the particular investments to be made or the allocation thereof, (iii) entities that were formed, reformed or recapitalised for the specific purpose of investing in the U.S. Notes or Alternative Investments, (iv) any investment company excepted from the Investment Company Act pursuant to section 3 (c) (1) or Section 3 (c) (7) thereof and formed prior to 30 April 1996, that has not received the consent of its beneficial owners with respect to the treatment of such entity as a qualified purchaser in the manner required by Section 2 (a) (51) (C) of the Investment Company and the rules thereunder; and (v) any entity that will have invested more than 40% of its assets in securities of the Issuer subsequent to any purchase of the Notes or Alternative Investments described herein.

The Purchaser further understands and agrees that in the event the Issuer is relying on Section 3 (c) (7) for a particular Series of Notes or Alternative Investments, at no time may such Notes or Alternative Investments be owned beneficially by a person that is not an Eligible Investor. In order to ensure compliance with this limitation, the registration of a Note or Alternative Investment may be refused if as a result of such issuance or transfer, the Notes or Alternative Investments of such Series will be owned beneficially by a person that is not an Eligible Investor. Any transfer or other disposition of any such Notes or Alternative Investments that would, in the sole determination of the Issuer, require the Issuer to register as an “**investment company**” under the provisions of the Investment Company Act, will be void and such transfer or other disposition will not be honoured by the Trustee. Accordingly, any transferee or other holder in such a transaction will not be entitled to any rights as a Noteholder.

The Purchaser understands and agrees that transfers of any Notes or Alternative Investments to be offered or sold in the United States or to or for the account or benefit of U.S. persons shall be subject to the prior written consent of the Issuer. Consent to any transfer may only be withheld to ensure compliance with, or an exemption under, applicable law. Any transfer requires the submission to the Registrar and Transfer Agent of a duly completed certificate of transfer attached to such Note or Alternative Investment and, in the event the Trustee is relying on Section 3 (c) (7) under the Investment Company Act, a Purchaser's letter, in the form to be set forth in the applicable Prospectus or Prospectus (as the case may be) relating to any such Series. In addition, in connection with any resale or other transfer of Notes or Alternative Investments or any interest therein, the Issuer may require additional information including evidence that such sale or transfer does not cause the Issuer to become subject to registration or regulation under the Investment Company Act. The Prospectus or Prospectus (as the case may be) applicable to any Series of Notes or Alternative Investments may modify, amend or supplement the restrictions set forth herein.

In addition, the Purchaser agrees that the Notes or Alternative Investments may not be offered, sold or transferred and the Registrar shall not register any proposed transfer of such Notes or Alternative Investments to any U.S. person unless it receives a certificate to the effect that the proposed transferee is not a benefit plan investor, is not using the assets of a benefit plan investor to acquire such Notes or Alternative Investments and shall not at any time hold such Notes or Alternative Investments for a benefit plan investor (including assets that may be held in an insurance company's separate or general accounts where assets in such accounts may be deemed "**plan assets**" for purposes of ERISA). For the purposes thereof, the term "**benefit plan investor**" means (A) any employee benefit plan (as defined in Section 3(3) of ERISA), (B) any plan described in section 4978(e)(1) of the U.S. Internal Revenue Code, or (C) any entity whose underlying assets include plan assets by reason of a plan's investment in the entity (within the meaning of the U.S. Department of Labor Regulation s2510.31010) and the term "**ERISA**" means the U.S. Employee Retirement Income Security Act of 1974, as amended.

The Purchaser further understands and agrees as follows:

- (i) Certificates in respect of Notes or Alternative Investments offered and sold to investors in the United States will bear a restrictive legend in the form set forth in the applicable Prospectus;
- (ii) Bearer Notes or Alternative Investments are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and regulations thereunder; and
- (iii) the Issuer and the Arrangers reserve the right to reject any offer to purchase, in whole or in part, for any reason, or to sell less than the principal amount of Notes or Alternative Investments which may be offered pursuant to Rule 144A.

### 3. **United Kingdom**

The Purchaser hereby represents, warrants and agrees in relation to the Notes or Alternative Investments that:

- (i) it has only communicated or caused to be communicated, and it will only communicate or cause to be communicated, any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 ("**FSMA**")) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer;
- (ii) in relation to any Notes which must be redeemed before the first anniversary of the date of their issue, (a) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (b) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the FSMA by the Issuer; and
- (iii) it has complied and will comply with all applicable provisions of the FSMA (and all rules and regulations made pursuant to the FSMA), with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### 4. **European Economic Area**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), the Purchaser represents and agrees that with effect from

and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) if the Prospectus or Prospectus, as the case may be in relation to the Notes specifies that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100, or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer ; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

## 5. **Japan**

The Purchaser represents and agrees that the Notes and Alternative Investments have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended; the “**FIEA**”). Accordingly, the Purchaser represents, warrant and agrees that in connection with Notes or Alternative Investments denominated in yen or in respect of which amounts may be payable in yen it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes or Alternative Investments in Japan or to, or for the benefit of, a resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## 6. **Taiwan**

The Notes may be made available to Taiwan investor outside Taiwan for purchase by such investor outside Taiwan but are not permitted to be offered or sold in Taiwan.

## 7. **Hong Kong**

In relation to the Notes, the Purchaser represents and agrees that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"), by means of any document, any Notes other than (i) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance or (ii) in circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue any advertisement, invitation or document relating to the Notes, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance.

8. **Ireland**

The Purchaser represents, warrants and agrees that it has not offered, sold, placed or underwritten and will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of:

- (i) the Prospectus (Directive 2003/71/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland (as amended) (the "**2005 Act**");
- (ii) the Irish Companies Acts 1963 to 2009;
- (iii) the European Communities (Markets in Financial Instruments) Regulations 2007 (as amended) of Ireland and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland;
- (iv) the Market Abuse (Directive 2003/6/EC) Regulations 2005 and any rules issued by the Central Bank of Ireland under Section 34 of the 2005 Act; and
- (v) the Central Bank Acts 1941-2004 (as amended) and any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank of Ireland.



