SEA FORT Securities p.l.c.

€41,500,000 Class A Secured Floating Rate Credit-Linked Notes due 2015
€22,000,000 Class B Secured Floating Rate Credit-Linked Notes due 2015
€14,500,000 Class C Secured Floating Rate Credit-Linked Notes due 2015
€14,500,000 Class D Secured Floating Rate Credit-Linked Notes due 2015
€15,000,000 Class E Secured Floating Rate Credit-Linked Notes due 2015
€37,500,000 Class F Secured Floating Rate Credit-Linked Notes due 2015
Issue Price of each Class of Notes: 100 per cent.

The Notes will be issued by SEA FORT Securities p.l.c. (the "**Issuer**"), a public company limited by shares and incorporated in Ireland. The Notes will be constituted by a Trust Deed to be dated on or about 20 July, 2006 (the "**Closing Date**") between, amongst others, the Issuer and HSBC Trustee (C.I.) Limited (the "**Trustee**"). The Notes will be secured in the manner described in the Conditions. The Notes will accrue interest from and including the Closing Date. Interest on the relevant Notes will be payable quarterly in arrear in accordance with the Income Priority of Payments, on 15 January, 15 April, 15 July and 15 October in each year commencing on 15 October, 2006 to, and including, the Legal Final Maturity Date, subject to adjustment in accordance with the Conditions and unless previously redeemed in accordance with the Conditions.

Concurrently with the issuance of the Notes, the Issuer will enter into a credit default swap agreement (the "**Credit Default Swap Agreement**") with Sampo Bank plc (in such capacity, the "**CDS Counterparty**") with respect to a portfolio of loans to small, medium and large companies located in Finland (the "**Reference Portfolio**"). Pursuant to the Credit Default Swap Agreement, on each Cash Settlement Date the Issuer will pay to the CDS Counterparty *inter alia* the Credit Protection Amount, if any, as determined on the immediately preceding Calculation Date in connection with the occurrence of Credit Events relating to the Reference Portfolio. In return, the CDS Counterparty will pay, *inter alia*, the Issuer Spread Amount to the Issuer as determined by Sampo Bank plc as calculation agent (in such capacity, the "**CDS Calculation Agent**"), as described herein. During the period from the Closing Date to and including the Replenishment Period End Date, the Reference Portfolio may be replenished by the CDS Counterparty under certain conditions in accordance with the criteria described herein. The Reference Portfolio will have an initial notional amount of €1,000,000,000.

It is expected that on issuance the Class A Notes will be rated "AAA" by Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and "AAA" by Fitch Ratings Ltd. ("**Fitch**"), that the Class B Notes will be rated "AA" by S&P and "AA" by Fitch, that the Class C Notes will be rated "A" by S&P and "A" by Fitch, that the Class D Notes will be rated "BBB" by S&P and "BBB" by Fitch and that the Class E Notes will be rated "BB" by S&P and "BB" by Fitch. The Class F Notes will not be rated. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to a revision, suspension or withdrawal at any time by the assigning rating organisation.

Application has been made to the Irish Financial Services Regulatory Authority ("**IFSRA**") as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**") for this Prospectus to be approved. Application has been made to the Irish Stock Exchange for each Class of Notes to be admitted to the Official List and to trading on its regulated market. Upon approval by and filing with IFSRA, this Prospectus will constitute a "prospectus" for the purposes of the Prospectus (Directive 2003/71/EC) Regulations 2005 of Ireland.

The Notes being offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state of the United States or any other relevant jurisdiction. The Notes may not be offered or sold within the United States or for the benefit or account of, or to, any U.S. persons (as defined in Regulation S under the Securities Act).

The issue of the Notes is being arranged by HSBC Bank plc (the "**Arranger**" and "**HSBC**") and the Notes are offered by the Issuer through HSBC and Sampo Bank plc ("**Sampo Bank**") (HSBC and Sampo Bank in such capacities, the "**Lead Managers**"). Any Notes to be offered to a prospective purchaser will be offered to such prospective purchaser by a Lead Manager in individually negotiated transactions at varying prices to be determined at the time of sale in compliance with the selling restrictions contained herein. The Notes are offered when, as and if issued by the Issuer, subject to prior sale or withdrawal, cancellation or modification of the offer without notice and subject to approval of certain legal matters by counsel and certain other conditions. It is expected that delivery of the Notes will be made on or about the Closing Date, against payment in immediately available funds.

Notes will be issued in registered form in the denominations of €50,000 and integral multiples of €50,000 in excess thereof.

FOR A DISCUSSION OF CERTAIN FACTORS REGARDING THE ISSUER AND THE NOTES THAT SHOULD BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE NOTES, SEE "*RISK FACTORS*" ON PAGE 20 OF THIS PROSPECTUS.

Arranger

HSBC

Lead Managers and Bookrunners

HSBC

SAMPO

19 July, 2006

The Issuer will issue €41,500,000 Class A Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class A Notes**"), €22,000,000 Class B Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class B Notes**"), €14,500,000 Class C Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class C Notes**"), €14,500,000 Class D Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class D Notes**"), €15,000,000 Class E Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class E Notes**") and €37,500,000 Class F Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class F Notes**" and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the "**Notes**").

The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes are together referred to as the "**Rated Notes**".

The Notes are limited recourse debt obligations of the Issuer, secured by, and payable solely from, the proceeds of the Mortgaged Property pledged by the Issuer as described herein. The Mortgaged Property will consist primarily of (i) the Issuer's rights under the Credit Default Swap Agreement, (ii) the balance standing to the credit of the Accounts of the Issuer from time to time into which, *inter alia*, the net proceeds of the issuance of the Notes and the Initial CDS Payment and Issuer Spread Amount under the Credit Default Swap Agreement will be credited on the Closing Date, (iii) any other Eligible Investments and (iv) the Issuer's rights under the Put Option Agreement. The relative priority of the claims of the CDS Counterparty and the Noteholders in respect of the Mortgaged Property will be governed by the Priorities of Payment.

The Notes of each Class will initially be represented by beneficial interests in one or more permanent global certificates of such Class in fully registered form, without interest coupons or principal receipts (each a "**Global Note**" and, together, the "**Global Notes**"), which will be deposited on or about the Closing Date with HSBC Bank plc as common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). By acquisition of a beneficial interest in the Global Notes any purchaser thereof will be deemed to represent that (i) it is not a U.S. Person, (ii) it is aware that the sale to it is being made in reliance on an exemption from the registration requirements of the U.S. Securities Act of 1933 (as amended) (the "**Securities Act**") provided by Regulation S under the Securities Act ("**Regulation S**"), (iii) it is acquiring such Note for its own account and (iv), if in the future it decides to transfer such beneficial interest, it will transfer such interest only to a person that is not a U.S. Person in an offshore transaction in accordance with Regulation S. Ownership interests in the Global Notes will be shown on, and transfers thereof will only be effected through, records maintained by, Euroclear and Clearstream, Luxembourg and their respective participants. Notes in definitive form will be issued in exchange for Global Notes only in limited circumstances.

The Issuer has not been and will not be registered as an investment company under the Investment Company Act, in reliance upon the exception from registration contained in Section 3(c)(7) thereof. Each purchaser of an interest in a Global Note will be deemed to represent and agree that it is not a U.S. Person and also make the representations set forth in the section "*Transfer Restrictions*" of this Prospectus. No transfer of the Notes that would have the effect of requiring the Issuer to register as an investment company under the Investment Company Act will be permitted.

The Notes have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**SEC**"), any state securities commission in the United States or any other U.S. or non-U.S. regulatory authority, and none of the foregoing authorities has passed upon or endorsed the merits of any Notes or the accuracy or the adequacy of this Prospectus. Any representation to the contrary is a criminal offence. This Prospectus does not constitute an offer of, or an invitation by or on behalf of, the Issuer, the Arranger, the Lead Managers, the Note Collateral Manager or any of their respective affiliates to subscribe for, or purchase, any Notes.

NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY, EFFECTIVE FROM THE DATE OF COMMENCEMENT OF DISCUSSIONS, RECIPIENTS, AND EACH EMPLOYEE, REPRESENTATIVE OR OTHER AGENT OF THE RECIPIENTS, MAY DISCLOSE TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE U.S. FEDERAL, STATE, AND LOCAL INCOME AND FRANCHISE TAX TREATMENT AND TAX STRUCTURE OF THE OFFERING AND ALL MATERIALS OF ANY KIND, INCLUDING OPINIONS OR OTHER TAX ANALYSES, THAT ARE PROVIDED TO THE RECIPIENTS RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE. THIS AUTHORIZATION TO DISCLOSE THE TAX TREATMENT AND TAX STRUCTURE DOES NOT PERMIT DISCLOSURE OF INFORMATION IDENTIFYING THE ISSUER OR ANY OTHER PARTY

TO THE TRANSACTION, THIS OFFERING OR THE PRICING (EXCEPT TO THE EXTENT PRICING IS RELEVANT TO THE TAX STRUCTURE OR TAX TREATMENT) OF THIS OFFERING.

The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Prospectus, and the offer and sale of the Notes, in the United States, the United Kingdom, Ireland, Finland and the European Economic Area. None of the Issuer, the Trustee, the Arranger, the Lead Managers, the CDS Counterparty, the Put Option Counterparty, the Paying Agents, the Registrar, the Custodian, the Account Bank, the Note Calculation Agent, the Corporate Services Provider or any of their respective affiliates makes any representation to any investor or potential investor in the Notes regarding the legality of its investment under any applicable legal investment or similar laws or regulations. See "*Subscription and Sale*" and "*Transfer Restrictions*" below.

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein. The Issuer accepts responsibility for the information contained in this Prospectus and, having made all reasonable enquiries, confirms that this Prospectus contains all information regarding the Issuer and the Notes that is material in the context of the issue and offering of the Notes, that the information contained in this Prospectus is true and accurate in every material respect and is not misleading, that the opinions and intentions expressed in this Prospectus are honestly held and that there are no other facts the omission of which makes misleading any statement, whether of fact or opinion, contained herein. The Issuer accepts responsibility for the information contained in this Prospectus and, to the best of the knowledge and belief of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Sampo Bank plc accepts responsibility for the information contained in the sections entitled "*Description of Sampo Bank plc*", "*Origination of Loans*", "*Servicing of Loans*", "*Description of the Reference Portfolio*" and "*Information Tables Regarding the Sample Reference Portfolio*" in this Prospectus. To the best of the knowledge and belief of Sampo Bank (who has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

HSBC accepts responsibility for the information contained in the section entitled "*Description of HSBC Bank plc*" in this Prospectus. To the best of the knowledge and belief of HSBC (who has taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Transaction Parties (other than the Issuer, Sampo Bank with respect to the section entitled "*Description of Sampo Bank plc*", "*Origination of Loans*", "*Servicing of Loans*", "*Description of the Reference Portfolio*" and "*Information Tables Regarding the Sample Reference Portfolio*" or HSBC with respect to the section entitled "*Description of HSBC Bank plc*") or any of their respective affiliates has separately verified the information contained in this Prospectus. Accordingly, no representation, warranty or undertaking, express or implied, is made, and no responsibility or liability is accepted, by any of the Transaction Parties (other than the Issuer, Sampo Bank with respect to the section entitled "*Description of Sampo Bank plc*", "*Origination of Loans*", "*Servicing of Loans*", "*Description of the Reference Portfolio*" and "*Information Tables Regarding the Sample Reference Portfolio*" or HSBC with respect to the section entitled "*Description of HSBC Bank plc*") or any of their respective affiliates as to the accuracy or completeness of the information contained in this Prospectus, or any other information supplied in connection with the sale of the Notes. Each person receiving this Prospectus or any other information supplied in connection with the sale of the Notes acknowledges that such person has not relied on any of the Transaction Parties or any of their respective affiliates in connection with the accuracy of such information (other than the Issuer, Sampo Bank with respect to the section entitled "*Description of Sampo Bank plc*", "*Origination of Loans*", "*Servicing of Loans*", "*Description of the Reference Portfolio*" and "*Information Tables Regarding the Sample Reference Portfolio*" or HSBC with respect to the section entitled "*Description of HSBC Bank plc*") or its investment decision. Each person contemplating making an investment in the Notes must make its own investigation and analysis of the Issuer and the other Transaction Parties and its own determination of the suitability of any such investment, with particular reference to its own

investment objectives and experience and any other factors that may be relevant to it in connection with such investment.

No person has been authorised in connection with the offering of the Notes to give any information or make any representation regarding the Issuer or the Notes other than as contained in this Prospectus and, if given or made, such information or representation must not be relied upon as having been authorised by any Transaction Party or any of their respective affiliates.

All information contained herein is given as of the date of this Prospectus. Neither the delivery of this Prospectus nor any sales made in connection herewith shall under any circumstances create any implication that there has been no change in the information contained herein since the date hereof.

A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in such Notes including any credit risk associated with the obligors in respect of the Reference Obligations and the Issuer. Each prospective purchaser of the Notes is responsible for its own independent appraisal of and investigation into the Reference Portfolio, as well as the risks in respect of such Notes and their terms, including, without limitation, any tax, accounting, credit, legal and regulatory risks.

None of the Issuer, any of the other Transaction Parties or any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser with any law, regulation or regulatory policy applicable to it. However, where a Note is held by or on behalf of a U.S. person (as defined in Regulation S) at the time it purchases such Note, the Issuer may, in its discretion and at the expense and risk of such holder, compel any such holder to transfer the Notes to a person who is not a U.S. person.

This Prospectus contains summaries of certain provisions of, or extracts from, the Trust Deed in respect of the Notes, the documents and agreements referred to therein and the other Transaction Documents. Such summaries and extracts are subject to, and are qualified in their entirety by, the actual provisions of such documents and agreements, copies of which are available for inspection at the registered office of the Issuer, the specified office of the Registrar and the specified office of the Transfer Agent. Holders of the Notes to which this Prospectus relates, and any other person into whose possession this Prospectus comes, will be deemed to have notice of all provisions of the documents executed in relation to the Notes which may be relevant to a decision to acquire, hold or dispose of such Notes.

If you are in any doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, lawyer, accountant or other financial adviser.

It should be remembered that the price of securities and the income from them can go down as well as up.

The Index of Terms appearing at the end of this Prospectus contains references to the pages in this Prospectus where definitions are found.

In this Prospectus, references to "**euro**", "**EUR**" and "€" are to the currency of the member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community as amended by the Treaty on European Union.

THE OFFERING

This Prospectus has been prepared by the Issuer solely for use in connection with the offering of the Notes described herein (the "**Offering**"). Each of the Issuer and each Lead Manager reserves the right to reject any offer to purchase Notes in whole or in part for any reason, or to sell less than the stated initial principal amount of any Class of Notes offered hereby. This Prospectus is personal to each offeree to whom it has been delivered by the Issuer, a Lead Manager or any affiliate thereof and does not constitute an offer to any other person or to the public generally to subscribe for or otherwise acquire the Notes. Distribution of this Prospectus to any persons other than the offeree and those persons, if any, retained to advise such offeree with respect thereto is unauthorised and any disclosure of any of its contents, without the prior written consent of the Issuer, is prohibited.

STABILISATION

In connection with the issue of the Notes, HSBC Bank plc will act as stabilising manager (the "**Stabilising Manager**"). The Stabilising Manager may over-allot Notes (provided that the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate nominal amount of the Notes) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes.

FORWARD-LOOKING STATEMENTS

This Prospectus contains forward-looking statements, which can be identified by words like "expect", "anticipate", "could" and "intend" and by similar expressions. Prospective investors should not place reliance on forward-looking statements. Actual results could differ materially from those referred to in forward-looking statements for many reasons, including the risks described in "*Risk Factors*". Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialise or will vary significantly from actual results. Variations between assumptions and results may be material.

Without limiting the foregoing, the inclusion of forward-looking statements by the Issuer, the Lead Managers, the CDS Counterparty or any of their respective affiliates or any other person are estimates and should not be regarded as representations of the results that will actually be achieved in relation to the Notes. None of the foregoing persons has any obligation to update or otherwise revise any forward-looking statements, including revisions to reflect changes in any circumstances arising after the date hereof relating to any assumptions or otherwise.

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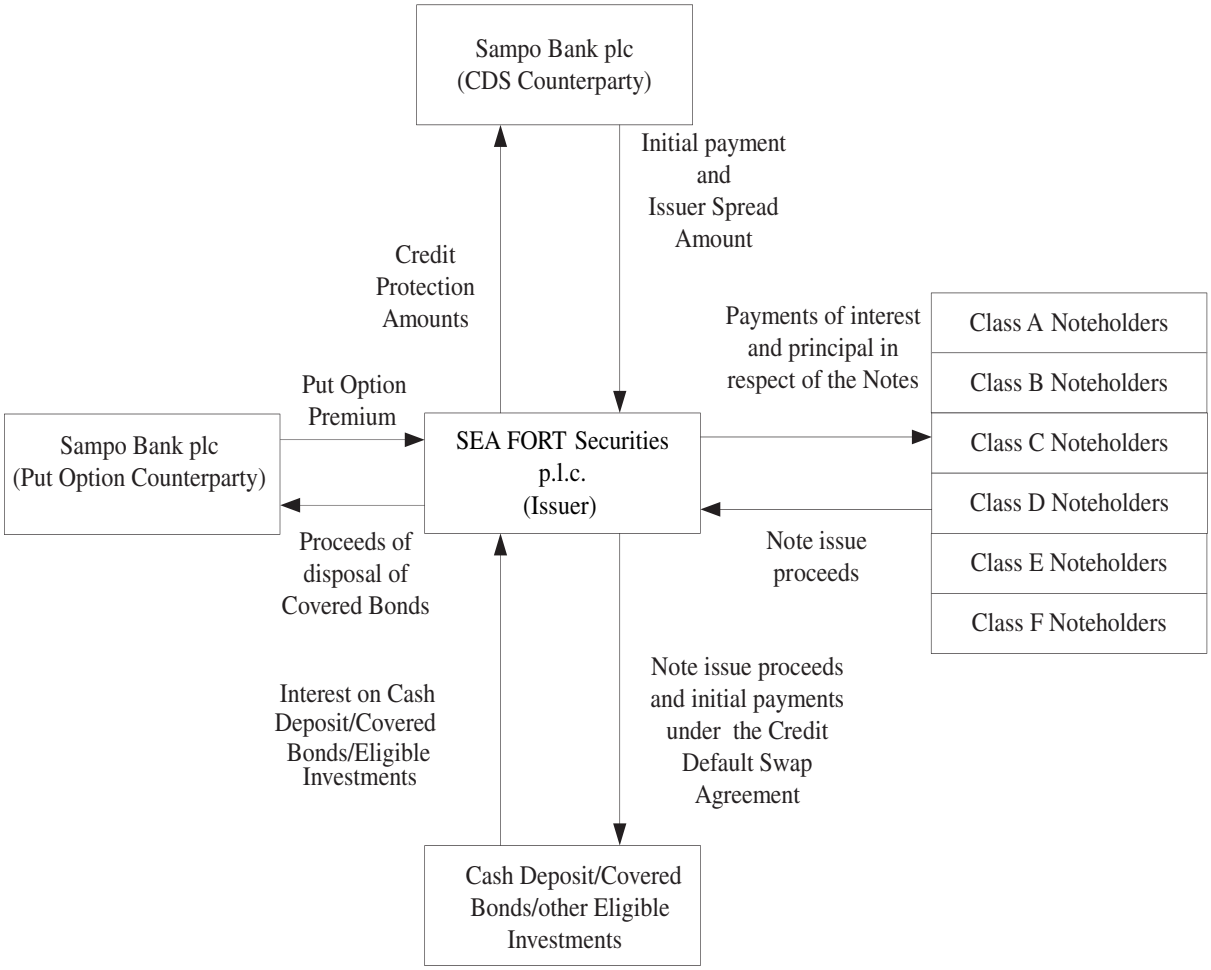
TRANSACTION DIAGRAM

The following diagram does not purport to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Prospectus including, without limitation, the Terms and Conditions of the Notes and the Transaction Documents.



TRANSACTION OVERVIEW

The following transaction overview does not purport to be complete and is qualified in its entirety by reference to the detailed information contained elsewhere in this Prospectus, including the Terms and Conditions of the Notes, and the Transaction Documents. Words and expressions not defined in this transaction overview shall have the meanings given to them elsewhere in this Prospectus.

Parties

The Issuer	SEA FORT Securities p.l.c., a public company incorporated with limited liability under the laws of Ireland. The shares of the Issuer are held directly or indirectly by the Share Trustee under the terms of a declaration of trust pursuant to which the shares of the Issuer are held on trust for charitable purposes.
Share Trustee	SFM Corporate Services Limited, pursuant to an instrument of charitable trust dated 14 July, 2006.
CDS Counterparty	Sampo Bank plc
Put Option Counterparty	Sampo Bank plc
Account Bank	HSBC Bank plc
Trustee	HSBC Trustee (C.I.) Limited
Registrar	HSBC Private Bank (Jersey) Limited
Transfer Agent	HSBC Bank plc
Principal Paying Agent	HSBC Bank plc
Irish Paying Agent	HSBC Institutional Trust Services (Ireland) Limited
Custodian	HSBC Bank plc
CDS Calculation Agent	Sampo Bank plc
Note Calculation Agent	Sampo Bank plc
Cash Administrator	Sampo Bank plc
Verification Agent	Sampo Bank plc
Accountant	Ernst & Young Oy
Corporate Service Provider	Structured Finance Management (Ireland) Limited
Arranger	HSBC Bank plc
Lead Managers and Bookrunners	HSBC Bank plc and Sampo Bank plc
Irish Listing Agent	McCann FitzGerald Listing Services Limited
Rating Agencies	Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc. ("**S&P**") and Fitch Ratings Ltd. ("**Fitch**").

Description of the Principal Features of the Notes

Note Classes	The Issuer will issue:
	€41,500,000 Class A Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class A Notes**")
	€22,000,000 Class B Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class B Notes**")
	€14,500,000 Class C Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class C Notes**")
	€14,500,000 Class D Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class D Notes**")
	€15,000,000 Class E Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class E Notes**")
	€37,500,000 Class F Secured Floating Rate Credit-Linked Notes due 2015 (the "**Class F Notes**")

The Notes will be constituted by the Trust Deed and will be limited recourse debt obligations of the Issuer. Payments of principal and interest in respect of the Notes will be made solely from the proceeds of the Mortgaged Property.

Ratings

The Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes (together, the "**Rated Notes**") are expected to be rated by S&P and Fitch as respectively set out in the following table:

	Expected S&P Rating	*Expected Fitch Rating*
Class A Notes	AAA	AAA
Class B Notes	AA	AA
Class C Notes	A	A
Class D Notes	BBB	BBB
Class E Notes	BB	BB
Class F Notes	Unrated	Unrated

The ratings assigned by the Rating Agencies to the Rated Notes address the likelihood that such Class of Notes will receive all payments to which they are entitled as described in this document; the ratings take into consideration the characteristics of the Reference Portfolio and the structural, legal, tax and Issuer-related aspects associated with the Rated Notes. No rating has been sought for the Class F Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

Note Interest

The Notes will bear interest from, and including, the Closing Date to, but excluding, the Legal Final Maturity Date on their respective Adjusted Principal Balance as at the immediately preceding Payment Date (after any payments of principal on such date and debits and credits to the Principal Deficiency Ledger).

Payment Dates

15 January, 15 April, 15 July and 15 October in each year commencing on 15 October, 2006 to, and including, the Legal Final Maturity Date, provided that if any Payment Date would otherwise fall on a date which is not a Business Day, it will be postponed to the next Business Day unless such day would fall in the next calendar month, in which event it will be the immediately preceding day that is a Business Day.

Payment Periods

The period beginning on and including the Closing Date and ending on but excluding the first Payment Date and each successive period beginning on and including a Payment Date and ending on but excluding the next succeeding Payment Date.

Interest Amount on Notes

The amount of interest payable in respect of any Note for any period shall be calculated by the Note Calculation Agent by multiplying the product of the Rate of Interest and the Adjusted Principal Balance of such Note by the number of days in the relevant Payment Period and dividing by 360, subject to the availability of funds to the Issuer to make such payments pursuant to the application of the Income Priority of Payments.

Rate of Interest on Notes

The "**Rate of Interest**" in respect of each Class of Notes for any Payment Period shall be the sum of the Base Rate (being 3 month EURIBOR or, in the case of the first Payment Period, the linear interpolation of two month and three month EURIBOR) in respect of such Payment Period and the Margin in respect of such Class of Notes.

Margin on the Notes	The applicable Margin on the Notes is: (i) in respect of the Class A Notes, 0.16 per cent. per annum to (and including) the Payment Date which is the Final Redemption Date and thereafter zero; (ii) in respect of the Class B Notes, 0.26 per cent. per annum to (and including) the Payment Date which is the Final Redemption Date and thereafter zero; (iii) in respect of the Class C Notes, 0.38 per cent. per annum to (and including) the Payment Date which is the Final Redemption Date and thereafter zero; (iv) in respect of the Class D Notes, 0.70 per cent. per annum to (and including) the Payment Date which is the Final Redemption Date and thereafter zero; (v) in respect of the Class E Notes, 2.50 per cent. per annum to (and including) the Payment Date which is the Final Redemption Date and thereafter zero; and (vi) in respect of the Class F Notes, 10.18 per cent. per annum to (and including) the Payment Date which is the Final Redemption Date and thereafter zero.
Deferred interest	Any interest amount which is not paid on any Payment Date in respect of the Notes (after application of the Income Priority of Payments) shall be deferred and shall, to the extent of funds available, be payable on the following Payment Date in accordance with the Income Priority of Payments. Deferred interest in respect of any Class of Notes will not itself bear interest. No Note Event of Default will arise if interest is not paid due to an insufficiency of Interest Proceeds after application of the Income Priority of Payments.
Adjusted Principal Balance	On any day in respect of each Class of Notes is the Outstanding Principal Amount less the Principal Deficiency Ledger Balance on that day in respect of such Class of Notes.
Business Days	Any day, not being a Saturday or Sunday, on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in London, Dublin and Helsinki and which is a TARGET Business Day and, if different, the city in which the corporate trust office of the Trustee is located, which will be Jersey in the case of the initial Trustee.
Replenishment Period	The period commencing on the Closing Date and ending on the Payment Date falling in July 2009 or, if earlier, the Final Redemption Date (the "**Replenishment Period End Date**").
Scheduled Maturity Date	The Payment Date falling in January 2012.
Final Redemption Date	The earlier of: (i) the Scheduled Maturity Date; and (ii) with respect to any one or more Classes of Notes, the date on which the Adjusted Principal Balance of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes which are then outstanding, in each case excluding the portion thereof corresponding to the Deferred Funding Amount, if any, for such Class of Notes, first becomes due and payable on an acceleration or redemption of such Class of Notes in accordance with the Conditions.

Extension Maturity Date	For any Class of Notes, the earlier of (a) the first Payment Date on which the Deferred Funding Amount for such Class of Notes has been reduced to zero (after giving effect on such Payment Date to payments pursuant to the applicable Priorities of Payment in relation to such Payment Date) and (b) the Legal Final Maturity Date.
Legal Final Maturity Date	The Payment Date falling in January 2015.
Income Priority of Payments	See Condition 4(a) (*Order of Payments – Income Priority of Payments*) in "*Terms and Conditions of the Notes*".
Principal Priority of Payment	See Condition 4(b) (*Order of Payments – Principal Priority of Payments*) in "*Terms and Conditions of the Notes*".
Enforcement Priority of Payment	See Condition 4(c) (*Order of Payments – Application of Proceeds Upon Enforcement of Security*) in "*Terms and Conditions of the Notes*".
Principal Deficiency Ledger	The Cash Administrator will maintain a ledger in respect of the Notes (the "**Principal Deficiency Ledger**"). On the Closing Date the balance of the Principal Deficiency Ledger will be zero. Thereafter the balance of the Principal Deficiency Ledger will be calculated as follows. Upon payment of any Credit Protection Amount or Positive Adjustment Payments by the Issuer to the CDS Counterparty under the Credit Default Swap Agreement, the Principal Deficiency Ledger will be credited with an amount equal to such Credit Protection Amount or Positive Adjustment Payments. Amounts shall be debited from the Principal Deficiency Ledger in accordance with the Income Priority of Payments. Upon any Eligible Collateral Account Investment Loss being determined, such amounts shall be credited to the Principal Deficiency Ledger. The balance from time to time of the Principal Deficiency Ledger shall be allocated to each Class of Notes beginning with the most junior Class of Notes then outstanding. The Adjusted Principal Balance of a Class of Notes is the Outstanding Principal Amount of such Class of Notes less the amount of the credit balance of the Principal Deficiency Ledger allocated to such Class of Notes.
Denominations	The Notes will be issued in minimum denominations of €50,000 and integral multiples of €50,000 in excess thereof.
Security	The Notes will be secured over the Mortgaged Property under the Trust Deed in favour of the Trustee in respect of the Secured Obligations owed to the Secured Parties. See Condition 3(f) (*Status, Relationship between Notes and Security*) in "*Terms and Conditions of the Notes*".
Credit Enhancement	The Notes rank sequentially in order of priority set out in the Income Priority of Payments, Principal Priority of Payments and Enforcement Priority of Payments. In addition, the Notes benefit from excess spread. An additional payment of 0.10 per cent. per annum of the Reference Portfolio Notional Amount on each CDS Payment Date prior to the Final Redemption Date will be paid by the CDS Counterparty to the Issuer on such CDS Payment Date under the Credit Default Swap Agreement. Such amount will be credited to the Excess Spread Account and will be applied as described in the Conditions. Any amount standing to the credit of the Excess Spread Account on the Payment Date falling in October of each year will be paid by the Issuer to the CDS Counterparty as Excess Spread Rebate Amount

	under the Credit Default Swap Agreement, subject to there being sufficient funds available to be applied in accordance with the Income Priority of Payments.
Governing Law	The Notes will be governed by English Law.
Listing	Application has been made to the Irish Stock Exchange for each Class of Notes to be admitted to the Official List and to trading on its regulated market.
Closing Date	20 July, 2006.

Description of the Principal Features of the Credit Default Swap Agreement

General

Credit Default Swap Agreement	On the Closing Date, Sampo Bank plc as swap counterparty (the "**CDS Counterparty**") will enter into the Credit Default Swap Agreement with the Issuer. The Credit Default Swap Agreement will provide a notional amount of credit protection in an amount equal to 100 per cent. of the Credit Default Swap Notional Amount which, on the Closing Date will be €145,000,000, being the first losses in relation to credit protection on Reference Obligations having an Initial Reference Portfolio Notional Amount on the Closing Date of €1,000,000,000.
CDS Counterparty payments	The CDS Counterparty will be required to make a periodic payment to the Issuer, on the Closing Date and on each subsequent Payment Date in respect of the immediately following Payment Period (the date on which such advance payment is to be made being a "**CDS Payment Date**"). The CDS Counterparty will be obliged to pay in advance to the Issuer on each CDS Payment Date an amount estimated to be equal to the Issuer Spread Amount in respect of the next Payment Period, which amount will be credited to the CDS Prepayment Account established by the Issuer for such purpose. The amount of such payment shall be adjusted by the CDS Counterparty paying, 3 Business Days prior to the Payment Date falling at the end of such Payment Period, any underpayment and the Issuer paying any overpayments on the Payment Date falling at the end of such Payment Period in accordance with the Income Priority of Payments (adjustments may occur where the amount payable in advance in respect of the Eligible Investment Spread Shortfall Amount, Eligible Investment Loss Amount or Issuer Operating Expenses Amount, which are estimates, turn out to be incorrect). The Issuer Spread Amount will be calculated on the Closing Date and on each CDS Payment Date and will be available to meet, *inter alia*, interest payable to investors under the Notes, subject to application of the Income Priority of Payments, as described below on the immediately succeeding Payment Date.
Issuer Spread Amounts	The CDS Counterparty will be required on each CDS Payment Date to pay an amount equal to the aggregate of: (i) until and including the CDS Payment Date immediately preceding the Final Redemption Date, the sum of the products, for each of the Class A Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes, of (a) the Adjusted Principal Balance of such Class of Notes on the Payment Date at the beginning of the Payment Period to which such CDS Payment Date corresponds (after making all calculations and determinations as to the Adjusted Principal Balance on such date) (or, for the first Payment Date, on the Closing Date), (b) the applicable Class Spread and (c) the number of days in the relevant Payment Period divided by 360; and thereafter, zero; and

(ii) until and including the CDS Payment Date immediately preceding the Final Redemption Date, the product of (a) the Adjusted Principal Balance of the Class F Notes on the Payment Date at the beginning of the Payment Period to which such CDS Payment Date corresponds (after making all calculations and determinations as to the Adjusted Principal Balance on such date), (b) the applicable Class Spread for the Class F Notes and (c) the number of days in the relevant Payment Period divided by 360; and thereafter, zero; and

(iii) until and including the CDS Payment Date immediately preceding the Final Redemption Date, the product of (a) 0.10 per cent. per annum (the "**Excess Spread Rate**"), (b) the Reference Portfolio Notional Amount on the Payment Date at the beginning of the Payment Period to which such CDS Payment Date corresponds and (c) the number of days in the relevant Payment Period divided by 360; and thereafter, zero; and

(iv) an amount equal to the Eligible Investment Spread Shortfall Amount and Eligible Investment Loss Amount for such Payment Period; and

(v) the Issuer Operating Expenses Amount.

In certain circumstances the CDS Counterparty may elect to pay additional payments reflecting certain taxes in respect of the Issuer, as described in Condition 16.

The Issuer Spread Amount is payable in advance of the Payment Date on which the amounts paid are expected to be needed by the Issuer. In respect of each Payment Period, if the amount estimated as the Issuer Spread Amount (which includes the estimate of the Eligible Investment Spread Shortfall Amount, Eligible Investment Loss Amount and Issuer Operating Expenses Amount) at or before the beginning of the Payment Period is too high, the excess will be repaid to the CDS Counterparty on the Payment Date falling at the end of such Payment Period (subject to the Income Priority of Payments); if the amount estimated as the Eligible Investment Spread Shortfall Amount, Eligible Investment Loss Amount and Issuer Operating Expenses Amount at the beginning of the Payment Period is too low, the CDS Counterparty is required to pay the deficiency no later than 3 Business Days prior to the Payment Date falling at the end of such Payment Period.

Reference Portfolio

Reference Obligations

The Reference Portfolio will comprise the Reference Obligations listed in the Reference Obligation List. The Reference Obligation List will be maintained by the CDS Counterparty and will be updated from time to time to reflect any changes in the Reference Portfolio.

Reference Portfolio Notional Amount

The Initial Reference Portfolio Notional Amount will be an amount equal to the aggregate on the Closing Date of the Reference Obligation Notional Amounts of all Reference Obligations and is expected to be approximately €1,000,000,000. Thereafter it will be determined, as described in more detail in "*The Credit Default Swap – Initial Reference Portfolio Notional Amount; Maximum Portfolio Notional Amount*" and "*The Credit Default Swap – Initial Swap Notional Amount; Credit Default Swap Notional Amount*".

Credit Default Swap Notional Amount	The Credit Default Swap Notional Amount, on any date, will be the Initial Swap Notional Amount less Credit Protection Amounts and Positive Adjustment Payments paid by the Issuer to the CDS Counterparty and plus any Negative Adjustment Payments paid by the CDS Counterparty to the Issuer. The initial Credit Default Swap Notional Amount of the Credit Default Swap Agreement (the "**Initial Swap Notional Amount**") will be €145,000,000.
Replenishments	Subject to compliance with the Reference Obligation Eligibility Criteria and the Replenishment Conditions, during the Replenishment Period the CDS Counterparty will have the right to make changes to the composition of the Reference Portfolio by adding a new Reference Obligation and/or by increasing the notional amount of a Reference Obligation which is already in the Reference Portfolio. See "*Replenishment*" below.
Replenishment Period	The period commencing on the Closing Date and ending on the Payment Date falling in July 2009 or, if earlier, the Final Redemption Date (the "**Replenishment Period End Date**").
Effect of Credit Events	
Credit Events	Bankruptcy and Failure to Pay. For further details see "*The Credit Default Swap – Credit Events*".
Conditions to Settlement	Delivery of a Credit Event Notice and a Certificate by the Accountant as described in "*The Credit Default Swap – Conditions to Settlement*".
Calculation of Credit Protection Amount	If the Conditions to Settlement are satisfied in respect of a Reference Obligation (each such Reference Obligation, a "**Defaulted Reference Obligation**"), the CDS Calculation Agent will (subject to verification as further described below) calculate the Credit Protection Amount in relation to that Defaulted Reference Obligation as described in "*The Credit Default Swap*".
Early Termination of the Credit Default Swap Agreement	The Credit Default Swap Agreement is subject to early termination in certain specified circumstances, including: (i) at the option of the CDS Counterparty on any Payment Date on which the Reference Portfolio Notional Amount is less than 10 per cent. of the Initial Reference Portfolio Notional Amount, (ii) following the occurrence of a Regulatory Event and (iii) upon the occurrence of a CDS Tax Event. For further details see "*The Credit Default Swap – Events of Default and Termination Events*".

Description of the Mortgaged Property

General	The Issuer will invest the funds available for investment from time to time in Eligible Investments at the direction of the Cash Administrator in accordance with the Cash Administration Agreement.
Eligible Investments	Will consist of: (i) the Cash Deposit, provided the Account Bank has the Account Bank Required Ratings or has, within 30 days of ceasing to have the Account Bank Required Ratings taken the action described below under "– *Downgrade of Account Bank*"; (ii) the Covered Bonds, provided the Covered Bonds are rated AAA by S&P and AAA by Fitch; (iii) in respect of the Collateral Account, if the Covered Bonds cease to be rated AAA by S&P and AAA by Fitch and Sampo Bank has put in place economically equivalent arrangements to the Put Option Agreement (including, without limiting the

same, arrangements under which Sampo Bank assumes the risk that the aggregate amount of the Eligible Investments, including the Other Eligible Investments, purchased from amounts credited to the Collateral Account, may be realised (whether by sale, redemption, repayment or otherwise) at an amount which is lower than the aggregate Adjusted Principal Balance of the Notes) satisfactory to the Trustee and in respect of which a Ratings Confirmation has been received, Other Eligible Investments; and

(iv) in respect of any account other than the Collateral Account, Other Eligible Investments.

"**Other Eligible Investments**" means

(a) interest-bearing cash deposits with a bank located in the European Union or the United States having the ratings at least equal to the Account Bank Required Ratings;

(b) direct obligations of, and obligations under which the timely payment of interest and principal is fully and expressly guaranteed by, a government, or of any other agency or instrumentality of a government, that is in each case zero risk weighted under the Standardised Approach; and

(c) demand and time deposits in, certificates of deposits of, and bankers' acceptances issued by, and any other senior debt security issued by any bank or other financial institution which qualifies for a 10 per cent. risk weighting under the Standardised Approach,

which are, in each case denominated in euro and redeemable at an amount equal to or in excess of the net acquisition cost thereof (excluding the purchase price of accrued interest thereon) and on whose acquisition no stamp duty or similar tax is required to be paid in any jurisdiction.

Cash Deposit with the Account Bank

On the Closing Date, the Issuer will apply the net proceeds of issue of the Notes, the initial payment to the Issuer by the CDS Counterparty under the Credit Default Swap Agreement (corresponding to the selling commissions and other amounts deducted from the gross subscription proceeds) and the amount paid in advance in respect of the Issuer Spread Amount in making deposits in the Collateral Account, the CDS Prepayment Account and the Excess Spread Account (the amount from time to time on deposit with the Account Bank in the Accounts being the "**Cash Deposit**") with HSBC Bank plc as Account Bank pursuant to the Account Bank Agreement which provides for periodic interest payments in relation to the Cash Deposit at a rate equal to Overnight Euro LIBOR (as determined by the Account Bank) less a margin.

The Issuer expects to use the amount credited to the Collateral Account on the Closing Date to acquire the Covered Bonds (see below).

The Cash Deposit will be repayable on any day payments are required to be paid in connection with the Transaction Documents and following enforcement of the security for the Notes and the Issuer will use funds available from it to pay interest and principal on the Notes and otherwise fund its obligations in accordance with the applicable Priorities of Payment.

Downgrade of Account Bank

If the Account Bank does not have, at any time, the Account Bank Required Ratings, the Account Bank will be obliged, within 30 calendar days:

(i) to use commercially reasonable efforts to obtain (at its expense) a guarantee in respect of its obligations under the Account Bank Agreement from a third party acceptable to the Trustee and in respect of which the Rating Agencies have previously confirmed in writing to the Issuer that it will not cause the then applicable ratings of the Notes to be downgraded, withdrawn or qualified; or

(ii) to find (at its expense) a replacement Account Bank acceptable to the Trustee and in respect of which the Rating Agencies have previously confirmed in writing to the Issuer that it will not cause the then applicable ratings of the Notes to be downgraded, withdrawn or qualified, meeting the requirements set out in the Account Bank Agreement including having at least the Account Bank Required Ratings, to act as Account Bank under the Account Bank Agreement; or

(iii) to take such other appropriate action acceptable to the Trustee which the Rating Agencies have previously confirmed in writing to the Issuer that it will not cause the then applicable ratings of the Notes to be downgraded, withdrawn or qualified.

The Cash Deposit will cease to be an Eligible Investment if no such action as described above is taken where the Account Bank does not have the Account Bank Required Ratings.

Covered Bonds

The amount credited to the Collateral Account on the Closing Date (which will equal the Outstanding Principal Amount of the Notes on the Closing Date) is expected to be applied on the Closing Date by the Issuer in acquiring €145,000,000 principal amount of the Series No: 278, Tranche 1 issue of €153,410,000 Floating Rate Obligations Foncières due January 2012 (the "**Covered Bonds**") issued by Dexia Muncipal Agency (the "**Covered Bonds Issuer**") on 20 July 2006 pursuant to the base prospectus dated 18 August, 2005 of the Euro 75,000,000,000 Dexia Municipal Agency Euro Medium Term Note Programme.

Put Option Agreement

Sampo Bank will enter into a put option with the Issuer pursuant to which the Issuer will, at the direction of the Cash Administrator, sell to Sampo Bank a principal amount of the Covered Bonds equal to the amount which would be payable pursuant to the Principal Priority of Payments (assuming, whether or not such is the case, there was sufficient cash standing to the credit of the Collateral Account) (rounded up to the nearest €1,000). The Cash Administrator will be required to exercise the put option on the fourth Business Day prior to the relevant Payment Date or Redemption Date (if not a Payment Date) on terms that:

(i) Sampo Bank will pay the purchase price equal to the nominal amount of the Covered Bonds to which such exercise relates (together with accrued interest to the Put Settlement Date) on the Put Settlement Date related to such exercise (being 2 Business Days prior to the relevant Payment Date, if applicable);

(ii) the Issuer will transfer the Covered Bonds agreed to be sold through the relevant Clearing System in which they are held (on a delivery versus payment basis) on the Put Settlement Date related to such exercise; and

(iii) the Issuer will be entitled to receive and retain interest due on the Covered Bonds agreed to be sold until the Put Settlement Date.

Collateralisation of the Put Option Agreement

Sampo Bank will enter into a security arrangement with the Issuer in the form of the 1995 Credit Support Deed (Bilateral Form – Security Interest) published by ISDA (the "**Credit Support Deed**") pursuant to which it will provide security over cash or additional covered bonds issued at the same time and which are fungible with the Covered Bonds (the "**Collateralising Covered Bonds**") (the "**Put Option Collateral**"), which will be held by the Custodian in an account for the benefit of the Issuer securing Sampo Bank's obligations under the Put Option Agreement. The amount of Put Option Collateral will be required to be not less than 105.8 per cent. of the nominal amount of Covered Bonds held as an Eligible Investment less the clean market value (that is, the market value excluding accrued interest) of the Covered Bonds held as an Eligible Investment (the "**Put Option Required Collateral Amount**"). The Put Option Collateral Valuation Agent will be required to determine the amount of the Put Option Required Collateral Amount and the value of the assets held as Put Option Collateral weekly and Sampo Bank plc will be required to provide additional cash or Collateralising Covered Bonds to the extent the value of the Put Option Collateral is less than the Put Option Required Collateral Amount. Conversely, if the value of the Put Option Collateral exceeds the Put Option Required Collateral Amount, Sampo Bank is entitled to require such excess be transferred back to it.

The "**Put Option Collateral Valuation Agent**" is the person appointed pursuant to the Credit Support Deed to determine the Put Option Collateral Required Amount and must be a person acceptable to the Trustee and in respect of whom there is a Rating Agency Confirmation.

Downgrade of Covered Bonds

If the Covered Bonds cease to be rated AAA by S&P and AAA by Fitch, the Issuer will exercise the Put Option and will invest the proceeds in the other permitted Eligible Investments subject to Rating Agency Confirmation.

Management of Other Eligible Investments

Other Eligible Investments will be managed by Sampo Bank pursuant to the Cash Administration Agreement and any other arrangements put in place if Eligible Investments include Eligible Investments other than the Cash Deposit and the Covered Bonds.

Income and principal shortfalls

If there is a shortfall between interest accruing at the Base Rate on the Notes and income received on the Eligible Investment(s) credited to the Collateral Account, the CDS Counterparty will pay to the Issuer the Eligible Investment Spread Shortfall Amount. If there are any losses arising on sale, redemption or realisation of any Eligible Investment (whichever Account it is credited to) the CDS Counterparty is required to pay to the Issuer, in the period in which the losses arise, the Eligible Investment Loss Amount.

The Eligible Investment Spread Shorfall Amount and Eligible Investment Loss Amount are part of the Issuer Spread Amount, which is payable in advance of the Payment Date on which such amounts are expected to be needed. To the extent that the estimate of the Eligible Investment Spread Shortfall Amount and/or Eligible Investment Loss Amount in respect of a Payment Period is too low or too high, it will be taken into account in determining whether the CDS Counterparty is required to make an additional payment to the Issuer no later than 3 Business Days prior to the Payment Date

	falling at the end of such Payment Period or receive the overpayment back from the Issuer on the Payment Date falling at the end of the Payment Period.
Effect of Credit Protection Amounts on Adjusted Principal Balance of Notes	The payment of any Credit Protection Amounts and/or Positive Adjustment Payments will result in the balance of the Principal Deficiency Ledger being increased and, depending on the Available Subordination Amount in respect of such Class of Notes and the amount of any excess spread, may result in the Adjusted Principal Balance of such Class of Notes being reduced.
Redemption of the Notes	
Repayment on and following the Final Redemption Date	On the applicable Final Redemption Date, the Adjusted Principal Balance of each Class of Notes shall, subject as follows, be due and payable. An amount equal to the Deferred Funding Amount will be allocated to each Class of Notes, starting with the most junior Class of Notes; each Class of Notes will be redeemed, in whole or in part, on the Final Redemption Date by payment of the Adjusted Principal Balance of such Class of Notes less the Deferred Funding Amount allocated to such Class of Notes. On each Payment Date after the applicable Final Redemption Date, an amount shall be available to pay to Noteholders in accordance with the Principal Priority of Payments equal to any reduction in the Principal Deficiency Ledger and any reduction in the Deferred Funding Amount (to the extent there is not a corresponding increase in the Principal Deficiency Ledger balance) on such Payment Date. Any amount outstanding on any Note and not repaid on or before the Legal Final Maturity Date will not be due and payable thereafter and the rights of the Noteholders to receive such amounts will be extinguished.
Legal Final Maturity Date	The Legal Final Maturity Date of the Notes will be the Payment Date falling in January 2015.
Mandatory Early Redemption of the Notes	
Redemption in part prior to the Final Redemption Date	In the event that on any Payment Date falling before the Final Redemption Date the aggregate of the Outstanding Principal Amount of all Classes of Notes on the immediately preceding Payment Date less the sum of all Credit Protection Amounts and all Positive Adjustment Payments on the immediately preceding Payment Date (after all payments made on such date) exceeds the Reference Portfolio Notional Amount on the immediately preceding Calculation Date, an amount equal to such excess will be available to be applied from the Collateral Account in redeeming the Adjusted Principal Balance of, first the Class A Notes, then the Class B Notes, then the Class C Notes, then the Class D Notes, then the Class E Notes and finally the Class F Notes.
Clean-up Call	In the event that the Reference Portfolio Notional Amount is 10 per cent. or less of the Initial Reference Portfolio Notional Amount, all (but not some only) of each Class of Notes will be redeemable at the request in writing of the CDS Counterparty, at least 20 Business Days prior to the relevant Payment Date. In the event of any such termination, the Notes will become due and repayable as described under "*Repayment on and following the Final Redemption Date*" above.
Regulatory Call	If a Regulatory Event occurs, all (but not some only) of each Class of Notes will be redeemable at the request in writing of the CDS Counterparty, at least 20 Business Days prior to the relevant Payment Date (the "**Regulatory Call Option**"). In the event of any

	such redemption, the Notes will become due and repayable as described under "*Repayment on and following the Final Redemption Date*" above.
Redemption for Taxation Reasons	The Notes will become due and repayable if certain taxes are payable by the Issuer and the CDS Counterparty determines not to pay additional amounts to enable the Issuer to pay such taxes. In the event of any such termination, the Notes will become due and repayable as described under "*Repayment on and following the Final Redemption Date*" above.
Redemption following other termination of the Credit Default Swap Agreement	If the Credit Default Swap Agreement is terminated in whole but not in part other than pursuant to the preceding three paragraphs, the Notes will be redeemed at their respective Adjusted Principal Balance (together with accrued but unpaid interest) on the tenth Business Day following the delivery of a statement of the amount payable on early termination of the Credit Default Swap from the party entitled to deliver it.
Note Events of Default	The Note Events of Default in respect of the Notes are set out in Condition 10 (*Events of Default and Enforcement*) in "*Terms and Conditions of the Notes*".

The Offering

Summary of U.S. Selling Restrictions	The Notes of each Class will be offered outside of the United States to non-U.S. persons (as defined in Regulation S under the Securities Act) in an "offshore transaction" in reliance on Regulation S under the Securities Act.

RISK FACTORS

An investment in the Notes of any Class involves certain risks. Prospective investors should carefully consider the following factors, in addition to the matters set forth elsewhere in this Prospectus, prior to investing in the Notes of any Class. Prospective investors should form their own opinions of the transactions described in this Prospectus prior to making any investment decision and should take their own legal, financial, accounting, tax and other relevant advice as to the merits and viability of their investment.

Suitability

Prospective purchasers of Notes of any Class should ensure that they understand the nature of such Class of Notes and the extent of their exposure to risk, that they have sufficient knowledge, experience and access to professional advisors to make their own legal, tax, accounting and financial evaluation of the merits and risks of an investment in such Class of Notes and that they consider the suitability of the Notes of such Class as an investment in light of their own circumstances and financial condition.

Legality of Investment

Each purchaser of Notes of any Class is responsible for determining for itself whether it has the legal power, authority and right to purchase any Notes. None of the Issuer, the CDS Counterparty, the Lead Managers, the Trustee or any other Transaction Party or any of their respective affiliates expresses any view as to any purchaser's legal power, authority or right to purchase Notes of such Class. Investors are urged to consult their own legal, tax and accounting advisors as to such matters.

Leverage

Under the Credit Default Swap Agreement, the Issuer will be obligated to make Credit Protection Amount payments and Positive Adjustment Payments to the CDS Counterparty as a result of Credit Events occurring in respect of the Reference Obligations comprised in the Reference Portfolio. The Issuer will be in a first loss position with respect to the amount of such payments. The Credit Default Swap Agreement is a leveraged arrangement because the Issuer is (and therefore the Noteholders are) exposed to the risks on the entire Reference Portfolio (with a Maximum Portfolio Notional Amount of up to €1,000,000,000) while the potential liability of the Issuer for Credit Protection Amount payments to the CDS Counterparty under the Credit Default Swap is limited to the notional amount under the Credit Default Swap, which is an amount initially equal to the aggregate Initial Principal Amount of the Notes of €145,000,000. The excess of the Maximum Portfolio Notional Amount of the Reference Portfolio over the Initial Swap Notional Amount under the Credit Default Swap Agreement increases the risk of loss to the Issuer and the Noteholders. Accordingly, the Noteholders are subject to a high risk of losing all or part of their investment.

No Interest in the Reference Obligations or the Reference Collateral

Neither the Noteholders nor the Issuer will have any right to or interest in any Reference Obligation or, if applicable, any Reference Collateral securing payment of any such Reference Obligation, even if the Issuer is required to make a Credit Protection Amount payment in respect of such Reference Obligation. A Noteholder will not have rights equivalent to those of a holder of a Reference Obligation or of a direct or indirect secured party in respect of any Reference Collateral. For example, if a bankruptcy or workout occurs with respect to any Reference Obligation, a holder of the Notes, unlike a holder of the underlying Reference Obligation, will have no right to challenge or participate in any element of the bankruptcy proceedings, workout negotiations or Reference Collateral recovery procedures, if any. Consequently, an investment in a Class of Notes may be riskier than a corresponding investment in the underlying Reference Obligations.

The Reference Portfolio

Exposure to Reference Obligations

The Reference Portfolio will consist of Reference Obligations that represent obligations of a variety of Reference Entities, some investment grade and some below investment grade. The likelihood of the occurrence of a Credit Event is greater with respect to Reference Obligations for which the Reference Entities are rated below investment grade.

The amount repayable in respect of the Notes is dependent in part upon whether one or more Credit Events have occurred in relation to any Reference Obligation on or before the Final Redemption Date, the number of Credit Events that have occurred and the extent of any Recoveries (there being no assurance that any Recoveries may be received by any holder in respect of the relevant Defaulted Reference Obligation). Accordingly, the Issuer and, therefore, the Noteholders will have exposure to the credit risk of the Reference Portfolio and the Noteholders may lose some or all of the amounts invested in the Notes as the result of Credit Events occurring with respect to all or a portion of the Reference Portfolio. None of the Issuer, the Trustee, the Arranger, HSBC Bank plc or Sampo Bank plc as Lead Managers, the Registrar or the Noteholders will have any right to know the details of any Reference Obligation, including the specific identity of the Borrower in respect thereof or the terms of such Reference Obligation.

Any Credit Protection Amount arising under the Credit Default Swap Agreement and payable by the Issuer to the CDS Counterparty will be funded from the realisation of Mortgaged Property. The amounts available to pay amounts of principal and interest payable in respect of the Notes will be reduced accordingly. As a result, Noteholders will be exposed to the credit risk of the Reference Obligations to the full extent of their investment in the Notes, with the most deeply subordinated classes of Noteholders having the highest degree of exposure pursuant to the applicable Priorities of Payment.

Noteholders may also be adversely affected by changes in the identity of, and changes in control in relation to, the Reference Entities. Some or all of the Reference Entities may undergo a change in control through an assignment or sale of their respective assets or through mergers, acquisitions or similar transactions involving corporate reorganizations. As a result of any such change in control, a third party may assume the obligations of a Reference Entity and may be a successor of a Reference Entity. The CDS Counterparty is not expected to have any control over or influence upon any such change in control. The determination of the identity of any successor to a Reference Entity will be made by the CDS Calculation Agent after consultation with the CDS Counterparty and the Issuer pursuant to the Credit Default Swap Agreement.

In addition, Noteholders may be adversely affected by laws regarding the rights and obligations of debtors such as the Reference Entities and creditors who own such obligations. Reference Entities may be subject to various laws enacted in the jurisdictions in which they are organised or in which the Reference Obligations are incurred regarding the rights of creditors. The effect of such laws upon the occurrence of a Bankruptcy Credit Event or upon Recoveries cannot be expected to be uniform, and considerations of such laws as they may affect the Issuer will differ depending on the jurisdictions in which each Reference Entity is organised or domiciled, in which each Reference Obligation is incurred or is payable and in which any collateral or other security for any Reference Obligation is located, among other factors that may be affected by such laws. There can be no assurance as to what standard a court would apply in order to determine whether the Reference Entity was "insolvent" or eligible for protection from action by creditors afforded to it by applicable law. In addition, in the event a Reference Entity becomes subject to insolvency proceedings, payments made in respect of a Reference Obligation could be subject to avoidance as a "preference" if made within a certain period of time before the commencement of such proceedings. In such circumstances, the amount and timing of Recoveries would be uncertain.

Geographic and Industry Concentration of the Reference Obligations

Each Reference Entity in respect of a Reference Obligation, as of the day on which such Reference Obligation first becomes part of the Reference Portfolio, will be located in Finland. If Finland suffers a general economic downturn, the ability of a Borrower to service its obligations in respect of the relevant Reference Obligation may be adversely affected and therefore higher rates of loss may be experienced in respect of Reference Obligations, thereby leading to an increase in the frequency of Credit Events and a decrease in the ability to effect recoveries in respect of Reference Obligations, potentially resulting in losses to Noteholders. Finland's general economic condition may be adversely affected by a variety of events, including natural disasters, acts of war or terrorism, civil disturbances and/or any downturn in world or European economic activity. No prediction can be made as to the effect of such scenarios on the rate of delinquencies and losses on the Reference Obligations.

Although the Reference Entities are involved in a range of different industry sectors, there may be either a higher concentration of Reference Entities in a particular industry sector or correlation between the creditworthiness of Reference Entities in different but related industry sectors. Deterioration in the economic conditions in any such industry sector or sectors may adversely affect

the ability of the Reference Entities to pay the Reference Obligations and therefore could increase the risk of Credit Events occurring in relation to the Reference Obligations. A greater concentration of the Reference Entities in particular industry sectors may therefore result in a greater risk of loss than if such concentration had not been present.

Reliance on the Performance by the Servicer Effectively to Service the Reference Obligations

Recoveries in respect of Defaulted Reference Obligations will affect the amount of any Credit Protection Amount payable to the CDS Counterparty in respect thereof (see "*The Credit Default Swap – Credit Protection Amounts*"). The amount of any Credit Protection Amounts payable by the Issuer (and related write down in Adjusted Principal Balance of the Notes) may therefore in part be dependent on the servicing procedures operated by the servicer of such Defaulted Reference Obligations to service the Defaulted Reference Obligations and maximise Recoveries. To the extent Sampo Bank plc or any affiliate is the servicer it will be required to follow the procedures described under "*Servicing of Loans*"; there can be no assurance that Sampo Bank plc or any affiliate will be the servicer (or if it is initially, that it will remain the servicer) of any Reference Obligation or that any third party servicer will apply procedures equivalent to those described under "*Servicing of Loans*".

Limited Provision of Information about the Reference Entities, the Reference Obligations and the Reference Portfolio

None of the Issuer, the Trustee, the Arranger, HSBC Bank plc or Sampo Bank plc (in its capacity as a Lead Manager) or the Noteholders will have the right to know the specific identity of any Reference Entity or Reference Obligations from time to time designated in the Reference Obligations List, or to receive information regarding any Reference Entity or Reference Obligation except for data set forth in the Quarterly Report. Except as set out in the Notes and the Trust Deed, the Issuer and the CDS Counterparty will not be required to keep the Noteholders or the Trustee informed as to the performance of the Reference Obligations, the ongoing compliance of the Reference Portfolio with the Reference Obligation Eligibility Criteria and the Replenishment Conditions and as to matters arising in relation to the Reference Entities or any other obligors in respect of the Reference Obligations, including information on the CDS Counterparty's group exposures (if any) to any such obligor (except as specifically set forth in the Credit Default Swap Agreement) or whether or not circumstances exist under which there is a possibility of the occurrence of a Credit Event and/or loss. The data set forth in each Quarterly Report will contain no personal information related to, or capable of interpretation to identify, any Reference Entity or Reference Obligation, and Noteholders will have no right to obtain, nor is any party obliged to provide to Noteholders, any information regarding the compliance of the Reference Portfolio with the Reference Obligation Criteria, the Replenishment Conditions or regarding any other matters arising in relation to any Reference Entity or Reference Obligation.

None of the Issuer, the Trustee, the Arranger, HSBC Bank plc or Sampo Bank plc (in its capacity as a Lead Manager) or the Noteholders will have the right to inspect any records of the CDS Counterparty and the CDS Counterparty will be under no obligation to disclose any further information or evidence regarding the existence or terms of any Reference Obligation, of any Reference Entity, of any matters arising in relation thereto or otherwise regarding any Borrower, any guarantor or any other person. However, the Verification Agent will have access to information regarding Reference Obligations and related Reference Entities in connection with verification of the matters relating to the occurrence of Credit Events and the calculation of Credit Protection Amounts. The Verification Agent will be subject to strict confidentiality obligations.

The Credit Default Swap Agreement

Credit Risk

A prospective purchaser of the Notes should have such knowledge and experience in financial and business matters and expertise in assessing credit risk that it is capable of evaluating the merits, risks and suitability of investing in the Notes including any credit risk associated with the Issuer, the CDS Counterparty or any other obligor with respect to the Mortgaged Property.

If the CDS Counterparty fails to make due and timely payment, or otherwise honour its obligations, under the Credit Default Swap Agreement, a loss of principal and/or interest under the Notes may result. Accordingly, the Noteholders assume the credit risk of the CDS Counterparty.

Replenishment

The Initial Reference Portfolio Notional Amount for the Reference Portfolio is approximately €1,000,000,000.

As Reductions (within the meaning of the Credit Default Swap Agreement) occur, the CDS Counterparty will have the right, during the Replenishment Period and subject to the satisfaction of the applicable Replenishment Conditions, to replenish the Reference Portfolio. The CDS Counterparty's right to replenish means there can be more Reference Obligations in the Reference Portfolio which could suffer Credit Events leading to losses for all or a portion of the Noteholders.

As a consequence, a Replenishment may mean that the composition of the Reference Portfolio may vary over time and that the overall quality of the Reference Portfolio could diminish. Accordingly, the characteristics of the Reference Portfolio on the Closing Date, as described in "*The Reference Portfolio*" below, could change in the future in a way that would have a detrimental effect on an investment in the Notes.

Synthetic Exposure – No Interest in Reference Entities or Reference Obligations

Under the Credit Default Swap Agreement, the Issuer will have a contractual relationship only with the CDS Counterparty and not with any Reference Entity. The CDS Counterparty is not required to have any exposure to any Reference Entity or Reference Obligation. Even if it does, the CDS Counterparty will not be, and will not be deemed to be acting as, the agent or trustee of the Issuer in connection with the exercise of, or the failure to exercise, the rights or powers (if any) of the CDS Counterparty arising under or in connection with any Reference Obligation. Consequently, the Credit Default Swap Agreement does not constitute a purchase, assignment or other acquisition of any interest in any Reference Obligation forming part of the Reference Portfolio (or any Reference Collateral relating thereto). Therefore, the Issuer and the Trustee will have rights solely against the CDS Counterparty in accordance with the Credit Default Swap Agreement and will have no recourse against any Reference Entity or to any Reference Obligation or any Reference Collateral.

No Actual Loss

On each Payment Date, the Issuer is obliged to make payments of amounts equal to the Credit Protection Amount to the CDS Counterparty pursuant to the Credit Default Swap Agreement, in respect of Liquidated Reference Obligations where the Credit Protection Amount has been calculated, irrespective of whether the CDS Counterparty has suffered an actual loss in respect of, or is exposed to the risk of loss on, a Defaulted Reference Obligation. Other than in accordance with the calculation of the Credit Protection Amount and Adjustment Payments pursuant to the Credit Default Swap Agreement (see "*The Credit Default Swap*"), the CDS Counterparty is under no obligation to account, and will not account, for any amount that may be recovered in respect of a Defaulted Reference Obligation by the holder thereof after the final Extension Maturity Date.

The Notes

Limited Recourse

The Notes represent obligations of the Issuer only, and do not represent obligations of the CDS Counterparty, the Put Option Counterparty, the Arranger, the Lead Managers, the Trustee, HSBC, the Covered Bonds Issuer, Sampo Bank or any of their respective affiliates (other than the Issuer) or any affiliate of the Issuer or any other third person or entity. None of the CDS Counterparty, the Put Option Counterparty, the Arranger, the Lead Managers, the Trustee, HSBC, the Covered Bonds Issuer, Sampo Bank, or any of their respective affiliates (other than the Issuer) or any other third person or entity will be obligated to make payments on any Class of Notes.

The Issuer's ability to satisfy its payment obligations under each Class of Notes is dependent upon its receipt of the amounts payable to it under the Credit Default Swap Agreement and the other Transaction Documents, proceeds from the Cash Deposit, interest on the Covered Bonds and realisation proceeds on sale of the Covered Bonds (including pursuant to the Put Option Agreement) and other amounts derived from the Eligible Investments and bank accounts. If the Trustee enforces the claims under a Class of Notes, such enforcement will be limited to the Mortgaged Property over which security is given in favour of the Issuer under the Trust Deed and the other Transaction Documents. To the extent that the Mortgaged Property, or the proceeds of the realisation thereof, prove ultimately insufficient to satisfy the claims of the CDS Counterparty and all holders of any such Class of Notes in full, then any shortfall arising will be extinguished and neither any such Noteholder nor the Trustee will have any further claims against the Issuer. The payment of Credit

Protection Amounts or Positive Adjustment Payments by the Issuer to the CDS Counterparty will reduce the Mortgaged Property and cause some or all of the Noteholders, depending on the circumstances, to receive reduced payments on the Notes to the extent they are not simultaneously made good out of, *inter alia*, Excess Spread Amounts or Negative Adjustment Payments.

Subordination

Payments on the Notes are subject to the Priority of Payments provisions described herein. Under such provisions, payments in respect of principal on the Notes are subordinated to the payment of Credit Protection Amounts and Positive Adjustment Payments to the CDS Counterparty and payments in respect of interest on the Notes is subordinated to certain other expenses of the Issuer and making good amounts credited to the Principal Deficiency Ledger. Each Class of Notes is only entitled to payments in accordance with the applicable Priority of Payments and does not have any right to the payment of interest or repayment of principal if funds are not available for either such purpose in accordance with the applicable Priority of Payments. The Noteholders are subject to a high risk of losing all or part of their investment as a result of the foregoing.

The Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are fully subordinated as to payment and priority to the Class A Notes; the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are fully subordinated as to payment and priority to the Class A Notes and the Class B Notes; the Class D Notes, the Class E Notes and the Class F Notes are fully subordinated as to payment and priority to the Class A Notes, the Class B Notes and the Class C Notes; the Class E Notes and the Class F Notes are fully subordinated as to payment and priority to the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes; and the Class F Notes are fully subordinated as to payment and priority to the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes.

Prior to any enforcement of the security in respect of the Mortgaged Property, no payments of interest will be made on the Class B Notes until interest on the Class A Notes has been paid in full and the Class A Principal Deficiency Ledger Balance has been reduced to zero; no payments of interest will be made on the Class C Notes until interest on the Class B Notes has been paid in full and the Class B Principal Deficiency Ledger Balance has been reduced to zero; no payments of interest will be made on the Class D Notes until interest on the Class C Notes has been paid in full and the Class C Principal Deficiency Ledger Balance has been reduced to zero; no payments of interest will be made on the Class E Notes until interest on the Class D Notes has been paid in full and the Class D Principal Deficiency Ledger Balance has been reduced to zero; no payments of interest will be made on the Class F Notes until interest on the Class E Notes has been paid in full and the Class E Principal Deficiency Ledger Balance has been reduced to zero. No payments of principal will be made in respect of the Class B Notes until the Class A Notes have been redeemed in whole at their Adjusted Principal Balance; no payments of principal will be made in respect of the Class C Notes until the Class A Notes and the Class B Notes have been redeemed in whole at their Adjusted Principal Balance; no payments of principal will be made in respect of the Class D Notes until the Class A Notes, the Class B Notes and the Class C Notes have been redeemed in whole at their Adjusted Principal Balance; no payments of principal will be made in respect of the Class E Notes until the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been redeemed in whole at their Adjusted Principal Balance; no payments of principal will be made in respect of the Class F Notes until the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been redeemed in whole at their Adjusted Principal Balance, in each case in accordance with the applicable Priority of Payments.

Following enforcement of the security in respect of the Mortgaged Property, no payments of principal and interest will be made in respect of the Class B Notes until interest and principal in respect of the Class A Notes have been paid in full at their Adjusted Principal Balance; no payments of principal and interest will be made in respect of the Class C Notes until interest and principal in respect of the Class A Notes and the Class B Notes have been paid in full at their Adjusted Principal Balance; no payments of principal and interest will be made in respect of the Class D Notes until interest and principal in respect of the Class A Notes, the Class B Notes and the Class C Notes have been paid in full at their Adjusted Principal Balance; no payments of principal and interest will be made in respect of the Class E Notes until interest and principal in respect of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes have been paid in full at their Adjusted Principal Balance; no payments of principal and interest will be made in respect of the Class F Notes until interest and principal in respect of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes have been paid in full at their Adjusted Principal Balance.

Remedies pursued by the holders of the Controlling Class of Notes then outstanding could be adverse to the interest of the holders of the Notes of any more junior Class of Notes.

Interest on the Notes

To the extent that the Adjusted Principal Balance of the Notes is less than the Outstanding Principal Amount of the Notes (for example because there have been payments by the Issuer under the Credit Default Swap Agreement which have not been funded out of the Excess Spread Amounts), interest accrues on the Adjusted Principal Balance and not on the Outstanding Principal Amount.

Ratings of the Notes

It is a condition to the issuance of each Class of Notes that the Rated Notes receive the rating by the Rating Agencies shown on the front page of this Prospectus. In the event that the rating initially assigned to any such Class of Notes is subsequently reduced for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to such Class of Notes, and the market value of such Class of Notes is likely to be adversely affected. Any reduction of the rating of one or more Reference Entities or of the CDS Counterparty or of the Account Bank or of the Covered Bonds Issuer may also result in a reduction, qualification or withdrawal of the rating assigned to any such Class of Notes by the assigning Rating Agency. In addition, any reduction or withdrawal of the rating on the Notes of any Class will adversely affect the market value of such Notes and may adversely affect the suitability of an investment in such Notes by certain investors.

The ratings assigned to the Rated Notes by the Rating Agencies are based on the Notes, the Reference Portfolio, the Credit Default Swap Agreement, the Account Bank Agreement, the terms of the Covered Bonds and Put Option Agreement, the Eligible Investments and Eligible Investment criteria and other relevant structural features of the transaction and such ratings reflect only the views of the Rating Agencies. The ratings assigned by the Rating Agencies to the Rated Notes address the likelihood that holders of such Class of Notes will receive all payments to which they are entitled as described in this document; the ratings take into consideration the characteristics of the Reference Portfolio and the structural, legal, tax and Issuer-related aspects associated with the related Notes. The Class F Notes will not be rated by S&P or Fitch. A rating is not a recommendation to buy, sell or hold securities and will depend, amongst other things, on the performance of the Reference Portfolio and the creditworthiness of the CDS Counterparty and the Account Bank.

There is no assurance that any such ratings will continue for any period of time or that they will not be reviewed, revised, suspended or withdrawn entirely by the Rating Agencies (or any one of them) as a result of changes in, or unavailability of, information or if, in the judgment of any of the Rating Agencies, circumstances so warrant. Future events, including changes in the economy of Finland, could also have an adverse impact on the ratings of the Notes.

No Assurance of Secondary Market; Limited Liquidity

Although there is currently a market for notes representing collateralised synthetic debt obligations similar to the Notes, there is currently no market for the Notes. Although the Lead Managers (or either of them) may from time to time make a market in the Notes, neither is obliged to do so, and following the commencement of any market-making, may discontinue the same at any time without notice.

There can be no assurance given that an active secondary market for the Notes will develop or, if such a market does develop, that it will provide the Noteholders with liquidity or that it will continue for the life of the Notes. Moreover, the limited scope of information available to the Issuer, the Trustee and the Noteholders regarding the Reference Entities, Reference Obligations and the nature of any Credit Event may affect the liquidity of the market for and the value of the Notes, especially the more junior Classes of Notes. Consequently, any purchaser of the Notes must be prepared to hold such Notes for an indefinite period of time or until final redemption or maturity of such Notes.

Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directive 2003/71/EC, for this Prospectus to be approved. Application has been made to the Irish Stock Exchange for each Class of Notes to be admitted to the Official List and to trading on its regulated market. There can be no assurance that such applications will be granted, or if granted that such listing will be maintained.

Restrictions on Transfer

The Notes are subject to restrictions on transfer, as described in "*Subscription and Sale*" and "*Transfer Restrictions*".

Optional Tax Redemption, Regulatory Call or Clean Up Call

Although the Scheduled Maturity Date of the Notes is the Payment Date in January 2012, the Notes are subject to redemption, at the direction of either the Majority of the Controlling Class or the CDS Counterparty, depending on the circumstances, before or after such date pursuant to the Conditions governing optional redemption arising out of the incidence of Taxes or Relevant Issuer Tax or the occurrence of a Regulatory Event or a Clean Up Event, in each case without premium and subject to the provisions applicable to Deferred Funding Amounts. The interests of either the Majority of the Controlling Class or the CDS Counterparty under the conditions in which the optional redemption of the Notes is permitted may conflict with the interests of the other Noteholders or the Noteholders generally in such regard, and therefore, prospective purchasers of the Notes of any Class should consider fully the impact that optional redemption as directed by either the Majority of the Controlling Class or the CDS Counterparty would have on their investment in the Notes of such Class.

Amortisation of the Notes

Although the Scheduled Maturity Date of the Notes is the Payment Date in January 2012, the Notes are subject to redemption on any Payment Date falling before the Final Redemption Date in the event that the aggregate of the Outstanding Principal Amount of all Classes of Notes less the sum of all Credit Protection Amounts and all Positive Adjustment Payments on the immediately preceding Payment Date (after all payments made on such date) exceeds the Reference Portfolio Notional Amount on the immediately preceding Calculation Date, an amount equal to such excess being applied from the Collateral Account in redeeming first the Class A Notes, then the Class B Notes, then the Class C Notes, then the Class D Notes, then the Class E Notes and then the Class F Notes, in each case without premium. The CDS Counterparty has the right to replenish the Reference Portfolio with additional Reference Obligations or increases in existing Reference Obligation Notional Amounts (subject to the conditions to Replenishment) until the Replenishment Period End Date (being the Payment Date falling in July 2009); but there can be no assurance that it will do so and thereafter the likelihood of Notes amortising will depend on, *inter alia*, the amortisation of the Reference Obligations comprised at that date in the Reference Portfolio.

Early Termination of the Credit Default Swap

Under the Credit Default Swap, the CDS Counterparty or the Issuer, as applicable, will have the right to terminate the Credit Default Swap upon the occurrence of a Credit Default Swap Termination Event or Credit Default Swap Event of Default. The designation of an Early Termination Date under the Credit Default Swap will lead to the acceleration of the maturity of the Notes. In exercising any right it may have to designate such an Early Termination Date, the CDS Counterparty will act as a principal and will not have any fiduciary or other duties to the Noteholders or any obligation to act in the interest of the Noteholders.

Extension of Maturity of the Notes

The Adjusted Principal Balance of the Class A Notes, the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes will be redeemed on the applicable Final Redemption Date unless the Issuer has received one or more Credit Event Notices or Impairment Notices under the Credit Default Swap Agreement prior to such Final Redemption Date and the Credit Protection Amounts in respect of the relevant Defaulted Reference Obligations or Liquidated Reference Obligations remain undetermined or uncertified at that time or there is any Impaired Notional Amount in respect of any Impaired Reference Obligation. Under such conditions, payment of all or part of the Adjusted Principal Balance of the Class A Notes, the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes may be subject to deferral on the Final Redemption Date. After the applicable Final Redemption Date, as the relevant Credit Protection Amounts are determined and certified, to the extent that the Deferred Funding Amount for any Class of Notes is reduced, a portion of the Cash Deposit (or, as applicable, Covered Bonds or other Eligible Investments credited to the Collateral Account) will be released or realised (as applicable) to enable payment on the Notes of each relevant Class to be made on such dates, subject to the prior use of such funds to pay Credit Protection Amounts or Positive Adjustment Payments and in accordance with the applicable Priority of Payments. In such circumstances, if the Issuer is required to pay Credit Protection Amounts or Positive Adjustment Payments out of funds constituting Mortgaged Property, the holders of the Notes of each relevant Class will incur losses accordingly. The Loss Determination Date for any such Defaulted Reference Obligation may not occur until the Legal Final Maturity Date, and the final date for any payment in respect of the

Adjusted Principal Amount of the Class A Notes, the Class B Notes, Class C Notes, the Class D Notes, the Class E Notes or the Class F Notes may consequently be extended until the Legal Final Maturity Date. If on the Legal Final Maturity Date the Adjusted Principal Balance of any Class of Notes remains unpaid due to any Deferred Funding Amount, such amount shall cease to be payable.

Reliance on Creditworthiness of the Account Bank, the Covered Bonds Issuer, the Put Option Counterparty and the CDS Counterparty

The ability of the Issuer to meet its obligations under the Notes will be dependent upon, amongst other things, its receipt of payments from the CDS Counterparty under the Credit Default Swap Agreement and the Account Bank under the Account Bank Agreement, the receipt of interest on the Covered Bonds and the sale (or other realisation) proceeds on disposal of the Covered Bonds (including pursuant to the Put Option Agreement). Consequently, the Noteholders and the Issuer are relying on the full and timely performance by, and creditworthiness of, the CDS Counterparty, the Account Bank, the Covered Bonds Issuer and the Put Option Counterparty in respect of their obligations under the Credit Default Swap Agreement, the Account Bank Agreement, the Covered Bonds and the Put Option Agreement, respectively.

The Put Option Counterparty is required to provide security over cash and/or Collateralising Covered Bonds in an amount at least equal to the Put Option Collateral Required Amount; such amount has been determined to reflect the likely difference between the clean market value of the Covered Bonds held as Eligible Investments and the par amount of the Covered Bonds held as Eligible Investments so that if the Put Option Counterparty fails to pay the Put Purchase Price on any day the entire Covered Bonds will be sold and the Put Option Counterparty will be required to pay to the Issuer damages for loss in an amount equal to the amount by which the nominal amount of the Covered Bonds exceeds the sale proceeds of such Covered Bonds. The amounts received on sale and the amount received from the Put Option Counterparty by way of damages will be credited to the Collateral Account and invested in Eligible Investments. There can be no assurance that the Put Option Required Collateral Amount will be sufficient, in which event the Issuer will have an unsecured claim for the excess against Sampo Bank.

Relationship of the CDS Counterparty with Reference Entities

Although the CDS Counterparty and/or its affiliates may have entered into and may from time to time enter into transactions with Reference Entities, the CDS Counterparty and/or its affiliates at any time may or may not hold obligations (including the Reference Obligations) of, or have any relationship with, any particular Reference Entity. The CDS Counterparty and its affiliates may deal in any Reference Obligation and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of banking or other business transactions with, any Reference Entity and may act with respect to such transactions in the same manner as if the Credit Default Swap Agreement and the Notes did not exist and without regard to whether any such action might have an adverse effect on any Reference Entity, the Issuer or the Noteholders.

Conflicts of Interest

The CDS Counterparty, the other Transaction Parties and any of their respective affiliates may deal in any obligation, including any obligations of a Reference Entity or its affiliates, and may accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with any Reference Entity, its affiliates, any other person or entity having obligations relating to a Reference Entity or its affiliates and may act with respect to such business in the same manner as if any Notes issued hereunder and the Credit Default Swap Agreement did not exist, regardless of whether any such action might have an adverse effect (including, without limitation, any action which might give rise to a Credit Event) on a Reference Entity and/or its affiliates. Various potential and actual conflicts of interest may arise between the interests of the Noteholders, on the one hand, and some or all of the Issuer, the Transaction Parties and any of their respective affiliates, on the other hand. None of the Issuer, the Transaction Parties nor any of their respective affiliates has any obligation to resolve such conflicts of interest in favour of the Noteholders and may pursue actions and take such steps that it deems necessary or appropriate to protect its interests without regard to the consequences for the Noteholders. In particular, the interests of the CDS Counterparty may be adverse to those of the Noteholders. The terms of the Notes and the Credit Default Swap Agreement provide the CDS Counterparty and the CDS Calculation Agent with certain discretions which they may exercise without any regard for the interests of the Noteholders.

HSBC Bank plc and its affiliates are acting in a number of capacities (Trustee, Account Bank, Principal Paying Agent, Registrar, Custodian, Transfer Agent, Arranger and a Lead Manager) in connection with the transactions described herein. HSBC Bank plc and its affiliates acting in such capacities in connection with such transactions shall only have the duties and responsibilities expressly agreed to by it in its relevant capacities and shall not, by virtue of its acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. HSBC Bank plc and its affiliates in its various capacities in connection with the contemplated transactions may enter into business dealings from which it may derive revenue and profits in addition to the fees, if any, stated in the various Transaction Documents, without any duty to account therefor.

The interests of the CDS Counterparty, each Class of Noteholders and the other Secured Parties may differ in certain circumstances. Conditions 3 (*Status, Relationship between Notes and Security*), 14 (*Meetings of Noteholders; Modification; Waiver and Substitution*) and 15 (*The Trustee*) contain summaries of provisions in the Trust Deed which prescribe the basis on which the Trustee is required to exercise its discretion and the circumstances in which it can be directed to act by the CDS Counterparty or each Class of Noteholders.

Issuer Expenses

Provision has been made for the payment of the Issuer's operating expenses in connection with the issue of the Notes. To the extent that any unanticipated or extraordinary costs and expenses of the Issuer which are payable by the Issuer arise in connection with the Notes or otherwise and the CDS Counterparty does not pay a corresponding amount to the Issuer, the Issuer may have insufficient available funds to pay such costs and expenses and, to the extent it does, there is a risk that it will reduce funds available to pay interest on the Notes and/or make good any balance on the Principal Deficiency Ledger.

Risks relating to the Introduction of International Financial Reporting Standards

The Irish tax position of the Issuer depends to a significant extent on the accounting treatments applicable to it. The accounts of the Issuer are required to comply with International Financial Accounting Standards ("**IFRS**") or with generally accepted accounting principles in Ireland ("**Irish GAAP**") which has been substantially aligned with IFRS. Companies such as the Issuer may, under either IFRS or Irish GAAP, be forced to recognise in their accounts movements in the fair value of assets that could result in profits or losses for accounting purposes which bear little relationship to the company's actual cash position. These movements in value are generally within the charge to tax (if not specifically relieved) as a company's Irish tax liability on such assets broadly follows the accounting treatment. However, the taxable profits of a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act 1997 of Ireland, as amended (and, it is expected that the Issuer will be such a qualifying company) are based on Irish GAAP as it existed at 31 December, 2004 provided that a note of such profits is included in the audited financial statements of the Issuer. It is possible to elect out of this treatment but such an election is irrevocable. If such an election is made, then profits or losses could arise in the Issuer as a result of the application of IFRS or Irish GAAP that are not contemplated in the cashflows for the transaction and as such may have a negative effect on the Issuer and its ability to make payments to holders of Notes and may result in the Notes being redeemed prior to the date on which they would otherwise have been redeemed. The Issuer has covenanted that no such election will be made and that it will ensure that a note of profits as calculated under Irish GAAP as it existed at 31 December, 2004 will be included in its audited financial statements.

