

PROSPECTUS

dbInvestor Solutions plc

(Incorporated with limited liability in Ireland)

Programme for the issuance of Secured Securities

Series 105
Up to EUR110,000,000 Fixed to Floating Rate Secured Notes due 2018

Arranger **Deutsche Bank AG, London Branch**

This Prospectus (the “**Prospectus**”) dated 8 January 2013 constitutes a prospectus for the purposes of Article 5.3 of Directive 2003/71/EC as amended (which includes the amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area) (the “**Prospectus Directive**”).

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

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

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

Dated 8 January 2013

IMPORTANT INFORMATION

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

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

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

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

IMPORTANT INFORMATION RELATING TO NON-EXEMPT OFFERS OF SECURITIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PRESENTATION OF INFORMATION

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

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PART A
SUMMARY SECTION

SUMMARY RELATING TO THE SERIES 105 UP TO EUR 110,000,000 FIXED TO FLOATING RATE SECURED NOTES DUE 2018

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

Section A — Introduction and warnings

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

Section B — Issuer

Element	Disclosure requirement	
B.1	Legal and commercial name of the Issuer	dbInvestor Solutions plc

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

Element	Disclosure requirement				
		2011 €'000	2010 €'000	2011 €'000	2010 €'000
	Total comprehensive income for the year	<u>10</u>	<u>12</u>	Total assets	<u>1,986,848</u> <u>1,643,976</u>
				Total liabilities	<u>1,986,773</u> <u>1,643,911</u>
				Total equity	<u>75</u> <u>65</u>
				Total liabilities and equity	<u>1,986,848</u> <u>1,643,976</u>
	The summary information below is extracted from the Issuer's unaudited comprehensive income statement for the six month periods ended 30 June 2012 and 30 June 2011:		The summary information below is extracted from the Issuer's unaudited statement of financial position for the six month period ended 30 June 2012:		
	Total comprehensive income for the year	30 June 2012	30 June 2011	Statement of Financial Position	30 June 2012
		€'000	€'000		€'000
		<u>13</u>	<u>4</u>	Total assets	<u>2,348,995</u>
				Total liabilities	<u>2,348,913</u>
				Total equity	<u>82</u>
				Total liabilities and equity	<u>2,348,995</u>
B.24	Description of any material adverse change since the date of the Issuer's last published audited financial statements	Not applicable - there has been no material adverse change in the prospects of the Issuer, since 31 December 2011, the date of the last published audited financial statements.			
B.25	Description of the underlying assets	<p>The Charged Property in respect of the Securities comprises, <i>inter alia</i>, the Issuer's rights in respect of the Hedging Agreement and the Collateral.</p> <p>On the Issue Date, the Collateral in respect of the Securities on issue will comprise a nominal amount of the EUR 110,000,000 Senior Floating Rate Notes due 2018 (ISIN: PTGALDOM0004) issued by Galp Energia, SGPS, S.A. (the “Collateral Obligor”) equal to the aggregate Nominal Amount of the Securities.</p> <p>Galp Energia, SGPS, S.A. is a Portugal-based holding company for companies operating in the energy sector.</p> <p>The Issuer will enter into an asset swap agreement (the “Hedging Agreement”) with Deutsche Bank AG, London Branch (the “Hedging Counterparty”) the purpose of which is to allow the Issuer to perform its scheduled obligations under the terms of the Securities. The Hedging Agreement will be a limited recourse obligation of the Issuer. Deutsche Bank Aktiengesellschaft is a banking and financial services institution.</p> <p>The Collateral will have a nominal amount equal to 100 per cent. of the aggregate Nominal Amount of the Securities.</p>			
B.26	Parameters within which investments in respect of an actively managed	Not applicable, there is no actively managed pool of assets backing the issue.			

Element	Disclosure requirement	
	pool of assets backing the issue	
B.27	Statement regarding fungible issues	The Issuer may from time to time issue further Securities on the same terms as the existing Securities and on terms that such further Securities shall be consolidated and form a single series with such existing Securities; provided that, unless otherwise approved by a resolution of holders of a minimum nominal amount of the Securities, the Issuer shall provide additional assets as security for such further Securities and existing Securities.
B.28	Description of the structure of the transaction	<p>Interest is payable in respect of each nominal amount of Securities equal to the Calculation Amount quarterly (other than the first interest payment) in arrear on the Calculation Amount at a rate per annum equal to the Interest Rate.</p> <p>Unless previously redeemed or purchased and cancelled, each nominal amount of Securities equal to the Calculation Amount will be redeemed at the Calculation Amount.</p> <p>The Securities may be subject to cancellation on an early termination of the Hedging Agreement, a Collateral Default Event (as defined below), a Collateral early redemption or an Event of Default (as described below).</p> <p>Under the Hedging Agreement, (a) initially the Issuer shall pay to the Hedging Counterparty the proceeds of issue of the Securities in exchange for the Collateral, (b) an amount sufficient to fund the scheduled interest payments due under the Securities is payable from the Hedging Counterparty to the Issuer in exchange for interest payable on the Collateral and (c) an amount sufficient to fund certain redemption or termination amounts due under the Securities is payable from the Hedging Counterparty to the Issuer in exchange for the Collateral (or the proceeds of redemption thereof).</p>
B.29	Description of cashflows and information on the Hedging Counterparty	<p>See item B.28 above for information on cashflows.</p> <p>The Hedging Counterparty is Deutsche Bank AG, London Branch, whose business is banking and financial services and which is incorporated in Germany.</p>
B.30	Name and a description of the originators of securitised assets	Deutsche Bank AG, London Branch, in respect of the Hedging Agreement and Galp Energia, SGPS, S.A. in respect of the Collateral. See items B.25 and B.29 above for a description of these entities.

Section C — Securities

Element	Disclosure requirement	
C.1	Description of Securities/ISIN	<p>Fixed to Floating Rate Secured Notes.</p> <p>ISIN: XS0869499466</p> <p>Common Code: 086949946</p> <p>The International Securities Identification Number (“ISIN”) uniquely identifies the Securities.</p>
C.2	Currency	The Securities will be denominated in euro (“ EUR ”).
C.5	Restrictions on transferability	Not applicable, the Securities will be freely transferable.
C.8	Rights attaching to the	The Securities will have terms and conditions relating to, among

	Securities	<p>other matters:</p> <p>Status and Security</p> <p>The Securities will represent secured, limited recourse obligations of the Issuer, ranking <i>pari passu</i> without any preference among themselves.</p> <p>The Securities will be secured by:</p> <ol style="list-style-type: none"> (1) a first fixed charge and/or an assignment by way of first fixed charge in favour of Deutsche Trustee Company Limited as trustee (the “Trustee”) over the Collateral and all of the Issuer's rights in respect of and sums derived from the Collateral (including, without limitation, the proceeds of sale thereof), and an assignment by way of a first fixed charge in favour of the Trustee of all of the Issuer's rights in respect of the Collateral against the Custodian; (2) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Hedging Agreement and any sums of money, securities or other property received or receivable by the Issuer thereunder; (3) a first fixed charge in favour of the Trustee over (i) the Issuer's right to all sums held by the Principal Agent and/or any Paying Agent and/or the Custodian to meet payments due in respect of the Securities and (ii) any sums of money, securities or other property received or receivable by the Issuer under the Hedging Agreement; and (4) an assignment by way of first fixed charge in favour of the Trustee of all of the Issuer's rights, title and interest under the Agency Agreement and all sums derived therefrom in respect of the Securities. <p>Limited Recourse and Non-Petition</p> <p>Claims against the Issuer by Securityholders and the Hedging Counterparty and each Secured Party (as defined below) will be limited to the Charged Property. If the net proceeds of the enforcement of the Charged Property are not sufficient to make all payments due in respect of the Securities and due to the Hedging Counterparty and each Secured Party, no other assets of the Issuer will be available to meet such shortfall and the claims of the holders of the Securities and such Hedging Counterparty or Secured Party in respect of any such shortfall shall be extinguished and no party will be able to petition for the winding-up of, or the appointment of an examiner to, the Issuer as a consequence of any such shortfall.</p> <p>Order of Priorities</p> <p>The respective rankings for priority of the interests of the holders of the Securities and of the Hedging Counterparty and each other party entitled to the benefit of the first fixed charge and/or assignment described above (each a “Secured Party”) in the proceeds of such first fixed charge and/or assignment shall be as follows: all such proceeds shall be applied first in payment of all amounts outstanding to the Trustee (including all its fees, costs, charges, expenses and liabilities), secondly in payment of any amounts owing to the Hedging Counterparty, thirdly <i>pro rata</i> in payment of any amounts outstanding to the Securityholders and fourthly in respect of any balance to the Issuer.</p> <p>Negative Pledge/Restrictions</p>
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C.9	Interest/Redemption	<p>See item C.8 above for information on rights attaching to the Securities.</p> <p>The “Calculation Amount” is EUR1,000.</p> <p>Interest</p> <p>The Interest Amount payable on each Interest Payment Date in respect of each nominal amount of Securities equal to the Calculation Amount and an Interest Period is an amount in EUR</p>

		<p>calculated by multiplying the product of the Interest Rate for the relevant Interest Period and the Calculation Amount by the Day Count Fraction for the relevant Interest Period.</p> <p><i>Interest Rate</i></p> <p>The Interest Rate is:</p> <p>(a) in respect of the first Interest Period and each successive Interest Period up to (but excluding) the Interest Period commencing on 18 February 2014, 5.00 per cent. per annum; and</p> <p>(b) in respect of each Interest Period thereafter, the lesser of (i) the sum of (x) the Benchmark Rate in respect of such Interest Period and (y) 4.25 per cent. per annum; and (ii) 6.00 per cent. per annum</p> <p><i>Benchmark Rate</i></p> <p>In respect of an Interest Period, the rate for deposits in EUR for a period of three months which appears on the Reuters Screen EURIBOR01 Page (or any Successor Source) as of 11.00 a.m., Brussels time, on the relevant Interest Determination Date. If such rate does not appear on the Reuters Screen EURIBOR01 Page (or such Successor Source as aforesaid) on such day, the Benchmark Rate for such Interest Period shall be determined on the basis of the rates at which deposits in EUR are offered by the Reference Banks at approximately 11.00 a.m., Brussels time, on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market for a period of three months commencing on the first day of such Interest Period and in a Representative Amount assuming an Actual/360 day count basis. The Calculation Agent will request the principal Euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Benchmark Rate for such Interest Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Benchmark Rate for such Interest Period will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11.00 a.m., Brussels time, on the first day of such Interest Period for loans in EUR to leading European banks for a period of three months commencing on the first day of such Interest Period and in a Representative Amount. If no such rates are quoted, the Benchmark Rate for such Interest Period will be the rate determined by the Calculation Agent in its sole and absolute discretion by reference to such source(s) and at such time as it deems appropriate.</p> <p><i>Day Count Fraction</i></p> <p>Actual/360.</p> <p><i>Interest Periods</i></p> <p>The Interest Periods are the period commencing on (and including) the Issue Date to (but excluding) the first Interest Accrual Date and each successive period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date.</p> <p><i>Issue Date and Interest Accrual Dates</i></p> <p>The Issue Date is 28 February 2013 and the Interest Accrual Dates</p>
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		<p>are 18 May, 18 August, 18 November and 18 February, in each year from (and including) 18 May 2013 to (and including) the Scheduled Maturity Date.</p> <p><i>Interest Payment Date(s)</i></p> <p>The Interest Payment Dates are (a) each day falling three Business Days following each Party B Variable Amount Payer Payment Date in the period from (and including) 28 February 2013 to (but excluding) the Scheduled Maturity Date and (b) the Scheduled Maturity Date, subject to postponement as described in "Maturity Date Postponement" below.</p> <p><i>Party B Variable Amount Payer Payment Date</i></p> <p>The Party B Variable Amount Payer Payment Dates are each date on which scheduled interest (each a "Scheduled Interest Amount") is received by or on behalf of the Issuer in respect of the Collateral in the period from (and including) the Issue Date to (and including) the Maturity Date or, in the event that a Scheduled Interest Amount is received in parts, the date on which the last amount comprising such Scheduled Interest Amount is received.</p> <p><i>Interest Determination Dates</i></p> <p>The Interest Determination Dates are each day falling two TARGET2 Settlement Days prior to the first day of the relevant Interest Period.</p> <p>Redemption</p> <p><i>Maturity</i></p> <p>Unless previously redeemed or purchased and cancelled, each nominal amount of Securities equal to the Calculation Amount will be redeemed on the Maturity Date at a Redemption Amount equal to the Calculation Amount.</p> <p>The Maturity Date is 18 February 2018 (the "Scheduled Maturity Date"), subject to postponement as described in "Maturity Date Postponement" below.</p> <p><i>Maturity Date Postponement</i></p> <p>If the Calculation Agent determines that a Potential Collateral Default Event has occurred and is continuing as of the Scheduled Maturity Date, the Scheduled Maturity Date will be postponed until the first date on which in the determination of the Calculation Agent the event the subject of the Potential Collateral Default Event could constitute a Collateral Default Event (as defined in "Collateral Default Event" below). In such circumstances, provided that a Collateral Default Event does not occur, additional interest shall be payable in respect of each nominal amount of Securities equal to the Calculation Amount on the postponed Maturity Date in an amount equal to such Securities' <i>pro rata</i> share of any interest received in respect of the Collateral by or on behalf of the Issuer in respect of such period of postponement, and no further or other amount in respect of interest shall be payable and no additional amount shall be payable in respect of such delay.</p> <p>"Potential Collateral Default Event" means an event which, with the passing of time, could constitute a Collateral Default Event.</p>
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		<p><i>Early Cancellation of the Securities</i></p> <p>The Securities may be cancelled early in a number of circumstances.</p> <p>(A) Early termination of the Hedging Agreement</p> <p>If there is an early termination of the Hedging Agreement, then the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation in respect of each nominal amount of Securities equal to the Calculation Amount as described below. The Hedging Agreement may be terminated in a number of circumstances, for example (i) if the Securities are cancelled prior to the Maturity Date, (ii) at the option of one party, if there is a failure by the other party to pay any amounts due under the Hedging Agreement, (iii) in certain circumstances if withholding taxes are imposed on payments under the Hedging Agreement or it becomes illegal for either party to perform its obligations under the Hedging Agreement, (iv) in certain circumstances if the implementation or adoption of or change in any applicable law or regulation, or the interpretation or administration of any applicable law or regulation would subject either party to a materially increased regulatory burden or otherwise have a material adverse effect on either party with respect to the Hedging Agreement or more generally and (v) upon the occurrence of certain other events with respect to either party and the Hedging Agreement, including insolvency.</p> <p>(B) Collateral Default Event</p> <p>If (i) under the terms of the Collateral as at the Issue Date, a default, event of default or other similar event or circumstance has occurred under the Collateral (howsoever described and including, without limitation, a failure to pay any principal or interest when and where due in accordance with the terms of the Collateral as at the Issue Date) and the Collateral is capable of being accelerated or (ii) the terms of the Collateral are restructured and/or amended (whether by operation of law or otherwise) such that (as applicable) the interest and/or principal (in each case howsoever described) and/or any other amounts payable thereunder is reduced and/or postponed and/or the priority of payments and/or the maturity date thereunder is amended (a “Collateral Default Event”), the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation in respect of each nominal amount of Securities equal to the Calculation Amount.</p> <p>(C) Collateral early redemption</p> <p>If the Collateral is redeemed prior to the Scheduled Maturity Date for any reason other than a Collateral Default Event, the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation in respect of each nominal amount of Securities equal to the Calculation Amount.</p> <p>In any such case of early cancellation described in (A), (B) or (C) above the Issuer shall give not more than 30 Business Days' nor less than 10 Business Days' notice of the date fixed for cancellation and on expiry of such notice shall cancel all outstanding Securities.</p> <p>Accordingly if any such notice period would not expire on or prior to the Maturity Date, the date fixed for cancellation will fall after the Maturity Date.</p>
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		<p>(D) Event of Default</p> <p>If an Event of Default occurs (as described above), then the Securities shall be cancelled and the Issuer shall pay the Early Termination Amount (if any) together with interest accrued to the date fixed for cancellation in respect of each nominal amount of Securities equal to the Calculation Amount.</p> <p>Early Termination Amount</p> <p>(I) The Early Termination Amount (if any) due in respect of each nominal amount of Securities equal to the Calculation Amount following the occurrence of an Event of Default, an early termination of the Hedging Agreement or a Collateral Default Event, shall be an amount equal to such Securities' <i>pro rata</i> share of an amount in EUR (which may never be less than zero) determined by the Calculation Agent in accordance with the following formula:</p> <p>$(A - B)$</p> <p>Where:</p> <p>“A” is the Market Value Collateral; and</p> <p>“B” is the Early Redemption Unwind Costs.</p> <p>(II) The Early Termination Amount (if any) due in respect of each nominal amount of Securities equal to the Calculation Amount following an early redemption of the Collateral (other than due to a Collateral Default Event) shall be an amount in EUR (which may never be less than zero) determined by the Calculation Agent equal to such Securities' <i>pro rata</i> share of the proceeds of redemption of the Collateral (for the avoidance of doubt excluding any accrued interest paid in respect of such redemption), less the Early Redemption Unwind Costs.</p> <p>Holders of the Securities should note however that following the occurrence of an early termination of the Hedging Agreement or a Collateral Default Event the security will become enforceable and the aggregate of all sums secured on the Charged Property in priority to the claims of the Securityholders may represent a considerable portion of the proceeds of realisation of the Collateral.</p> <p>For these purposes:</p> <p>“Collateral Currency” means the currency in which the Collateral is denominated;</p> <p>“Early Redemption Unwind Costs” means the sum (the result of which may be positive, negative or zero) of:</p> <p>(a) an amount, if any, determined by the Calculation Agent equal to (i) the sum of (without duplication) all costs, expenses (including loss of funding), tax and duties incurred by the Hedging Counterparty (expressed as a positive amount) or (ii) the gain realised by the Hedging Counterparty (expressed as a negative amount), in either case in connection with the cancellation of the Securities and the related termination, settlement or re-establishment of any hedge or related trading position; and (without duplication);</p> <p>(b) (expressed as a positive amount) any legal and other ancillary costs (including if applicable, without limitation, any costs in relation to the realisation of the Collateral) incurred by the Issuer, the Trustee or the Hedging Counterparty as a</p>
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		<p>result of the Securities becoming subject to mandatory cancellation under General Condition 5.1 (Mandatory Cancellation), General Condition 5.2 (Cancellation for other reasons), General Condition 10 (Events of Default) or Product Condition 7 (Cancellation on early redemption of the Collateral);</p> <p>“Early Termination Valuation Date” means:</p> <p>(a) for the purposes of a cancellation under General Condition 5.1 (Mandatory Cancellation) or General Condition 5.2 (Cancellation for other reasons), the Business Day immediately preceding the due date for cancellation; or</p> <p>(b) for the purposes of a cancellation under General Condition 10 (Events of Default), the due date for cancellation;</p> <p>“Market Value Collateral” means an amount in the Collateral Currency calculated by the Calculation Agent equal to the highest firm bid quotation obtained by the Calculation Agent from the Reference Dealers for the Collateral (excluding accrued but unpaid interest in respect thereof) on the relevant Early Termination Valuation Date, PROVIDED THAT if no firm bid quotation is obtained, the Market Value Collateral shall be calculated by the Calculation Agent in good faith and may in certain circumstances be zero.</p> <p>The Calculation Agent shall attempt to obtain firm bid quotations to establish the Market Value Collateral from at least five Reference Dealers; and</p> <p>“Reference Dealers” means leading dealers, banks or banking corporations, which deal in obligations of the type of the Collateral selected by the Calculation Agent, one of which may be Deutsche Bank AG, London Branch.</p> <p>Yield</p> <p>In respect of the period from (and including) the Issue Date to (but excluding) the Interest Accrual Date falling on 18 February 2014, 5.00 per cent. (annualised).</p> <p>The yield is calculated at the Issue Date on the basis of the Issue Price and on the assumption that the Securities are not subject to early cancellation. It is not an indication of future yield.</p> <p>In respect of the period from (and including) the Interest Accrual Date falling on 18 February 2014 to (but excluding) the Scheduled Maturity Date, not applicable, as during such period the Securities will accrue interest at a floating rate.</p> <p>Representative of Securityholders</p> <p>The Trustee will act as trustee for the Securityholders. The Trustee may, without the consent of the Securityholders but only with the prior written consent of the Hedging Counterparty agree to any modification to the Trust Instrument, the Hedging Agreement or any other agreement or document entered into in relation to the Securities (i) which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, (ii) which in the opinion of the Trustee is not materially prejudicial to the interests of the Securityholders or (iii) which is made to satisfy any requirement of any stock exchange on which the Securities are or are proposed to be, listed and which is not in the opinion of the Trustee materially prejudicial to the interests of the Securityholders.</p>
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C.10	Derivative component	Not applicable, the Securities do not have a derivative component in the interest payment. See item C.9 above for information on the interest payable in respect of the Securities.
C.11	Listing and Admission to Trading / Distribution	<p><i>Listing and Admission to Trading</i></p> <p>Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Irish Stock Exchange and to be listed on the Official List of the Irish Stock Exchange on or about the Issue Date.</p> <p><i>Distribution</i></p> <p>The Notes may be offered to the public in Portugal. See item E.3 below.</p>
C.12	Minimum denomination	The Nominal Amount will be EUR1,000 and integral multiples of EUR1,000.

Section D — Risks

Element	Disclosure requirement	
D.2	Key risks regarding the Issuer	<p>There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Securities and in purchasing the Securities investors assume the risk of these. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it may currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. These factors could take effect individually or together and include matters of Irish law (such as an investment in the Securities not being within the scope of the deposit protection scheme operated by the Central Bank of Ireland, any examiner appointed to the Issuer seeking to set aside the restrictions on borrowing under the Securities to enable the examiner to borrow to fund the Issuer, a compromise or scheme of arrangement proposed by an examiner being approved which writes down or reschedules the debt due by the Issuer under the Securities, the remuneration and expenses of any examiner and the claims of other preferential creditors of the Issuer being met in priority to claims of Securityholders in the event of a liquidation of the Issuer, fixed charges in relation to the Charged Property being recharacterised as floating charges, weaknesses in floating charges and the Issuer's tax position adversely affecting cash flows in connection with the Securities), the Securities being limited recourse obligations (meaning that Securityholder's claims may be extinguished if there is a shortfall in funds available to meet payments under the Securities) and related risks, that neither the Trustee nor Securityholders are entitled to petition or take any other step for the winding-up of or the appointment of an examiner to the Issuer and further issues of Securities by the Issuer.</p>
D.3	Key risks regarding the Securities	<p>There are also certain factors which are material for the purpose of assessing the risks associated with Securities. These include the fact that such Securities may not be a suitable investment for all investors (for example if they do not have the requisite knowledge and experience in financial and business matters to evaluate the merits and risks of an investment in the Issuer in context of their financial position or are not capable of bearing the economic risk of an investment in the Issuer for an indefinite period of time), the Hedging Agreement (for example its possible early termination in various circumstances which would result in the cancellation of the Securities) and the related credit exposure to the Hedging</p>

		<p>Counterparty, credit exposure to the Collateral Obligor and the eurozone (as this will affect the value of the Collateral held as security for the Securities and by reference to which amounts payable under the Securities may be calculated), early cancellation of the Securities (including for early termination of the Hedging Agreement, Collateral Default Event and/or restructuring and/or amendment, Collateral early redemption and Issuer event of default) which may lead to a loss of investment, potential postponement of the maturity date of the Securities, fluctuations and decreases in the market value of the Securities and the market value of the Collateral which will also affect the value of the Securities and the amounts paid on any cancellation of the Securities, the interest rate used to calculate the interest payable in respect of the Securities as from 18 February 2014 is a variable rate which will fluctuate and may fall, that payments to Securityholders under the Securities will be made only after payments due to other transaction parties have been met, tax risks (for example that all payments in respect of the Securities will be made subject to any withholding or deduction for taxes and that the Issuer and other non-US financial institutions through which payments on the Securities are made may be required to withhold amounts pursuant to the U.S. Foreign Account Tax Compliance Act), that no secondary market exists for the Securities (meaning that investors may not be able to realise their investment prior to maturity and business relationships between the parties to the Securities and conflicts of interest which may adversely affect the value of the Securities).</p>
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Section E — Offer

Element	Disclosure requirement	
E.2b	Use of proceeds	<p>The net proceeds from the issue of the Securities will be used to acquire the Collateral comprised in the Charged Property, to pay for or enter into the Hedging Agreement and to pay expenses in connection with the administration of the Issuer.</p>
E.3	Terms and conditions of the offer by the Distributor in Portugal	<p>An Investor intending to acquire or acquiring any Securities from the Distributor will do so, and offers and sales of Securities to an Investor by the Distributor will be made, in accordance with any terms and other arrangements in place between the Distributor and such Investor including as to price, allocations and settlement arrangements.</p> <p>Offer Period</p> <p>Applications to subscribe for the Securities may be made from 11 January 2013 until the Primary Market End Date of 25 February 2013.</p> <p>Cancellation of the Issuance of the Securities</p> <p>The Issuer reserves the right for any reason to cancel the issuance of the Securities including if the Issuer does not receive valid subscriptions for Securities amounting to an aggregate subscription value of at least EUR 2,000,000 in aggregate Nominal Amount of the Securities on or prior to the Primary Market End Date.</p> <p>Early Closing of the Subscription of the Securities</p> <p>The Issuer reserves the right for any reason to close the Offer Period early. If the aggregate subscription of the Securities at any time prior to the Primary Market End Date reaches EUR110,000,000 in aggregate Nominal Amount of the Securities, the Issuer may close the subscription of the Securities at such time. Any early closure will</p>

		<p>be published on the Irish Stock Exchange's website www.ise.ie.</p> <p>Description of the application and settlement process</p> <p>Applications for the Securities can be made in Portugal at participating branches of Deutsche Bank AG – Sucursal em Portugal (the “Distributor”). Distribution will be in accordance with the Distributor's usual procedures, notified to investors by the Distributor. The Securities will be issued on the Issue Date against payment to the Issuer of the net subscription moneys.</p> <p>Offer Price</p> <p>In respect of each nominal amount of Securities equal to 100 per cent. of the Calculation Amount, EUR1,000.</p> <p>Conditions to which the offer is subject and results of the offer</p> <p>Offers of the Securities are conditional on their issue. The Issuer will in its sole discretion determine the final amount of Securities issued up to a limit of EUR110,000,000. Securities will be allotted subject to availability in the order of receipt of investors' applications. The final Aggregate Nominal Amount of the Securities issued will be determined by the Issuer in light of prevailing market conditions, and in its sole and absolute discretion depending on the number of Securities which have been agreed to be purchased as of 25 February 2013. The precise Aggregate Nominal Amount of Securities to be issued will be published on the Irish Stock Exchange's website (www.ise.ie) and filed with the Central Bank in each case on or around the Issue Date.</p>
		<p>Details of the minimum and/or maximum amount of application</p> <p>The minimum allocation per investor will be EUR1,000 in nominal amount of the Securities. The maximum allocation of Securities will be subject only to availability at the time of the application. Each investor will be notified by the Distributor of its allocation of Securities at the time of such investor's application. No dealings in the Securities may take place prior to the Issue Date.</p>
E.4	Interest of natural and legal persons involved in the issue/offer	<p>The Arranger has offered the Securities to the Distributor at a price (the “Re-offer Price”) per Security which will be between 95.00% and 100% of the Offer Price, a discount to the Offer Price equivalent to a maximum yearly fee of up to 1.00% per annum thereon and which will be determined by the Arranger and the Distributor at the end of the Offer Period in accordance with market conditions during the Offer Period. The Offer Price is the price at which investors will subscribe for Securities.</p> <p>The Re-offer Price reflects the discount on the Offer Price granted by the Arranger to the Distributor on the sale of the Securities to the Distributor in satisfaction of the distribution-related fee agreed between the Arranger and the Distributor. Further information on the Re-offer Price is available from Deutsche Bank AG.</p>
E.7	Expenses charged to the investor by the Issuer or an offeror	Not applicable, there are no expenses charged to the investor by the Issuer or an offeror.

PART B
RISK FACTORS SECTION

RISK FACTORS – SECURITIES

I: The Securities

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

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

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

(A) Investor Suitability

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

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

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

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

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

(B) The Hedging Agreement

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

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

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

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

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

(C) Cancellations of the Securities

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

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

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

The Early Redemption Unwind Costs will reflect any costs, expenses, taxes and duties incurred (which will be expressed as a positive amount), or any gain realised (which will be expressed as a negative amount), by the Hedging Counterparty in connection with cancelling the Securities and unwinding any transactions it has entered into in respect of the Securities (for example, if there are any break costs, loss of funding costs or mark to market losses on any related hedge) and any legal and other ancillary costs incurred by the Issuer, the Trustee or the Hedging Counterparty as a result of the Securities being cancelled (see Product Condition 6).