## **ANNEX 1: INFORMATION CONCERNING THE ISSUER**

The information set out in the section of the Base Prospectus entitled “**Description of the Issuer**” and the financial statements in respect of the period ending on 31 December 2009 are hereby incorporated by reference into this Prospectus in accordance with Article 11.1 of the Prospectus Directive.

The issue of the Notes has been authorised by a resolution of the board of directors of the Issuer passed on 04 April 2011.

As at the date of this Prospectus, save for issuances of any notes pursuant to the Programme, the Issuer has no borrowings or indebtedness in the nature of borrowings (including loan capital issued or created but unissued), term loans, liabilities under acceptances or acceptance credits, mortgages, charges or guarantees or other contingent liabilities.

Save as for issuances of notes, there has been no significant change in the financial or trading position of the Issuer and no material adverse change in the financial position or prospects of the Issuer since the publication of its most recent financial statements.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had from the date of incorporation to the date hereof a significant effect on the Issuer's financial position.

### **Directors and Company Secretary**

The Directors of the Issuer are as follows:

Liam Quirke

Niall O'Carroll

Michael Whelan

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

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

The Company Secretary is the administrator of the Issuer. Its duties include the provision of certain administrative, accounting and related services. The appointment of the administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator.

## ANNEX 2: INFORMATION CONCERNING THE COLLATERAL

**Information set out in this section of the Prospectus is an indicative summary only and qualified in its entirety by the Offering Document (as defined below). Please refer to the Offering Document for more detailed information about the Collateral.**

*The information in this Annex has been extracted from the sources described below (together, the “Source Material”). The Issuer takes responsibility only for the accuracy of the extraction and/or reproduction of such information and has made no independent investigation or verification thereof. The delivery of this Prospectus at any time does not imply any representation on the part of the Issuer, the Arranger, the Trustee, the Agents or any other person that any information contained therein is correct either at the date of this Prospectus or at any time subsequent to the date hereof. Such information is qualified in its entirety by the Source Material.*

*The information relating to the undertaking/obligor has been accurately reproduced from information published by the undertaking/obligor or the Bloomberg Information Service. So far as the Issuer is aware and is able to ascertain from information published by the undertaking/obligor and/or by the Bloomberg Information Service no facts have been omitted which would render the reproduced information inaccurate or misleading.*

***Purchasers of Notes should conduct such independent investigation and analysis regarding the Collateral and all other assets from time to time comprising the Collateral and the issuer of the Collateral and all other obligors in respect of the Collateral from time to time as they deem appropriate to evaluate the merits and risks of an investment in the Notes. The Issuer and the Arranger disclaim any responsibility to advise purchasers of Notes of the risks and investment considerations associated with the purchase of the Notes as they may exist at the date hereof or from time to time thereafter.***

*Definitions set out in this Annex apply to this Annex only. Terms used in this Annex but not otherwise defined in this Prospectus shall have the meanings given to them in the documents of information listed below.*

*The information contained in this Annex has been extracted and/or reproduced from the following:*

- (i) the Offering Document; and*
- (ii) information available from the Bloomberg Information Service.*

*Please note that the Offering Document do not form part of this Prospectus.*

*Copies of the Offering Document together with financial statements (if any), of the Collateral Issuer are available for inspection and collection during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer, at the specified office of the Paying Agent in Ireland for so long as any of the Notes shall remain outstanding and, for so long as the Notes remain listed on the Irish Stock Exchange, at the office of the Listing Agent specified on the back of this Prospectus (but only, in respect of each such document, for so long as the relevant securities constitute Collateral for the Notes).*

***The attention of prospective purchasers of Notes is drawn to “Investment Considerations and Risk Factors” herein and to the Offering Document.***

<b>Offering Document:</b>	Final Terms dated 06 April 2011
<b>Collateral Issuer:</b>	Lloyds TSB Bank plc
<b>Address:</b>	25 Gresham Street, London, EC2V 7HN

<b>Country of incorporation:</b>	United Kingdom
<b>Nature of business:</b>	Banking and financial services
<b>Nature of the collateral:</b>	USD 30,000,000 in principal amount of the USD 30,000,000 4.38% Senior Notes due 6 April 2016 issued by Lloyds TSB Bank plc
<b>Legal jurisdiction to which the assets are subject:</b>	English law
<b>Listing:</b>	The Collateral Issuer has securities admitted to trading on the regulated market of the London Stock Exchange
<b>ISIN:</b>	XS0607798484
<b>Method of origination of the assets:</b>	The Collateral was issued on 06 April 2011 pursuant to the terms of the Offering Document

## **REGISTERED OFFICE OF THE ISSUER**

**Eirles Two Limited**  
5 Harbourmaster Place  
Dublin 1  
Ireland

## **TRUSTEE**

**Deutsche Trustee Company Limited**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

## **ISSUING AND PAYING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

## **IRISH PAYING AGENT**

**Deutsche International Corporate Services  
(Ireland) Limited**  
5 Harbourmaster Place  
Dublin 1  
Ireland

## **LEGAL ADVISERS**

*to the Arranger and the Trustee as to English law:*

**Allen & Overy**  
9<sup>th</sup> Floor  
Three Exchange Square  
Central  
Hong Kong

*to the Issuer as to Irish law:*

**Matheson Ormsby Prentice**  
70 Sir John Rogerson's Quay  
Dublin 2  
Ireland

## **LISTING AGENT**

**Deutsche Bank AG, London Branch**  
Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom