

28 April 2006

**KAUPTHING BANK HF.**

**Issue of EUR 7,000,000 Trigger Asia 6 years - 2006/2012 Notes  
under the €12,000,000,000  
Euro Medium Term Note Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 2nd September, 2005 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the office of the Issuer at Borgartun 19, 105 Reykjavic, Iceland and on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and copies may be obtained from the Principal Paying Agent at Winchester House, 1 Great Winchester Street, London, EC2N 2DB.

- |     |   |   |
|-----|---|---|
| 1.  | Issuer:   | Kaupthing Bank hf.  |
| 2.  | (i) Series Number:  | 53  |
|     | (ii) Tranche Number:                                      | 1   |
| 3.  | Specified Currency or Currencies:                         | Euro ("EUR")  |
| 4.  | Aggregate Nominal Amount:                                 |   |
|     | (i) Series:   | EUR 7,000,000   |
|     | (ii) Tranche:   | EUR 7,000,000   |
| 5.  | Issue Price:  | 100 per cent. of the Aggregate Nominal Amount                     |
| 6.  | Specified Denominations:                                  | EUR 50,000  |
| 7.  | (i) Issue Date:   | 28 April 2006   |
|     | (ii) Interest Commencement Date:                          | Issue Date  |
| 8.  | Maturity Date:  | 28 April 2012   |
| 9.  | Interest Basis:   | Equity Linked Interest<br>(further particulars specified below)   |
| 10. | Redemption/Payment Basis:                                 | Equity Linked Redemption<br>(further particulars specified below) |
| 11. | Change of Interest Basis or Redemption/<br>Payment Basis: | Not Applicable  |
| 12. | Put/Call Options:   | Not Applicable  |

- |     |     |  |                |
|-----|-----|--|----------------|
| 13. | (a) | Status of the Notes:                               | Senior         |
|     | (b) | Date Board approval for issuance of Notes obtained | Not Applicable |
| 14. |     | Method of distribution:                            | Non-syndicated |

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

- |     |  |                    |
|-----|--|--------------------|
| 15. | <b>Fixed Rate Note Provisions</b>  | Not Applicable     |
| 16. | <b>Floating Rate Note Provisions</b>   | Not Applicable     |
| 17. | <b>Zero Coupon Note Provisions</b>   | Not Applicable     |
| 18. | <b>Index Linked Interest Note Provisions</b>   | Applicable         |
|     | (i) Index/Formula:   | See Annex 1        |
|     | (ii) Calculation Agent responsible for calculating the interest due:   | ABN AMRO Bank N.V. |
|     | (iii) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: | See Annex 1        |
|     | (iv) Specified Period(s)/Specified Interest Payment Dates:   | See Annex 1        |
|     | (v) Business Day Convention:   | See Annex 1        |
|     | (vi) Additional Business Centre(s):  | See Annex 1        |
|     | (vii) Minimum Rate of Interest:  | Not Applicable     |
|     | (viii) Maximum Rate of Interest:   | Not Applicable     |
|     | (ix) Day Count Fraction:   | See Annex 1        |
| 19. | <b>Dual Currency Interest Note Provisions</b>  | Not Applicable     |
| 20. | Target Redemption Note Provisions:   | Not Applicable     |
| 21. | Range Accrual Note Provisions:   | Not Applicable     |

**PROVISIONS RELATING TO REDEMPTION**

- |     |                               |                |
|-----|-------------------------------|----------------|
| 22. | Issuer Call:                  | Not Applicable |
| 23. | Investor Put:                 | Not Applicable |
| 24. | Target Redemption Provisions: | Not Applicable |

- |     |   |  |
|-----|---|--|
| 25. | Final Redemption Amount of each Note:   | EUR 50,000 per EUR 50,000 Specified Denomination |
| 26. | Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)): | As set out in Condition 7(e)                     |
| 27. | Capital Notes Provisions:   | Not Applicable                                   |

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- |     |  |   |
|-----|--|---|
| 28. | Form of Notes:   | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| 29. | Additional Financial Centre(s) or other special provisions relating to Payment Dates:  | TARGET and London   |
| 30. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):  | No  |
| 31. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable  |
| 32. | Details relating to Instalment Notes:  |   |
|     | (i) Instalment Amount(s):  | Not Applicable  |
|     | (ii) Instalment Date(s):   | Not Applicable  |
| 33. | Redenomination applicable:   | Redenomination not applicable   |
| 34. | Other final terms:   | Not Applicable  |

#### **DISTRIBUTION**

- |     |  |                    |
|-----|--|--------------------|
| 35. | (i) If syndicated, names of Managers:                                      | Not Applicable     |
|     | (ii) Stabilising Manager (if any):   | Not Applicable     |
| 36. | If non-syndicated, name of relevant Dealer:                                | ABN AMRO Bank N.V. |
| 37. | Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: | TEFRA D            |

38. Additional selling restrictions: Not Applicable

#### LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of Notes described herein pursuant to the EUR 12,000,000,000 Euro Medium Term Note Programme of Kaupthing hf.

#### RESPONSIBILITY

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

Signed on behalf of the Issuer: **Guðni N. Aðalsteinsson**  
Framkvæmdastjóri / Managing Director  
By: ..... Group Treasurer.  
Duly authorised

*R. Anna Jónsdóttir*  
CFO

#### PART B - OTHER INFORMATION

|    |   |   |
|----|---|---|
| 1. | LISTING   |   |
|    | (i) Listing   | Luxembourg  |
|    | (ii) Admission to trading:  | Application has been made for the Notes to be admitted to trading on 28 April 2006 with effect from 28 April 2006 |
|    | (iii) Estimate of total expenses related to admission to trading:   | EUR 2,290   |
| 2. | RATINGS   |   |
|    | Ratings:  | The Notes to be issued have been rated:<br>Moody's: A1<br>Fitch: A  |
| 3. | NOTIFICATION  |   |
|    | Not Applicable  |   |
| 4. | INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE  |   |
|    | Save for any fees payable to the Dealer, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. |   |
| 5. | REASONS FOR THE OFFER; ESTIMATED NET PROCEEDS AND TOTAL EXPENSES  |   |
|    | Not Applicable  |   |
| 6. | YIELD (Fixed Rate Notes only)   |   |
|    | Indication of yield:  | Not Applicable  |
| 7. | HISTORIC INTEREST RATES   |   |

|            |   |                          |
|------------|---|--------------------------|
|            | Not Applicable  |                          |
| <b>8.</b>  | <b>PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING</b> <i>(Index-Linked Notes only)</i> |                          |
|            | See Annex 2   |                          |
| <b>9.</b>  | <b>PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT</b> <i>(Dual Currency Notes only)</i>  |                          |
|            | Not Applicable  |                          |
| <b>10.</b> | <b>OPERATIONAL INFORMATION</b>  |                          |
|            | (i) Jurisdictions into which public offer to be made:   | None                     |
|            | (ii) ISIN Code:   | XS0247304503             |
|            | (iii) Common Code:  | 24730450                 |
|            | (vii) Any clearing system(s) other than Euroclear Bank S.A./N.V and Clearstream Banking, société anonyme and the relevant identification number(s):                                     | Not Applicable           |
|            | (ix) Delivery:  | Delivery against payment |
|            | (x) Names and addresses of additional Paying Agent(s) (if any):   | Not Applicable           |

## ANNEX 1

### Interest

1. The Issuer shall pay the Coupon Amount on the Maturity Date as interest. "Coupon Amount" means an amount denominated in the Specified Currency due, subject to paragraph 2.7 below, in respect of each Note outstanding and equal to the sum of the Bonus Coupon Amount and the Interest Amount, as each such terms are defined below.
2. "Bonus Coupon Amount" means, subject to paragraph 2.7 below, an amount denominated in the Specified Currency, determined and calculated by the Calculation Agent as follows:
  - 2.1 if Trigger Event 1 occurs on Trigger Event Date 1, the Bonus Coupon Amount in respect of each Note outstanding shall be equal to Bonus Coupon Percentage 1 multiplied by Specified Denomination AND paragraphs 2.2 to 2.7 (both inclusive) will no longer apply; if Trigger Event 1 does not occur on Trigger Event Date 1, the Bonus Coupon Amount will be equal to zero; or (but not and)
  - 2.2 if (i) Trigger Event 1 does not occur on Trigger Event Date 1 and (ii) Trigger Event 2 occurs on Trigger Event Date 2, the Bonus Coupon Amount in respect of each Note outstanding shall be equal to Bonus Coupon Percentage 2 multiplied by Specified Denomination AND paragraphs 2.3 to 2.7 (both inclusive) will no longer apply; if Trigger Event 2 does not occur on Trigger Event Date 2, the Bonus Coupon Amount will be equal to zero; or (but not and)
  - 2.3 if (i) Trigger Event 1 does not occur on Trigger Event Date 1, (ii) Trigger Event 2 does not occur on Trigger Event Date 2, and (iii) Trigger Event 3 occurs on Trigger Event Date 3, the Bonus Coupon Amount in respect of each Note outstanding shall be equal to Bonus Coupon Percentage 3 multiplied by Specified Denomination AND paragraphs 2.4 to 2.7 (both inclusive) will no longer apply; if Trigger Event 3 does not occur on Trigger Event Date 3, the Bonus Coupon Amount will be equal to zero; or (but not and)
  - 2.4 if (i) Trigger Event 1 does not occur on Trigger Event Date 1, (ii) Trigger Event 2 does not occur on Trigger Event Date 2, (iii) Trigger Event 3 does not occur on Trigger Event Date 3, and (iv) Trigger Event 4 occurs on Trigger Event Date 4, the Bonus Coupon Amount in respect of each Note outstanding shall be equal to Bonus Coupon Percentage 4 multiplied by Specified Denomination AND paragraphs 2.5 to 2.7 (both inclusive) will no longer apply; if Trigger Event 4 does not occur on Trigger Event Date 4, the Bonus Coupon Amount will be equal to zero; or (but not and)
  - 2.5 if (i) Trigger Event 1 does not occur on Trigger Event Date 1, (ii) Trigger Event 2 does not occur on Trigger Event Date 2, (iii) Trigger Event 3 does not occur on Trigger Event Date 3, (iv) Trigger Event 4 does not occur on Trigger Event Date 4, and (v) Trigger Event 5 occurs on Trigger Event Date 5, the Bonus Coupon Amount in respect of each Note outstanding shall be equal to Bonus Coupon Percentage 5 multiplied by Specified Denomination AND paragraphs 2.6 and 2.7 (both inclusive) will no longer apply; if Trigger Event 5 does not occur on Trigger Event Date 5, the Bonus Coupon Amount will be equal to zero; or (but not and)
  - 2.6 if (i) Trigger Event 1 does not occur on Trigger Event Date 1, (ii) Trigger Event 2 does not occur on Trigger Event Date 2, (iii) Trigger Event 3 does not occur on Trigger Event Date 3, (iv) Trigger Event 4 does not occur on Trigger Event Date 4, (v) Trigger Event 5 does not occur on Trigger Event Date 5 and (vi) Trigger Event 6 occurs on Trigger Event Date 6, the Bonus Coupon Amount in respect of each Note outstanding shall be equal to Bonus Coupon Percentage 6 multiplied by Specified Denomination AND paragraph 2.7 will no longer apply; if Trigger Event 6 does not occur on Trigger Event Date 6, the Bonus Coupon Amount will be equal to zero;
  - 2.7 if none of Trigger Event 1, Trigger Event 2, Trigger Event 3, Trigger Event 4, Trigger Event 5 or Trigger Event 6 occurs on respectively Trigger Event Date 1, Trigger Event Date 2, Trigger Event Date 3, Trigger Event Date 4, Trigger Event Date 5 or Trigger Event Date 6, then (i) no Coupon Amount, Bonus Coupon Amount or Interest Amount will be due in respect of any Notes; and (ii) the Coupon Amount will be equal to zero.

2.8 In this Annex:

**"Bonus Coupon Percentage"** means Bonus Coupon Percentage 1, Bonus Coupon Percentage 2, Bonus Coupon Percentage 3, Bonus Coupon Percentage 4, Bonus Coupon Percentage 5 or "Bonus Coupon Percentage 6 (and "Bonus Coupon Percentages" shall 2 or more of them);

**"Bonus Coupon Percentage 1"** means 9%;

**"Bonus Coupon Percentage 2"** means 11%;

**"Bonus Coupon Percentage 3"** means 13%;

**"Bonus Coupon Percentage 4"** means 15%;

**"Bonus Coupon Percentage 5"** means 17%;

**"Bonus Coupon Percentage 6"** means 19%;

**"Exchange"** means in respect of each Index, each exchange or quotation system from which the Index Sponsor takes the prices of the shares that comprise the Index (the "Shares") to compute the Index or any successor to such exchange or quotation system;

**"Index"** means Index 1, Index 2 or Index 3, subject to the adjustments set out in 2.9 below;

**"Index 1"** means Hong Kong Hang Seng Index HSI <index> subject to Index;

**"Index 2"** means Kospi – Korea Stock Exchange Index KOSPI <index> subject to Index;

**"Index 3"** means Nikkei 225 Index NKY <index> subject to Index

**"Indices"** means more than one Index;

**" $I_1^I, I_2^I$  and  $I_3^I$ "** means respectively the level of Index 1, Index 2 and Index 3 on the 2<sup>nd</sup> March 2006;

**"Index Sponsor"** means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level of the relevant Index on a regular basis during each Trading Day and references to Index Sponsor shall include any Successor Index Sponsor;

**"Market Disruption Event"** means In respect of an Index, the occurrence or existence on any Trading Day during the one-half hour period that ends at the official close of trading on the Exchange or any Related Exchange of any suspension of or limitation imposed on trading in (by reason of movements in price reaching or exceeding limits permitted by the relevant exchange or otherwise):

(i) on any Exchange(s) in securities that comprise 20 per cent or more of the level of the relevant Index, if in the determination of the Calculation Agent, such suspension or limitation is material. For the purpose of determining whether such suspension or limitation is material, if trading in a security included in the Index is suspended or materially limited at that time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security relative to (y) the overall level of the Index, in each case immediately before that suspension or limitation; or

(ii) on any Related Exchange in any options contracts or futures contracts or other derivatives contracts relating to the relevant Index. In any event, a limitation on the hours and number of days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of the relevant exchange, but a limitation on trading imposed during the course of the day by reason of movements in price otherwise exceeding levels permitted by the relevant exchange may, if so determined by the Calculation Agent, constitute a Market Disruption Event;

**“Related Exchange”** means an options or futures exchange or quotation system on which options contracts or futures contracts or other derivatives contracts on the Indices are traded;

**“Successor Index Sponsor”** means if an Index is not calculated and announced by the Index Sponsor but is calculated and published by a successor to the Index Sponsor (the “Successor Sponsor”) acceptable to the Calculation Agent, the Successor Sponsor;

**“Trading Day”** means any day on which the Index Sponsor should calculate and publish the closing level of the relevant Index according to its rules;;

**“Trigger Event Date”** shall mean any of Trigger Event Date 1, Trigger Event Date 2, Trigger Event Date 3, Trigger Event Date 4, Trigger Event Date 5 or Trigger Event Date 6 (and **“Trigger Event Dates”** shall mean 2 or more of any of these dates); PROVIDED ALWAYS THAT if any such date falls on a day which is not a Trading Day, then it shall be postponed to the next following Trading Day; if in the determination of the Calculation Agent, a Market Disruption Event has occurred on a Trigger Event Date (in respect of an Index or Indices) the Trigger Event Date shall be the first succeeding Trading Day on which the Calculation Agent determines that there is no Market Disruption Event, unless the Calculation Agent determines that there is a Market Disruption Event occurring on each of the five Trading Days immediately following the original date which (but for the Market Disruption Event) would have been Trigger Event Date. In that case (i) the fifth Trading Day shall be deemed to be the Trigger Event Date (regardless of the Market Disruption Event) only for the affected Index; and

(ii) the Calculation Agent shall determine  $I_1^F, I_2^F$  and / or  $I_3^F$  (depending on which one is affected) having regard to the then prevailing market conditions, the last reported trading price of the Shares and such other factors as the Calculation Agent determines to be relevant;

**“Trigger Event”** means Trigger Event 1, Trigger Event 2, Trigger Event 3, Trigger Event 4, Trigger Event 5 or Trigger Event 6 (and **“Trigger Events”** shall mean 2 or more of them);

**“Trigger Event 1”** means that:  $\frac{I_1^F}{I_1^I} \geq 1.04$ ,  $\frac{I_2^F}{I_2^I} \geq 1.04$ , and  $\frac{I_3^F}{I_3^I} \geq 1.04$ , where  $I_1^F, I_2^F$  and  $I_3^F$  means respectively the closing level of Index 1, Index 2 and Index 3 on Trigger Event Date 1; and;

**“Trigger Event 2”** means that:  $\frac{I_1^F}{I_1^I} \geq 1.08$ ,  $\frac{I_2^F}{I_2^I} \geq 1.08$ , and  $\frac{I_3^F}{I_3^I} \geq 1.08$ , where  $I_1^F, I_2^F$  and  $I_3^F$  means respectively the closing level of Index 1, Index 2 and Index 3 on Trigger Event Date 2;

**“Trigger Event 3”** means that:  $\frac{I_1^F}{I_1^I} \geq 1.12$ ,  $\frac{I_2^F}{I_2^I} \geq 1.12$ , and  $\frac{I_3^F}{I_3^I} \geq 1.12$ , where  $I_1^F, I_2^F$  and  $I_3^F$  means respectively the closing level of Index 1, Index 2 and Index 3 on Trigger Event Date 3;

**“Trigger Event 4”** means that:  $\frac{I_1^F}{I_1^I} \geq 1.16$ ,  $\frac{I_2^F}{I_2^I} \geq 1.16$ , and  $\frac{I_3^F}{I_3^I} \geq 1.16$ , where  $I_1^F, I_2^F$  and  $I_3^F$  means respectively the closing level of Index 1, Index 2 and Index 3 on Trigger Event Date 4;



$\frac{I_1^F}{I_1^I} \geq 1.2$  ,  $\frac{I_2^F}{I_2^I} \geq 1.2$  , and  $\frac{I_3^F}{I_3^I} \geq 1.2$  , where  
 “Trigger Event 5” means that:  $I_1^F, I_2^F$  and  $I_3^F$  means respectively the closing level of Index 1, Index 2 and Index 3 on Trigger Event Date 5;

$\frac{I_1^F}{I_1^I} \geq 1.24$  ,  $\frac{I_2^F}{I_2^I} \geq 1.24$  , and  $\frac{I_3^F}{I_3^I} \geq 1.24$  , where  
 “Trigger Event 6” means that:  $I_1^F, I_2^F$  and  $I_3^F$  means respectively the closing level of Index 1, Index 2 and Index 3 on Trigger Event Date 6;

“Trigger Event Date 1” means 10<sup>th</sup> April 2007 subject to Trigger Event Date;

“Trigger Event Date 2” means 10<sup>th</sup> April 2008 subject to Trigger Event Date;

“Trigger Event Date 3” means 10<sup>th</sup> April 2009 subject to Trigger Event Date;

“Trigger Event Date 4” means 10<sup>th</sup> April 2010 subject to Trigger Event Date;

“Trigger Event Date 5” means 10<sup>th</sup> April 2011 subject to Trigger Event Date;

“Trigger Event Date 6” means 10<sup>th</sup> April 2012 subject to Trigger Event Date;

2.9 The Calculation Agent shall (i) make all the determination and adjustments mentioned below, and (ii) give notice as soon as practicable to the holders of any such determinations and adjustments.

(1) If an Index is replaced by a successor index using in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then (in either case) that Index will be deemed to be the index so calculated and announced by such Successor Sponsor or that successor index, as the case may be.

(2) If: (A) on or prior to a Trigger Event Date the Index Sponsor or, if applicable, the Successor Index Sponsor, makes a material change in the formula for or the method of calculating an Index or in any other way materially modifies an Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and other routine events); or (B) on a Trigger Event Date the Index Sponsor or, if applicable the Successor Index Sponsor, fails to calculate and/or publish the relevant Index; then (in either case) the Calculation Agent shall determine  $I_1^F, I_2^F$  and / or  $I_3^F$  using, in lieu of a published level(s) for the relevant Index, in accordance with the formula for and method of calculating the relevant Index last in effect prior to the change of failure, but using only those securities that comprised the relevant Index immediately prior to the change or failure (other than those securities that have since ceased to be listed on the Exchange or any other exchange on which the Shares are listed) or in the case of a material modification of an Index only, to deem such modified Index to be the Index so calculated and announced or to terminate the Notes.