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

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

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

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

(D) Market Value

The market value of the Securities will be affected by changes in the credit risk of the issuer of the Collateral (the "**Collateral Obligor**") and Deutsche Bank AG, London Branch as the Hedging Counterparty, in each case which in turn will fluctuate with, amongst other things, changes in prevailing interest rates, general economic conditions, conditions of financial markets, European and international political events, events in the jurisdiction of incorporation of the Collateral Obligor and the Hedging Counterparty and the financial condition of the Collateral Obligor and the Hedging Counterparty. A decrease in the credit rating of the Collateral Obligor and/or the Hedging Counterparty is very likely to adversely affect the market value of the Securities. Accordingly, prospective investors in the Securities should ensure that they fully understand how the creditworthiness of the Collateral Obligor and the Hedging Counterparty may affect an investment in the Securities and before making an investment decision with respect to the Securities should carefully

consider whether such investment is suitable for them and whether they can sustain a total loss of their investment in the Securities.

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

(E) Collateral Market Value Risk

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

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

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

(F) Maturity Date Postponement

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

(G) Interest Rate Risk

From (and including) the Interest Period commencing on 18 February 2014 the Interest Rate in respect of the Securities will change from fixed rate to floating rate. From this time onwards, the Interest Amount payable in respect of the Securities will therefore be calculated by reference to a variable Interest Rate as described in the Product Conditions and a fall in the Interest Rate will reduce the amount of interest payable in respect of the Securities. Accordingly, an investment in the Securities involves interest rate risk where there are adverse fluctuations in the Interest Rate. This may also influence the market

value of the Securities. Interest rates are determined by factors of supply and demand in the international money markets which are influenced by macroeconomic factors, speculation and central bank and government intervention or other political factors. Fluctuations in short term and/or long term interest rates may affect the value of the Securities.

The floating rate Interest Rate that will apply from (and including) the Interest Period commencing on 18 February 2014 in respect of the Securities will be subject to a maximum Interest Rate.

(H) Credit Risk

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

(I) Collateral Risk

The Collateral comprises debt securities of Galp Energia, SGPS, S.A., a Portugal-based holding company for companies operating in the energy sector. An investment in the Securities is subject to the risk that changes in the political and economic environment in Portugal may have a negative impact on Galp Energia, SGPS, S.A.'s ability to perform its obligations under the Collateral. In particular, the government of Portugal may pursue economic policies which result in, for example, higher inflation, higher interest rates, recession, hard currency shortage or a downgrade of Portugal's credit rating. In addition, certain countries in Europe (including Portugal) currently have significant sovereign debt levels and/or fiscal deficits and this has led to uncertainties in the capital and credit markets as to whether or not the governments of those countries will be able to pay in full and on time the amounts due in respect of those debts. These concerns have led to significant exchange rate volatility, especially with respect to the EUR and USD. Should the declining economic conditions in one EU member state be replicated in other EU member states, the risks in respect of Portugal would be exacerbated.

The activities of Galp Energia, SGPS, S.A. are predominantly located in Portugal, Spain, Brazil, Angola, Venezuela, Mozambique, Cape Verde, Guinea-Bissau, Swaziland, Gambia, East Timor, Uruguay and Equatorial Guinea. The laws and regulations affecting the Collateral Obligor's activities in these countries, including numerous environmental laws and regulations as well as supra-national laws, particularly EU regulations and directives and international environmental arrangements, may vary by jurisdiction and may be subject to modifications, including those unilaterally imposed by regulators and legislative authorities or as a result of judicial or administrative proceedings or actions, that may make such laws and regulations more restrictive or in other ways less favourable to the Collateral Obligor. Furthermore, additional laws and regulations may be implemented, including those enacted as a result of actions filed by third parties or lobbying by special interest groups. Changes to these laws and regulations, or the enactment of additional laws and regulations, could have a material adverse effect on the Collateral Obligor's business, financial condition, prospects or results of operations.

(J) Subordination

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

(K) Taxation

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

(L) US Foreign Account Tax Compliance Withholding

The Issuer and other non-U.S. financial institutions through which payments on the Securities are made may be required to withhold U.S. tax at a rate of 30 per cent. on all, or a portion of, payments made on or after 1 January 2017 in respect of (i) Securities issued on or after 1 January 2013 and (ii) any Securities which are treated as equity for U.S. federal tax purposes (whenever issued) pursuant to the U.S. Foreign Account Tax

Compliance Act ("**FATCA**") or similar law implementing an intergovernmental approach to FATCA. This withholding tax may be triggered if (i) the Issuer is a foreign financial institution ("**FFI**") (as defined in FATCA) which enters into and complies with an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information on its account holders (a term which includes the holders of its debt or equity interests that are not regularly traded on an established securities market) (making the Issuer a participating FFI), (ii) the Issuer has a positive "passthru percentage" (as defined in FATCA), and (iii)(a) an investor does not provide information sufficient for the participating FFI to determine whether the investor is a U.S. person or should otherwise be treated as holding a "United States Account" of such Issuer, or (b) any FFI through which payment on such Securities is made is not a participating FFI

After consultation with a number of potential partner countries, the United States released a model intergovernmental agreement ("**model IGA**") to facilitate the implementation of FATCA. Pursuant to FATCA and the model IGA, an FFI in a model IGA signatory country could be treated as a deemed-compliant FFI, an exempt FFI or a "**Reporting FFI**" not subject to FATCA withholding on any payments it receives. Such an FFI would also not be required to withhold under FATCA from payments it makes. The model IGA leaves open the possibility that such an FFI might in future be required to withhold on foreign passthru payments (a term not yet defined) that it makes. A Reporting FFI would be required to report certain information in respect of its account holders to its home government.

(M) No Secondary Market

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

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

(N) Potential Conflicts of Interest

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

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

The Arranger, the Hedging Counterparty, the Calculation Agent and their respective affiliates may, in certain cases, act as market-maker for the Collateral. By such market-making, the Arranger, the Hedging Counterparty, the Calculation Agent or such affiliate will, to a large extent, itself determine the price of the Collateral, and consequently influence the value of the Securities. The prices quoted by the Arranger, the Hedging Counterparty, the

Calculation Agent or such affiliate in its market-making function will not always correspond to the prices which would have formed without such market-making and in a liquid market.

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

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

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

RISK FACTORS – PROGRAMME

II: The Programme

General

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

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

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

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

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

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

A. Risks in relation to the Securities

1. Introduction

An investment in the Securities involves risks. These risks may include, among others, equity market, bond market, foreign exchange interest rate, market volatility and political risks and any combination of these and other risks. Some of these are briefly discussed below. Prospective purchasers should be experienced with respect to transactions

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

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

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

2. Market Factors

2.1 Valuation of the Underlying

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

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

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

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

2.3 Exchange Rates

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

Exchange rates between currencies are determined by factors of supply and demand in the international currency markets which are influenced by macro economic factors,

speculation and central bank and government intervention (including the imposition of currency controls and restrictions). Fluctuations in exchange rates may affect the value of the Securities.

2.4 *Interest Rate*

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

2.5 *Market Volatility*

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

3. *Certain Hedging Considerations*

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

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

4. *Collateral and Charged Property*

4.1 *Illiquid Collateral*

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

4.2 *Credit Risk of Counterparties*

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

4.3 *Country and Regional Risk*

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

5. **Secondary Market**

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

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

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

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

6. **Potential Conflicts of Interest**

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

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

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

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

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

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

7. Option to Settle in Cash or by Physical Delivery

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

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

8. Market Disruption Events

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

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

9. Cancellation of Securities

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

10. **Substitution or Adjustment Provisions**

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

11. **Taxation**

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

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

12. **EU Savings Directive**

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

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

B. Risks in relation to the Issuer

1. **Matters of Irish Law**

1.1 *Not a Bank Deposit*

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

1.2 *Examinership*

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

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

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

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

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

1.3 Preferred Creditors under Irish Law and Floating Charges

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

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

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

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

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

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

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

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

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

Floating charges have certain weaknesses, including the following:

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

(v) they rank after fixed charges.

1.4 Taxation position of the Issuer

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

2. Limited Recourse Obligations and Related Risks

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

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

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

3. Further Issues of Securities by the Issuer

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

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

PART C

GENERAL DESCRIPTION OF SECURITIES SECTION

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

GENERAL DESCRIPTION OF SECURITIES

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

Nature of the Securities

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

Nature of the Issuer

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

Security

The money raised by the Issuer from the initial sale of the Securities will be used by the Issuer to purchase a nominal amount of the EUR 110,000,000 Senior Floating Rate Notes due 2018 (ISIN: PTGALDOM0004) issued by Galp Energia, SGPS, S.A. equal to 100 per cent. of the Aggregate Nominal Amount of the Securities (the “**collateral**”) which will be secured in favour of the Trustee on behalf of Securityholders. The collateral, together with the Issuer's rights under the hedging agreement described below, are referred to as “**charged property**”. Where some of the charged property comprises collateral, Securityholders bear the risk of declines in the value of that collateral. This is because, where the Securities are cancelled early, in certain circumstances the amount payable on cancellation may be calculated by reference to (amongst other things) the market value of the collateral and, if the value of the collateral has declined since the date of purchase, the amounts due to Securityholders on cancellation will be less than the original nominal amount of their Securities.

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

Hedging Agreement

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

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

Early cancellation of the Securities

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

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

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

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

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

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

Example Calculations

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

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

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

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

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

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

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

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

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

Example Calculations

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

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

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

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

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

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

Early cancellation and Unwind Costs

Where the Securities are cancelled early, the hedging counterparty may incur certain costs (“**unwind costs**”) in connection with such cancellation and the termination of its hedging arrangements, and these costs will be deducted from the amount otherwise payable to Securityholders on cancellation. These costs include, among other things, the net losses and costs of the hedging counterparty (i.e. taking into account both the benefit of the payments/deliveries which the hedging counterparty no longer has to make and the cost of the payments/deliveries it will no longer receive) arising from the non-payment or delivery by each party of the sums and assets which would have been paid or delivered under the hedging agreement if it had not been terminated.

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

PART D
SECURITIES SECTION

Subject matter of this Securities Section

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

The Programme

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

The Securities

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

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

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

Sale of the Securities

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

Selling Restrictions

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

PRODUCT CONDITIONS OF THE SECURITIES

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

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

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

1. INTRODUCTION

- | | | |
|-----|---|---|
| (a) | Issuer: | dbInvestor Solutions plc |
| (b) | Type of Securities: | Notes |
| (c) | Series No.: | 105 |
| (d) | Listing and Admission to Trading: | Application has been made by the Issuer (or on its behalf) for the Securities to be admitted to trading on the regulated market of the Irish Stock Exchange and listing on the Official List of the Irish Stock Exchange on or about the Issue Date. |
| (e) | Ratings: | The Securities will not be rated. |
| (f) | Interest of Natural and Legal Persons involved in the issue | Save for any fees or commissions payable to the Arranger, the Distributor and other relevant transaction parties, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer. (See “Potential Conflicts of Interest” in Risk Factors - Programme) of the Risk Factors Section). |
| (g) | Estimated Net Proceeds and Total expenses | |
| | (i) Reasons for the offer: | The net proceeds from the issue of the Securities will be used to acquire the Collateral comprised in the Charged Property, to pay for or enter into the Hedging Agreement and to pay expenses in connection with the administration of the Issuer. |
| | (ii) Estimated net proceeds: | Up to EUR 110,000,000 |
| | (iii) Estimated total expenses: | The expenses related to the issue will be paid by the Hedging Counterparty. |

- (h) Yield
Indication of yield
- In respect of the period from (and including) the Issue Date to (but excluding) the Interest Accrual Date falling on 18 February 2014, 5.00 per cent. (annualised).
- Calculated as the rate of interest that, when used to discount each scheduled payment of interest and principal under the Securities from the Interest Accrual Date falling on 18 February 2014 back to the Issue Date, yields amounts that sum to the Issue Price. The yield is calculated at the Issue Date on the basis of the Issue Price and on the assumption that the Securities are not subject to early cancellation. It is not an indication of future yield.
- In respect of the period from (and including) the Interest Accrual Date falling on 18 February 2014 to (but excluding) the Scheduled Maturity Date, not applicable, as during such period the Securities will accrue interest at a floating rate.
- Historic EURIBOR Interest Rates
- As at the date hereof, details of past and future performance and volatility of EURIBOR rates can be obtained from www.euribor-rates.eu.
- (i) Security Codes:
- ISIN: XS0869499466
Common Code: 086949946
- (j) Name and address of Calculation Agent:
- Deutsche Bank AG, London Branch (Asset Repackaging Group)
Winchester House
1 Great Winchester Street
London EC2N 2DB

2. DEFINITIONS

(a) General Definitions

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

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

“Calculation Amount” means EUR1,000.

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

“Early Termination Amount” means, for the purposes of General Condition 5.1 (Mandatory cancellation), General Condition 5.2 (Cancellation for other reasons), General Condition 10 (Events of Default), and Product Condition 7 (Cancellation on Early

Redemption of Collateral), the amount specified for each such purpose in Product Condition 6.

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

"Issue Date" means 28 February 2013.

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

"Nominal Amount" means EUR1,000 and integral multiples of EUR1,000.

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

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

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

"Underlying": Not Applicable.

(b) **Interest Definitions**

"Benchmark Rate" means, in respect of an Interest Period, the rate for deposits in EUR for a period of three months which appears on the Reuters Screen EURIBOR01 Page (or any Successor Source) as of 11.00 a.m., Brussels time, on the relevant Interest Determination Date. If such rate does not appear on the Reuters Screen EURIBOR01 Page (or such Successor Source as aforesaid) on such day, the Benchmark Rate for such Interest Period shall be determined on the basis of the rates at which deposits in EUR are offered by four major banks in the Euro-zone interbank market selected by the Calculation Agent (the **"Reference Banks"**) at approximately 11.00 a.m., Brussels time, on the relevant Interest Determination Date to prime banks in the Euro-zone interbank market for a period of three months commencing on the first day of such Interest Period and in an amount (a **"Representative Amount"**) that is representative of a single transaction in that market at the relevant time assuming an Actual/360 day count basis. The Calculation Agent will request the principal Euro-zone office of each of the Reference Banks to provide a quotation of its rate. If at least two quotations are provided as requested, the Benchmark Rate for such Interest Period will be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, the Benchmark Rate for such Interest Period will be the arithmetic mean of the rates quoted by major banks in the Euro-zone, selected by the Calculation Agent, at approximately 11.00 a.m., Brussels time, on the first day of such Interest Period for loans in EUR to leading European banks for a period of three months commencing on the first day of such Interest Period and in a Representative Amount. If no such rates are quoted, the Benchmark Rate for such Interest Period will be the rate determined by the Calculation Agent in its sole and absolute discretion by reference to such source(s) and at such time as it deems appropriate.

"Business Day Convention": Not Applicable.

"Day Count Fraction" means, in respect of the calculation of an amount of interest on any Security for any period of time (whether or not constituting an Interest Period, the **"Calculation Period"**):

"Actual/360" being the actual number of days in the Calculation Period divided by 360.

"Interest Accrual Date" means 18 May, 18 August 18 November and 18 February, in each year from (and including) 18 May 2013 to (and including) the Scheduled Maturity Date.

"Interest Amount" means, in respect of each Security and an Interest Period, an amount in EUR determined by the Calculation Agent equal to:

- (a) the Calculation Amount;
- (b) the Interest Rate for such Interest Period; and
- (c) the Day Count Fraction for such Interest Period.

"Interest Determination Date" means, in respect of an Interest Period, the day falling two TARGET2 Settlement Days prior to the first day of such Interest Period.

"Interest Payment Date" means (a) each day falling three Business Days following each Party B Variable Amount Payer Payment Date in the period from (and including) 28 February 2013 to (but excluding) the Scheduled Maturity Date and (b) subject as provided in Product Condition 8 (Maturity Date Postponement), the Scheduled Maturity Date.

"Interest Period" means the period commencing on (and including) the Issue Date to (but excluding) the first Interest Accrual Date and each successive period commencing on (and including) an Interest Accrual Date to (but excluding) the next following Interest Accrual Date. The final Interest Period shall run to (but excluding) the Interest Accrual Date falling on the Scheduled Maturity Date.

"Interest Rate" means:

- (a) in respect of the first Interest Period and each successive Interest Period up to (but excluding) the Interest Period commencing on 18 February 2014, 5.00 per cent. per annum; and
- (b) in respect of each Interest Period thereafter, the lesser of (i) the sum of (x) the Benchmark Rate in respect of such Interest Period and (y) 4.25 per cent. per annum; and (ii) 6.00 per cent. per annum.

"Maximum Interest Rate": Not Applicable.

"Minimum Interest Rate": Not Applicable.

"Party B Variable Amount Payer Payment Date" means each date on which a Scheduled Interest Amount is received by or on behalf of the Issuer in respect of the Collateral in the period from (and including) the Issue Date to (and including) the Maturity Date or, in the event that a Scheduled Interest Amount is received in parts, the date on which the last amount comprising such Scheduled Interest Amount is received.

"Scheduled Interest Amount" means each scheduled interest amount in respect of the Collateral.

"Successor Source" means:

- (a) the successor display page, other published source, information vendor or provider that has been officially designated by the sponsor of Reuters Screen EURIBOR01 Page; or
- (b) if the sponsor has not officially designated a successor display page, other

published source, service or provider (as the case may be), the successor display page, other published source, service or provider, if any, designated by the relevant information vendor or provider (if different from the sponsor).

“TARGET2 Settlement Day” means any day on which the TARGET2 System is open.

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

(c) **Settlement Definitions**

“Maturity Date” means 18 February 2018 (the **“Scheduled Maturity Date”**), subject as provided in Product Condition 8 (Maturity Date Postponement).

“Redemption Amount” means, in respect of each nominal amount of Securities equal to the Calculation Amount, the Calculation Amount.

“Settlement” means cash settlement (**“Cash Settlement”**).

“Settlement Currency” means euro (**“EUR”**).

3. INTEREST AND REDEMPTION

(a) **Interest**

In respect of each Interest Period commencing prior to 18 February 2014, the Securities are interest bearing Fixed Rate Securities.

In respect of each Interest Period commencing on or after 18 February 2014, the Securities are interest bearing Floating Rate Securities.

The amount of interest payable in respect of each Security on each Interest Payment Date in respect of the Interest Period ending on or immediately prior to such date will amount to the Interest Amount.

(b) **Interest Rate and Accrual**

Each nominal amount of Securities equal to the Calculation Amount bears interest in respect of each Interest Period from the Issue Date on the Calculation Amount at the rate per annum (expressed as a percentage) equal to the Interest Rate for the relevant Interest Period, such interest being payable in arrear on each Interest Payment Date.

Interest will cease to accrue on the basis described above in respect of each nominal amount of Securities equal to the Calculation Amount on the due date for redemption or for cancellation, as the case may be, unless upon due presentation thereof, payment of principal is improperly withheld or refused, in which event interest will continue to accrue (both before and after judgment) at the last applicable Interest Rate in the manner provided in this Product Condition 3 (Interest and Redemption) to the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Securityholders in accordance with General Condition 15 (Notices) that, upon further presentation of the Global Security being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

The Interest Rate for each Interest Period will be determined by the Calculation Agent at the times and on the dates in respect of such Interest Period set out in, and in accordance with, the definition of “Interest Rate” and (if applicable) the related definition of “Benchmark Rate” in each case in Product Condition 2(b) (Interest Definitions), subject to any adjustment provided for in paragraph 3(c) (Interest Rates and Rounding) below.

(c) Interest Rates and Rounding

Any Interest Rate shall be subject to any Maximum Interest Rate and/or Minimum Interest Rate specified as being applicable in Product Condition 2(b) (Interest Definitions).

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

(d) Interest Calculations

The amount of interest payable in respect of each Security for any period (each an “Interest Amount”) shall be calculated by the Calculation Agent by multiplying the product of the Interest Rate for the relevant Interest Period and the Nominal Amount of such Security on the first day of such period by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in Product Condition 2(b) (Interest Definitions) above in respect of such period, in which case the amount of interest payable in respect of such Nominal Amount of Securities for such period will equal such Interest Amount (or be calculated in accordance with such formula).

The Calculation Agent shall determine the Interest Rate and calculate the Interest Amounts in respect of the Nominal Amount of each Security for each Interest Period on or prior to the relevant Interest Payment Date, obtain such quotation or make such determination or calculation, as the case may be, as may be required for such purposes and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, the Trustee, the Principal Agent, each of the Paying Agents, the Securityholders and, for so long as the Securities are listed on a stock exchange and the rules of such stock exchange require, such stock exchange, as soon as possible after their determination but in no event later than (i) (except in the case of notices to the Securityholders) the commencement of the relevant Interest Period, if determined prior to such time, or (ii) in all other cases, the fourth Business Day after such determination. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made with the prior written consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Securities become due and payable under General Condition 10 (Events of Default), the accrued interest and the Interest Rate payable in respect of the Securities shall nevertheless continue to be calculated as previously in accordance with this Product Condition 3 (Interest and Redemption) but no notification of the Interest Rate or Interest Amount so calculated needs to be made unless the Trustee otherwise requires.

(e) Business Day Convention

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

(f) Redemption

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

(g) Determination or Calculation by Trustee

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

(h) Payments

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

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

such obligations of the Issuer will be discharged by payment to the bearer of the Global Security in respect of each amount so paid.

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

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

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

(i) Certificates to be Final

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

4. SECURITY

(a) Security

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

(b) Collateral

- (1) Collateral: a nominal amount of the EUR 110,000,000 Senior Floating Rate Notes due 2018 (ISIN: PTGALDOM0004) issued by Galp Energia, SGPS, S.A. equal to 100 per cent. of the Aggregate Nominal Amount of the Securities.
- (2) General Condition 6.5.1 (Replacement of Collateral): shall not apply.

General Condition 6.5.2 (Substitution of Collateral): shall not apply. The Custodian shall pay any proceeds received by it on an early redemption of the Collateral that

are to be applied in connection with the cancellation of the Securities and termination of the Hedging Agreement into such account maintained by the Custodian from time to time for such purposes.

(c) Custody

Custodian: Deutsche Bank AG, London Branch.

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

(d) Hedging Agreement(s)

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

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

Hedging Counterparty: Deutsche Bank AG, London Branch

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

Early Termination of the Hedging Agreement(s):

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

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

- (v) upon the occurrence of certain other events with respect to either party and the Hedging Agreement, including insolvency.

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

(e) Repurchase Agreement

The Issuer has not entered into a Repurchase Agreement.

Repurchase Counterparty: Not Applicable

5. OPTIONAL CANCELLATION

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

6. EARLY TERMINATION AMOUNT

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

$$(A - B)$$

Where:

"A" is the Market Value Collateral; and

"B" is the Early Redemption Unwind Costs.

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

$$(C - D)$$

Where:

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

"D" is the Early Redemption Unwind Costs.

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

For these purposes:

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

“Early Redemption Unwind Costs” means the sum (the result of which may be positive, negative or zero) of:

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

“Early Termination Valuation Date” means:

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

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

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

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

7. CANCELLATION ON EARLY REDEMPTION OF COLLATERAL

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

8. MATURITY DATE POSTPONEMENT

If in the determination of the Calculation Agent a Potential Collateral Default Event has occurred and is continuing as of the Scheduled Maturity Date, the Scheduled Maturity Date will be postponed to the first date on which in the determination of the Calculation Agent the event the subject of such Potential Collateral Default could constitute a Collateral Default Event (as defined in General Condition 5.1 (Mandatory cancellation) and

where:

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

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

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

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

9. AMENDMENTS TO GENERAL CONDITIONS

- (a) General Condition 5.1 (Mandatory cancellation) shall be amended:
 - (i) by the deletion of the first two sentences thereof and the substitution of the following therefor:

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

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

"Where:

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

- (b) General Condition 5.2 (Cancellation for other reasons) shall be amended:
 - (i) by the deletion of the words "(which, for the avoidance of doubt, where applicable, shall include accrued interest to the date fixed for cancellation)" and the substitution of the words "together with interest accrued to the date fixed for cancellation" therefor; and
 - (ii) by the deletion of the words "more than 30 days nor less than 15 days' notice (unless otherwise specified in Trust Instrument)" and the substitution of the words "more than 30 Business Days' nor less than 10 Business Days'" therefor.
- (c) The proviso to General Condition 6.4 (Application of Proceeds of Enforcement of Charged Property) shall be deleted.
- (d) General Condition 7.1 (Hedging Agreement) shall be amended by the deletion of the words "a summary" and the substitution of the words "a brief description" therefor.
- (e) General Condition 10 (Events of Default) shall be amended by the deletion of the words "(which, for the avoidance of doubt, shall include accrued interest (if any) thereon to the date of payment)" and the substitution of the words "together with interest accrued to the date of payment" therefor.

- (f) General Condition 18.1 (Governing Law) shall be amended by the deletion of the word “are” and the substitution of the words “and any non-contractual obligations arising out of or in connection with the Trust Instrument and the Securities shall be” therefor.
- (g) General Condition 18.2 (Jurisdiction) shall be amended by the insertion of the words “(including a dispute relating to any non-contractual obligations arising out of or in connection with the Securities)” after the word “Securities” in the second line thereof.

STRUCTURE AND CASH FLOW

Structure

Interest is payable in respect of each Security quarterly (other than the first interest payment) in arrear on the Calculation Amount at a rate per annum equal to the relevant Interest Rate.

Unless previously redeemed or purchased and cancelled, each Security will be redeemed at the Calculation Amount.

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

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

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

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

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

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

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

CHARGED PROPERTY

1.	Nature of the Collateral:	The Collateral (ISIN: PTGALDOM0004) will comprise debt securities as specified in the Product Conditions. Such debt securities are of a type which in normal market conditions may be readily realised in the international capital markets, if necessary by or on behalf of the Trustee in a situation where the security for the Securities is realised or enforced.				
2.	Description of Obligor(s):					
		Full Legal Name	Address	Country of Incorporation	Nature of Business	Nature of Market on which Securities are Traded
	Hedging Counterparty	Deutsche Bank AG, London Branch	Winchester House, 1 Great Winchester Street, London EC2N 2DB	Germany	Banking and financial services	Regulated Market of the Frankfurt Stock Exchange
	Issuer of the Collateral	Galp Energia, SGPS, S.A.	Rua Tomás da Fonseca, Torre A, 1600-209 Lisbon, Portugal	Portugal	Energy	The Collateral is listed on the Quotation Board (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange. The Issuer of the Collateral has other securities admitted to trading on the regulated market of the Lisbon Stock Exchange.
3.	Maturity or expiry date(s) of the Collateral	18 February 2018 (subject to adjustment for business days as provided therein).				
4.	The amount of the Collateral	A nominal amount equal to 100 per cent. of the Aggregate Nominal Amount of the Securities.				
5.	The loan to value ratio or collateralisation level	The Collateral will have a nominal amount equal to 100 per cent. of the Aggregate Nominal Amount of the Securities.				

6.	Method of creation of the Collateral	The Collateral was issued by the issuer of the Collateral in the normal course of its business.
7.	Representations/additional collateral given to the Issuer relating to the Collateral	Not applicable
8.	Replacement and/or substitution of the Collateral	Not Applicable
9.	Insurance policies relating to the Charged Property	Not applicable
10.	Material concentration with one insurer	Not applicable
11.	Material relationships between the Issuer and any obligor	Other than the payment of fees and normal payments in connection with the Securities, or other issues of securities under the Programme, the Issuer has no material relationships with any obligor listed in 2. above.
12.	Principal terms and conditions of the Collateral where it has not traded on a regulated or equivalent market	<p>The Collateral has been admitted to trading on the Quotation Board (<i>Freiverkehr</i>) of the Frankfurt Stock Exchange.</p> <p>The Collateral is denominated in EUR.</p> <p>The Collateral is held through Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., as operator of the <i>Central de Valores Mobiliários</i>, the Portuguese centralised securities system in dematerialised book-entry form and registered and in denominations of EUR 100,000.</p> <p>The Collateral will bear interest from the issue date at a rate equal to the sum of (i) the rate for three month deposits in Euro which appears on EURIBOR01 on Reuters Screen on the relevant determination date for any given interest payment date and (ii) 4.25 per cent. per annum, payable quarterly in arrears on 18 February, 18 May, 18 August and 18 November in each year, commencing on 18 February 2013, or if any such date is not a business day, such date shall be postponed to the next day which is a business day. Interest will be computed on the basis of the actual number of calendar days that have elapsed in the relevant period.</p> <p>On the maturity date of the Collateral each EUR100,000 in nominal amount thereof will be redeemed by payment of EUR100,000 plus any accrued but unpaid interest.</p>
	- Issue Date of the Collateral	18 December 2012
	- Maturity Date or Expiry Date of Collateral:	18 February 2018

	- Overall Issue Size of the Collateral:	EUR 110,000,000
	- Date of transfer of the Collateral	28 February 2013
13.	Details of the return on and/or repayment of the Securities if linked to the performance of credit or other assets not belonging to the Issuer	Not applicable
14.	Description of the Collateral, if the Collateral comprises equity securities that are admitted to trading on a regulated or equivalent market	Not applicable
15.	Description of Collateral if more than 10% comprises equity securities, which are not traded on a regulated market	Not applicable
16.	Valuation report on property, if Collateral comprises real property	Not applicable
17.	Details of Charged Property, where the Charged Property is actively managed	Not applicable
18.	Details of the Portfolio Manager	Not applicable
19.	Transfer of the Collateral	The Collateral will be acquired by the Issuer on or about the Issue Date from the Hedging Counterparty.
20.	Originators of the Collateral	See item 2 above.
21.	Governing law of the Collateral	The Collateral is governed by and construed in accordance with Portuguese law.

Principal Terms and Conditions of the Collateral

Status of the Notes

The Collateral constitutes direct, unconditional, unsubordinated and unsecured obligations of the Collateral Obligor and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured and unsubordinated obligations of the Collateral Obligor from time to time outstanding.

Negative Pledge

Pursuant to the terms of the Collateral, so long as any of the Collateral remains outstanding, neither the Collateral Obligor nor any material subsidiary will create or, save only by operation of law, have outstanding any Security Interest other than any Permitted Security upon the whole or any part of its undertaking or assets, present or future (including any uncalled capital) to secure any Loan Stock of any person or to secure any obligation of any person under any guarantee of or indemnity or purchase of indebtedness undertaking in respect of any Loan Stock of any other person without at the same time or prior thereto at the option of the Collateral Obligor either

(i) securing the Collateral equally and rateably with such Loan Stock, guarantee, indemnity or purchase of indebtedness undertaking to the satisfaction of the noteholders; or

(ii) providing such other security for or other arrangement in respect of the Collateral as the noteholders shall in their absolute discretion deem not materially less beneficial to the interests of the noteholders.

For the purposes of the above:

“Security Interest” means a mortgage, lien, pledge or other charge;

“Permitted Security” means:

- (i) any Security Interest on or with respect to assets (including, but not limited to, receivables) of the Collateral Obligor whereby the indebtedness secured by such Security Interest or the indebtedness in respect of any guarantee or indemnity which is secured by such Security Interest does not exceed, in aggregate, 25 per cent. of the Collateral Obligor’s consolidated total net assets calculated at the time of creation of the relevant Security Interest by reference to the Collateral Obligor’s most recently published financial statements; or
- (ii) any Security Interest on or with respect to assets (including but not limited to receivables) of the Collateral Obligor which is created in the context of project finance transactions in accordance with normal market practice and whereby the indebtedness secured by such Security Interest or the indebtedness in respect of any guarantee or indemnity which is secured by such Security Interest is limited to the value of such assets; or
- (iii) any Security Interest is created in respect of fixed assets to be acquired by or transferred in any way to the Collateral Obligor or any of its material subsidiaries, if such Security Interest is created to secure the payment of the relevant acquisition price or the repayment of a loan granted specifically to fund the payment of the acquisition price of such assets; or
- (iv) any Security Interest created before the issue date of the Collateral;

“Loan Stock” means indebtedness (other than the Collateral) having an original maturity of more than one year which is in the form of, or represented or evidenced by, bonds, notes, debentures, loan stock or other debt securities (not comprising, for the avoidance of doubt, preference shares or other equity securities) which for the time being are, or are intended to be with the consent of the issuer thereof, quoted, listed, ordinarily dealt in or traded on any stock exchange and/or quotation system or by any listing authority or other established securities market other than any such indebtedness where the majority thereof is initially placed with investors domiciled in Portugal and who purchase such indebtedness in Portugal.

Events of Default

Noteholders who together have a holding of more than 50 per cent. of the then principal amount outstanding of the Collateral may by written notice to the Collateral Obligor and to the paying

agents in respect of the Collateral, declare the principal amount outstanding of the Collateral to be forthwith due and payable, upon the occurrence of any of the following events:

- The Collateral Obligor fails to pay any amount of principal or interest due in respect of the Collateral and the default continues for a period five days; or
- The Collateral Obligor fails to perform or observe any of its other obligations under the Collateral and such failure is incapable of remedy or in respect of which remedial action satisfactory to the the noteholders cannot be taken or such failure is capable of remedy but the failure continues for a period of 30 days after the noteholders have given written notice to the Collateral Obligor requiring the failure to be remedied; or
- Any other indebtedness of the Collateral Obligor or any indebtedness of any material subsidiary becomes due and payable prior to the stated maturity thereof as a result of a default thereunder or any such indebtedness is not paid at the maturity thereof or any guarantee or indemnity in respect of indebtedness or performance given by any such company is not honored when due and called upon or any security interest, present or future, over the assets of any such company becomes enforceable provided that such indebtedness or any guarantee or indemnity in respect of such indebtedness amounts to at least €35,000,000 (or its equivalent in any other currency); or
- Any steps are taken with a view to the liquidation or dissolution of the Collateral Obligor or any material subsidiary or the Collateral Obligor or any material subsidiary becomes insolvent or admits in writing its inability to pay its debts as and when the same fall due, or a receiver, liquidator or similar officer shall be appointed over all or any part of the Collateral Obligor or any material subsidiary's assets or an application shall be made for a moratorium or an arrangement with creditors of the Collateral Obligor or any material subsidiary or proceedings shall be commenced in relation to the Collateral Obligor or any material subsidiary under any legal reconstruction, readjustment of debts, dissolution or liquidation law or regulation, or a distress shall be levied or sued out upon all or any part of the Collateral Obligor or any material subsidiary's assets and shall remain undischarged for 60 days, or anything analogous to the foregoing shall occur;
- Save for the purposes of reorganisation on terms previously approved by the noteholders, the Collateral Obligor or any material subsidiary taken as a whole ceases or admits to cease to carry on the whole or a major part of the business conducted by it or them at the issue date of the Collateral; or
- Any authorisation, approval, consent, licence, decree, registration, publication, notarisation or other requirement of any governmental or public body or authority necessary to enable or permit the Collateral Obligor to comply with its obligations under the Collateral is revoked, withdrawn or withheld or otherwise fails to remain in full force and effect or any law, decree or directive of any competent authority of Portugal is enacted or issued which materially impairs the ability or right of the Collateral to perform such obligations.

Taxation

All payments in respect of the Collateral by or on behalf of the Collateral Obligor shall be made without withholding or deduction for, or on account of, any taxes imposed or levied in the Relevant Jurisdiction, unless the withholding or deduction of the taxes is required by law. In that event, the Collateral Obligor will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been receivable in respect of the Collateral in the absence of the withholding or deduction, except that no additional amounts shall be payable in relation to any payment in respect of any Collateral:

- to, or to a third party on behalf of, a Noteholder who is liable to the taxes in respect of the Collateral by reason of his having some connection with the Relevant Jurisdiction other than the mere holding of Collateral; or
- where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
- to, or to a third party on behalf of, a Noteholder in respect of whom the information (which may include certificates duly validated by the relevant tax authorities) required in order to comply with Decree-law no. 193/2005, of 7 November, as amended from time to time, and any implementing legislation, is not received in due time or which does not comply with the formalities in order to benefit from tax treaty benefits, when applicable; or
- to, or to a third party on behalf of, a Noteholder resident for tax purposes in the Relevant Jurisdiction, or a resident (with the exception of central banks and governmental agencies) in a country, territory or region subject to a clearly more favourable tax regime (a tax haven jurisdiction) as defined in Ministerial Order no. 150/2004, of 13 February, as amended from time to time, issued by the Portuguese Minister of Finance and Public Administration, with the exception of central banks and governmental agencies located in those black-listed jurisdictions and following amendments, or a non-resident legal entity more than 20 per cent. of which is owned directly or indirectly by entities resident in the Relevant Jurisdiction; or
- to, or to a third party on behalf of (i) a Portuguese resident legal entity subject to Portuguese corporation tax with the exception of entities that benefit from an exemption of Portuguese withholding tax or from Portuguese income tax exemptions, or (ii) a legal entity not resident in Portugal with a permanent establishment in the Relevant Jurisdiction to which the income or gains obtained from the Collateral are attributable; or
- presented for payment by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the relevant Collateral to another paying agent in a Member State of the European Union; or
- presented for payment by or on behalf of a Noteholder who would not be liable for or subject to the withholding or deduction by making a declaration of non-residence or other similar claim for exemption to the relevant tax authority.

For the purposes of the above:

“Noteholder” means the ultimate beneficial owner of the Collateral who is the effective beneficiary of the income attributable thereto; and

“Relevant Jurisdiction” means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Collateral Obligor becomes subject in respect of payments made by the Collateral Obligor of principal and interest on the Collateral.

Redemption for tax reasons

The Collateral may be redeemed at the option of the Collateral Obligor in whole, but not in part, on any interest payment date, on giving not less than 30 nor more than 60 days’ notice to the lead manager, the paying agents, the common representative (if the same has been appointed) and the noteholders (which notice shall be irrevocable), if the Collateral Obligor satisfies the lead manager

and the common representative (if the same has been appointed) immediately prior to the giving of such notice that:

- on the occasion of the next payment due under the Collateral, the Collateral Obligor has or will become obliged to pay additional amounts described in the Taxation description above as a result of any change in, or amendment to, the laws or regulations of the Relevant Jurisdiction (as defined in Taxation description above) or any political subdivision of, or any authority in, or of, the Relevant Jurisdiction having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date on which agreement is reached to issue the Collateral; and
- such obligation cannot be avoided by the Collateral Obligor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Collateral Obligor would be obliged to pay such additional amounts were a payment in respect of the Collateral then due.

Prior to the publication of any notice of redemption the Collateral Obligor shall deliver to the lead manager and the common representative (if the same has been appointed) (i) a certificate signed by two directors of the Collateral Obligor stating that the Collateral Obligor is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Collateral Obligor so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Collateral Obligor has or will become obliged to pay such additional amounts as a result of such change or amendment and the lead manager and the common representative (if the same has been appointed) shall be entitled to accept such certificate and opinion as sufficient evidence of the satisfaction of the conditions precedent set out above in which event they shall be conclusive and binding on the noteholders.

Collateral redeemed for tax reasons will be redeemed at their then principal amount outstanding together with accrued interest (if any) to the date of repayment.

Meeting of Noteholders

The Portuguese Companies Code contains provisions for convening meetings of the noteholders to consider any matter attributed to them by law and in their common interest, including the modification by resolution or extraordinary resolution, as the case may be, of the Collateral.

Common Representative

The noteholders may appoint, dismiss and substitute a common representative by way of a resolution passed for such purpose, or if no resolution is passed, the Collateral Obligor or any noteholder may request a court to appoint a common representative. Each of the noteholders may also request a court to dismiss (for cause) the common representative.

The information set out above has been extracted from the issue documentation in respect of the Collateral (the "**Collateral Issue Documentation**"). The Issuer accepts responsibility for the accurate extraction of such information. So far as the Issuer is aware and is able to ascertain from information published by the obligor(s) of the Collateral, no facts have been omitted which would render the reproduced information inaccurate or misleading. No further or other responsibility in respect of such information is accepted by the Issuer. In particular, none of the Issuer, the Hedging Counterparty, the Trustee, the Arranger, the Agents or any of their affiliates (each a "**Transaction Participant**") has verified such information and, accordingly, none of them makes

any representation or warranty, express or implied, as to its accuracy or completeness. None of the Transaction Participants has made any investigation of the obligor(s) in respect of the Collateral or has taken any steps to verify the validity and binding nature of the Collateral. Prospective purchasers of the Securities should make their own investigation of the obligor(s) in respect of the Collateral (including, without limitation, with regard to its financial condition and creditworthiness) and the full terms of the Collateral.

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

ADDITIONAL INFORMATION

A. ADDITIONAL INFORMATION IN RELATION TO THE ISSUER

1. Capitalisation

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

Shareholders' Funds:

Share capital: EUR40,000

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

Indebtedness

Series 1 Securities: EUR32,587,000

Series 5 Securities: EUR45,206,000

Series 8 Securities: EUR85,050,000

Series 9 Securities: EUR29,500,000

Series 13 Securities: EUR61,301,000

Series 14 Securities: EUR30,000,000

Series 15 Securities: EUR3,900,000

Series 16 Securities: EUR40,000,000

Series 17 Securities: EUR50,000,000

Series 18 Securities: EUR27,162,000

Series 20 Securities: EUR45,000,000

Series 22 Securities: EUR18,020,000

Series 23 Securities: EUR15,000,000

Series 25 Securities: EUR20,000,000

Series 26 Securities: EUR15,000,000

Series 27 Securities: EUR22,000,000

Series 28 Securities: EUR3,900,000

Series 29 Securities: EUR25,000,000

Series 30 Securities: EUR46,780,000

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

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

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

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

2. Other

The issue of the Securities was approved pursuant to a resolution of the Board of Directors dated 7 January 2013. The Issuer has obtained all necessary consents, approvals and authorisations (if any) which are necessary in Ireland at the date of this Securities Section in connection with the issue and performance of the Securities.

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

B. ADDITIONAL INFORMATION FOR IRELAND

1. Notices

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

2. Settlement and Clearing

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

ISIN Code: XS0869499466

Common Code: 086949946

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

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

1. General

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

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

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

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

2. Calculation Agent

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

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

Calculation Agent's Responsibilities

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

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

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

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

3. The Hedging Counterparty and the Custodian

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

PART E
PROGRAMME SECTION

General

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

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

Security

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

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

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

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

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

Listing and Admission to Trading

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

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

Form

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

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

Ratings

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

Currency References

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

Selling Restrictions

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

GENERAL CONDITIONS

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

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

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

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

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

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

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

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

1. **Definitions and Interpretation**

1.1 **Definitions**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Issuer” means dbInvestor Solutions plc.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Securityholder Expenses” means, in respect of a Security, all taxes, duties and/or expenses, including any applicable depository charges, transaction or exercise charges,

stamp duty, stamp duty reserve tax, issue, registration, securities transfer and/or other taxes or duties, in each case payable by or on behalf of the Issuer and arising in connection with (i) the exercise of such Security and/or (ii) any payment and/or delivery due following exercise, cancellation, repurchase, redemption or otherwise in respect of such Security.

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

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

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

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

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

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

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

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

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

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

1.2 Interpretation

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

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

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

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

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

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

2. Form and Title

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

2.1 Form of Securities

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

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

2.2 Global Securities

In relation to each Series, the Global Security will be deposited with the relevant depository on behalf of the Clearing Agent(s) specified in the Product Conditions on the Issue Date of the first issue of the Securities of such Series. In the event that Euroclear and/or Clearstream are appointed as Clearing Agent(s), Deutsche Bank AG, London Branch will act as common depository.

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

3. Status

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

4. Payments, Deliveries, Securityholder Expenses and Taxation

4.1 Payments and/or deliveries in respect of Securities

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

4.2 Payments and deliveries subject to law, etc.

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

4.3 Securityholder Expenses

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

4.4 Taxation

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

4.5 No rights to Underlying

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

5. Early Cancellation, Purchases and Options

5.1 Mandatory cancellation

If:

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

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

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

5.2 Cancellation for other reasons

If:

5.2.1 any Hedging Agreement is terminated in accordance with its terms prior to the Hedging Agreement Termination Date; and/or

5.2.2 the Repurchase Agreement is terminated as a result of a failure by the Repurchase Counterparty to make payments due to the Issuer under the Repurchase Agreement, or to deliver Purchased Collateral or Fungible Collateral to the Issuer when required under the Repurchase Agreement,

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

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

5.3 Cancellation at the Option of the Issuer

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

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

5.4 **Purchases**

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

5.5 **Cancellation**

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

6. **Security**

6.1 **Collateral**

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

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

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

6.2 **Security**

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

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

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

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

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

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

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

6.3 General provisions relating to security

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

Enforceability

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

Holder of Collateral

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

Deed of Floating Charge

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

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

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

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

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

6.4 Application of Proceeds of Enforcement of Charged Property

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

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

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

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

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

6.5 Replacement and/or Substitution of Collateral

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6.7 Realisation of the Charged Property

6.7.1 Realisation of security

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

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

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

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

do one or more of the following:

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

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

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

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

6.7.2 Selling Agent

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

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

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

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

6.8 Shortfall after application of proceeds

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

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

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

6.9 Issuer's rights as holder of Collateral

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

7. Hedging Agreements; Repurchase Agreement

7.1 Hedging Agreements

The Hedging Agreements

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

Termination

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

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

Taxation

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

Downgrade

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

Transfer by Hedging Counterparty

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

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

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

7.2 Repurchase Agreement

7.2.1 Purchases

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

Such transfer shall be on terms that:

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

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

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

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

Income Payments

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

Release of Collateral

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

Repurchase Account

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

Termination

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

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

Trustee not liable

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

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

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

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

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

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

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

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

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

8. **Restrictions**

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

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

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

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

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

9. Prescription

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

10. Events of Default

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

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

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

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

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

11. Enforcement

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

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

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

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

12.1 Meetings of Securityholders

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

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

12.2 **Modification**

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

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

12.3 **Waiver**

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

12.4 **Substitution**

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

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

12.5 **Entitlement of the Trustee**

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

13. Replacement of Securities

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

14. Further Issues

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

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

15. Notices

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

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

16. Agents

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

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

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

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

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

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

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

18. Governing Law and Jurisdiction

18.1 Governing Law

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

18.2 Jurisdiction

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

18.3 Agent for Service of Process

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

DESCRIPTION OF THE ISSUER

General

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

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

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

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

Business

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

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

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

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

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

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

Capitalisation

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

Shareholders' Funds:

Share capital: EUR40,000

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

Directors and Company Secretary

The Directors of the Issuer are as follows:

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

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

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

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

Financial Statements

The financial year of the Issuer is the calendar year.

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

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

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

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

DESCRIPTION OF THE HEDGING COUNTERPARTY

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

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

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

DEUTSCHE BANK AKTIENGESSELLSCHAFT

Incorporation, Registered Office and Objectives

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

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

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

Deutsche Bank AG, London Branch

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

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

Share Capital, Capitalisation and Indebtedness

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

As of 30 June 2012, Deutsche Bank Group had total assets of € 2,241,174 million, total liabilities of € 2,184,816 million and total equity of € 56,358 million on the basis of International Financial Reporting Standards (unaudited).

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

TAXATION

Country Specific Taxation

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

Irish Taxation

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

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

Income Tax

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

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

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

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

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

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

Withholding Taxes

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

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

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

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

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

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

Capital Gains Tax

A Securityholder will not be subject to Irish taxes on capital gains provided that such Securityholder is neither resident nor ordinarily resident in Ireland and such Securityholder does not have an enterprise, or an interest in an enterprise, which carries on business in Ireland through a branch or agency or a permanent representative to which or to whom the Securities are attributable.

Capital Acquisitions Tax

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

Stamp Duty

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

Portuguese Taxation

The following is a general description of current law and practice in Portugal as in effect on the date of this Programme Section in relation to certain current relevant aspects of Portuguese Taxation in respect of the Securities and is subject to changes in such laws, including changes that could have a retroactive effect. The statements do not deal with other Portuguese tax aspects in respect of the Securities and relate only to the position of persons who are absolute beneficial owners of the Securities. The following is a general guide, does not constitute tax or legal advice and should be treated with appropriate caution. Tax consequences may differ according to the provisions of different tax treaties, as well as according to a prospective investor's particular circumstances.

References to "investment income" and "capital gains" in this description mean investment income and capital gains as understood under Portuguese tax law. The statements below do not take into account any different definitions of investment income or capital gains that may prevail under any other law or that may be created by the Conditions or any related documentation.

Securityholders' Income Tax

Income generated by the holding (distributions) and disposal of the Securities is generally subject to the Portuguese tax regime for debt securities (*obrigações*).

Economic benefits derived from interest, amortisation, reimbursement premiums and other types of remuneration arising from the Securities are designated as investment income for Portuguese tax purposes. The positive difference, if any, between the repayment amount and the issue price of the Securities shall also be qualified as investment income. Other income obtained from the transfer of the Securities may be qualified as capital gains.

Withholding tax arising from the Securities

Payments of principal on the Securities to corporate entities are not subject to Portuguese withholding tax. However, payments of principal on the Securities to individuals are subject to

Portuguese withholding tax. For these purposes, principal shall mean all payments carried out without any income component.

(i) Corporate entities

Under current Portuguese law, investment income payments and capital gains or losses in respect of the Securities made to Portuguese tax resident companies are included in their taxable income and are subject to a 25 per cent. flat tax rate. A municipal surcharge ("*derrama municipal*") of up to 1.5 per cent. may be due over the Securityholders taxable profits which are subject and not exempt from corporate income tax. A State Surcharge rate of 3 per cent. will be due on the part of the taxable profits exceeding €1,500,000 up to €7,500,000 and of 5 per cent. on the part of the taxable profits exceeding €7,500,000.

The capital gains (or losses) are calculated by the difference between the proceeds from any transfer, net of related expenses, and the relevant purchase price of such Securities, deducting any losses by virtue of impairment and other corrections under article 35 of the Portuguese Corporate Income Code, as well as any depreciation or amortization fiscally accepted.

(ii) Individuals

Where the payment of investment income is made available to Portuguese resident individuals through a Portuguese branch of a non-resident entity, withholding tax is applicable at a rate of 28 per cent., which is the final tax on that income unless the individual elects to include it in his taxable income, subject to tax at progressive rates of up to 48 per cent. In such a case, the tax withheld is deemed a payment on account of the final tax due. In case of aggregation of such income by the Securityholder an extraordinary income tax will be due on the part of the taxable income exceeding €80,000 as follows: (i) 2.5 per cent. on the part of the taxable income exceeding €80,000 up to €250,000 (ii) 5 per cent. on the remaining part (if any) of the taxable income exceeding €250,000. In this circumstance, an additional surcharge at the rate of 3.5 per cent. will also be due over the amount considered as taxable income by a resident single taxpayer that exceeds the annual amount of the minimum guaranteed monthly remuneration. Where the Securityholder does not opt to aggregate the investment income the extraordinary tax rate and the additional surcharge will not be applicable. Investment income (including interest) paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rates applicable to such beneficial owner(s) will apply.

Capital gains arising from the transfer of Securities

(i) Corporate entities

Capital gains and losses arising from the transfer of the Securities by legal persons resident for tax purposes in Portugal and by non-resident legal persons with a permanent establishment in Portugal to which the capital gains or losses are attributable are included in their taxable income. A municipal surcharge ("*derrama municipal*") of up to 1.5 per cent. may be due over the Securityholders taxable profits which are subject and not exempt from corporate income tax. A State Surcharge rate of 3 per cent. will be due on the part of the taxable profits exceeding €1,500,000 up to €7,500,000 and of 5 per cent. on the part of the taxable profits exceeding €7,500,000.

(ii) Individuals

Capital gains taxation arising from the transfer of Securities obtained by Portuguese tax resident individuals are subject to Portuguese capital gains taxation. A 28 per cent. tax rate is levied on the

positive difference between the capital gains and capital losses of each year. Accrued interest does not qualify as capital gains for tax purposes.

Portuguese Stamp tax

(i) Corporate entities

Acquisition by way of gift or inheritance of the Securities by companies resident in Portugal for tax purposes, or non-resident companies acting through a permanent establishment in Portugal although not subject to stamp tax in Portugal is subject to a 25 per cent. flat tax rate. A municipal surcharge ("*derrama municipal*") of up to 1.5 per cent. may be due over the Securityholders taxable profits which are subject and not exempt from corporate income tax. A State Surcharge rate of 3 per cent. will be due on the part of the taxable profits exceeding €1,500,000 up to €7,500,000 and of 5 per cent. on the part of the taxable profits exceeding €7,500,000.

(ii) Individuals

No stamp tax applies to the acquisition of the Securities by individuals resident in Portugal by way of gift or inheritance, for tax purposes.

Implementation of EU Savings Directive in Portugal

Portugal has implemented the EC Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income into the Portuguese law through Decree-Law no 62/2005, of 11 March, 2005, as amended by Law no 39-A/2005, of 29 July.

Indirect Taxation

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

United Kingdom Taxation

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

Payments under the Securities

Interest may be paid under the Securities without deduction of United Kingdom taxes provided the Securities continue to be admitted to trading on the regulated market of the Irish Stock Exchange and listed on the Official List of the Irish Stock Exchange.

Securityholders may wish to note that, in certain circumstances, HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the United Kingdom who either pays or credits interest to or receives interest for the benefit of a Securityholder. HMRC also has power, in certain circumstances, to obtain information from any person in the United Kingdom who pays amounts payable on the redemption of Securities which are deeply discounted securities for the purposes of the Income Tax (Trading and

Other Income) Act 2005 to or receives such amounts for the benefit of another person, although HMRC published practice indicates that HMRC will not exercise the power referred to above to require this information in respect of amounts payable on the redemption of deeply discounted securities where such amounts are paid on or before 5 April 2013. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information so obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Securityholder is resident for tax purposes.

EU Savings Directive

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

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

SALES RESTRICTIONS

General

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

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

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

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

United States

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

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

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

“**U.S. Resident**” means:

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

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

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

Public Offer Selling Restriction under the Prospectus Directive

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

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

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

For the purposes of this provision:

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

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

United Kingdom

In the Purchase Agreement the Arranger will agree that:

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

Ireland

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

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

Public Offer

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

(a) Offer Period:

From 11 January 2013 until 25 February 2013.

The Issuer reserves the right for any reason to close the Offer Period early. If the aggregate subscription of the Securities at any time prior to the Primary Market End Date reaches EUR110,000,000 in aggregate Nominal Amount of the Securities, the Issuer may close the subscription of the Securities at such time. Any early closure will be published on the Irish Stock Exchange's website (www.ise.ie).

(b) Primary Market End Date: 25 February 2013.

(c) Offer Price:

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

(d) Conditions to which the offer is subject:

Offers of the Securities are conditional on their issue. The Issuer will in its sole discretion determine the final amount of Securities issued up to a limit of EUR110,000,000. The final amount that are issued on the Issue Date will be listed on the Official List of the Irish Stock Exchange. Securities will be allotted subject to availability in the order of receipt of investors' applications. The final Aggregate Nominal Amount of the Securities issued will be determined by the Issuer in light of prevailing market conditions, and in its sole and absolute discretion depending on the number of Securities which have been agreed to be purchased as of 25 February 2013.

(e) Description of the application process:

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

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

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

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

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

Not applicable.

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

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

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

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

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

Not Applicable.

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

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

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

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

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

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

The address of Deutsche Bank AG – Sucursal em Portugal as Distributor is Rua Castilho, 20 1250-069 Lisboa, Portugal.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or filed with the Central Bank shall be deemed to be incorporated in, and to form part of, this Prospectus:

the Certificate of Incorporation, Certificate of a Public Company entitled to do business, Memorandum and Articles of Association of the Issuer (for information purposes only)	pages 1 to 6, and 7 to 26 respectively
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The Issuer will provide, without charge, to each person to whom a copy of this Prospectus has been delivered, upon the written request of any such person, a copy of any or all of the documents which, or portions of which, are deemed to be incorporated herein by reference (to the extent that they relate to the Issuer). Requests for such documents should be directed to the principal office of the Issuer, being in the case of the Issuer, the address set out at the end of this Prospectus. In addition, such documents will be available free of charge from the specified offices of the Paying Agent for the time being in London and on the Irish Stock Exchange's website (www.ise.ie).

The Certificate of Incorporation, Certificate of a Public Company entitled to do business, Memorandum and Articles of Association of the Issuer are available at :

[http://www.ise.ie/debt_documents/MemArts%20dbIS%20\(14646918_1\)_74669f18-2985-4c5e-8e6f-d47e3d837fda.pdf](http://www.ise.ie/debt_documents/MemArts%20dbIS%20(14646918_1)_74669f18-2985-4c5e-8e6f-d47e3d837fda.pdf)

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

GENERAL INFORMATION

- (1) The issue of the Securities was authorised by a resolution of the Board of Directors passed on 7 January 2013.
- (2) There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2011.
- (3) The Issuer is not involved in any governmental, legal or arbitration proceedings which may have, or have had during the previous 12 months, a significant effect on its financial position or profitability, nor is the Issuer aware that such proceedings are pending or threatened.
- (4) The Securities have been accepted for clearance through the Clearing Agent stipulated as such in the Product Conditions. The International Securities Identification Number (ISIN) is set out in the Product Conditions.
- (5) The following documents (when executed and/or published, as applicable) will be available in physical form during usual business hours on any day (Saturdays, Sundays and public holidays excepted) for inspection at the specified offices of each of the Paying Agents and at the specified office of the Issuer (and copies of the documents specified in subparagraphs (iii), and (v) below may be obtained free of charge from the specified office of each of the Paying Agents):
 - (i) the Memorandum and Articles of Association of the Issuer;
 - (ii) the Declarations of Trust;
 - (iii) this Prospectus;
 - (iv) the Trust Instrument and each document incorporated by reference into such Trust Instrument (including, for the avoidance of doubt, the Hedging Agreement and details of the terms and conditions on which the Trustee has been appointed);
 - (v) the published annual audited financial statements of the Issuer in respect of the financial years ended 31 December 2010 and 31 December 2011 in each case together with the audit reports prepared in connection therewith;
 - (vi) the interim management report and unaudited financial statements of the Issuer in respect of the period from 1 January 2012 to 30 June 2012; and
 - (vii) such other documents (if any) as may be required by the rules of any stock exchange on which the Securities are at the relevant time listed.
- (6) The Issuer does not intend to provide any post-issuance transaction information in relation to the Securities or the performance of the Collateral.
- (7) The Prospectus will be published on the Irish Stock Exchange's website (www.ise.ie).

**SCHEDULE -
DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

PART A
YEAR ENDED 31 DECEMBER 2010

dbInvestor Solutions plc

Directors' report and financial statements

**For the year ended
31 December 2010**

Registered number 375106

dbInvestor Solutions plc

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dbInvestor Solutions plc

Directors and other information

Directors	Michael Whelan (Irish) Niall O'Carroll (Irish) Liam Quirke (Irish)
Registered office	5 Harbourmaster Place International Finance Services Centre Dublin 1
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB
Administrator & Company Secretary	Deutsche International Corporate Services (Ireland) Limited 5 Harbourmaster Place International Finance Services Centre Dublin 1
Independent auditor	KPMG Chartered Accountants and Registered Auditor 1 Harbourmaster Place International Finance Services Centre Dublin 1
Bankers and Swap Counterparty	Deutsche Bank AG London PO Box 441 6 Bishopsgate London EC2P 2AT England
Luxembourg Listing Agent	Banque de Luxembourg 14 Boulevard Royal L-2449 Luxembourg Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer L-115 Luxembourg
Solicitors	Matheson Ormsby Prentice 70 Sir John Rogerson's Quay Dublin 2

dbInvestor Solutions plc

Directors' Report

The directors present the annual report and audited financial statements of dbInvestor Solutions plc for the year ended 31 December 2010.

Principal activities, business review and future developments

The dbInvestor Solutions plc program was set up in August 2003 to issue multiple series of Debt Securities, with the rating on each series independent of the other. This means that dbInvestor Solutions plc can issue various series of Debt Securities ranging from AAA to not rated. This gives the sponsor greater flexibility in what it can finance through this vehicle and it reduces the cost of issuing.

dbInvestor Solutions plc was set up as a segregated multi issuance Special Purpose Entity. Each Series is governed by a separate Supplemental Programme Memorandum. Each Series consists of an investment in collateral from the proceeds of the issuance of debt securities and / or Alternative Investments.

The Programme offers investors the opportunity to invest in a portfolio of investments, the "investment securities and total return swaps", and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

The Company has established a EUR 10,000,000,000 Multi-Issuance Programme (the "Programme") to issue Debt Securities and/or other secured limited recourse indebtedness (the "Alternative Investments"). Debt Securities are issued in Series (each a "Series") and the terms and conditions of the Debt Securities of each Series are set out in a Supplemental Programme Memorandum for such Series (each a "Supplemental Programme Memorandum").

Each Series of Debt Securities is secured as set out in the terms and conditions of the Debt Securities including a first fixed charge over certain collateral as set out in the relevant Supplemental Programme Memorandum (the "Collateral") and a first fixed charge over funds held by the Agents under the Agency Agreement (each as defined in the terms and conditions of the Debt Securities). Each Series may also be secured by an assignment of the Company's rights under a Swap Agreement and any additional security as may be described in the relevant Supplemental Programme Memorandum (together the "Mortgaged Property"). Alternative Investments will be secured in the manner set out above in relation to Debt Securities or in such other manner as may be set out in the relevant Supplemental Programme Memorandum.

The Company entered into asset swaps for each series of Debt Securities issued to eliminate the mismatch between the amount payable in respect of those debt securities issued and the return from the investment securities held by the Company as collateral. The company also entered into credit default swaps for certain series in order to provide an asset risk profile which is suited to the needs of the investors. Certain series of Debt Securities issued include the use of total return swaps. Under these arrangements the proceeds from the issuance of debt securities are held on deposit with the swap counterparty under the swap agreement. The deposit is synthetically linked to the credit performance of a portfolio of reference entities through a credit default swap agreement. The swap counterparty provides a return that replicates the return due to the holders of the debt securities and also reimburses all the expenses related to the series.

dbInvestor Solutions plc

Directors' Report (continued)

Principal activities, business review and future developments (continued)

The credit risk is borne by either the Company's swap counterparty or the Company's holders of Debt Securities. Refer to Note 22(a) "Credit Risk on Financial Instruments" for further details.

For details on the assets held by the Company at the end of the year, refer to Note 7 "Investment securities and total return swaps."

For every new issuance of Debt Securities, Deutsche Bank AG London, as arranger, does transfer to the Company an amount of USD 1,000 as corporate benefit (income). This income is taxable under the Irish law at a current rate of 25% and the net amount is retained as the profit for the year. As arranger, Deutsche Bank AG London also agreed to reimburse the Company against any costs, fees, expenses or out-goings incurred. The former is also the Swap counterparty for all Series containing credit default and asset swap agreements.

The Company made a net gain on investment securities and total return swaps of EUR 69m (2009: EUR 54m) for the year and a net loss on derivatives of EUR 18m (2009: EUR 83m net gain). Due to the limited recourse nature of the debt securities issued and as the return on those issued securities is directly linked to the performance of the investment securities and total return swaps, and derivatives, the Company made a corresponding loss of EUR 51m (2009: EUR 137m) on the debt securities issued resulting in a net profit of EUR 11,869 for the year ended 31 December 2010 (2009: EUR 5,749).

As at 31 December 2010, the Company's total indebtedness was EUR 1,481,303,405 (2009: EUR 1,019,785,311). During the year, the Company had 21 new series issued (2009: 11 new series), had no maturities and 2 full redemptions on Debt Securities issued (2009: no maturity and 3 full redemptions).

The directors do not foresee any change in the structure or investment objectives of the Company.

Results and dividends for the year

The results for the year are set out on page 11. The directors do not recommend the payment of a dividend for the year under review.

Changes in directors during the year

There were no changes in directors during the year.

Risks and uncertainties

The principal risks and uncertainties facing the company relate to the debt securities issued, the investment securities and total return swaps held and the derivative financial instruments. These are explained in Notes 4 and 22 of the financial statements along with the risk management framework in place to deal with these risks.

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

dbInvestor Solutions plc

Directors' Report (continued)

Directors, secretary and their interests

The directors and secretary who held office on 31 December 2010 did not hold any shares in the Company at that date, or during the year. There were no contracts of any significance in relation to the business of the Company in which the directors had any interest, as defined in the Companies Act 1990, at anytime during the year.

Subsequent events

Since the end of the reporting period, the Company has issued the following additional Series of Debt Securities:

Series 48	EUR 5,000,000 Secured Notes due 2017
Series 49	EUR 50,000,000 Secured Notes due 2016

Series 8, 9, 18 and 28 were partially redeemed since the end of the reporting period. However, there were no maturities or full redemptions after the year end.

Annual Corporate Governance Statement

Introduction

The Company is subject to and complies with Irish Statute comprising the Companies Acts 1963 to 2009 and the Listing rules of the Irish Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process

The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Deutsche International Corporate Services (Ireland) Limited, to maintain the accounting records of the Company independently of the Arranger and the Custodian. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger and the Custodian. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

dbInvestor Solutions plc

Directors' Report (continued)

Annual Corporate Governance Statement (continued)

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

Given the contractual obligations on the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Acts, 1963 to 2009 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

Transfer of shares

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. If the directors refuse to register a transfer, they shall, within two months after the date on which the transfer was lodged by the company, send to the transferee notice of the refusal.

dbInvestor Solutions plc

Directors' Report (continued)

Annual Corporate Governance Statement (continued)

Audit committee

The sole business of the company relates to the issuing of asset-backed securities. It also enters into certain derivatives to hedge out interest rate and currency risk exposures arising between asset and liability mismatches. Under Regulation 91(9)(d) of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010 (the "Regulations"), which were published by the Irish Minister for Enterprise, Trade and Innovation on 25 May 2010, such a company may avail itself of an exemption from the requirement to establish an audit committee.

Given the contractual obligations of the administrator and the limited recourse nature of the securities issued by the company, the board of directors has concluded that there is currently no need for the company to have a separate audit committee in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the company in relation to the financial reporting process. Accordingly, the company has availed itself of the exemption under Regulation 91(19)(d) of the Regulations.

Credit events

There were no credit events during the year with respect to reference entities to which the Debt Securities are credit linked.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to the books of account by engaging accounting personnel with the appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at 5 Harbourmaster Place, IFSC, Dublin 1.

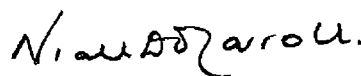
Independent auditor

In accordance with Section 160(2) of the Companies Act, 1963, KPMG, Chartered Accountants and Registered Auditor, have signified their willingness to continue in office.

On behalf of the board



Michael Whelan
Director



Niall O'Carroll
Director

Date: 27 April 2011

dbInvestor Solutions plc

Statement of directors' responsibilities in respect of directors' report and the financial statements

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards as adopted by the EU (IFRS).

The Company's financial statements are required by law and IFRSs to present fairly the financial position and performance of the company. The Companies Acts, 1963 to 2009 provide in relation to such financial statements that references in the relevant parts of those Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS and in accordance with the Companies Acts, 1963 to 2009; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

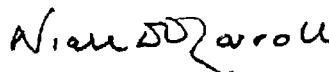
The Directors are also required by the Transparency (Directive 2004/109/EC) Regulation 2007 and the Transparency Rules of the Irish Financial Services Regulatory Authority to include a Directors' report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company.

The Directors confirm that, to the best of their knowledge and belief:

- they have complied with the above requirements in preparing the financial statements;
- the financial statements, prepared in accordance with IFRS, give a true and fair view, of the state of the assets, liabilities, financial position and of its profit/loss of the Company for the year then ended; and
- the Directors' report includes a fair review of the development and performance of the business of the Company, together with a description of the principal risks and uncertainties that it faces.



Michael Whelan
Director



Niall O'Carroll
Director

Date: 27 April 2011



KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Independent auditor's report to the members of dbInvestor Solutions plc

We have audited the financial statements of dbInvestor Solutions plc for the year ended 31 December 2010 which comprises the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and the International Financial Reporting Standards as adopted by the EU (IFRS), are set out in the Statement of Directors' Responsibilities on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you whether, in our opinion:

- proper books of account have been kept by the company;
- at the reporting date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and
- the information given in the Directors' Report is consistent with the financial statements.

In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and directors' transactions with the company is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider implications for our report if we become aware of any apparent misstatements within it.



Independent auditor's report to the members of dbInvestor Solutions plc (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) of the state of the Company's affairs as at 31 December 2010 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

Other matters

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the directors' report on pages 2 to 6 is consistent with the financial statements.

The net assets of the Company, as stated in the Statement of Financial Position on page 10 are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2010 a financial situation, which, under Section 40(1) of the Companies (Amendment) Act, 1983, required the convening of an extraordinary general meeting of the company.

*Chartered Accountants
Registered Auditor
1 Harbourmaster Place
IFSC
Dublin 1*

Date: 27 April 2011

dbInvestor Solutions plc

Statement of Financial Position As at 31 December 2010

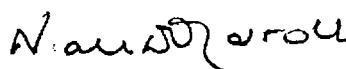
	Note	2010 €'000	2009 €'000
Assets			
Cash and cash equivalents	5	64	39
Derivative assets	6	5,745	8,671
Investment securities and total return swap at fair value through profit or loss	7	1,631,760	1,046,951
Other assets	8	6,407	6,705
Total assets		<u>1,643,976</u>	<u>1,062,366</u>
Liabilities			
Derivative liabilities	6	153,246	33,460
Debt securities issued at fair value through profit or loss	9	1,481,367	1,019,824
Other liabilities	10	9,298	9,029
Total liabilities		<u>1,643,911</u>	<u>1,062,313</u>
Capital and reserves			
Share capital	11	40	40
Retained earnings		25	13
Total equity		<u>65</u>	<u>53</u>
Total liabilities and equity		<u>1,643,976</u>	<u>1,062,366</u>

On behalf of the board



Michael Whelan
Director

Date: 27 April 2011



Niall O'Carroll
Director

The notes on pages 14 to 50 form an integral part of these financial statements

dbInvestor Solutions plc

Statement of Comprehensive Income For the year ended 31 December 2010

	Note	2010 €'000	2009 €'000
Net gain from investment securities and total return swap	13	68,912	53,540
Net (loss) / gain from derivative financial instruments	14	(17,897)	83,057
Net loss on debt securities issued	15	(51,015)	(136,597)
Operating income		-	-
Other income	16	126	105
Other expenses	17	(110)	(97)
Profit before taxation		16	8
Income tax expense	18	(4)	(2)
Profit for the year		12	6
Other comprehensive income		-	-
Total comprehensive income for the year		12	6

All items dealt with in arriving at the above profit for the year ended 31 December 2010 related to continuing operations.

On behalf of the board



Michael Whelan
Director



Niall O'Carroll
Director

Date: 27 April 2011

The notes on pages 14 to 50 form an integral part of these financial statements

dbInvestor Solutions plc

Statement of Cash Flows For the year ended 31 December 2010

	2010 €'000	2009 €'000
Cash flows from operating activities		
Profit for the year before taxation	16	8
<i>Adjustments for:</i>		
Unrealised gain / (loss) on:		
- investment securities and total return swap	(35,435)	(14,035)
- debt securities issued	(7,586)	89,447
- derivative financial instruments	42,467	(79,706)
Decrease in other assets	298	4,404
Increase / (decrease) in other liabilities	267	(172)
Tax paid	(2)	(2)
Net cash inflow / (outflow) from operating activities	<u>25</u>	<u>(56)</u>
Cash flows from investing activities		
Acquisition of investment securities	(714,450)	(530,705)
Maturity / Redemption of collateral	166,798	289,280
Payment to swap counterparty	(2,365)	50
Net cash outflow from investing activities	<u>(550,017)</u>	<u>(241,375)</u>
Cash flows from financing activities		
Proceeds from issuance of debt securities	714,429	398,855
Payments on redemption of debt securities	(164,412)	(157,480)
Net cash inflow from financing activities	<u>550,017</u>	<u>241,375</u>
Net increase / (decrease) in cash at bank	25	(56)
Cash at bank at 01 January	39	95
Cash at bank at 31 December	<u>64</u>	<u>39</u>

The notes on pages 14 to 50 form an integral part of these financial statements

dbInvestor Solutions plc

Statement of Changes in Equity For the year ended 31 December 2010

	Share capital €'000	Retained earnings €'000	Total €'000
Balance as at 01 January 2009	<u>40</u>	<u>7</u>	<u>47</u>
Profit for the year - 2009	-	6	6
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>6</u>	<u>6</u>
Balance as at 31 December 2009	<u>40</u>	<u>13</u>	<u>53</u>
Profit for the year - 2010	-	12	12
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>12</u>	<u>12</u>
Balance as at 31 December 2010	<u>40</u>	<u>25</u>	<u>65</u>

The notes on pages 14 to 50 form an integral part of these financial statements

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

1 General information

dbInvestor Solutions plc (the "Company") was incorporated on 28 August 2003 in the Republic of Ireland with registered number 375106. The registered office of the Company is 5 Harbourmaster Place, IFSC, Dublin 1.

The Company is a special purpose company that has been established to issue debt securities under a €10bn Multi-issuance note programme.

The program offers investors the opportunity to invest in a portfolio of investments, the "investment securities and total return swaps," and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

The Company has no direct employees. The financial statements were authorised for issue by the directors on 27 April 2011.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations as adopted by the EU (IFRS) and in accordance with the Companies Acts 1963 to 2009.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2010, the comparative information, for 2009 presented in these financial statements has been prepared on a consistent basis.

These financial statements have been prepared on a going concern basis.

(b) Changes in accounting policies

There were no changes in accounting policies which has a financial impact on the Company's financial statements during the year.

(c) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2010, and have not been applied in preparing these financial statements.

- Amendment to IAS 32 Financial Instruments: Presentation-Classification of rights issues states that if rights issues are issued by an entity pro rata to all existing shareholders in the same class for a fixed amount of currency in which the exercise price is denominated. This amendment is not expected to have a material impact on the Company's financial statements.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

2 Basis of preparation (continued)

(c) New standards and interpretations not yet adopted (continued)

- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments clarifies the requirements of International Financial Reporting Standards (IFRSs) when an entity renegotiates the terms of a financial liability with its creditors and the creditor agrees to accept the entity's shares or other equity instruments to settle the financial liability fully or partially. This IFRIC is not expected to have material impact on the Company's financial statements.
- IFRS 1 First time adoption of International Financial Reporting Statements has been amended to allow first time adopters to utilise the transition provision in IFRS 7. Normally, first time adopters are not permitted to use transition provisions. The provisions give relief from providing comparative information in the disclosures required by the amendment to IFRS 7 in the first year of application. This amendment is not expected to have a material impact on the Company's financial statements.
- Amendments to IAS 12 Deferred tax recovery of underlying assets which provides a practical approach for measuring deferred tax liabilities and deferred tax assets when it would be difficult and subjective to determine the expected manner of recovery. This amendment is not expected to have a material impact on the Company's financial statements.

These new standards and interpretations will not affect the profit or loss and equity.

(d) Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value;
- Investment securities and total return swaps designated at fair value through profit or loss are measured at fair value; and
- Debt securities issued designated at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in note 3(a).

(e) Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The issued share capital of the Company is denominated in euro and the debt securities issued are also primarily denominated in euro. The Directors of the Company believe that euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

Except as otherwise indicated, all financial information presented in euro has been rounded to the nearest thousand.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

2 Basis of preparation (continued)

(f) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statement are described in Notes 22 (e).

(g) Operating segments

The Company has applied IFRS 8 Operating Segments which puts emphasis on the "management approach" to reporting on operating segments.

The Company is engaged as one segment. It involves the repackaging of bonds and other debt instruments, on behalf of investors, which are bought from the market and subsequently securitised to avail of potential market opportunities and risk-return asymmetries.

Refer to note 22(a) for further information on the assets.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

The financial instruments held by the Company include the following:

- Investment securities and total return swaps
- Derivative financial instruments
- Debt securities issued

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

Categorisation

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated as at fair value through profit or loss and other financial instruments are carried at amortised cost.

Derivative financial instruments are carried at fair value through profit or loss. The Company has designated the investment securities and total return swaps and debt securities issued at fair value through profit or loss.

Investment securities

All corporate bonds held by the Company are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce an accounting mismatch which would otherwise arise in relation to derivatives and debt securities as explained below.

Investment securities also includes total return swaps which are carried at fair value through profit or loss.

Derivative financial instruments

Derivative financial instruments include all derivative assets and liabilities that are used to economically hedge the derivatives at each series from interest rate or market fluctuations affecting the relevant collateral assets. Such derivatives are not formally designated into a qualifying hedging relationship and therefore all changes in their fair value are recognised in the statement of comprehensive income.

Debt securities issued

The debt securities issued are initially measured at fair value and are designated as liabilities at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch or contain an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Financial assets and liabilities that are not at fair value through profit or loss

Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash at bank, deposits with credit institutions and other assets, and are categorised as loans and receivables for measurement purposes.

Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables, and are categorised as other liabilities for measurement purposes.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

Recognition and measurement

The Company initially recognises all financial assets and liabilities at fair value on the trade date at which the Company becomes a party to the contractual provisions of the instruments. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded in the statement of comprehensive income.

Financial assets and financial liabilities not categorised as at fair value through profit or loss are subsequently measured at amortised cost.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards.

Fair value measurement principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets, where these are available. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like interest rate and currency swaps.

For more complex instruments, the Company uses proprietary models, which usually are developed from recognised valuation models. Some or all of the inputs into these models may not be market observable, and are derived from market prices or rates or are estimated based on assumptions.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgements e.g. interest rate, volatility, credit spreads, probability of defaults, estimated cashflows etc and therefore, cannot be determined with precision.

(b) Financial liability and equity

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

(c) Cash and cash equivalents

Cash and cash equivalents consist of notes in hand and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(d) Foreign currency transaction

Transactions in foreign currencies are translated to Euro at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Euro at the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Euro at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised through profit or loss and are included under net gain/(loss) from investment securities and total return swaps, derivatives or debt securities issued, as appropriate.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

3 Significant accounting policies (continued)

(e) Net gain / (loss) from investment securities and total return swaps designated at fair value through profit or loss

Net gain / (loss) from investment securities and total return swaps designated at fair value through profit or loss relates to investments in corporate bonds and total return swaps, and includes realised income (including coupon receipts), unrealised fair value changes including foreign exchange differences.

(f) Net gain / (loss) from derivative financial instruments

Net gains/(loss) from derivative financial instruments relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

(g) Net gain / (loss) on debt securities issued designated at fair value through profit or loss

Net gain / (loss) on debt securities issued designated at fair value through profit or loss relates to debt securities issued and includes financing costs (including coupon payments), realised and unrealised fair value changes and foreign exchange differences.

(h) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised through profit or loss, in other comprehensive income or directly in equity, consistent with the accounting for the item to which it is related.

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

3 Significant accounting policies (continued)

(i) Other income and expenses

All other income and expenses are accounted for on an accruals basis.

(j) Share capital and dividends

Share Capital is issued in euro. Dividends are recognised as a liability in the period in which they are approved.

4 Financial risk management

(a) Introduction and overview

The dbInvestor Solutions plc program was set up in August 2003 to issue multiple series of Debt Securities, with the rating on each series independent of the other. This means that dbInvestor Solutions plc can issue various series of Debt Securities ranging from AAA to not rated. This gives the sponsor greater flexibility in what it can finance through this vehicle and it reduces the cost of issuing.

dbInvestor Solutions plc was set up as a segregated multi issuance Special Purpose Entity. Each Series is governed by a separate Supplemental Programme Memorandum. Each Series consists of an investment in collateral from the proceeds of the issuance of debt securities.

The Programme offers investors the opportunity to invest in a portfolio of investments and total return swaps, the "investment securities and total return swaps", and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

This ensures that if one series defaults, the holders of that series do not have the ability to reach other assets of the issuer, which might otherwise have resulted in the Company's bankruptcy and the default of the other series of Debt Securities. The segregation criteria include the following:

- The Company is a bankruptcy remote SPE, organized in Ireland
- The Company issues separate series of debt obligations
- Assets relating to any particular series of debt securities are held separate and apart from the assets relating to any other series
- Any swap transaction entered into by the Company for a series is separate from any other swap transaction for any other series.
- For each series of debt securities, only the trustees are entitled to exercise remedies on behalf of the debt security holders.
- Each series of issued debt securities are reviewed by a recognised rating agency prior to issuance regardless of whether it is to be rated or not.

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Notes to the Financial Statements For the year ended 31 December 2010

4 Financial risk management (continued)

(a) Introduction and overview (continued)

The Company has, in most Series, entered into Asset Swap Agreements with Deutsche Bank AG. The net proceeds from the issue of the Debt Securities are paid to the Swap Counterparty to purchase the portfolio of investment securities plus any interest accrued thereon on behalf of the Company. The credit quality details of the investment securities and total return swaps held by the Company are disclosed in Note 4 (b) (i). During the term of the Asset Swap, the Company pays to the Swap Counterparty amounts equal to the interest received in respect of the collateral, and on the maturity date of the collateral will deliver the portfolio or the proceeds of its redemption to the Swap Counterparty.

The Swap Counterparty delivers the collateral to the account of the Company and pays the Company amounts equal to the interest payable under the debt securities, and if the swap agreement has not terminated prior to the maturity date of the respective Debt Securities, a sum equal to the redemption amount payable on the debt securities.

The Debt securities issued are initially recorded at fair value which equates to the net proceeds received in Euros and are subsequently carried at fair value through profit or loss. The ultimate amount repaid to the Note holders of these debt securities will depend on the proceeds from the investment securities and total return swaps and any payment the Swap counterparty is obliged to make under the terms of the swap agreement.

(b) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks relating to the investment securities and total return swaps and derivatives are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk;
- (ii) Liquidity risk; and
- (iii) Market risks.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included in note 22 to these financial statements.

The Company does not have any externally imposed capital requirements.

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Notes to the Financial Statements For the year ended 31 December 2010

4 Financial risk management (continued)

(b) Risk management framework (continued)

(i) Credit risk

Credit risk is the risk of the financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's credit linked securities which are divided into underlying reference entities and also from the derivative contracts which the Company has entered into.

The Company limits its exposure to credit risk by only investing in corporate bonds, loans and total return swaps with counterparties that have a credit rating defined in the documentation of the relevant series. The risk of default on these assets and on the underlying reference entities is borne by the swap counterparty, or the holders of the debt securities of the relevant series that the Company has in issue.

The credit quality of the Company's investment assets has been disclosed in note 22. As at 31 December 2010, around 5% of the investment securities and total return swaps held by the Company are rated as AAA by S&P, 19% are A+, 28% varies from A to Aa3 and the remaining 48% are not rated. Compared to last year, some of the corporate bonds have been downgraded. However, none of the investments were in default or required early redemption during the year or at year end.

The credit risk relating to underlying reference entities as shown in note 22(d) arises principally from the investment assets which the Company holds which are credit-linked to a portfolio of underlying reference entities. Any default or "credit events" in the underlying portfolio of reference entities may trigger a reduction in the nominal amounts of the debt instrument which the Company holds depending on the loss amounts, as well as, other terms and conditions on the debt. Because of the limited recourse of the debt issued by the Company, any such losses would ultimately be borne by either the Company's swap counterparty or the Company's holders of Debt Securities for that particular series.

Secondly, the company has also sold credit protection to swap counterparties in return for a premium. These Debt Securities are credit-linked to the credit quality of the underlying portfolio of reference entities. Therefore any default or "credit events" in the underlying portfolio of reference entities might require a specific amount of the collateral i.e. certain investment securities held by the Company to be delivered to the swap counterparty that has purchased the credit protection from the Company. However, due to the ring-fenced nature of the debt securities issued by the Company any such losses on investment securities would ultimately be borne by the holders of debt securities by way of corresponding reduction in the nominal amounts of those debt securities depending on the terms and conditions attached to debt securities issued.

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Notes to the Financial Statements For the year ended 31 December 2010

4 Financial risk management (continued)

(b) Risk management framework (continued)

(i) Credit risk (continued)

The linking of the Company's issued debt securities to the underlying portfolio of reference entities is achieved by entering into credit default swap agreements with swap counterparties. The credit default swap is a leveraged arrangement.

The aggregate reference portfolio notional amounts are usually substantially higher than the notional amounts of the credit default swaps and the nominal amounts of the debt securities issued. This leverage increases the risk of loss to the Company and, therefore, to the holders of Debt Securities.

Refer to the table in note 22(e) "Fair values" for further details.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Company.

The Company's obligation to the holders of debt securities issued of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Debt Securities, the other assets of the Company are not contractually required to be made available to meet payment and the deficit is instead borne by the holders of debt securities issued and the Swap Counterparty according to established priorities.

The expediency and proceed amounts from realising the collateral of each series is subject to market conditions.

There were no liquidity issues experienced by the Company or the swap counterparty in respect to meeting its obligations to holders of Debt Securities or to swap counterparties. The Company or the swap counterparty did not default on any of its contractual commitments during the year.

(iii) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments and receivables under total return swaps.

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Notes to the Financial Statements For the year ended 31 December 2010

4 Financial risk management (continued)

(b) Risk management framework (continued)

(iii) Market risks (continued)

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risks.

Foreign exchange risk and interest rate risk are economically hedged through asset swaps.

5 Cash and cash equivalent

	2010 €'000	2009 €'000
Cash at bank	64	39
	<u>64</u>	<u>39</u>

Cash balances are held with Deutsche Bank AG London and Bank of Ireland, Dublin. The cash at bank is on demand and can be used at any time.

Refer to Note 22 (a) for credit ratings for cash at bank counterparties.

6	Derivative financial instruments	Less than one year €'000	Greater than one year €'000	2010 Total €'000	Less than one year €'000	Greater than one year €'000	2009 Total €'000
	<i>Derivative assets</i>						
	Asset swaps	-	5,745	5,745	-	2,586	2,586
	Credit default swaps	-	-	-	-	6,085	6,085
		<u>-</u>	<u>5,745</u>	<u>5,745</u>	<u>-</u>	<u>8,671</u>	<u>8,671</u>
	<i>Derivative liabilities</i>						
	Asset swaps	-	99,437	99,437	-	32,103	32,103
	Credit default swaps	-	53,809	53,809	-	1,357	1,357
		<u>-</u>	<u>153,246</u>	<u>153,246</u>	<u>-</u>	<u>33,460</u>	<u>33,460</u>

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Notes to the Financial Statements For the year ended 31 December 2010

6 Derivative financial instruments (continued)

The Company entered into asset swaps for each series of Debt Securities issued to eliminate the mismatch between the amount payable in respect of those debt securities issued and the return from the investment securities held by the Company as collateral.

The company also entered into credit default swaps for certain series in order to provide an asset risk profile which is suited to the needs of the investors (the holders of the debt securities).

7 Investment securities and total return swaps at fair value through profit or loss	2010 €'000	2009 €'000
<i>Designated at fair value through profit or loss</i>		
Corporate bonds	1,541,624	984,262
Receivable under total return swaps	90,136	62,689
	<u>1,631,760</u>	<u>1,046,951</u>

Maturity analysis of investment securities and total return swaps at fair value through profit or loss

Within 1 year	751	-
One to two years	269,533	41,706
Two to five years	1,361,476	993,301
Greater than 5 years	-	11,944
	<u>1,631,760</u>	<u>1,046,951</u>

The carrying value of all the above assets of the Company represents their maximum exposure

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Notes to the Financial Statements For the year ended 31 December 2010

7 Investment securities and total return swaps at fair value through profit or loss (continued)

Receivable under total return swaps

Certain series of Debt Securities issued include the use of Total Return Swaps ("TRS"). Under these arrangements the proceeds from the issuance of debt securities are held on deposit with the swap counterparty under the swap agreement. The deposit is synthetically linked to the credit performance of a portfolio of reference entities through a credit default swap agreement. The swap counterparty provides a return that replicates the return due to the holders of the debt securities and also reimburses all the expenses related to the series. In the event of a reference entity default, a notice is served to the Company. In case of default, the nominal total return swap is reduced by an amount equal to the amount in the default and the Company's obligation under the debt securities is also reduced by the same amount as per the terms of the supplemental programme memorandum (SPM).

Refer to Note 22(a) for credit risk disclosures relating to the investment securities and total return swap.

8 Other assets	2010 €'000	2009 €'000
Coupon income receivable from investment securities and total return swaps	6,322	6,633
Other receivables	85	72
	<u>6,407</u>	<u>6,705</u>

All other assets are current.

9 Debt securities issued at fair value through profit or loss	2010 €'000	2009 €'000
Designated at fair value through profit or loss	1,481,367	1,019,824
	<u>1,481,367</u>	<u>1,019,824</u>

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Notes to the Financial Statements For the year ended 31 December 2010

9 Debt securities issued at fair value through profit or loss (continued)

Maturity analysis of the debt securities issued at fair value through profit or loss

One to two years	236,301	
Two to five years	1,167,757	931,250
Greater than 5 years	77,309	88,574
	<u>1,481,367</u>	<u>1,019,824</u>

The Company's obligations under the debt securities issued and related derivative financial instruments are secured by collateral purchased as noted in Note 7. The investors' recourse per series is limited to the assets of that particular series.

In the event that accumulated losses prove not to be recoverable during the life of the debt securities issued, then this will reduce the obligation to the holders of the debt securities issued by the Company.

The debt securities issued are listed in the Luxembourg stock exchange.

The fair value of financial liabilities designated at fair value through profit or loss as at 31 December 2010 was € 117,105,034 (2009: € 28,631,174) less than the contractual amount at maturity on the assumption that there will not be any payment calls made in the event of credit events until maturity.

10 Other liabilities	2010 €'000	2009 €'000
Coupon payable on debt securities issued	9,214	8,971
Accrued expenses	43	33
Current tax liabilities	3	1
Other payables	38	24
	<u>9,298</u>	<u>9,029</u>

All other liabilities are current.

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Notes to the Financial Statements For the year ended 31 December 2010

11 Share capital

	2010 €'000	2009 €'000
<i>Authorised</i>		
1,000,000 ordinary shares of €1 each	1,000	1,000
<i>Issued and paid up</i>		
40,000 ordinary shares of €1 each	40	40

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Notes to the Financial Statements For the year ended 31 December 2010

12 Accounting categorisations and fair values of financial assets and liabilities	2010		2009	
	Carrying value €'000	Fair value €'000	Carrying value €'000	Fair value €'000
Financial assets at amortised cost				
Cash and cash equivalents	64	64	39	39
Other assets	6,407	6,407	6,705	6,705
Total financial assets at amortised cost	6,471	6,471	6,744	6,744
Financial assets designated at fair value through profit or loss				
Investment securities	1,541,624	1,541,624	984,262	984,262
Financial assets at fair value through profit or loss				
Derivative assets	5,745	5,745	8,671	8,671
Total return swaps	90,136	90,136	62,689	62,689
	<u>1,643,976</u>	<u>1,643,976</u>	<u>1,062,366</u>	<u>1,062,366</u>
Financial liabilities at amortised cost				
Other liabilities	9,298	9,298	9,029	9,029
Financial liabilities designated at fair value through profit or loss				
Debt securities issued	1,481,367	1,481,367	1,019,824	1,019,824
Financial liabilities at fair value through profit or loss				
Derivative liabilities	153,246	153,246	33,460	33,460
	<u>1,643,911</u>	<u>1,643,911</u>	<u>1,062,313</u>	<u>1,062,313</u>

The financial instruments not accounted for at fair value through profit or loss are short-term financial assets and liabilities whose carrying amounts approximate fair value.

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Notes to the Financial Statements For the year ended 31 December 2010

13 Net gain from investment securities

	2010 €'000	2009 €'000
Net gain from investment securities and total return swaps designated at fair value through profit or loss (including coupon receipts):		
- Corporate bonds	36,433	73,576
- Receivable under total return swaps	32,479	(20,036)
	<u>68,912</u>	<u>53,540</u>

Analysed as follows:

Coupon income including accruals	36,387	34,960
Net unrealised gain on investment securities and total return swaps	35,435	14,035
Realised (loss) / gain on disposal / maturities of investment securities and total return swaps	(2,910)	4,545
	<u>68,912</u>	<u>53,540</u>

14 Net (loss) / gain from derivative financial instruments

	2010 €'000	2009 €'000
Net (loss) / gain from derivative financial instruments carried at fair value (including coupon receipts)		
- Asset swaps	19,198	80,103
- Credit default swaps	(37,095)	2,954
	<u>(17,897)</u>	<u>83,057</u>

Analysed as follows:

Coupon income	20,460	4,688
Net unrealised (loss) / gain on derivative financial instruments	(45,675)	75,635
Realised gain on settlement of derivative financial instruments	7,318	2,734
	<u>(17,897)</u>	<u>83,057</u>

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Notes to the Financial Statements For the year ended 31 December 2010

15 Net loss on debt securities issued at fair value through profit or loss (including coupon payments)

Net loss on debt securities issued at fair value
through profit or loss

2010
€'000

2009
€'000

(51,015) (136,597)

(51,015) (136,597)

Analysed as follows:

Coupon expense including accruals

(53,191) (39,015)

Net unrealised gain / (loss) on debt securities issued

7,586 (89,447)

Realised loss on maturity / redemption of debt securities issued

(5,410) (8,135)

(51,015) (136,597)

16 Other operating income

Corporate benefit

16 8

Arranger income

110 97

126 105

For every new issuance of Debt Securities, Deutsche Bank AG London, as arranger, does transfer to the Company an amount of USD 1,000 as corporate benefit. This income is taxable under the Irish law at a current rate of 25% and the net amount is retained as the profit for the year. As arranger, Deutsche Bank AG London also agreed, as per Service Agreement, to reimburse the Company against any costs, fees, expenses or out-goings incurred. Arranger income is the total expenses incurred by the Company during the year that is borne by Deutsche Bank AG.

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Notes to the Financial Statements For the year ended 31 December 2010

17 Other expenses

	2010 €'000	2009 €'000
Administration fee	(52)	(49)
Audit fee	(43)	(33)
Director's fee	(15)	(15)
	<u>(110)</u>	<u>(97)</u>

The Company is administered by Deutsche International Corporate Services (Ireland) Limited and has no employees.

Audit fees relates to the statutory audit of the financial statements.

18 Income tax expense

	2010 €'000	2009 €'000
Corporate tax	<u>(4)</u>	<u>(2)</u>

Factors affecting tax charge for the period

Corporation taxation has been calculated based on the results for the year and the resulting taxation charge is as follows:

Profit before tax	<u>16</u>	<u>8</u>
Current tax at standard rate of 25%	<u>(4)</u>	<u>(2)</u>
Current tax charge	<u>(4)</u>	<u>(2)</u>

The Company will continue to be actively taxed at 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

Deferred tax

Any temporary difference arising on the assets will be offset by a corresponding difference in the liabilities. Therefore the Company does not have any deferred tax exposure.

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Notes to the Financial Statements

For the year ended 31 December 2010

19 Ownership of the Company

The issued shares are held in trust by Matsack Trust Limited (13,332 shares), Matsack Nominees Limited (13,332 shares), Raisa Limited (13,332 shares), Patrick Molloy (1 share), Paul Farrell (1 share), Tara Doyle (1 share) and Turlough Galvin (1 share), together (the "Share Trustees"), each of whom own a share under the terms of a declaration of trust dated 28 August 2003, under which the relevant Share Trustee holds an issued share of the Company in trust for charity. The Share Trustees have appointed a Board of Directors to run the day-to-day activities of the Company.

The Board of Directors have considered the issue as to who is the controlling party of the Company. It has determined that the control of the day-to-day activities of the Company rests with the Board. The Board is composed of three directors, one of whom, is an employee of Deutsche International Corporate Services (Ireland) Limited, being the entity that acts as the administrator of the Company. The remaining two directors are considered to be independent of the Deutsche Bank Group.

Deutsche Bank AG, under International Financial Reporting Standards (IFRS), has consolidated Series 4, 22, 37 and 38 (2009: Series 4, 5 and 11).

20 Charges

The Debt Securities issued by the Company are secured by way of mortgage over the collateral purchased in respect of each of the debt securities issued, and by the assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreement for each series.

21 Transactions with related parties, administrator and arranger

During the year the Company incurred a fee of EUR 22,000 (2009: EUR 17,901) relating to administration services provided by Deutsche International Corporate Services (Ireland) Limited, refer to Note 17 for details. Michael Whelan, as a director of the Company, had an interest in this fee in his capacity as director of Deutsche International Corporate Services (Ireland) Ltd.

Under a Series Proposal Agreement entered into for each series by the Company and Deutsche Bank AG London, Deutsche Bank AG London, as Arranger for each Series, will pay the Company a Series Fee of US\$ 1,000 per Series on commencement of the series and agree to reimburse the Company against any costs, fees, expenses or out-goings incurred, refer to Note 16 for details. Deutsche Bank AG London is also the Swap counterparty for all Series containing asset swap agreements.

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Notes to the Financial Statements For the year ended 31 December 2010

21 Transactions with related parties, administrator and arranger (continued)

EUR 7,682 (2009: EUR 7,715) were paid to Matheson Ormsby Prentice Solicitors as legal fees. Liam Quirke as a director of the Company had an interest in this fee in his capacity as partner of Matheson Ormsby Prentice solicitors.

22 Financial instruments

(a) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date was:

	2010 €'000	2009 €'000
Cash and cash equivalents	64	39
Derivative assets	5,745	8,671
Investment securities and total return swaps	1,631,760	1,046,951
Other assets	6,407	6,705
	<u>1,643,976</u>	<u>1,062,366</u>

At the reporting date the credit quality of the Company's financial assets was as follows:

Cash and cash equivalents:

The Company's cash and cash equivalents are held with the Deutsche Bank AG London which is rated A+ by Standard and Poor's (S&P) in 2010 and 2009, and with Bank of Ireland which is rated BBB+ (2009: A-) by S&P.

Derivative assets:

The Company has entered into asset swap transactions with swap counterparties to eliminate the mismatch between the amount payable in respect of the debt securities and the return from the investment securities and total return swaps held as collateral.

Derivative financial instruments are transacted with a counterparty which was rated A+ by S&P in 2010 and 2009.

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Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(a) Credit risk (continued)

Investment securities and total return swaps:

At the reporting date, the credit quality of the Company's investment securities was as follows:

Rating	Rating Agency	2010 %	2009 %
AAA	S&P	5.03%	13.37%
A+	S&P	18.16%	36.18%
A	S&P	16.88%	22.13%
Aa1	Moody	0.00%	15.04%
Aa1e	Moody	0.00%	1.43%
Aa3	Moody	9.60%	0.00%
Not rated		44.81%	5.86%
Receivable under total return swaps		5.52%	5.99%
		<u>100.00%</u>	<u>100.00%</u>

None of the investments held were past due or defaulted.

Internal rating was used for those investment securities with no available public rating. An internal rating of A has been given to these securities on the grounds that the fair value of the investment securities is not materially different from the nominal value at year end.

At the reporting date, the Company's investment securities and total return swaps were concentrated in the following assets types:

	2010 %	2009 %
Corporate bonds	94.48%	94.01%
Receivable under total return swaps	5.52%	5.99%
	<hr/> 100.00%	<hr/> 100.00%

Seventy five percent (75%) of the investment securities and total return swaps are domiciled in Germany, fourteen percent (14%) from United States, eight percent (8%) from United Kingdom and the remaining three percent (3%) from Netherlands.

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Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(a) Credit risk (continued)

Other assets:

The other assets mainly include income receivable from corporate bonds held by the Company at year end. The credit rating and concentration of the investment securities and total return swaps at year end are disclosed above under investment securities and total return swaps.

The directors recognise the requirement under IFRS 7 to disclose the change in fair value attributable to both market and credit risks. However, due to fair value movement relating to credit risk not being available, all changes in fair value have been disclosed in the accounts as due to market risk.

(b) Liquidity risk

The following are the contractual maturities of financial assets and liabilities including undiscounted interest payments and excluding the impact of netting agreements:

	2010				
	Carrying amounts €'000	Gross contractual cash flows €'000	Less than one year €'000	One to five years €'000	More than five years €'000
Cash and cash equivalents	64	64	64	-	-
Derivative assets	5,745	134,891	30,173	-	104,718
Investment securities and total return swaps	1,631,760	1,720,901	35,330	1,685,534	37
Other assets	6,407	6,407	6,407	-	-
Derivative liabilities	(153,246)	(4,431)	-	(4,431)	-
Debt securities issued	(1,481,367)	(1,848,738)	(62,945)	(1,681,103)	(104,690)
Other liabilities	(9,298)	(9,029)	(9,029)	-	-
	65	65	-	-	65

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Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(b) Liquidity risk (continued)

	2009				
	Carrying amounts €'000	Gross contractual cash flows €'000	Less than one year €'000	One to five years €'000	More than five years €'000
Cash and cash equivalents	39	39	39	-	-
Derivative assets	8,671	122,108	14,755	-	107,353
Investment securities and total return swaps	1,046,951	1,136,929	29,215	1,092,557	15,157
Other assets	6,705	6,705	6,705	-	-
Derivative liabilities	(33,460)	(19,860)	-	(19,860)	-
Debt securities issued	(1,019,824)	(1,236,839)	(41,685)	(1,072,697)	(122,457)
Other liabilities	(9,029)	(9,029)	(9,029)	-	-
	53	53	-	-	53

Refer to Note 6, 7 and 9 for maturity profile of derivatives, investment securities and total return swaps and debt securities issued.

The gross contractual cashflows for debt securities above are based on the assumption that no payment calls will be made in the event of credit events till maturity.

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Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(c) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk.

(i) Currency risk

The Company is exposed to movements in exchange rates between its functional currency - Euro and foreign currency denominated financial instruments. At the reporting date, the Company's had the following exposure to foreign currency risk:

	2010		2009	
	USD	GBP	USD	GBP
	€'000	€'000	€'000	€'000
Monetary assets				
Cash and cash equivalents	-	-	-	-
Derivative assets	-	-	-	-
Investment securities	173,909	-	242,987	22,334
Other assets	2,134	-	2,170	26
	<u>176,043</u>	<u>-</u>	<u>245,157</u>	<u>22,360</u>
Monetary liabilities				
Derivative liabilities	-	-	-	-
Debt securities issued	-	-	-	-
Other liabilities	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net exposure	<u>176,043</u>	<u>-</u>	<u>245,157</u>	<u>22,360</u>

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2010	2009	2010	2009
USD	1.326	1.395	1.328	1.435
GBP	0.858	0.891	0.863	0.889

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Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The impact of any change in the exchange rates on the investment securities and total return swaps relating to any series issued is offset by entering into asset and currency swap agreements for each series. Any difference is borne by the swap counterparty and thus the exchange rate changes have no net impact on the equity or the profit or loss of the Company.

(ii) Interest rate risk

At the reporting date, the interest rate risk profile of the Company's non-derivative interest bearing financial instruments was:

	2010 €'000	2009 €'000
Fixed rate instruments		
Investment securities and total return swaps	304,103	382,976
Debt securities issued	(887,724)	(665,469)
	<u>(583,621)</u>	<u>(282,493)</u>
Variable rate instruments		
Investment securities and total return swaps	1,327,657	663,975
Debt securities issued	(593,643)	(354,355)
	<u>734,014</u>	<u>309,620</u>

Refer to note 7 and 9 for maturity profile for investment securities and debt securities issued, respectively. The Company manages its interest rate risk by entering into asset swap agreements.

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Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The Company does not bear any interest rate risk as the interest rate risk associated with the debt securities issued by the Company is neutralised by entering into swap agreements whereby the swap counterparty pays the Company amounts equal to the interest payable to the holders of the debt securities issued in return for the interest earned by the Company on its investment securities. Similarly, changes in fair value of the investment securities and debt securities issued arising from changes in market interest rates are offset by changes in the fair value of the swap agreements. Therefore any change in the interest rates would not affect the equity or the profit or loss of the Company.

The Company has designated its fixed rate financial assets and liabilities at fair value through profit or loss. Any changes in interest rates would also effect the fair value of the fixed rate financial assets and liabilities which in turn would impact on the profit or loss and the equity of the Company. However, the Company has also neutralised this risk by entering into swap agreements whereby all fair value changes are borne by the swap counterparty.

(iii) Other price risk

Other price risk is the risk that value of the instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Other price risk may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk. In relation to the Company's portfolio, this is not subject to equity price risk, commodity price risk, prepayment risk and residual value risk.

As all of the Company's financial instruments are carried at fair value with fair value changes recognised in the statement of comprehensive income, all changes in market conditions will directly affect operating income.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(c) Market risk (continued)

(iii) Other price risk (continued)

The following is the breakdown of the Company's investment securities at the reporting date:

	2010 €'000	2009 €'000
Investment securities		
<i>Corporate bonds and receivable under total return swap</i>		
Listed	1,541,624	33,612
Unlisted	90,136	1,013,339
	<u>1,631,760</u>	<u>1,046,951</u>

Sensitivity analysis

Any changes in the quoted or unquoted prices of the corporate bonds held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the debt securities issued by the Company.

(d) Specific instruments

(i) Credit Default Swaps and Asset Swaps

As part of series programmes, the Company has entered into Assets Swaps for each series and Credit Default Swaps for certain series with Deutsche Bank AG London.

Under the Credit Default Swaps, in exchange for the receipt of premium income for the relevant series, the Company has sold credit protection on a number of reference entities, the "Reference Obligations".

In the event of an issuance of a credit event notice with respect to the Reference Portfolio, the Company will pay an amount as defined in the Credit Default Swap Agreements from the assets of that series to which the Credit Default Swap Agreement relates. The aggregate liability of the Company under the Credit Default Swap Agreements for individual series shall not exceed the aggregate of the Eligible investment securities and total return swaps for those Series. No payment calls under the Credit Default Swaps were made during the year.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(d) Specific instruments (continued)

(i) Credit Default Swaps and Asset Swaps (continued)

In various series, as detailed below, the Company has issued Fixed or Floating Rate Secured debt securities, linked to a pool of reference entities. As a consequence of defaults in credit default swap reference obligations, the nominal is proportionally reduced by the relevant defaults

All series have asset swaps in place.

Series	CCY	Nominal of Notes (CCY) '000	Tranche held by Noteholder	Headroom in existence as at 31 December 2010	Description of reference obligations	Credit Event occurrences to 31 December 2010	Payment required under Credit Default swap agreement
15	EUR	13,200	N/A	N/A	The Republic of Italy, The Republic of Portugal, The Kingdom of Spain, The Hellenic Republic	N	N
16	EUR	40,000	N/A	N/A	Kingdom of Spain	N	N
17	EUR	50,000	N/A	N/A	Banco Bilbao Vizcaya Argentaria, S.A.	N	N
18	EUR	54,354	N/A	N/A	Berkshire Hathaway Inc.	N	N
19	EUR	50,000	N/A	N/A	La Caja de Ahorros y Pensiones de Barcelona	N	N
20	EUR	50,000	N/A	N/A	La Caja de Ahorros y Pensiones de Barcelona	N	N
22	EUR	18,020	N/A	N/A	Kingdom of Spain		
23	EUR	15,000	N/A	N/A	Barclays Bank PLC	N	N
24	EUR	15,000	N/A	N/A	Barclays Bank PLC	N	N
25	EUR	20,000	N/A	N/A	Barclays Bank PLC	N	N
26	EUR	15,000	N/A	N/A	Kingdom of Spain	N	N
27	EUR	22,000	N/A	N/A	Banco Santander SA	N	N
28	EUR	10,000	N/A	N/A	Barclays Bank PLC	N	N
30	EUR	46,780	N/A	N/A	Kingdom of Spain	N	N
32	EUR	16,000	N/A	N/A	Banco Santander SA	N	N
33	EUR	10,000	N/A	N/A	The Hellenic Republic and The Republic of Portugal	N	N
34	EUR	51,000	N/A	N/A	Bankinter SA	N	N

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(d) Specific instruments (continued)

(i) Credit Default Swaps and Asset Swaps (continued)

Series	CCY	Nominal of Notes (CCY) '000	Tranche held by Noteholder	Headroom in existence as at 31 December 2010	Description of reference obligations	Credit Event occurrences to 31 December 2010	Payment required under Credit Default swap agreement
35	EUR	81,000	N/A	N/A	Banco Santander SA, Caja De Ahorros Y Monte De Piedad De Madrid, Bankinter SA	N	N
38	EUR	97,000	N/A	N/A	Banco Santander SA	N	N
39	EUR	15,000	N/A	N/A	Banco Bilbao Vizcaya Argentina SA	N	N
40	EUR	32,000	N/A	N/A	Banco Bilbao Vizcaya Argentina SA	N	N
41	EUR	47,000	N/A	N/A	Caixa Geral De Depositos SA	N	N
42	EUR	35,000	N/A	N/A	Banco Bilbao Vizcaya Argentina SA	N	N
43	EUR	15,000	N/A	N/A	Bankinter SA	N	N
44	EUR	50,000	N/A	N/A	Banco Bilbao Vizcaya Argentina SA	N	N
45	EUR	40,079	N/A	N/A	Caixa Geral De Depositos SA	N	N
46	EUR	40,550	N/A	N/A	Caixa Geral De Depositos SA	N	N
47	EUR	40,000	N/A	N/A	Caja De Ahorros Y Pensiones De Barcelona, SA	N	N

In the directors' opinion, based on advice from the Swap counterparty, the Company is unlikely to receive payment calls from holders of debt securities issued. The ultimate amount repaid to the holders of debt securities will depend on the proceeds from the investments securities and total return swaps held as collateral less any protection payments under the credit default swaps.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(d) Specific instruments (continued)

(ii) Profile of the series of debt securities issued by the Company

The following are the broad categories as at 31 December 2010:

Type of transaction	Number of series		Debt securities issued €'000		Investment securities and total return swaps €'000
		%		%	
Constant maturity swap rate Notes	1	5.22%	77,309	4.97%	81,081
Floating rate Notes	6	3.07%	45,533	39.45%	643,738
Fixed Rated Secured Notes	3	21.52%	318,855	2.95%	48,129
Credit Linked Notes	31	68.92%	1,020,909	52.63%	858,812
Inflation Linked Secured Notes	1	1.27%	18,761	-	-
Total	42	100.00%	1,481,367	100.00%	1,631,760

The following are the broad categories as at 31 December 2009:

Constant maturity swap rate Notes	1	7.27%	74,187	11.45%	119,899
Floating rate Notes	3	15.60%	159,097	52.09%	545,316
Fixed Rated Secured Notes	3	31.51%	321,346	-	-
Credit Linked Notes	13	43.54%	443,984	36.46%	381,736
Inflation Linked Secured Notes	1	2.08%	21,210	-	-
Total	21	100.00%	1,019,824	100.00%	1,046,951

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(e) Fair values

The Company's investment securities and total return swaps, derivative financial instruments and debt securities issued are carried at fair value on the statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities carried at amortised cost at the reporting date approximated their fair values. Their fair values together with carrying amounts shown in the statement of financial position are disclosed in note 12.

These disclosures supplement the commentary on financial risk management (see note 4).

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(a) under the sub heading "Fair value measurement principles". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company's accounting policy on fair value measurements is discussed under note 3(a) under the sub heading "Fair value measurement principles". Critical accounting judgements made in applying the Company's accounting policies in relation to valuation of financial instruments are as follows:

Valuation of financial instruments

The Company measures fair values using the following hierarchy of methods:

- Level 1 – Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2 – Valuation techniques based on observable inputs, either directly (ie as prices) or indirectly (ie derived by prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial Instruments (continued)

(e) Fair values (continued)

Fair value of financial assets and financial liabilities that are traded in active markets, level 1, are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes

and polynomial option pricing models and other valuation models. Assumptions and inputs

used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value

determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Level 2 prices uses widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives, e.g. interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex Level 3 instruments proprietary valuation models are used which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over the counter derivatives and certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

Refer to the table in note 22(e) "Fair values" for further details on financial instruments carried at fair value by valuation method

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(e) Fair values (continued)

At the reporting date, the carrying amounts of investment securities and total return swaps, derivative financial instruments and debt securities issued by the Company which fair values were determined directly, in full or in part, by reference to published price quotations and determined using valuation techniques are as follows:

	2010		
	Level 1 €'000	Level 2 €'000	Level 3 €'000
Investment securities and total return swaps	-	1,541,624	90,136
Derivative financial assets	-	5,745	-
Derivative financial liabilities	-	(153,246)	-
Debt securities issued	-	(1,358,475)	(122,892)
	-	35,648	(32,756)
	2009		
	Level 1 €'000	Level 2 €'000	Level 3 €'000
Investment securities and total return swaps	-	937,973	108,973
Derivative financial assets	-	8,671	-
Derivative financial liabilities	-	(33,460)	-
Debt securities issued	-	(354,935)	(664,889)
	-	558,249	(555,911)

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(e) Fair values (continued)

The table below shows the roll-forward movements for investments securities and total return swaps classified under valuation techniques unobservable parameter (level 3):

	2010 €'000	2009 €'000
Opening balance	108,978	337,414
Acquisition	-	102,807
Maturities	-	-
Disposal	-	(101,563)
Transfers in	-	-
Transfers out	(46,289)	(205,443)
Fair value movements	27,447	(24,237)
Closing balance	90,136	108,978

During 2010 and 2009, certain corporate bonds were transferred out of Level 3 to Level 2 of the fair value hierarchy when significant inputs used in their fair value measurements such as certain credit spreads and long date option volatilities, which were previously unobservable, became observable. As at 31 December 2010, amount under Level 3 consists of all total return swaps.

The table below shows the roll-forward movements for debt securities issued classified under valuation techniques unobservable parameter (level 3):

	2010 €'000	2009 €'000
Opening balance	(664,889)	(330,181)
Issuances	-	(388,553)
Maturities	-	-
Redemption	-	76,440
Transfers in	-	-
Transfers out	570,132	-
Fair value movements	(28,135)	(22,595)
Closing balance	(122,892)	(664,889)

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2010

22 Financial instruments (continued)

(e) Fair values (continued)

Any change in the classification of the investment securities and total return swaps, derivatives assets and derivatives liabilities will have a direct impact on the classification of the debt securities. If any of these are classified as using unobservable parameters (level 3) will automatically get the debt securities under unobservable parameters as well.

The total amount of realised and unrealised gain/loss estimated using a valuation technique based on significant unobservable data (level 3) that was recognised in statement of comprehensive income for the year is as follows:

	2010 €'000	2009 €'000
Investment securities and total return swaps	27,447	(24,237)
Debt securities issued	(28,135)	(22,595)
	<u>(688)</u>	<u>(46,832)</u>

The total amount of change in fair value estimated using a valuation technique based on significant unobservable data (level 3) for assets and liabilities held at the end of the reporting period is as follows:

	2010 €'000	2009 €'000
Investment securities and total return swaps	27,447	(23,868)
Debt securities issued	(28,135)	(108,370)
	<u>(688)</u>	<u>(132,238)</u>

There were no realised gain / loss on Level 3 investment securities and total return swaps for the year ended 31 December 2010.

Although the directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimates cashflows etc and therefore, cannot be determined with precision.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2010

22 Financial instruments (continued)

(e) Fair values (continued)

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity of the Company as any change in fair value will be borne by the holders of Debt Securities due to the limited recourse nature of the debt issued by the Company.

23 Subsequent events

At the date of our report, the Company has issued the following additional Series of Debt Securities:

Series 48	EUR 5,000,000 Secured Notes due 2017
Series 49	EUR 50,000,000 Secured Notes due 2016

Series 8, 9, 18 and 28 were partially redeemed since the end of the reporting period. However, there were no maturities or full redemptions after the year end.

PART B

YEAR ENDED 31 DECEMBER 2011

dblInvestor Solutions plc

Directors' report and financial statements

**For the year ended
31 December 2011**

Registered number 375106

dbInvestor Solutions plc

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dbInvestor Solutions plc

Directors and other information

Directors	Michael Whelan (Irish) Niall O'Carroll (Irish) Liam Quirke (Irish)
Registered office	5 Harbourmaster Place International Financial Services Centre Dublin 1
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB
Administrator & Company Secretary	Deutsche International Corporate Services (Ireland) Limited 5 Harbourmaster Place International Financial Services Centre Dublin 1
Independent auditor	KPMG Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place International Finance Services Centre Dublin 1
Bankers and Swap Counterparty	Deutsche Bank AG London PO Box 441 6 Bishopsgate London EC2P 2AT England
Luxembourg Listing Agent	Banque de Luxembourg 14 Boulevard Royal L-2449 Luxembourg Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer L-115 Luxembourg
Solicitors	Matheson Ormsby Prentice 70 Sir John Rogerson's Quay Dublin 2

dbInvestor Solutions plc

Directors' Report

The directors present the annual report and audited financial statements of dbInvestor Solutions plc for the year ended 31 December 2011.

Principal activities, business review and future developments

The dbInvestor Solutions plc program was set up in August 2003 to issue multiple series of Debt Securities, with the rating on each series independent of the other. This means that dbInvestor Solutions plc can issue various series of Debt Securities ranging from AAA to not rated. This gives the sponsor greater flexibility in what it can finance through this vehicle and it reduces the cost of issuing.

dbInvestor Solutions plc was set up as a segregated multi issuance Special Purpose Entity. Each Series is governed by a separate Supplemental Programme Memorandum. Each Series consists of an investment in corporate bonds or total return swaps from the proceeds of the issuance of debt securities and / or Alternative Investments.

The Programme offers investors the opportunity to invest in a portfolio of investments, the "investment securities and total return swaps", and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

The Company has established a EUR 10,000,000,000 Multi-Issuance Programme (the "Programme") to issue Debt Securities and/or other secured limited recourse indebtedness (the "Alternative Investments"). Debt Securities are issued in Series (each a "Series") and the terms and conditions of the Debt Securities of each Series are set out in a Supplemental Programme Memorandum for such Series (each a "Supplemental Programme Memorandum").

Each Series of Debt Securities is secured as set out in the terms and conditions of the Debt Securities including a first fixed charge over certain collateral as set out in the relevant Supplemental Programme Memorandum (the "Collateral") and a first fixed charge over funds held by the Agents under the Agency Agreement (each as defined in the terms and conditions of the Debt Securities). Each Series may also be secured by an assignment of the Company's rights under a Swap Agreement and any additional security as may be described in the relevant Supplemental Programme Memorandum (together the "Mortgaged Property").

The Company entered into asset swaps for each series of Debt Securities issued to eliminate the mismatch between the amount payable in respect of those debt securities issued and the return from the investment securities held by the Company as collateral. The company also entered into credit default swaps for certain series in order to provide an asset risk profile which is suited to the needs of the investors. Certain series of Debt Securities issued include the use of total return swaps. Under these arrangements the proceeds from the issuance of debt securities are held on deposit with the swap counterparty under the swap agreement. The deposit is synthetically linked to the credit performance of a portfolio of reference entities through a credit default swap agreement. The swap counterparty provides a return that replicates the return due to the holders of the debt securities and also reimburses all the expenses related to the series.

dbInvestor Solutions plc

Directors' Report (continued)

Principal activities, business review and future developments (continued)

The credit risk is borne by either the Company's swap counterparty or the Company's holders of Debt Securities. Refer to Note 22(a) "Credit Risk on Financial Instruments" for further details.

For details on the investments held by the Company at the end of the year, refer to Note 7 "Investment securities and total return swaps."

For every new issuance of Debt Securities, Deutsche Bank AG London, as arranger, does transfer to the Company an amount of USD 1,000 as corporate benefit (income). This income is taxable under the Irish law at a current rate of 25% and the net amount is retained as the profit for the year. As arranger, Deutsche Bank AG London also agreed to reimburse the Company against any costs, fees, expenses or out-goings incurred. The former is also the Swap counterparty for all Series containing credit default and asset swap agreements.

The Company made a net gain on investment securities and total return swaps of EUR 35,215,803 (2010: EUR 68,912,150) for the year and a net loss on derivatives of EUR 3,501,449 (2010: EUR 17,897,247). Due to the limited recourse nature of the debt securities issued and as the return on those issued securities is directly linked to the performance of the investment securities and total return swaps, and derivatives, the Company made a corresponding loss of EUR 31,714,354 (2010: EUR 51,014,904) on the debt securities issued resulting in a net profit of EUR 9,855 for the year ended 31 December 2011 (2010: EUR 11,869).

As at 31 December 2011, the Company's total indebtedness was EUR 1,745,599,574 (2010: EUR 1,481,366,965). During the year, the Company had 17 new series issued (2010: 21 new series); had no maturities or full redemptions on Debt Securities issued (2010: no maturity and 2 full redemptions).

There are no series that matured in 2012 as disclosed in the subsequent events and the Directors do not expect substantial changes in the operations of the Company for the foreseeable future.

Results and dividends for the year

The results for the year are set out on page 11. The Directors do not recommend the payment of a dividend for the year under review.

Changes in directors during the year

There were no changes in Directors during the year.

Risks and uncertainties

The principal risks and uncertainties facing the Company relate to the debt securities issued, the investment securities and total return swaps and derivative financial instruments held by the Company. These are explained in Notes 4 and 22 of the financial statements along with the risk management framework in place to deal with these risks.

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Company's operations.

All management and administration services are outsourced to Deutsche International Corporate Services (Ireland) Limited.

dbInvestor Solutions plc

Directors' Report (continued)

Directors, secretary and their interests

The directors and secretary who held office on 31 December 2011 did not hold any shares in the Company or in any Group Company at that date, or during the year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 1990, at anytime during the year.

Subsequent events

Since the end of the reporting period, the Company has issued the following additional Series of Debt Securities:

Series 65	EUR 6,000,000 Floating Rate Secured Notes due 2015
Series 66	EUR 100,000,000 Credit Linked Secured Notes due 2016
Series 67	USD 100,000,000 Credit Linked Secured Notes due 2016
Series 69	EUR 8,150,000 Fixed Rate Secured Notes due 2016
Series 70	EUR 100,000,000 Credit Linked Secured Notes due 2017
Series 71	USD 50,000,000 Credit Linked Secured Notes due 2017
Series 72	EUR 40,000,000 Fixed Rate Secured Notes due 2016
Series 73	EUR 40,000,000 Fixed Rate Secured Notes due 2015
Series 74	EUR 20,000,000 Fixed Rate Secured Notes due 2016
Series 75	EUR 30,000,000 Fixed Rate Secured Notes due 2017

Series 8, 9, 13, 18 and 28 were partially redeemed since the end of the reporting period. However, there were no maturities or full redemptions after the year end.

Annual Corporate Governance Statement

Introduction

The Company is subject to and complies with the Irish Companies Acts 1963 to 2009 and the Listing rules of the Luxembourg Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process

The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Deutsche International Corporate Services (Ireland) Limited, to maintain the accounting records of the Company independently of the Arranger and the Custodian. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger and the Custodian. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

dbInvestor Solutions plc

Directors' Report (continued)

Annual Corporate Governance Statement (continued)

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

Given the contractual obligations on the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, the Irish Companies Acts, 1963 to 2009 and the Listing Rules of the Luxembourg Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

dbInvestor Solutions plc

Directors' Report (continued)

Annual Corporate Governance Statement (continued)

Transfer of shares

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. If the directors refuse to register a transfer, they shall, within two months after the date on which the transfer was lodged by the company, send to the transferee notice of the refusal.

Audit committee

The sole business of the company relates to the issuing of asset-backed securities. It also enters into certain derivatives to hedge out interest rate and currency risk exposures arising between asset and liability mismatches. Under Regulation 91(9)(d) of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulations 2010 (the "Regulations"), which were published by the Irish Minister for Enterprise, Trade and Innovation on 25 May 2010, such a company may avail itself of an exemption from the requirement to establish an audit committee.

Given the contractual obligations of the administrator and the limited recourse nature of the securities issued by the company, the board of directors has concluded that there is currently no need for the company to have a separate audit committee in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the company in relation to the financial reporting process. Accordingly, the company has availed itself of the exemption under Regulation 91(9)(d) of the Regulations.

Credit events

There were no credit events during the year with respect to reference entities to which the Debt Securities are credit linked.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to the books of account by engaging accounting personnel with the appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at 5 Harbourmaster Place, IFSC, Dublin 1.

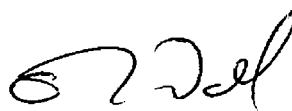
Independent auditor

In accordance with Section 160(2) of the Companies Act, 1963, KPMG, Chartered Accountants and Statutory Audit Firm, have signified their willingness to continue in office.

On behalf of the board



Michael Whelan
Director



Anthony Walsh
Alternate Director to Liam Quirke

Date: 30 April 2012

dbInvestor Solutions plc

Statement of directors' responsibilities in respect of directors' report and the financial statements

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU).

The Company's financial statements are required by law and IFRSs as adopted by EU to present fairly the financial position and performance of the Company. The Companies Acts, 1963 to 2009 provide in relation to such financial statements that references in the relevant parts of those Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by EU and are prepared in accordance with the Companies Acts, 1963 to 2009; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2009. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulation 2007 and the Transparency Rules of the Irish Financial Services Regulatory Authority to include a Directors' report containing a fair review of the business and a description of the principal risks and uncertainties facing the Company.

The Directors confirm that, to the best of their knowledge and belief:

- they have complied with the above requirements in preparing the financial statements;
- the financial statements, prepared in accordance with IFRS as adopted by EU, give a true and fair view, of the state of the assets, liabilities, financial position and of its profit/loss of the Company for the year then ended; and
- the Directors' report includes a fair review of the development and performance of the business of the Company, together with a description of the principal risks and uncertainties that it faces.



Michael Whelan
Director



Anthony Walsh
Alternate Director to Liam Quirke

Date: 30 April 2012



KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

Independent auditor's report to the members of dbInvestor Solutions plc

We have audited the financial statements of dbInvestor Solutions plc (the 'Company') for the year ended 31 December 2011 which comprises the Statement of Financial Position, Statement of Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU), are set out in the Statement of Directors' Responsibilities on page 7.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and have been properly prepared in accordance with the Companies Acts 1963 to 2009. We also report to you whether, in our opinion:

- proper books of account have been kept by the company;
- at the reporting date, there exists a financial situation requiring the convening of an extraordinary general meeting of the company; and
- the information given in the Directors' Report is consistent with the financial statements.

In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the financial statements are in agreement with the books of account.

We also report to you if, in our opinion, information specified by law regarding directors' remuneration and directors' transactions with the company is not disclosed and, where practicable, include such information in our report.

We read the Directors' Report and consider implications for our report if we become aware of any apparent misstatements within it.



Independent auditor's report to the members of dbInvestor Solutions plc (continued)

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU of the state of the Company's affairs as at 31 December 2011 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

Other matters

We have obtained all the information and explanations we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The financial statements are in agreement with the books of account.

In our opinion, the information given in the Directors' report on pages 2 to 6 is consistent with the financial statements.

The net assets of the Company, as stated in the Statement of Financial Position on page 10 are more than half of the amount of its called up share capital and, in our opinion, on that basis there did not exist at 31 December 2011 a financial situation, which, under Section 40(1) of the Companies (Amendment) Act, 1983, required the convening of an extraordinary general meeting of the company.

Colm Clifford

For and on behalf of

KPMG

Chartered Accountants, Statutory Audit Firm

1 Harbourmaster Place

IFSC

Dublin 1

Date: 30 April 2012

dbInvestor Solutions plc

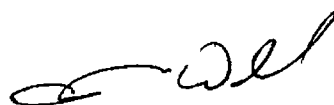
Statement of Financial Position As at 31 December 2011

	Note	2011 €'000	2010 €'000
Assets			
Cash and cash equivalents	5	60	64
Derivative assets	6	9,158	5,745
Investment securities and total return swap at fair value through profit or loss	7	1,965,096	1,631,760
Other assets	8	12,534	6,407
Total assets		<u>1,986,848</u>	<u>1,643,976</u>
Liabilities			
Derivative liabilities	6	232,083	153,246
Debt securities issued at fair value through profit or loss	9	1,745,600	1,481,367
Other liabilities	10	9,090	9,298
Total liabilities		<u>1,986,773</u>	<u>1,643,911</u>
Capital and reserves			
Share capital	11	40	40
Retained earnings		35	25
Total equity		<u>75</u>	<u>65</u>
Total liabilities and equity		<u>1,986,848</u>	<u>1,643,976</u>

On behalf of the board



Michael Whelan
Director



Anthony Walsh
Alternate Director to Liam Quirke

Date: 30 April 2012

The notes on pages 14 to 53 form an integral part of these financial statements

dbInvestor Solutions plc

Statement of Comprehensive Income

For the year ended 31 December 2011

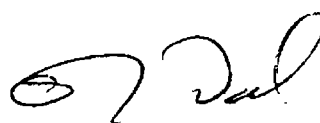
	Note	2011 €'000	2010 €'000
Net gain from investment securities and total return swap	13	35,215	68,912
Net loss from derivative financial instruments	14	(3,501)	(17,897)
Net loss on debt securities issued	15	(31,714)	(51,015)
Operating income		-	-
Other income	16	103	126
Other expenses	17	(90)	(110)
Profit before taxation		13	16
Income tax expense	18	(3)	(4)
Profit for the year		10	12
Other comprehensive income		-	-
Total comprehensive income for the year		10	12

All items dealt with in arriving at the above profit for the year ended 31 December 2011 related to continuing operations.

On behalf of the board



Michael Whelan
Director



Anthony Walsh
Alternate Director to Liam Quirke

Date: 30 April 2012

The notes on pages 14 to 53 form an integral part of these financial statements

dbInvestor Solutions plc

Statement of Cash Flows

For the year ended 31 December 2011

	2011 €'000	2010 €'000
Cash flows from operating activities		
Profit for the year before taxation	13	16
<i>Adjustments for:</i>		
Net unrealised loss / (gain) on investment securities and total return swap	18,504	(35,435)
Net unrealised gain debt securities issued	(36,457)	(7,586)
Net unrealised loss derivative financial instruments	24,271	42,467
(Increase) / decrease in other assets	(6,127)	298
(Increase) / decrease in other liabilities	(208)	267
Tax paid	-	(2)
Net cash from operating activities	<u>(4)</u>	<u>25</u>
Cash flows from investing activities		
Acquisition of investment securities and total return swaps	(488,041)	(714,450)
Proceeds from maturity / disposal of investment securities and total return swaps	149,692	166,798
Net payments in respect of derivatives financial instruments	(685)	(2,365)
Net cash flow from investing activities	<u>(339,034)</u>	<u>(550,017)</u>
Cash flows from financing activities		
Proceeds from issuance of debt securities	457,426	714,429
Payments on redemption of debt securities	(118,392)	(164,412)
Net cash flow from financing activities	<u>339,034</u>	<u>550,017</u>
Net (decrease) / increase in cash at bank	(4)	25
Cash and cash equivalents at 01 January	64	39
Cash and cash equivalents at 31 December	<u>60</u>	<u>64</u>

The notes on pages 14 to 53 form an integral part of these financial statements

dbInvestor Solutions plc

Statement of Changes in Equity For the year ended 31 December 2011

	Share capital €'000	Retained earnings €'000	Total €'000
Balance as at 01 January 2010	<u>40</u>	<u>13</u>	<u>53</u>
Profit for the year - 2010	-	12	12
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>12</u>	<u>12</u>
Balance as at 31 December 2010	<u>40</u>	<u>25</u>	<u>65</u>
Profit for the year - 2011	-	10	10
Other comprehensive income	-	-	-
Total comprehensive income for the year	<u>-</u>	<u>10</u>	<u>10</u>
Balance as at 31 December 2011	<u>40</u>	<u>35</u>	<u>75</u>

The notes on pages 14 to 53 form an integral part of these financial statements

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

1 General information

dbInvestor Solutions plc (the "Company") was incorporated on 28 August 2003 in the Republic of Ireland with registered number 375106. The registered office of the Company is 5 Harbourmaster Place, IFSC, Dublin 1.

The Company is a special purpose company that has been established to issue debt securities under a €10bn Multi-issuance note programme.

The program offers investors the opportunity to invest in a portfolio of investments, the "investment securities and total return swaps," and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

The Company has no direct employees. The financial statements were authorised for issue by the directors on 30 April 2012.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations as adopted by the EU (IFRS) and in accordance with the Companies Acts 1963 to 2009.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2011, the comparative information, for 2010 presented in these financial statements has been prepared on a consistent basis.

These financial statements have been prepared on a going concern basis.

(b) Changes in accounting policies

There were no changes in accounting policies which has a financial impact on the Company's financial statements during the year.

(c) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations as adopted by EU are not yet effective for the year ended 31 December 2011, and have not been applied in the preparation of these financial statements. The directors anticipate that the adoption of these standards and interpretations in the future will not have a material impact on the financial statement of the Company.

The Company has not adopted any new standards that are not mandatory.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

2 Basis of preparation (continued)

(d) Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value;
- Investment securities and total return swaps designated at fair value through profit or loss are measured at fair value; and
- Debt securities issued designated at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in note 3(a).

(e) Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates. The issued share capital of the Company is denominated in euro and the debt securities issued are also primarily denominated in euro. The Directors of the Company believe that euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

Except as otherwise indicated, all financial information presented in Euro has been rounded to the nearest thousand.

(f) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statement are described in Notes 22 (e).

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

2 Basis of preparation (continued)

(g) Operating segments

The Company has applied IFRS 8 Operating Segments which puts emphasis on the "management approach" to reporting on operating segments.

The Company is engaged as one segment. It involves the repackaging of bonds and other debt instruments, on behalf of investors, which are bought from the market and subsequently securitised to avail of potential market opportunities and risk-return asymmetries.

Refer to note 22(a) for further information on the assets.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

The financial instruments held by the Company include the following:

- Investment securities and total return swaps
- Derivative financial instruments
- Debt securities issued

Categorisation

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated as at fair value through profit or loss.

Derivative financial instruments are carried at fair value through profit or loss. The Company has designated the investment securities and total return swaps, and debt securities issued at fair value through profit or loss.

Investment securities and total return swaps

All corporate bonds held by the Company are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce an accounting mismatch which would otherwise arise in relation to derivatives and debt securities issued as explained below.

Investment securities also includes total return swaps which are carried at fair value through profit or loss.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

Derivative financial instruments

Derivative financial instruments include all derivative assets and liabilities that are used to economically hedge the relevant collateral assets of each series from interest rate risk or market fluctuations. Such derivatives are not formally designated into a qualifying hedging relationship and therefore all changes in their fair value are recognised in the statement of comprehensive income.

Debt securities issued

The debt securities issued are initially measured at fair value and are designated as liabilities at fair value through profit or loss when they either eliminate or significantly reduce an accounting mismatch or contain an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

Financial assets and liabilities that are not at fair value through profit or loss

Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash at bank, deposits with credit institutions and other assets, and are categorised as loans and receivables for measurement purposes.

Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables, and are categorised as other liabilities for measurement purposes.

Recognition and measurement

The Company initially recognises all financial assets and liabilities at fair value on the trade date at which the Company becomes a party to the contractual provisions of the instruments. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded in the statement of comprehensive income.

Financial assets and financial liabilities not categorised as at fair value through profit or loss are subsequently measured at amortised cost.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

3 Significant accounting policies (continued)

(a) Financial instruments (continued)

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards.

Fair value measurement principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets, where these are available. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like interest rate and currency swaps.

For more complex instruments, the Company uses proprietary models, which usually are developed from recognised valuation models. Some or all of the inputs into these models may not be market observable, and are derived from market prices or rates or are estimated based on assumptions.

Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matters of significant judgements e.g. interest rate, volatility, credit spreads, probability of defaults, estimated cashflows etc and therefore, cannot be determined with precision.

(b) Financial liability and equity

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

3 Significant accounting policies (continued)

(c) Cash and cash equivalents

Cash and cash equivalents consist of notes in hand and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value.

Cash and cash equivalents are carried at amortised cost in the statement of financial position.

(d) Foreign currency transaction

Transactions in foreign currencies are translated to Euro at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to Euro at the exchange rate at that date. Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Euro at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised through statement of comprehensive income and are included under net gain/(loss) from investment securities and total return swaps, derivatives or debt securities issued, as appropriate.

(e) Net gain / (loss) from investment securities and total return swaps designated at fair value through profit or loss

Net gain / (loss) from investment securities and total return swaps designated at fair value through profit or loss relates to investments in corporate bonds and total return swaps, and includes coupon income, realised and unrealised fair value changes including foreign exchange differences.

(f) Net gain/ (loss) from derivative financial instruments

Net gain / (loss) from derivative financial instruments relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes including foreign exchange differences and settlements.

(g) Net gain / (loss) on debt securities issued designated at fair value through profit or loss

Net gain / (loss) on debt securities issued designated at fair value through profit or loss relates to debt securities issued and includes coupon expense, and realised and unrealised fair value changes including foreign exchange differences.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

3 Significant accounting policies (continued)

(h) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised through profit or loss, in other comprehensive income or directly in equity, consistent with the accounting for the item to which it is related.

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(i) Other income and expenses

All other income and expenses are accounted for on an accruals basis.

(j) Share capital and dividends

Share Capital is issued in euro. Dividends are recognised as a liability in the period in which they are approved.

4 Financial risk management

(a) Introduction and overview

The dbInvestor Solutions plc program was set up in August 2003 to issue multiple series of Debt Securities, with the rating on each series independent of the other. This means that dbInvestor Solutions plc can issue various series of Debt Securities ranging from AAA to not rated. This gives the sponsor greater flexibility in what it can finance through this vehicle and it reduces the cost of issuing.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

4 Financial risk management (continued)

(a) Introduction and overview (continued)

dbInvestor Solutions plc was set up as a segregated multi issuance Special Purpose Entity. Each Series is governed by a separate Supplemental Programme Memorandum. Each Series consists of an investment in corporate bonds or total return swaps from the proceeds of the issuance of debt securities.

The Programme offers investors the opportunity to invest in a portfolio of investments and total return swaps, the "investment securities and total return swaps", and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

This ensures that if one series defaults, the holders of that series do not have the ability to reach other assets of the issuer, which might otherwise have resulted in the Company's bankruptcy and the default of the other series of Debt Securities. The segregation criteria include the following:

- The Company is a bankruptcy remote SPE, organized in Ireland
- The Company issues separate series of debt obligations
- Assets relating to any particular series of debt securities are held separate and apart from the assets relating to any other series
- Any swap transaction entered into by the Company for a series is separate from any other swap transaction for any other series.
- For each series of debt securities, only the trustees are entitled to exercise remedies on behalf of the debt security holders.
- Each series of issued debt securities are reviewed by a recognised rating agency prior to issuance regardless of whether it is to be rated or not.

The Company has, in each Series, entered into Asset Swap Agreements with Deutsche Bank AG. The net proceeds from the issue of the Debt Securities are paid to the Swap Counterparty to purchase the portfolio of investment securities plus any interest accrued thereon on behalf of the Company. The credit quality details of the investment securities and total return swaps held by the Company are disclosed in Note 4 (b) (i). During the term of the Asset Swap, the Company pays to the Swap Counterparty amounts equal to the interest received in respect of the collateral, and on the maturity date of the collateral, will deliver the portfolio or the proceeds of its redemption to the Swap Counterparty.

The Swap Counterparty delivers the collateral to the account of the Company and pays the Company amounts equal to the interest payable under the debt securities, and if the swap agreement has not terminated prior to the maturity date of the respective Debt Securities, a sum equal to the redemption amount payable on the debt securities.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

4 Financial risk management (continued)

(a) Introduction and overview (continued)

The Debt securities issued are initially recorded at fair value which equates to the net proceeds received in Euros and are subsequently carried at fair value through profit or loss. The ultimate amount repaid to the Note holders of these debt securities will depend on the proceeds from the investment securities and total return swaps and any payment the Swap counterparty is obliged to make under the terms of the swap agreement.

(b) Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks relating to the investment securities and total return swaps and derivatives are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk;
- (ii) Liquidity risk; and
- (iii) Market risks.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital. Further quantitative disclosures are included in note 22 to these financial statements.

The Company does not have any externally imposed capital requirements.

(i) Credit risk

Credit risk is the risk of the financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's credit linked securities which are divided into underlying reference entities and also from the derivative contracts which the Company has entered into.

The Company limits its exposure to credit risk by only investing in corporate bonds, and total return swaps with counterparties that have a credit rating defined in the documentation of the relevant series. The risk of default on these assets and on the underlying reference entities is borne by the swap counterparty, or the holders of the debt securities of the relevant series that the Company has in issue. This also depends on the priority of payment as mentioned in the Structured Programme Memorandum (SPM).

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

4 Financial risk management (continued)

(b) Risk management framework (continued)

(i) Credit risk (continued)

The credit quality of the Company's investment assets has been disclosed in note 22. As at 31 December 2011, around 4% of the investment securities and total return swaps held by the Company are rated as AAA by S&P, 20% are A+, 28% varies from A to Aa3 and the remaining 48% are not rated. Compared to last year, some of the corporate bonds have been downgraded. However, none of the investments were in default or required early redemption during the year or at year end.

The credit risk relating to underlying reference entities as shown in note 22(d) arises principally from the investment assets which the Company holds which are credit-linked to a portfolio of underlying reference entities. Any default or "credit events" in the underlying portfolio of reference entities may trigger a reduction in the nominal amounts of the debt instrument which the Company holds depending on the loss amounts, as well as, other terms and conditions on the debt. Because of the limited recourse of the debt issued by the Company, any such losses would ultimately be borne by either the Company's swap counterparty or the Company's holders of Debt Securities for that particular series.

Secondly, the company has also sold credit protection to swap counterparties in return for a premium. These Debt Securities are credit-linked to the credit quality of the underlying portfolio of reference entities. Therefore any default or "credit events" in the underlying portfolio of reference entities might require a specific amount of the collateral i.e. certain investment securities held by the Company to be delivered to the swap counterparty that has purchased the credit protection from the Company. However, due to the ring-fenced nature of the debt securities issued by the Company any such losses on investment securities would ultimately be borne by the holders of debt securities by way of corresponding reduction in the nominal amounts of those debt securities depending on the terms and conditions attached to debt securities issued.

The linking of the Company's issued debt securities to the underlying portfolio of reference entities is achieved by entering into credit default swap agreements with swap counterparties. The credit default swap is a leveraged arrangement.

The aggregate reference portfolio notional amounts are usually substantially higher than the notional amounts of the credit default swaps and the nominal amounts of the debt securities issued. This leverage increases the risk of loss to the Company and, therefore, to the holders of Debt Securities.

Refer to the table in note 22(e) "Fair values" for further details.

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Notes to the Financial Statements

For the year ended 31 December 2011

4 Financial risk management (continued)

(b) Risk management framework (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Company.

The Company's obligation to the holders of debt securities issued of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Should the net proceeds be insufficient to make all payments due in respect of a particular series of Debt Securities, the other assets of the Company are not contractually required to be made available to meet payment and the deficit is instead borne by the holders of debt securities issued and the Swap Counterparty according to established priorities.

The expediency and proceed amounts from realising the collateral of each series is subject to market conditions.

There were no liquidity issues experienced by the Company or the swap counterparty in respect to meeting its obligations to holders of Debt Securities or to swap counterparties. The Company or the swap counterparty did not default on any of its contractual commitments during the year.

(iii) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments and receivables under total return swaps.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risks.

Foreign exchange risk and interest rate risk are economically hedged through asset swaps.

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Notes to the Financial Statements For the year ended 31 December 2011

5 Cash and cash equivalent	2011 €'000	2010 €'000
Cash at bank	60	64
	<u>60</u>	<u>64</u>

Cash balances are held with Deutsche Bank AG London and Bank of Ireland, Dublin. The cash at bank is on demand and can be used at any time.

Refer to Note 22 (a) for credit ratings for cash at bank counterparties.

6 Derivative financial instruments	Less than one year €'000	Greater than one year €'000	2011 Total €'000	Less than one year €'000	Greater than one year €'000	2010 Total €'000
<i>Derivative assets</i>						
Asset swaps	35	9,123	9,158	-	5,745	5,745
Credit default swaps	-	-	-	-	-	-
	<u>35</u>	<u>9,123</u>	<u>9,158</u>	<u>-</u>	<u>5,745</u>	<u>5,745</u>
<i>Derivative liabilities</i>						
Asset swaps	27,902	80,926	108,828	-	99,437	99,437
Credit default swaps	357	122,898	123,255	-	53,809	53,809
	<u>28,259</u>	<u>203,824</u>	<u>232,083</u>	<u>-</u>	<u>153,246</u>	<u>153,246</u>

The Company entered into asset swaps for each series of Debt Securities issued to eliminate the mismatch between the amount payable in respect of those debt securities issued and the return from the investment securities held by the Company as collateral.

The company also entered into credit default swaps for certain series in order to provide an asset risk profile which is suited to the needs of the investors (the holders of the debt securities).

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Notes to the Financial Statements

For the year ended 31 December 2011

7 Investment securities and total return swaps at fair value through profit or loss

	2011 €'000	2010 €'000
<i>Designated at fair value through profit or loss</i>		
Corporate bonds	1,894,064	1,541,624
Receivable under total return swaps	71,032	90,136
	<u>1,965,096</u>	<u>1,631,760</u>

Maturity analysis of investment securities and total return swaps at fair value through profit or loss

Within 1 year	265,794	751
One to two years	348,572	269,533
Two to five years	1,228,711	1,361,476
Greater than 5 years	122,019	-
	<u>1,965,096</u>	<u>1,631,760</u>

The carrying value of all the above assets of the Company represents their maximum exposure to credit risk. The credit risk is eventually transferred to the swap counterparty or the noteholders. The investment securities are held as collateral for debt securities issued by the Company.

Receivable under Total Return Swaps

Certain series of debt securities issued includes the use of total return swaps ("TRS"). Under these arrangements the proceeds from the issuance of debt securities are held on deposit with the swap counterparty under the swap agreement. The deposit is synthetically linked to the credit performance of a portfolio of reference entities through a credit default swap. The swap counterparty provides a return that replicates the return due to the holders of the debt securities and also reimburses all the expenses related to the series. In the event of this reference entities default, a notice is served to the Company.

In the case of default, the nominal under total return swap is reduced by an amount equal to the amount in the default and the Company's obligation under the debt securities is also reduced by the same amount as per the terms of the supplemental programme memorandum (SPM).

Refer to Note 22(a) for credit risk disclosures relating to the investment securities and total return swap.

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Notes to the Financial Statements

For the year ended 31 December 2011

8 Other assets	2011 €'000	2010 €'000
Coupon income receivable from investment securities and total return swaps	12,434	6,322
Other receivables	100	85
	<u>12,534</u>	<u>6,407</u>

All other assets are current.

9 Debt securities issued at fair value through profit or loss	2011 €'000	2010 €'000
Designated at fair value through profit or loss	1,745,600	1,481,367
	<u>1,745,600</u>	<u>1,481,367</u>

Maturity analysis of the debt securities issued at fair value through profit or loss

Within 1 year	237,792	-
One to two years	269,635	236,301
Two to five years	1,060,901	1,167,757
Greater than 5 years	177,272	77,309
	<u>1,745,600</u>	<u>1,481,367</u>

The Company's obligations under the debt securities issued and related derivative financial instruments are secured by collateral purchased as noted in Note 7. The investors' recourse per series is limited to the assets of that particular series.

In the event that accumulated losses prove not to be recoverable during the life of the debt securities issued, then this will reduce the obligation to the holders of the debt securities issued by the Company.

The debt securities issued under each series are listed in the Luxembourg stock exchange.

The fair value of financial liabilities designated at fair value through profit or loss as at 31 December 2011 was EUR 191,906,426 (2010: EUR 117,105,034) less than the contractual amount at maturity on the assumption that there will not be any payment calls made in the event of credit events until maturity.

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Notes to the Financial Statements

For the year ended 31 December 2011

10 Other liabilities	2011 €'000	2010 €'000
Coupon payable on debt securities issued	9,005	9,214
Accrued expenses	58	43
Current tax liabilities	3	3
Other payables	24	38
	<u>9,090</u>	<u>9,298</u>

All other liabilities are current.

11 Share capital	2011 €'000	2010 €'000
<i>Authorised</i>		
10,000,000 ordinary shares of €1 each	<u>10,000</u>	<u>10,000</u>
<i>Issued and paid up</i>		
40,000 ordinary shares of €1 each	<u>40</u>	<u>40</u>

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Notes to the Financial Statements For the year ended 31 December 2011

12 Accounting categorisations and fair values of financial assets and liabilities	2011		2010	
	Carrying value €'000	Fair value €'000	Carrying value €'000	Fair value €'000
Financial assets at amortised cost				
Cash and cash equivalents	60	60	64	64
Other assets	12,534	12,534	6,407	6,407
Total financial assets at amortised cost	12,594	12,594	6,471	6,471
Financial assets designated at fair value through profit or loss				
Investment securities				
Corporate bonds	1,894,064	1,894,064	1,541,624	1,541,624
Total return swaps	71,032	71,032	90,136	90,136
Financial assets at fair value through profit or loss				
Derivative assets	9,158	9,158	5,745	5,745
	<u>1,986,848</u>	<u>1,986,848</u>	<u>1,643,976</u>	<u>1,643,976</u>
Financial liabilities at amortised cost				
Other liabilities	9,090	9,090	9,298	9,298
Financial liabilities designated at fair value through profit or loss				
Debt securities issued	1,745,600	1,745,600	1,481,367	1,481,367
Financial liabilities at fair value through profit or loss				
Derivative liabilities	232,083	232,083	153,246	153,246
	<u>1,986,773</u>	<u>1,986,773</u>	<u>1,643,911</u>	<u>1,643,911</u>

The financial instruments not accounted for at fair value through profit or loss are short-term financial assets and liabilities whose carrying amounts approximate their fair values.

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Notes to the Financial Statements

For the year ended 31 December 2011

13 Net gain from investment securities and total return swaps (including coupon income)	2011 €'000	2010 €'000
Net gain from investment securities and total return swaps designated at fair value through profit or loss :		
- Corporate bonds	32,444	36,433
- Receivable under total return swaps	2,771	32,479
	<u>35,215</u>	<u>68,912</u>
Analysed as follows:		
Coupon income including accruals	53,509	36,387
Net unrealised (loss) / gain on investment securities and total return swaps	(18,504)	35,435
Realised gain / (loss) on disposal / maturities of investment securities and total return swaps	210	(2,910)
	<u>35,215</u>	<u>68,912</u>
14 Net loss from derivative financial instruments	2011 €'000	2010 €'000
Net gain / (loss) from derivative financial instruments carried at fair value through profit or loss (including coupon)		
- Asset swaps	28,559	19,198
- Credit default swaps	(32,060)	(37,095)
	<u>(3,501)</u>	<u>(17,897)</u>
Analysed as follows:		
Coupon income	19,882	20,460
Net unrealised loss on derivative financial instruments	(23,111)	(45,675)
Realised (loss) / gain on settlement of derivative financial instruments	(272)	7,318
	<u>(3,501)</u>	<u>(17,897)</u>

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Notes to the Financial Statements

For the year ended 31 December 2011

15 Net loss on debt securities issued at fair value through profit or loss (including coupon expense)	2011 €'000	2010 €'000
Net loss on debt securities issued at fair value through profit or loss	(31,714)	(51,015)
	<u>(31,714)</u>	<u>(51,015)</u>
Analysed as follows:		
Coupon expense including accruals	(68,461)	(53,191)
Net unrealised gain on debt securities issued	36,457	7,586
Realised gain / (loss) on maturity / redemption of debt securities issued	290	(5,410)
	<u>(31,714)</u>	<u>(51,015)</u>
16 Other income	2011 €'000	2010 €'000
Corporate benefit	13	16
Arranger income	90	110
	<u>103</u>	<u>126</u>

For every new issuance of Debt Securities, Deutsche Bank AG London, as arranger, does transfer to the Company an amount of USD 1,000 as corporate benefit. This income is taxable under the Irish law at a current rate of 25% and the net amount is retained as the profit for the year. As arranger, Deutsche Bank AG London also agreed, as per Service Agreement, to reimburse the Company against any costs, fees, expenses or out-goings incurred. Arranger income is the total expenses incurred by the Company during the year that is borne by Deutsche Bank AG.

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Notes to the Financial Statements

For the year ended 31 December 2011

17 Other expenses	2011 €'000	2010 €'000
Administration fee	(24)	(52)
Audit and Taxation fee	(51)	(43)
Director's fee	(15)	(15)
	<u>(90)</u>	<u>(110)</u>

The Company is administered by Deutsche International Corporate Services (Ireland) Limited and has no employees.

Auditor's remuneration include EUR 44,544 (2010: EUR 44,821) in relation to statutory audit of the financial statements and EUR 6,000 (2010: 7,260) for tax advisory services.

18 Income tax expense	2011 €'000	2010 €'000
Corporate tax	<u>(3)</u>	<u>(4)</u>

Factors affecting tax charge for the period

Corporation taxation has been calculated based on the results for the year and the resulting taxation charge is as follows:

Profit before tax	<u>13</u>	<u>16</u>
Current tax at standard rate of 25%	(3)	(4)
Current tax charge	<u>(3)</u>	<u>(4)</u>

The Company will continue to be actively taxed at 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

Deferred tax

Any temporary difference arising on the assets will be offset by a corresponding difference in the liabilities. Therefore the Company does not have any deferred tax exposure.

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Notes to the Financial Statements

For the year ended 31 December 2011

19 Ownership of the Company

The issued shares are held in trust by Matsack Trust Limited (13,332 shares), Matsack Nominees Limited (13,332 shares), Raisa Limited (13,332 shares), Patrick Molloy (1 share), Paul Farrell (1 share), Tara Doyle (1 share) and Turlough Galvin (1 share), together (the "Share Trustees"), each of whom own a share under the terms of a declaration of trust dated 28 August 2003, under which the relevant Share Trustee holds an issued share of the Company in trust for charity. The Share Trustees have appointed a Board of Directors to run the day-to-day activities of the Company.

The Board of Directors have considered the issue as to who is the controlling party of the Company. It has determined that the control of the day-to-day activities of the Company rests with the Board. The Board is composed of three directors, one of whom, is an employee of Deutsche International Corporate Services (Ireland) Limited, being the entity that acts as the administrator of the Company. The remaining two directors are considered to be independent of the Deutsche Bank Group.

Deutsche Bank AG, under International Financial Reporting Standards (IFRS), has no consolidated series as at 31 December 2011 (2010: Series 4, 22, 37 and 38).

20 Charges

The Debt Securities issued by the Company are secured by way of mortgage over the collateral purchased in respect of each of the debt securities issued, and by the assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreement for each series.

21 Transactions with related parties, administrator and arranger

During the year the Company incurred a fee of EUR 22,000 (2010: EUR 22,000) relating to administration services provided by Deutsche International Corporate Services (Ireland) Limited, refer to Note 17 for details. Michael Whelan, as a director of the Company, had an interest in this fee in his capacity as director of Deutsche International Corporate Services (Ireland) Ltd.

Under a Series Proposal Agreement entered into for each series by the Company and Deutsche Bank AG London, Deutsche Bank AG London, as Arranger for each Series, will pay the Company a Series Fee of US\$ 1,000 per Series on commencement of the series and agree to reimburse the Company against any costs, fees, expenses or out-goings incurred, refer to Note 16 for details. Deutsche Bank AG London is also the Swap counterparty for all Series containing asset swap agreements.

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Notes to the Financial Statements

For the year ended 31 December 2011

21 Transactions with related parties, administrator and arranger (continued)

EUR 1,815 (2010: EUR 7,682) were paid to Matheson Ormsby Prentice Solicitors as legal fees.

22 Financial instruments

(a) Credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to the credit risk at the reporting date was:

	2011 €'000	2010 €'000
Cash and cash equivalents	60	64
Derivative assets	9,158	5,745
Investment securities and total return swaps	1,965,096	1,631,760
Other assets	12,534	6,407
	<u>1,986,848</u>	<u>1,643,976</u>

At the reporting date the credit quality of the Company's financial assets was as follows:

Cash and cash equivalents:

The Company's cash and cash equivalents are held with the Deutsche Bank AG London which is rated A+ by Standard and Poor's (S&P) in 2011 and 2010, and with Bank of Ireland which is rated BB+ (2010: BBB+-) by S&P.

Derivative assets:

The Company has entered into asset swap transaction in respect of each series with swap counterparty to eliminate the mismatch between the amount payable in respect of the debt securities and the return from the investment securities and total return swaps held as collateral.

Derivative financial instruments are transacted with a counterparty which was rated A+ by S&P in 2011 and 2010.

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Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(a) Credit risk (continued)

Investment securities and total return swaps:

At the reporting date, the credit quality of the Company's investment securities was as follows:

Rating	Rating Agency	2011 %	2010 %
AAA	S&P	4.08%	5.03%
A+	S&P	20.42%	18.16%
A-	S&P	10.10%	0.00%
A	S&P	8.25%	16.88%
Aaa	Moody	2.04%	0.00%
Aa1	Moody	0.09%	0.00%
Aa1e	Moody	0.00%	0.00%
Aa3	Moody	7.14%	9.60%
Not rated		44.28%	44.81%
Receivable under total return swaps		3.61%	5.52%
		<u>100.00%</u>	<u>100.00%</u>

None of the investments held were past due or defaulted.

Internal rating was used for those investment securities with no available public rating. An internal rating of A has been given to these securities on the grounds that the fair value of the investment securities is not materially different from the nominal value at year end.

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Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(a) Credit risk (continued)

At the reporting date, the Company's investment securities and total return swaps were concentrated in the following assets types:

	2011 %	2010 %
Corporate bonds	96.39%	94.48%
Receivable under total return swaps	3.61%	5.52%
	<u>100.00%</u>	<u>100.00%</u>

Investment securities and total return swaps are domiciled in the following countries:

	2011 %	2010 %
Germany	72%	75%
United Kingdom	11%	8%
United States	8%	14%
Canary Island	6%	0%
Netherlands	3%	3%
	<u>100.00%</u>	<u>100.00%</u>

The other assets mainly include income receivable from corporate bonds held by the Company at year end. The credit rating and concentration of the investment securities and total return swaps at year end are disclosed above under investment securities and total return swaps.

The Directors recognise the requirement under IFRS 7 to disclose the change in fair value attributable to both market and credit risks. However, due to fair value movement relating to credit risk not being available, all changes in fair value have been disclosed in the accounts as due to market risk.

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Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial instruments (continued)

(b) Liquidity risk

The following are the contractual maturities of financial assets and liabilities including undiscounted interest payments and excluding the impact of netting agreements:

	2011				
	Carrying amounts €'000	Gross contractual cash flows €'000	Less than one year €'000	One to five years €'000	More than five years €'000
Cash and cash equivalents	60	60	60	-	-
Derivative assets	9,158	172,152	1,421	71,815	98,916
Investment securities and total return swaps	1,965,096	2,135,242	318,711	1,654,134	162,397
Other assets	12,534	12,534	12,534	-	-
Derivative liabilities	(232,083)	(112,127)	(8,571)	(58,529)	(45,027)
Debt securities issued	(1,745,600)	(2,198,696)	(315,065)	(1,667,420)	(216,211)
Other liabilities	(9,090)	(9,090)	(9,090)	-	-
	<u>75</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>

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Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(b) Liquidity risk (continued)

	2010				
	Carrying amounts €'000	Gross contractual cash flows €'000	Less than one year €'000	One to five years €'000	More than five years €'000
Cash and cash equivalents	64	64	64	-	-
Derivative assets	5,745	135,160	30,442	-	104,718
Investment securities and total return swaps	1,631,760	1,720,901	35,330	1,685,534	37
Other assets	6,407	6,407	6,407	-	-
Derivative liabilities	(153,246)	(4,431)	-	(4,431)	-
Debt securities issued	(1,481,367)	(1,848,738)	(62,945)	(1,681,103)	(104,690)
Other liabilities	(9,298)	(9,298)	(9,298)	-	-
	<u>65</u>	<u>65</u>	<u>-</u>	<u>-</u>	<u>65</u>

Refer to Note 6, 7 and 9 for maturity profile of derivatives, investment securities and total return swaps and debt securities issued.

The gross contractual cashflows for debt securities above are based on the assumption that no payment calls will be made in the event of credit events till maturity.

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Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(c) Market risk

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk.

(i) Currency risk

The Company is exposed to movements in exchange rates between its functional currency - Euro and foreign currency denominated financial instruments. At the reporting date, the Company's had the following exposure to foreign currency risk:

	2011 USD €'000	2010 USD €'000
Monetary assets		
Cash and cash equivalents	-	-
Derivative assets	-	-
Investment securities	213,396	173,909
Other assets	2,227	2,134
	<u>215,623</u>	<u>176,043</u>
Monetary liabilities		
Derivative liabilities	-	-
Debt securities issued	-	-
Other liabilities	-	-
	<u>-</u>	<u>-</u>
Net exposure	<u>215,623</u>	<u>176,043</u>

The following significant exchange rates applied during the year:

	Average rate		Closing rate	
	2011	2010	2011	2010
USD	1.392	1.326	1.294	1.328
GBP	0.868	0.858	0.837	0.863

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Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(c) Market risk (continued)

(i) Currency risk (continued)

Sensitivity analysis

The impact of any change in the exchange rates on the investment securities and total return swaps relating to any series issued is offset by entering into asset swap agreements for each series. Any difference is borne by the swap counterparty and thus the exchange rate changes have no net impact on the equity or the profit or loss of the Company.

(ii) Interest rate risk

At the reporting date, the interest rate risk profile of the Company's non-derivative interest bearing financial instruments was:

	2011 €'000	2010 €'000
Fixed rate instruments		
Investment securities and total return swaps	622,805	304,103
Debt securities issued	(1,056,792)	(887,724)
	<u>(433,987)</u>	<u>(583,621)</u>
Variable rate instruments		
Investment securities and total return swaps	1,342,291	1,327,657
Debt securities issued	(688,808)	(593,643)
	<u>653,483</u>	<u>734,014</u>

Refer to note 7 and 9 for maturity profile for investment securities and debt securities issued, respectively. The Company manages its interest rate risk by entering into asset swap agreements.

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Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial instruments (continued)

(c) Market risk (continued)

(ii) Interest rate risk (continued)

Sensitivity analysis

The Company does not bear any interest rate risk as the interest rate risk associated with the debt securities issued by the Company is neutralised by entering into asset swap agreements whereby the swap counterparty pays the Company amounts equal to the interest payable to the holders of the debt securities issued in return for the interest earned by the Company on its investment securities. Similarly, changes in fair value of the investment securities and debt securities issued arising from changes in market interest rates are offset by changes in the fair value of the swap agreements. Therefore any change in the interest rates would not affect the equity or the profit or loss of the Company.

The Company has designated its fixed rate financial assets and liabilities at fair value through profit or loss. Any changes in interest rates would also effect the fair value of the fixed rate financial assets and liabilities which in turn would impact on the profit or loss and the equity of the Company. However, the Company has also neutralised this risk by entering into swap agreements whereby all fair value changes are borne by the swap counterparty.

(iii) Other price risk

Other price risk is the risk that value of the instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Other price risk may include risks such as equity price risk, commodity price risk, prepayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk.

In relation to the Company's portfolio of investment securities and total return swaps, this is not subject to equity price risk, commodity price risk, prepayment risk and residual value risks.

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Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(c) Market risk (continued)

(iii) Other price risk (continued)

The following is the breakdown of the Company's investment securities at the reporting date:

	2011 €'000	2010 €'000
Investment securities		
<i>Corporate bonds and receivable under total return swap</i>		
Listed	1,894,064	1,541,624
Unlisted	71,032	90,136
	<u>1,965,096</u>	<u>1,631,760</u>

Sensitivity analysis

Any changes in the quoted or unquoted prices of the corporate bonds held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparties or the holders of the debt securities issued by the Company.

If the market prices of the investment securities at 31 December 2011 and 31 December 2010 held by the Company had increased or decreased by 10% with all other variables held constant, this would have increased or reduced the carrying value of the debt securities issued by EUR 196.5m (2010: EUR 163.2m).

(d) Specific instruments

(i) Credit Default Swaps and Asset Swaps

As part of series programmes, the Company has entered into Assets Swaps for each series and Credit Default Swaps for certain series with Deutsche Bank AG London.

Under the Credit Default Swaps, in exchange for the receipt of premium income for the relevant series, the Company has sold credit protection on a number of reference entities, the "Reference Obligations".

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Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial instruments (continued)

(d) Specific instruments (continued)

(i) Credit Default Swaps and Asset Swaps (continued)

In the event of an issuance of a credit event notice with respect to the Reference Portfolio, the Company will pay an amount as defined in the Credit Default Swap Agreements from the assets of that series to which the Credit Default Swap Agreement relates. The aggregate liability of the Company under the Credit Default Swap Agreements for individual series shall not exceed the aggregate of the Eligible investment securities and total return swaps for those Series. No payment calls under the Credit Default Swaps were made during the year.

In various series, as detailed below, the Company has issued Fixed or Floating Rate Secured debt securities, linked to a pool of reference entities. As a consequence of defaults in credit default swap reference obligations, the nominal is proportionally reduced by the relevant defaults

Series	CCY	Nominal of Notes (CCY) '000	Tranche held by Noteholder	Headroom in existence as at 31 December 2011	Description of reference obligations	Credit Event occurrences to 31 December 2011	Payment required under Credit Default swap agreement
15	EUR	13,200	N/A	N/A	The Republic of Italy, The Republic of Portugal, The Kingdom of Spain, The Hellenic Republic	N	N
16	EUR	40,000	N/A	N/A	Kingdom of Spain	N	N
17	EUR	50,000	N/A	N/A	Banco Bilbao Vizcaya Argentaria, S.A.	N	N
18	EUR	35,412	N/A	N/A	Berkshire Hathaway Inc.	N	N
19	EUR	50,000	N/A	N/A	La Caja de Ahorros y Pensiones de Barcelona	N	N
20	EUR	50,000	N/A	N/A	La Caja de Ahorros y Pensiones de Barcelona	N	N
22	EUR	18,020	N/A	N/A	Kingdom of Spain		
23	EUR	15,000	N/A	N/A	Barclays Bank PLC	N	N
24	EUR	15,000	N/A	N/A	Barclays Bank PLC	N	N
25	EUR	20,000	N/A	N/A	Barclays Bank PLC	N	N
26	EUR	15,000	N/A	N/A	Kingdom of Spain	N	N
27	EUR	22,000	N/A	N/A	Banco Santander SA	N	N
28	EUR	3,900	N/A	N/A	Barclays Bank PLC	N	N
30	EUR	46,780	N/A	N/A	Kingdom of Spain	N	N
32	EUR	16,000	N/A	N/A	Banco Santander SA	N	N
33	EUR	10,000	N/A	N/A	The Hellenic Republic and The Republic of Portugal	N	N
34	EUR	51,000	N/A	N/A	Bankinter SA	N	N

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(d) Specific instruments (continued)

(i) Credit Default Swaps and Asset Swaps (continued)

Series	CCY	Nominal of Notes (CCY) '000	Tranche held by Noteholder	Headroom in existence as at 31 December 2011	Description of reference obligations	Credit Event occurrences to 31 December 2011	Payment required under Credit Default swap agreement
35	EUR	81,000	N/A	N/A	Banco Santander SA, Cajy De Ahorros Y Monte De Piedad De Madrid, Bankinter SA	N	N
38	EUR	97,000	N/A	N/A	Banco Santander SA	N	N
39	EUR	15,000	N/A	N/A	Banco Bilbao Vizcaya Argentina SA	N	N
40	EUR	32,000	N/A	N/A	Banco Bilbao Vizcaya Argentina SA	N	N
41	EUR	47,000	N/A	N/A	Caixa Geral De Depositos SA	N	N
42	EUR	35,000	N/A	N/A	Banco Bilbao Vizcaya Argentina SA	N	N
43	EUR	15,000	N/A	N/A	Bankinter SA	N	N
44	EUR	50,000	N/A	N/A	Banco Bilbao Vizcaya Argentina SA	N	N
45	EUR	40,079	N/A	N/A	Caixa Geral De Depositos SA	N	N
46	EUR	40,550	N/A	N/A	Caixa Geral De Depositos SA	N	N
47	EUR	40,000	N/A	N/A	Caja De Ahorros Y Pensiones De Barcelona, SA	N	N
49	EUR	38,100	N/A	N/A	Volvo AB, EDP - Energias de Portugal S.A., Banca Monte Dei Paschi Di Siena S.p.A., Banco Bilbao Vizcaya Argentina S.A., Telecom Italia S.p.A., Banco Santander SA, Portugal Telecom SGPS S.A., ArcelorMittal, Lafarge SA, Renault SA, PSA Peugeot, UniCredit SpA, Iberdrola S.A., Assicurazioni Generali S.p.A., Telefonica S.A., Enel S.p.A., Repsol YPF S.A., Gas Natural SDG S.A., Thyssenkrupp AG and Vivendi	N	N

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(d) Specific instruments (continued)

(i) Credit Default Swaps and Asset Swaps (continued)

Series	CCY	Nominal of Notes (CCY) '000	Tranche held by Noteholder	Headroom in existence as at 31 December 2011	Description of reference obligations	Credit Event occurrences to 31 December 2011	Payment required under Credit Default swap agreement
53	EUR	17,500	N/A	N/A	Volvo AB, EDP - Energias de Portugal SA, Banca Monte Dei Paschi Di Siena S.p.A, Banco Bilbao Vizcaya Argentaria SA, Telecom Italia S.p.A, Banco Santander SA, Portugal Telecom SGPS SA, ArcelorMittal, Lafarge SA, Renault SA, PSA Peugeot, UniCredit Spa, Iberdrola SA< Assicurazioni Generali S.p.A, Repsol YPF SA, Gas Natural SDG SA, Thyssenkrupp AG and Vivendi.	N	N
58	EUR	10,000	N/A	N/A	Volvo AB, EDP - Energias de Portugal S.A., Banca Monte Dei Paschi Di Siena S.p.A, Banco Bilbao Vizcaya Argentaria S.A., Telecom Italia S.p.A, Banco Santander SA, Portugal Telecom SGPS S.A., ArcelorMittal, Lafarge SA, Renault SA, PSA Peugeot, UniCredit SpA, Iberdrola S.A., Assicurazioni Generali S.p.A, Telefonica S.A., Enel S.p.A, Repsol YPF S.A., Gas Natural SDG S.A., Thyssenkrupp AG and Vivendi	N	N

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial instruments (continued)

(d) Specific instruments (continued)

(i) Credit Default Swaps and Asset Swaps (continued)

Series	CCY	Nominal of Notes (CCY) '000	Tranche held by Noteholder	Headroom in existence as at 31 December 2011	Description of reference obligations	Credit Event occurrences to 31 December 2011	Payment required under Credit Default swap agreement
60	EUR	29,933	N/A	N/A	Banco Santander SA	N	N
61	EUR	50,000	N/A	N/A	Banco Santander SA	N	N
63	EUR	22,250	N/A	N/A	Republic of Italy, The French Republic	N	N
64	EUR	38,000	N/A	N/A	Telecom Italia S.p.A., ArcelorMittal S.A., Lafarge S.A., Telefonica S.A., Enel S.p.A, General Electric Capital Corporation, Xerox Corporation, Iberdrola S.A., Whirlpool Corporation and ThyssenKrupp AG	N	N

In the Directors' opinion, based on advice from the Swap counterparty, the Company is unlikely to receive payment calls from holders of debt securities issued. The ultimate amount repaid to the holders of debt securities will depend on the proceeds from the investments securities and total return swaps held as collateral less any protection payments under the credit default swaps.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(d) Specific instruments (continued)

(ii) Profile of the series of debt securities issued by the Company

The following are the broad categories as at 31 December 2011:

Type of transaction	Number of series	%	Debt securities issued €'000	%	Investment securities and total return swaps €'000
Constant maturity swap rate Notes	1	4.40%	76,769	4.02%	79,047
Floating rate Notes	7	2.84%	49,609	34.14%	670,918
Fixed Rated Secured Notes	7	20.24%	353,362	16.69%	327,937
Credit Linked Notes	41	71.41%	1,246,590	45.15%	887,194
Inflation Linked Secured Notes	1	1.11%	19,270	-	-
Total	57	100.00%	1,745,600	100.00%	1,965,096

The following are the broad categories as at 31 December 2010:

Constant maturity swap rate Notes	1	5.22%	77,309	4.97%	81,081
Floating rate Notes	4	3.07%	45,533	39.45%	643,738
Fixed Rated Secured Notes	3	21.52%	318,855	0	48,129
Credit Linked Notes	31	68.92%	1,020,909	52.63%	858,812
Inflation Linked Secured Notes	1	1.27%	18,761	-	-
Total	40	100.00%	1,481,367	100.00%	1,631,760

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial Instruments (continued)

(e) Fair values

The Company's investment securities and total return swaps, derivative financial instruments and debt securities issued are carried at fair value on the statement of financial position. Usually the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities carried at amortised cost at the reporting date approximated their fair values. Their fair values together with carrying amounts shown in the statement of financial position are disclosed in note 12.