(3) If, at any time, any of the events specified in (A) to (H) below occurs and the Index Sponsor or, if applicable, the Successor Sponsor, has not in the opinion of the Calculation Agent made an appropriate adjustment to the level of the Index in order to account fully for such event, notwithstanding that the rules published or applied by the Index Sponsor or, if applicable, the Successor Sponsor, pertaining to the Index have been applied, the Calculation Agent shall make such adjustment to the level of the Index as it considers appropriate in order to so account. (A) a distribution or dividend to existing holders of (i) the Shares; or (ii) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of the Shares equally or proportionately with such payments to holders of Shares or (iii) any other type of securities, rights or warrants or other assets, in any case for payment (in cash or otherwise) at less than the prevailing market price; (B) a free distribution or dividend of any Shares to existing holders by way of bonus, capitalisation or similar issue; (C) an extraordinary dividend; (D) any cash dividends declared on the Shares at a time when the

relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (E) any non-cash dividends declared on the Shares at a time when the relevant issuer has not previously declared or paid dividends on such Shares for the prior four quarterly periods; (F) any other extraordinary cash or non-cash dividend on, or distribution with respect to, the Shares which is, by its terms or declared intent, declared and paid outside the normal operations or normal dividend procedures of the relevant issuer, provided that, in all cases, the related ex-dividend date occurs during the period from but including the Issue Date up to and excluding the relevant Trigger Event Date; (G) any other similar event having dilutive or concentrative effect on the theoretical value of the Shares.

(4) The Calculation Agent reserves the right to make adjustments in connection with the Notes as it reasonably believes are appropriate in circumstances where an event or events occur which the Issuer (in its absolute discretion and notwithstanding any adjustments previously made to the Notes) believes should in the context of the issue of Notes and its obligations hereunder, give rise to such adjustment or distribution, provided that such adjustment is considered by the Calculation Agent to be appropriate generally (without considering the individual circumstances of any Holder or the tax or other consequences of such adjustment in any particular jurisdiction) or is required to take account of provisions of the laws of the relevant jurisdiction or the practices of the Exchange.

3. "Interest Amount" means, subject to paragraph 2.7 above, an amount denominated in the Specified Currency determined and calculated by the Calculation Agent in accordance with the following formula:

$$\sum_{i=J}^5 Euribor_i \times SD$$

WHERE: "J" means the Jth Trigger Event Date on which the *corresponding* Trigger Event occurred for the very first time subject to and in accordance with Annex 1 (i.e. see table below).

„*Euribor<sub>i</sub>*„ means EURIBOR for a period of 12 months which appears on Telerate Page 248 on the Jth Trigger Event Date and on each Trigger Event Date after the Jth Trigger Event Date until and including the Trigger Event Date 5 (provided that if the Jth Trigger Event Date is the Trigger Event Date 5, there will be no double counting) and "SD" the Specified Denomination.

| If the Jth Trigger Event Date is: | The corresponding Trigger Event will be: |
|-----------------------------------|--|
| Trigger Event Date 1              | Trigger Event 1                          |
| Trigger Event Date 2              | Trigger Event 2                          |
| Trigger Event Date 3              | Trigger Event 3                          |
| Trigger Event Date 4              | Trigger Event 4                          |
| Trigger Event Date 5              | Trigger Event 5                          |

## ANNEX 2

### INFORMATION RELATING TO KOREA KOSPI 200 INDEX

#### 1. GENERAL DESCRIPTION

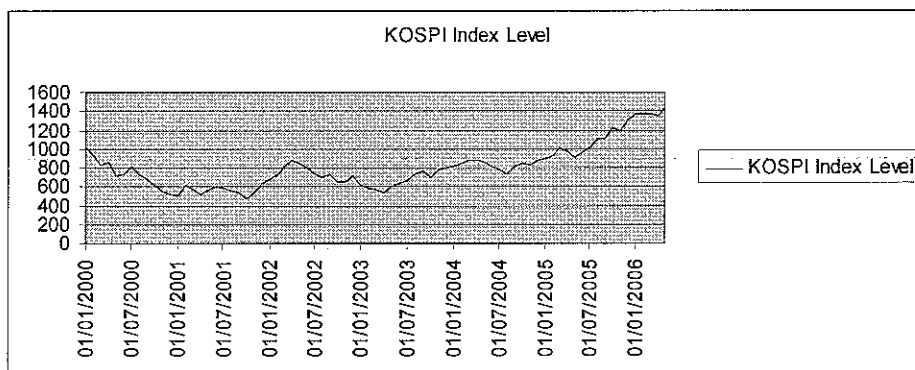
The Korea Stock Price Index 200 is a capitalization-weighted index of 200 Korean stocks which make up 93% of the total market value of the Korea Stock Exchange. The index was developed with a base value of 100 as of January 3, 1990. As an index developed as The underlying index for derivatives products (index futures and index options) traded on the KRX-Futures Market market, its constituents are 200 blue-chip stocks listed on the KRX-Stock Market, which are representatives of the market and industry groups that they belong to. The base date of KOSPI 200 is January 3, 1990, with a base index 100. KOSPI 200 has been produced since June 15, 1994.

#### 2. CALCULATION

As a market capitalization weighted index, KOSPI 200 is calculated according to following formula:

$$\text{KOSPI 200} = \frac{\text{Current aggregated market value of component stocks}}{\text{Base aggregated market value of component stocks}} \times 100$$

#### 3. HISTORIC CLOSING LEVELS



#### 4. FURTHER INFORMATION

Further information may be obtained from the Exchange at the address specified below.

33, Yoldo-dong

Youngdeungpo-ku

Seoul 150-977

Korea

Tel: +82-2-3774-9127

Website: [www.kse.or.kr](http://www.kse.or.kr)

#### 5. DISCLAIMER

The Product(s) is not sponsored, endorsed, sold or promoted by Korea Stock Exchange ("KSE"). KSE makes no representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product particularly or the ability of the KOSPI Indexes to track general stock market performance. KSE's only relationship to the Licensee is the licensing of certain trademarks and trade names of KSE and of the KOSPI Indexes which is determined, composed and calculated by KSE without regard to the Licensee or the Product. KSE has no obligation to take the needs of the Licensee or the owners of the Product into consideration in determining, composing or calculating the KOSPI Indexes. KSE is not responsible for and has not participated in the determination of the prices and amount of the Product or the timing of

the issuance or sale of the Product or in the determination or calculation of the equation by which the Product is to be converted into cash. KSE has no obligation or liability in connection with the administration, marketing or trading of the Product.

Underlying Information 2

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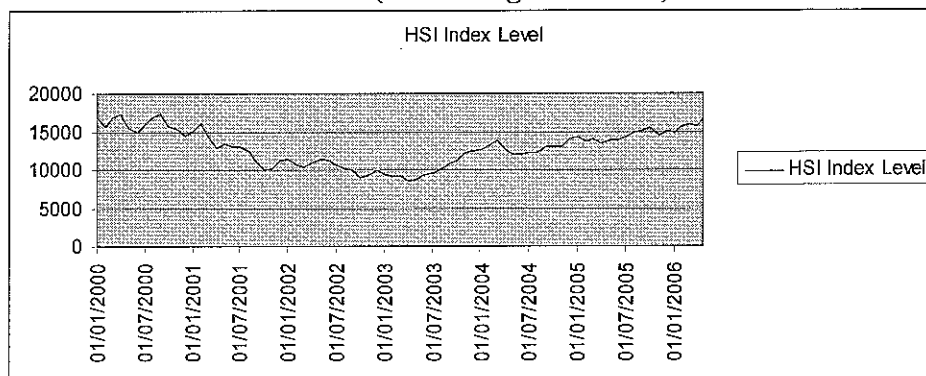
## INFORMATION RELATING TO HANG SENG INDEX

### 1. GENERAL DESCRIPTION

The Hang Seng Index is a capitalization-weighted index of 33 companies that represent approximately 70 percent of the total market capitalization of the Stock Exchange of Hong Kong. The components of the index are divided into four subindexes: Commerce and Industry, Finance, Utilities, and Properties.

The index was developed with a base level of 100 as of July 31, 1964.

### 2. HISTORIC CLOSING LEVELS (Bloomberg Code: HSI)



Underlying

Information 4

### 3. FURTHER INFORMATION

Further information may be obtained from the Exchange at the address specified below.

Hang Seng Index

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Central Hong Kong

Telephone: +44 (852) 2877-0704

Fax : +44 (852) 2845-8919

E-mail : [hsil@hsi.com.hk](mailto:hsil@hsi.com.hk)

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### SUMMARY INFORMATION RELATING TO THE NIKKEI 225 INDEX

#### 1. GENERAL DESCRIPTION

The Nikkei Stock Average is Japan's most widely watched index of stock market activity and has been calculated continuously since September 7, 1950. (Before that date, the Tokyo Stock Exchange calculated the Tokyo Stock Exchange Adjusted Average Stock Price, so index-based measurement of the market actually goes back to May 16, 1949.)