These disclosures supplement the commentary on financial risk management (see note 4).

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(a) under the sub heading "Fair value measurement principles". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company's accounting policy on fair value measurements is discussed under note 3(a) under the sub heading "Fair value measurement principles". Critical accounting judgements made in applying the Company's accounting policies in relation to valuation of financial instruments are as follows:

Valuation of financial instruments

The Company measures fair values using the following hierarchy of methods:

- Level 1 – Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2 – Valuation techniques based on observable inputs, either directly (ie as prices) or indirectly (i.e. derived by prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial instruments (continued)

(e) Fair values (continued)

Fair value of financial assets and financial liabilities that are traded in active markets, level 1, are based on quoted market prices or dealer price quotations. For all other financial instruments the Company determines fair values using valuation techniques.

Valuation techniques include net present value and discounted cash flow models, comparison to similar instruments for which market observable prices exist, Black-Scholes and polynomial option pricing models and other valuation models.

Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, credit spreads and other premia used in estimating discount rates, bond and equity prices, foreign currency exchange rates, equity and equity index prices and expected price volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date that would have been determined by market participants acting at arm's length.

Level 2 prices uses widely recognised valuation models for determining the fair value of common and more simple financial instruments such as interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over the counter derivatives, e.g. interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

For more complex Level 3 instruments proprietary valuation models are used which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Examples of instruments involving significant unobservable inputs include certain over the counter derivatives and certain securities for which there is no active market. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and selection of appropriate discount rates.

dbInvestor Solutions plc

Notes to the Financial Statements For the year ended 31 December 2011

22 Financial instruments (continued)

(e) Fair values (continued)

At the reporting date, the carrying amounts of investment securities and total return swaps, derivative financial instruments and debt securities issued by the Company which fair values were determined directly, in full or in part, by reference to published price quotations and determined using valuation techniques are as follows:

	2011		
	Level 1 €'000	Level 2 €'000	Level 3 €'000
Investment securities and total return swaps	-	1,468,065	497,031
Derivative financial assets	-	9,158	-
Derivative financial liabilities	-	(232,083)	-
Debt securities issued	-	(1,290,710)	(454,890)
	-	(45,570)	42,141

	2010		
	Level 1 €'000	Level 2 €'000	Level 3 €'000
Investment securities and total return swaps	-	1,541,624	90,136
Derivative financial assets	-	5,745	-
Derivative financial liabilities	-	(153,246)	-
Debt securities issued	-	(1,358,475)	(122,892)
	-	35,648	(32,756)

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial instruments (continued)

(e) Fair values (continued)

The table below shows the roll-forward movements for investments securities and total return swaps classified under valuation techniques unobservable parameter (level 3):

	2011 €'000	2010 €'000
Opening balance	90,136	108,978
Acquisition	10,000	-
Maturities	-	-
Disposals	(15,560)	-
Transfers in	416,262	-
Transfers out	-	(46,289)
Fair value movements	(3,807)	27,447
Closing balance	<u>497,031</u>	<u>90,136</u>

During the year, certain corporate bonds were transferred from Level 2 to Level 3 of the fair value hierarchy when significant inputs used in their fair value measurements such as certain credit spreads which were previously observable became unobservable.

The table below shows the roll-forward movements for debt securities issued classified under valuation techniques unobservable parameter (level 3):

	2011 €'000	2010 €'000
Opening balance	(122,892)	(664,889)
Issuances	(7,629)	-
Maturities	-	-
Redemptions	15,540	-
Transfers in	(352,812)	-
Transfers out	-	570,132
Fair value movements	12,903	(28,135)
Closing balance	<u>(454,890)</u>	<u>(122,892)</u>

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial instruments (continued)

(e) Fair values (continued)

Any change in the classification of the investment securities and total return swaps, derivatives assets and derivatives liabilities will have a direct impact on the classification of the debt securities. If any of these are classified as using unobservable parameters (level 3) will automatically get the debt securities under unobservable parameters as well.

The total amount of realised and unrealised gain/loss estimated using a valuation technique based on significant unobservable data (level 3) that was recognised in statement of comprehensive income for the year is as follows:

	2011 €'000	2010 €'000
Investment securities and total return swaps	(3,807)	27,447
Debt securities issued	12,903	(28,135)
	<u>9,096</u>	<u>(688)</u>

The total amount of change in fair value estimated using a valuation technique based on significant unobservable data (level 3) for assets and liabilities held at the end of the reporting period is as follows:

	2011 €'000	2010 €'000
Investment securities and total return swaps	(3,853)	27,447
Debt securities issued	12,949	(28,135)
	<u>9,096</u>	<u>(688)</u>

Although the directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimated cashflows etc and therefore, cannot be determined with precision.

dbInvestor Solutions plc

Notes to the Financial Statements

For the year ended 31 December 2011

22 Financial instruments (continued)

(e) Fair values (continued)

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity of the Company as any change in fair value will be borne by the holders of Debt Securities due to the limited recourse nature of the debt issued by the Company.

23 Subsequent events

At the date of our report, the Company has issued the following additional Series of Debt Securities:

Series 65	EUR 6,000,000 Floating Rate Secured Notes due 2015
Series 66	EUR 100,000,000 Credit Linked Secured Notes due 2016
Series 67	USD 100,000,000 Credit Linked Secured Notes due 2016
Series 69	EUR 8,150,000 Fixed Rate Secured Notes due 2016
Series 70	EUR 100,000,000 Credit Linked Secured Notes due 2017
Series 71	USD 50,000,000 Credit Linked Secured Notes due 2017
Series 72	EUR 40,000,000 Fixed Rate Secured Notes due 2016
Series 73	EUR 40,000,000 Fixed Rate Secured Notes due 2015
Series 74	EUR 20,000,000 Fixed Rate Secured Notes due 2016
Series 75	EUR 30,000,000 Fixed Rate Secured Notes due 2017

Series 8, 9, 13, 18 and 28 were partially redeemed since the end of the reporting period. However, there were no maturities or full redemptions after the year end.

PART C

INTERIM FINANCIAL STATEMENTS FOR PERIOD FROM 1 JANUARY 2012 to 30 JUNE 2012

dbInvestor Solutions plc

**Directors' report and
Interim annual account**

**For the period January 1, 2012 to
30 June 2012**

Registered number 375106

dbInvestor Solutions plc

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dbInvestor Solutions plc

Directors and other information

Directors	Michael Whelan (Irish) Niall O'Carroll (Irish) Liam Quirke (Irish)
Registered office	5 Harbourmaster Place International Financial Services Centre Dublin 1
Trustee	Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB
Administrator & Company Secretary	Deutsche International Corporate Services (Ireland) Limited 5 Harbourmaster Place International Financial Services Centre Dublin 1
Independent auditor	KPMG Chartered Accountants, Statutory Audit Firm 1 Harbourmaster Place International Finance Services Centre Dublin 1
Bankers and Swap Counterparty	Deutsche Bank AG London PO Box 441 6 Bishopsgate London EC2P 2AT England
Luxembourg Listing Agent	Banque de Luxembourg 14 Boulevard Royal L-2449 Luxembourg Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer L-115 Luxembourg
Solicitors	Matheson Ormsby Prentice 70 Sir John Rogerson's Quay Dublin 2

dbInvestor Solutions plc

Interim Management Report

The directors present the semi-annual report and interim accounts of dbInvestor Solutions plc for the period from 01 January 2012 to 30 June 2012.

Principal activities, business review and future developments

The Company has established a EUR 10,000,000,000 Multi-Issuance Programme (the "Programme") to issue debt securities and/or other secured limited recourse indebtedness (the "Alternative Investments"). Debt securities will be issued in Series (each a "Series") and the terms and conditions of the Debt securities of each Series will be set out in a Supplemental Programme Memorandum for such Series (each a "Supplemental Programme Memorandum").

Each Series of Debt securities will be secured as set out in the terms and conditions of the Debt securities including a first fixed charge over certain collateral as set out in the relevant Supplemental Programme Memorandum (the "Collateral") and a first fixed charge over funds held by the Agents under the Agency Agreement (each as defined in the terms and conditions of the Debt securities). Each Series may also be secured by an assignment of the Company's rights under a Swap Agreement and/or Option Agreement and/or Repurchase Agreement and/or Credit Support Document (each as defined in the terms and conditions of the Debt securities) and any additional security as may be described in the relevant Supplemental Programme Memorandum (together the "Mortgaged Property"). Alternative Investments will be secured in the manner set out above in relation to Debt securities or in such other manner as may be set out in the relevant Supplemental Programme Memorandum.

At the 30 June 2012, the Company's total indebtedness was EUR 2,099,207,037 (31 December 2011: EUR 1,745,600,250). During the period, the Company issued 17 new series (30 June 2011: 8 new series).

During the period series 4 was fully disposed whereas series 8, 9, 18, and 28 were partially disposed.

The Company expect to maintain the current level of activities going forward.

Results and dividends for the period

The results for the period are set out on page 6. The directors do not recommend the payment of a dividend for the period under review.

Changes in directors during the period

There were no changes in directors during the period.

Risks and uncertainties

The principal risks and uncertainties facing the Company relate to the debt securities issued, investment securities and derivative instruments held by the Company for risk management purposes.

dbInvestor Solutions plc

Interim Management Report (continued)

Directors, secretary and their interests

The directors and secretary who held office on 30 June 2012 did not hold any shares in the Company or in any Group Company at that date, or during the period. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies Act 1990, at anytime during the period.

Subsequent events

Since the end of the reporting period, the Company has issued the following additional Series of Debt Securities:

Series 81	EUR 11,500,000 Floating Rate Secured Notes due 2017
Series 84	SEK 200,00,000 Credit Linked Secured Notes due 2017
Series 85	EUR 20,000,000 Variable Rate Secured Notes due 2017
Series 86	NOK 100,000,000 Fixed Rate Secured Notes due 2015
Series 89	EUR 30,000,000 Fixed Rate Secured Notes due 2015

Series 8, 9 and 50 were partially redeemed since the end of the reporting period. However, there were no maturities or full redemptions after the period end.

Credit events

There were no credit events during the period with respect to reference entities to which the Debt Securities are credit linked.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to the books of account by engaging accounting personnel with the appropriate expertise and by providing adequate resources to the finance function. The books of account of the Company are maintained at 5 Harbourmaster Place, IFSC, Dublin 1.

On behalf of the board



Michael Whelan
Director

Date: 26 OCT 2012

dbInvestor Solutions plc

Responsibility Statement

The Company's directors are responsible for preparing the management report and the interim annual accounts in accordance with applicable law and regulations. The Directors confirm that, to the best of their knowledge:

- the condensed interim accounts, which have been prepared in accordance with applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and results of the issuer, and
- the Interim Management Report includes a fair review of:
 - Important events that have occurred during the first six months of the period;
 - The impact of those events on the condensed interim annual accounts; and
 - A description of the principal risks and uncertainties for the remaining six months of the financial period.

The directors further indicate that such interim annual accounts for the six months ended 30 June 2012 have not been audited.



Michael Whelan
Director

Date: **26 OCT 2012**

dbInvestor Solutions plc

Statement of Financial Position

For the period ended 30 June 2012

	Note	30-Jun-12 €'000	31-Dec-11 €'000
Assets			
Cash and cash equivalents	4	80	60
Derivative assets	5	19,170	9,158
Investment securities and total return swap at fair value through profit or loss	6	2,308,571	1,965,096
Other assets	7	21,174	12,534
Total assets		<u>2,348,995</u>	<u>1,986,848</u>
Liabilities			
Derivative liabilities	5	236,297	232,083
Debt securities issued at fair value through profit or loss	8	2,099,207	1,745,600
Other liabilities	9	13,409	9,090
Total liabilities		<u>2,348,913</u>	<u>1,986,773</u>
Capital and reserves			
Share capital	10	40	40
Retained earnings		42	35
Total equity		<u>82</u>	<u>75</u>
Total liabilities and equity		<u>2,348,995</u>	<u>1,986,848</u>

On behalf of the board



Michael Whelan
Director

Date: 26 OCT 2012

The notes on pages 9 to 20 form an integral part of these interim accounts

dbInvestor Solutions plc

Statement of Comprehensive Income For the period 01 January 2012 to 30 June 2012

	Note	30-Jun-12 €'000	30-Jun-11 €'000
Net gain / (loss) from investment securities and total return swap	11	62,768	(317)
Net gain from derivative financial instruments	12	28,725	42,238
Net loss on debt securities issued	13	(91,493)	(41,921)
Operating income		-	-
Other income	14	33	51
Other expenses	15	(16)	(45)
Profit before taxation		17	6
Income tax expense	16	(4)	(2)
Profit for the year		13	4
Other comprehensive income		-	-
Total comprehensive income for the year		13	4

All items dealt with in arriving at the above profit for the period 01 January 2012 to 30 June 2012 related to continuing operations.

On behalf of the board


Michael Whelan
Director

Date: 26 OCT 2012

The notes on pages 9 to 20 form an integral part of these interim accounts

dbInvestor Solutions plc

Statement of Cash Flows

For the period 01 January 2012 to 30 June 2012

	30-Jun-12 €'000	30-Jun-11 €'000
Cash flows from operating activities		
Profit for the year before taxation	17	6
<i>Adjustments for:</i>		
Net unrealised loss / (gain) on investment securities and total return swap	(25,114)	19,472
Net unrealised gain debt securities issued	50,781	16,819
Net unrealised loss derivative financial instruments	(21,343)	-
(Increase) / decrease in other assets	(8,640)	(34,189)
(Increase) / decrease in other liabilities	4,319	2,093
Tax paid	-	(4,205)
Net cash from operating activities	<u>20</u>	<u>(4)</u>
Cash flows from investing activities		
Acquisition of investment securities and total return swaps	(378,425)	(399,800)
Proceeds from maturity / disposal of investment securities and total return swaps	69,150	3,048
Net payments in respect of derivatives financial instruments	(21,615)	(299,764)
Net cash flow from investing activities	<u>(330,890)</u>	<u>(696,516)</u>
Cash flows from financing activities		
Proceeds from issuance of debt securities	370,040	798,655
Payments on redemption of debt securities	(39,150)	(102,139)
Net cash flow from financing activities	<u>330,890</u>	<u>696,516</u>
Net (decrease) / increase in cash at bank	20	(4)
Cash and cash equivalents at 01 January 2012 / 2011	60	64
Cash and cash equivalents at 30 June 2012 / 2011	<u>80</u>	<u>60</u>

The notes on pages 9 to 20 form an integral part of these interim accounts

dbInvestor Solutions plc

Statement of Changes in Equity

For the period 01 January 2012 to 30 June 2012

	Share capital €'000	Retained earnings €'000	Total €'000
Balance as at 01 January 2011	40	25	65
Profit for the year	-	4	4
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	4	4
Balance as at 30 June 2011	40	29	69
Balance as at 01 January 2012	40	35	75
Profit for the year	-	13	13
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	13	13
Balance as at 30 June 2012	40	42	82

The notes on pages 9 to 20 form an integral part of these interim accounts

dbInvestor Solutions plc

Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

1 General information

dbInvestor Solutions plc (the "Company") was incorporated on 28 August 2003 in the Republic of Ireland with registered number 375106. The registered office of the Company is 5 Harbourmaster Place, IFSC, Dublin 1.

The Company is a special purpose company that has been established to issue debt securities under a €10bn Multi-issuance note programme.

The program offers investors the opportunity to invest in a portfolio of investments, the "investment securities and total return swaps," and alter the interest rate risk and credit risk profile of the portfolio through the use of derivative instruments.

The Company has no direct employees.

2 Basis of preparation

The condensed interim annual accounts for the six months ended 30 June 2012 have been prepared in accordance with the International Accounting Standard (IAS) 34. The condensed interim annual accounts should be read in conjunction with the audited annual accounts for the year ended 31 December 2011.

3 Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in these condensed interim annual accounts as were applied in the preparation of the Company's audited annual accounts for the year ended 31 December 2011.

4 Cash and cash equivalent	30-Jun-12	31-Dec-11
	€'000	€'000
Cash at bank	80	60
	<u>80</u>	<u>60</u>

Cash balances are held with Deutsche Bank AG London and Bank of Ireland, Dublin. The cash at bank is on demand and can be used at any time.

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

5 Derivative financial instruments

	Less than one year €'000	Greater than one year €'000	30-June- 2012 Total €'000	Less than one year €'000	Greater than one year €'000	31-Dec-2011 Total €'000
<i>Derivative assets</i>						
Asset swaps	182	18,886	19,068	35	9,123	9,158
Credit default swaps	102	-	102	-	-	-
	<u>284</u>	<u>18,886</u>	<u>19,170</u>	<u>35</u>	<u>9,123</u>	<u>9,158</u>
<i>Derivative liabilities</i>						
Asset swaps	28,180	99,220	127,400	27,902	80,926	108,828
Credit default swaps	2,750	106,147	108,897	357	122,898	123,255
	<u>30,930</u>	<u>205,367</u>	<u>236,297</u>	<u>28,259</u>	<u>203,824</u>	<u>232,083</u>

The Company entered into asset swaps for each series of Debt Securities issued to eliminate the mismatch between the amount payable in respect of those debt securities issued and the return from the investment securities held by the Company as collateral.

The company also entered into credit default swaps for certain series in order to provide an asset risk profile which is suited to the needs of the investors (the holders of the debt securities).

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

6 Investment securities and total return swaps at fair value through profit or loss	30-Jun-12 €'000	31-Dec-11 €'000
<i>Designated at fair value through profit or loss</i>		
Corporate bonds	2,236,545	1,894,064
Receivable under total return swaps	72,026	71,032
	<u>2,308,571</u>	<u>1,965,096</u>

Maturity analysis of investment securities and total return swaps at fair value through profit or loss

Within 1 year	347,652	265,794
One to two years	997,273	348,572
Two to five years	756,615	1,228,711
Greater than 5 years	207,031	122,019
	<u>2,308,571</u>	<u>1,965,096</u>

The carrying value of all the above assets of the Company represents their maximum exposure to credit risk. The credit risk is eventually transferred to the swap counterparty or the noteholders. The investment securities are held as collateral for debt securities issued by the Company.

Receivable under Total Return Swaps

Certain series of debt securities issued includes the use of total return swaps ("TRS"). Under these arrangements the proceeds from the issuance of debt securities are held on deposit with the swap counterparty under the swap agreement. The deposit is synthetically linked to the credit performance of a portfolio of reference entities through a credit default swap. The swap counterparty provides a return that replicates the return due to the holders of the debt securities and also reimburses all the expenses related to the series. In the event of this reference entities default, a notice is served to the Company.

In the case of default, the nominal under total return swap is reduced by an amount equal to the amount in the default and the Company's obligation under the debt securities is also reduced by the same amount as per the terms of the supplemental programme memorandum (SPM).

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

7 Other assets	30-Jun-12 €'000	31-Dec-11 €'000
Coupon income receivable from investment securities and total return swaps	21,128	12,434
Other receivables	46	100
	<u>21,174</u>	<u>12,534</u>

All other assets are current.

8 Debt securities issued at fair value through profit or loss	30-Jun-12 €'000	31-Dec-11 €'000
Designated at fair value through profit or loss	2,099,207	1,745,600
	<u>2,099,207</u>	<u>1,745,600</u>

Maturity analysis of the debt securities issued at fair value through profit or loss

Within 1 year	272,242	237,792
One to two years	384,353	269,635
Two to five years	1,408,285	1,060,901
Greater than 5 years	34,327	177,272
	<u>2,099,207</u>	<u>1,745,600</u>

The Company's obligations under the debt securities issued and related derivative financial instruments are secured by collateral purchased as noted in Note 7. The investors' recourse per series is limited to the assets of that particular series.

In the event that accumulated losses prove not to be recoverable during the life of the debt securities issued, then this will reduce the obligation to the holders of the debt securities issued by the Company.

The debt securities issued under each series are listed in the Luxembourg stock exchange.

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

9 Other liabilities	30-Jun-12 €'000	31-Dec-11 €'000
Coupon payable on debt securities issued	13,365	9,005
Accrued expenses	4	58
Current tax liabilities	4	3
Other payables	36	24
	<u>13,409</u>	<u>9,090</u>

All other liabilities are current.

10 Share capital	30-Jun-12 €'000	31-Dec-11 €'000
<i>Authorised</i>		
10,000,000 ordinary shares of €1 each	<u>10,000</u>	<u>10,000</u>
<i>Issued and paid up</i>		
40,000 ordinary shares of €1 each	<u>40</u>	<u>40</u>

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

11 Net gain / (loss) from investment securities and total return swaps (including coupon income)	30-Jun-12 €'000	30-Jun-11 €'000
Net gain / (loss) from investment securities and total return swaps designated at fair value through profit or loss :		
- Corporate bonds	58,704	(752)
- Receivable under total return swaps	4,064	435
	<u>62,768</u>	<u>(317)</u>
Analysed as follows:		
Coupon income including accruals	35,184	19,071
Net unrealised gain / (loss) on investment securities and total return swaps	25,114	(19,472)
Realised gain on disposal / maturities of investment securities and total return swaps	2,470	84
	<u>62,768</u>	<u>(317)</u>
12 Net gain from derivative financial instruments	30-Jun-12 €'000	30-Jun-11 €'000
Net gain from derivative financial instruments carried at fair value through profit or loss (including coupon)		
- Asset swaps	1,862	18,241
- Credit default swaps	26,863	23,997
	<u>28,725</u>	<u>42,238</u>
Analysed as follows:		
Coupon income	834	8,993
Net unrealised gain on derivative financial instruments	27,359	33,503
Realised gain / (loss) on settlement of derivative financial instruments	532	(258)
	<u>28,725</u>	<u>42,238</u>

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

13 Net loss on debt securities issued at fair value through profit or loss (including coupon expense)	30-Jun-12 €'000	30-Jun-11 €'000
Net loss on debt securities issued at fair value through profit or loss	(91,493)	(41,921)
	<u>(91,493)</u>	<u>(41,921)</u>
Analysed as follows:		
Coupon expense including accruals	(40,428)	(25,381)
Net unrealised loss on debt securities issued	(50,781)	(16,819)
Realised (loss) / gain on maturity / redemption of debt securities issued	(284)	279
	<u>(91,493)</u>	<u>(41,921)</u>
14 Other income	30-Jun-12 €'000	30-Jun-11 €'000
Corporate benefit	17	6
Arranger income	16	45
	<u>33</u>	<u>51</u>

For every new issuance of Debt Securities, Deutsche Bank AG London, as arranger, does transfer to the Company an amount of EUR 1,000 as corporate benefit. This income is taxable under the Irish law at a current rate of 25% and the net amount is retained as the profit for the period. As arranger, Deutsche Bank AG London also agreed, as per Service Agreement, to reimburse the Company against any costs, fees, expenses or out-goings incurred. Arranger income is the total expenses incurred by the Company during the period that is borne by Deutsche Bank AG.

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

15 Other expenses	30-Jun-12 €'000	30-Jun-11 €'000
Administration fee	(12)	(14)
Audit and Taxation fee	-	(24)
Director's fee	(4)	(7)
	<u>(16)</u>	<u>(45)</u>

The Company is administered by Deutsche International Corporate Services (Ireland) Limited and has no employees.

Audit and taxation fee relates to the statutory audit of financial statements.

16 Income tax expense	30-Jun-12 €'000	30-Jun-11 €'000
Corporate tax	<u>(4)</u>	<u>(2)</u>

Factors affecting tax charge for the period

Corporation taxation has been calculated based on the results for the year and the resulting taxation charge is as follows:

Profit before tax	<u>17</u>	<u>6</u>
Current tax at standard rate of 25%	(4)	(2)
Current tax charge	<u>(4)</u>	<u>(2)</u>

The Company will continue to be actively taxed at 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

Deferred tax

Any temporary difference arising on the assets will be offset by a corresponding difference in the liabilities. Therefore the Company does not have any deferred tax exposure.

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

17 Ownership of the Company

The issued shares are held on trust by Matsack Trust Limited (13,332 shares), Matsack Nominees Limited (13,332 shares), Raisa Limited (13,332 shares), Patrick Molloy (1 share), Chris Quinn (1 share), Tara Doyle (1 share) and Turlough Galvin (1 share), together (the "Share Trustees"). Each of the issued shares are held under the terms of a declaration of trust under which the relevant Share Trustee holds its share of the Company on trust for charity. The Share Trustees have appointed a Board of Directors to run the day-to-day activities of the Company.

The Board of Directors have considered the issue as to who is the controlling party of the Company. It has determined that the control of the day-to-day activities of the Company rests with the Board. The Board is composed of three directors, one of whom, is an employee of Deutsche International Corporate Services (Ireland) Limited, being the entity that acts as the administrator of the Company. The remaining two directors are considered to be independent of the Deutsche Bank Group.

18 Charges

The Debt Securities issued by the Company are secured by way of mortgage over the collateral purchased in respect of each of the debt securities issued, and by the assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreement for each series.

19 Transactions with related parties, administrator and arranger

During the period the Company incurred a fee of EUR 11,308 (30 June 2011: EUR 11,000) relating to administration services provided by Deutsche International Corporate Services (Ireland) Limited. Michael Whelan, as a director of the Company, had an interest in this fee in his capacity as director of Deutsche International Corporate Services (Ireland) Ltd.

Under a Series Proposal Agreement entered into for each series by the Company and Deutsche Bank AG London, Deutsche Bank AG London, as Arranger for each Series, will pay the Company a Series Fee of EUR 1,000 per Series on commencement of the series and agree to reimburse the Company against any costs, fees, expenses or out-goings incurred. Deutsche Bank AG London is also the Swap counterparty for all Series containing asset swap agreements.

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

19 Transactions with related parties, administrator and arranger (continued)

Legal fees of EUR 1,815 were paid to Matheson Ormsby Prentice Solicitors. Liam Quirke as a director of the Company had an interest in this capacity as partner of Matheson Ormsby Prentice Solicitors.

20 Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks relating to the investment securities and derivatives held for risk management are borne fully by the holders of debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

- (i) Credit risk;
- (ii) Liquidity risk;
- (iii) Market risks.

The company does not have any externally imposed capital requirements.

(i) Credit risk

Credit risk is the risk of the financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's credit linked securities which are divided into underlying reference entities and also from the derivative contracts which the company has entered into.

The Company limits its exposure to credit risk by only investing in corporate bonds and loans and total return swaps and only with counterparties that have a credit rating defined in the documentation of the relevant series. The risk of default on these assets and on the underlying reference entities is borne by the swap counterparty or the holders of the debt securities of the relevant series that the Company has in issue.

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For the period 01 January 2012 to 30 June 2012

20 Financial risk management (continued)

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or other financial assets, or that such obligation will have to be settled in a manner disadvantage to the Company.

The Company's obligation to the holders of debt securities of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Should the net proceeds be insufficient to make all payments due in respect of a particular series of debt securities, the other assets of the Company will not be available for payment and the deficit is instead borne by the holders of debt securities and the Swap Counterparty according to established priorities.

The expediency and proceed amounts from realising the collateral of each series is subject to market conditions.

(iii) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rate, interest rate and interest rates will affect the Company's income or the value of its holdings of financial instruments and receivable under total return swap.

The objective of the market risk is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Foreign exchange risk and interest rate risk are hedged under the currency swap agreement and the asset swap agreement, respectively.

21 Comparatives

The comparative information for Statement of Financial Position is as at 31 December 2011 and that of Statement of Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity is for the period from 01 January 2011 to 30 June 2011.

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Notes to the Interim Accounts

For the period 01 January 2012 to 30 June 2012

22 Approval of interim annual accounts

The board of directors approved these interim annual accounts on 26 OCT 2012.

On behalf of the board



Michael Whelan
Director

Date: **26 OCT 2012**

REGISTERED OFFICE OF THE ISSUER

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