The current calculation method, called the Dow Jones method, has been used since 1950. The 225 components of the Nikkei Stock Average are among the most actively traded issues on the first section of the TSE. The index reflects the ex-rights-adjusted average stock price.

Since the Nikkei Stock Average is expected to represent the performance of stocks on the first section -- and by extension the market in general -- the mix of components has been rebalanced from time to time to assure that all issues in the index are both highly liquid and representative of Japan's industrial structure

#### 2. CALCULATION

The Nikkei Stock Average is the average price of 225 stocks traded on the first section of the Tokyo Stock Exchange, but it is different from a simple average in that the divisor is adjusted to maintain continuity and reduce the effect of external factors not directly related to the market.

##### (1) Equation

$$\text{Nikkei Average} = \frac{\text{Sum of stock prices of 225 constituents}}{\text{Divisor}}$$

a) Stocks that do not have a par value of 50 yen are converted to 50 yen par value.

b) Numbers are rounded to two digits after the decimal point, or hundredths, to calculate the average.

c) Priority in the usage of prices are:

1. Current special quotation (closing special quotation).
2. Current price (closing price).
3. Standard price, which is defined as follows:

The theoretical price of ex-rights, a special quotation from the previous day or the closing price from the previous day, in this order of priority.

## (2) Adjustment of divisors

When components change or when they are affected by changes outside of the market, the divisor is adjusted to keep the index level consistent.

### 1) In the case of ex-rights

$$\text{New Divisor} = \frac{\text{Old Divisor} \times (\text{sum of stock prices com rights} - \text{sum of rights prices}) + \text{sum of stock prices com rights}}{\text{sum of stock prices com rights}}$$

$$\text{Rights prices} = \text{last cum stock price} - \text{theoretical value of ex-rights}$$

$$\text{Theoretical value of ex-rights} = \frac{\text{last cum stock price} + \text{paid-in amount} \times \text{paid-in allotment ratio}}{\text{paid-in allotment ratio} + \text{split allotment ratio}}$$

When there is no split or a reverse split, the split-allotment ratio shall be one.

### 2) In case of capital decrease

$$\text{Theoretical value of ex-rights} = \frac{\text{last cum stock price}}{1 - \text{ratio of capital decrease}}$$

### 3) In the case of replacement of components in the average

$$\text{Rights price} = \text{price of replaced components} - \text{price of added components}$$

### 4) In the case of stock buyback by issuer

Divisor not adjusted

## (3) Magnifications

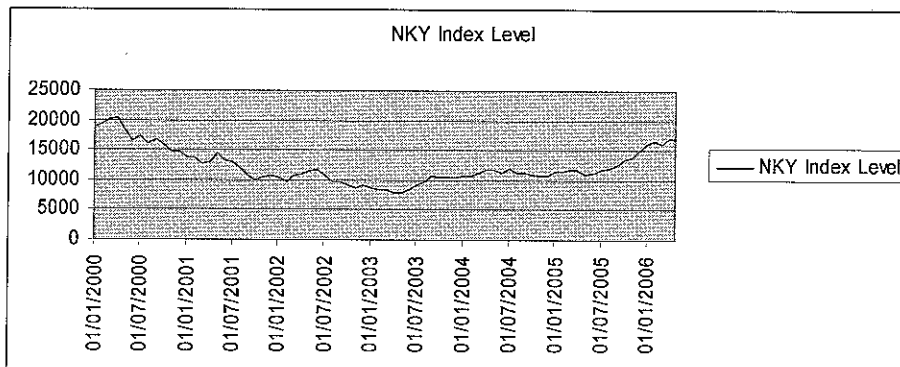
$$\text{Adjusted magnification} = \frac{225}{\text{divisor}}$$

$$\text{Adjusted magnification} = \frac{\text{Adjusted average}}{\text{mathematical average}} = \frac{\text{sum of stock prices}}{\text{divisor}} \div \frac{\text{sum of stock prices}}{225} = \frac{225}{\text{divisor}}$$



### 3. HISTORICAL CLOSING LEVELS OF THE NIKKEI 225

Source: Bloomberg



### 4. FURTHER INFORMATION

Further information may be obtained from the Index Sponsor at the address specified below.

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Chiyoda-ku

Tokyo 100-8066

Japan

t. 81-3-5255-2312

f. 81-3-5255-2631

Website: [www.nni.nikkei.co.jp](http://www.nni.nikkei.co.jp)

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