Withholding and other Taxes

The Issuer expects to conduct its affairs so that it is subject to income or other taxation only on its profit. If the Issuer becomes subject to taxation in excess of €1,000 in any Payment Period (other than in respect of Irish corporate income tax required to be paid by the Issuer in respect of the Minimum Profit Amount), the amounts available for the Issuer to make payments on each Class of Notes may be reduced to the extent the CDS Counterparty does not compensate the Issuer for such amounts (which it may, but is not obliged, to do) and the Issuer's ability to make payments on such Class of Notes may be materially impaired.

The Issuer does not expect any payments to it on the Credit Default Swap Agreement to be subject to deductions or withholdings on account of any Finnish or foreign tax. If a withholding obligation is imposed on the CDS Counterparty, amounts in respect of taxes may be deducted or withheld from

payments to the Issuer. The CDS Counterparty is not obliged to pay additional amounts or otherwise "gross-up" the Issuer in respect of any such taxes. In the event such taxes are withheld or deducted from payments made to the Issuer, the amounts available for the Issuer to make payments on the Notes would, accordingly, be reduced.

In any of the circumstances described above, to the extent the CDS Counterparty does not voluntarily make Additional Tax Payments to the Issuer to provide the Issuer with funds to pay such taxes in full and the holders of a majority of the Controlling Class of Notes do not direct the Issuer to redeem the Notes, the amount of such taxes shall be withdrawn first, from the Collection Account until the balance of such account equals zero, and second, from the Collateral Account to pay such taxes and the Mortgaged Property will be reduced by the amount of such withdrawal.

The Issuer does not expect any withholding tax to be imposed on the payments on any Class of Notes. In the event, however, that any withholding tax is imposed on payments on a Class of Notes for any reason, the Issuer will not be required to "gross-up" payments to the holders of such Class of Notes. If such a withholding tax is imposed, the Majority of the Controlling Class may, subject to certain conditions, by written notice to the Issuer and the Trustee, direct the Issuer to redeem the Notes at their Adjusted Principal Balance, subject to the provisions applicable to Deferred Funding Amounts. If such direction is given, the CDS Counterparty will have the right, in its sole discretion, to make Additional Tax Payments to the Issuer, in order to provide the Issuer with funds to pay such additional amounts to such Noteholders as are necessary to ensure that the net amount received by such Noteholders (free and clear of the relevant taxes) will equal the full amount they would have received had no such withholding been required. In such circumstances, no early redemption of such Class of Notes will occur, for so long as the CDS Counterparty continues to make the Additional Tax Payments described above.

The Issuer does not expect any payments by it on the Credit Default Swap Agreement to be subject to deductions or withholdings on account of any Irish or foreign tax. If a withholding obligation is imposed on the Issuer, the CDS Counterparty may, subject to certain conditions, terminate the Credit Default Swap Agreement which will lead to an acceleration of the Notes.

General

EU Directive on the Taxation of Savings Income

The provisions of the European Union Council Directive on the taxation of savings income became operative on 1 July, 2005. Under this Directive Member States are required to provide to the tax authorities of other Member States details of payments of interest and other similar income paid by a person within its jurisdiction (a "**paying agent**") to an individual resident in another Member State, except that for a transitional period, Belgium, Luxembourg and Austria will instead operate a withholding system unless during that period they elect otherwise (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries and territories). Certain other jurisdictions, including Switzerland, have enacted equivalent legislation which imposes a withholding tax, or an obligation on a paying agent to provide information on a payment of interest or similar income, in substantially the same circumstances as envisaged by the Directive. Noteholders who are individuals should note that, should any payment in respect of the Notes be subject to withholding imposed as a consequence of the Directive or under the equivalent legislation, no additional amounts would be payable by the Issuer. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive (provided that such a Member State exists).

Changes to the Basel Capital Accord

The Basel Committee on Banking Supervision (the "**Basel Committee**") has for some time been discussing and consulting on proposals for reform of the 1988 Capital Accord. The consultations on these proposals have concluded and, in June 2004, the Basel Committee published a document entitled "International Convergence of Capital Measurement and Capital Standards: a Revised Framework" (the "**Revised Framework**") which contains the final version of the new rules and which will replace the majority of the provisions in the 1988 Capital Accord.

National banking regulators are required to implement the Revised Framework with effect from 1 January, 2007 (although, for banks that use the more sophisticated approaches that are available under the Revised Framework for calculating their capital requirements, there will be an option for them to continue to calculate their capital requirements in accordance with the 1988 Accord until 1 January, 2008). When implemented, the Revised Framework could affect risk weighting of the Notes

in respect of certain Noteholders, if those Noteholders are regulated in a manner which will be affected by the relevant national rules. Consequently, Noteholders should consult their own advisers as to the consequences to and effect on them of the potential application of the Revised Framework. The Issuer cannot predict the precise effects of potential changes which might result as a result of the Revised Framework being implemented.

Enforcement of Legal Liabilities

The Issuer is incorporated under the laws of the Republic of Ireland. The Issuer is incorporated outside the United States and all or substantially all of the assets of the Issuer are located outside the United States. It may not be possible to enforce, in original actions in the courts of the Republic of Ireland, liabilities predicated solely on U.S. federal securities laws.

Security

Although the security constituted by the Trust Deed over the Mortgaged Property, including the Accounts, and by the Credit Support Deed over the Collateralising Covered Bonds is expressed to take effect as a fixed security, it may (as a result, *inter alia*, of the payments to be made from the Accounts in accordance with the Conditions and the Trust Deed) take effect as a floating charge which, in particular, would rank after subsequently created fixed security interests. The Issuer has covenanted not to create any such subsequent security interests without the consent of Noteholders.

The Trust Deed and the security interests created thereby are governed by English law. Some of the obligations subject to such security are governed by laws of jurisdictions other than English law which may require different and/or additional procedures and/or documentation to create or perfect any security interest. The Trust Deed contains a further assurance clause under which the Issuer agrees to take such further action as the Trustee may require to ensure that it creates valid security over its assets in favour of the Trustee or to perfect any security created.

Irish Insolvency Issues

Examiners and Preferred Creditors under Irish law

The Issuer has its registered office in Ireland. As a result there is a rebuttable presumption that its centre of main interest, for the purposes of any collective proceedings under Council Regulation (EC) No. 1346/2000 of 29 May, 2000 which came into force on 31 May, 2002 (the "**EU Insolvency Regulation**"), is in Ireland and consequently it is likely that insolvency proceedings applicable to it would be governed by Irish law.

An examiner may be appointed to an Irish company in circumstances where it is unable, or likely to be unable, to pay its debts. One of the effects of such an appointment is that during the period of appointment, there is a prohibition on the taking of enforcement action by any creditors of the company.

In an insolvency of the Issuer, the claims of certain preferential creditors (including the Irish Revenue Commissioners for certain unpaid taxes) will rank in priority to claims of unsecured creditors and claims secured by floating charges. In addition, the claims of creditors holding fixed charges may rank behind other "super" preferential creditors (including expenses of any examiner appointed and certain capital gains tax liabilities). Holders of fixed charges over book debts may be required by the Irish Revenue Commissioners to pay amounts received by the holder in settlement of the Issuer's tax liability.

In certain circumstances, a charge which purports to be taken as a fixed charge may take effect as a floating charge. Under Irish law, for a charge to be characterised as a fixed charge, the charge holder is required to exercise the requisite level of control over the assets purported to be charged and the proceeds of such assets including any bank account into which such proceeds are paid.

If the Issuer becomes subject to an insolvency proceeding and the Issuer has obligations to creditors that are treated under Irish law as creditors that are senior relative to the Noteholders, the Noteholders may suffer losses as a result of their subordinated status during such insolvency proceeding.

Finnish Insolvency Issues

General

The EU Insolvency Regulation provides that where a company has its "centre of main interests" in a Member State of the European Union (other than Denmark), "insolvency proceedings" (which term means the collective proceedings listed in Annex A to the EU Insolvency Regulation) may be opened

in such Member State. The EU Insolvency Regulation does not define ''centre of main interests'' but under Article 3(1) of the EU Insolvency Regulation there is a rebuttable presumption that a company has its ''centre of main interests'' in the jurisdiction in which it has its registered office, which in the case of the Issuer would be Ireland. However, Recital 13 of the EU Insolvency Regulation states that the centre of main interests should correspond to the place where the company conducts the administration of its interests on a regular basis and is therefore ascertainable by third parties.

The EU Insolvency Regulation also provides that where the centre of main interests of a company is in a Member State (other than Denmark), if that company also has an ''establishment'' in a Member State (other than Denmark), then ''secondary proceedings'' may be opened in respect of that company in such Member State (and in certain limited circumstances, ''insolvency proceedings''). ''Secondary proceedings'' are limited to winding up proceedings and are set out in Annex B to the EU Insolvency Regulation. ''Establishment'' is defined in the EU Insolvency Regulation as a place of operations where the debtor carries out a non-transitory economic activity with human means and goods. The Issuer will covenant in the Trust Deed to maintain its ''centre of main interests'' in Ireland and not to have an ''establishment'' in any Member State other than Ireland. However, given the location of, *inter alia,* the Cash Administrator in Finland, there can be no assurance that the centre of main interests of the Issuer would not be determined to be in Finland or, alternatively, that it would not be found to have an establishment in Finland.

In the event that the Issuer were to have its ''centre of main interests'' in Finland, it would be open to the Issuer or any of its creditors to apply for bankruptcy proceedings in respect of the Issuer pursuant to the Finnish Bankruptcy Act (2004), as amended (the ''**Finnish Bankruptcy Act**'') (see ''*Bankruptcy Pursuant to the Finnish Bankruptcy Act*'' below), or reorganisation proceedings in respect of the Issuer pursuant to the Finnish Company Reorganisation Act (1993), as amended (the ''**Finnish Reorganisation Act**'') (see ''*Reorganisation of a Company Pursuant to the Finnish Reorganisation Act*'' below).

In the event that the Issuer has an ''establishment'' in Finland, the Issuer or any of its creditors would be able to apply to the court for bankruptcy proceedings in respect of the Issuer pursuant to the Finnish Bankruptcy Act (see ''*Bankruptcy Pursuant to the Finnish Bankruptcy Act*'' below).

Bankruptcy Pursuant to the Finnish Bankruptcy Act

General. After bankruptcy proceedings under the Finnish Bankruptcy Act have commenced, the bankrupt debtor forfeits control over the bankruptcy estate's assets, and all transactions conducted by the debtor with respect to such assets thereafter are void. A creditor, other than a secured creditor, cannot during the bankruptcy proceedings seek separate foreclosure of the bankruptcy estate's assets but may exercise any right of set-off.

Order of Priorities. The Finnish Act on Payment Order of Creditors (1992), as amended, (the ''**Finnish Payment Order Act**''), provides for the order of priority in which claims are to be satisfied in a bankruptcy, in the event that the debtor does not have sufficient funds to satisfy all of the outstanding claims. The relevant district court declares the bankruptcy judgment, in which the receivables that are to be paid from the funds of the bankruptcy estate and in which their respective order of priority are confirmed.

The main rule under the Finnish Payment Order Act is the equal right of the bankruptcy creditors to receive payment in bankruptcy. Claims that are secured by a security interest enjoy the priorities applicable to the security interest in question. Generally, the priority of secured creditors applies not only to the principal amount of the secured debt but also to interest accruing until the payment of the secured debt in full and for up to three years prior to the commencement of the bankruptcy.

After the secured creditors the highest priority in bankruptcy is vested in creditors whose claims are directly recoverable from the assets of the bankruptcy estate. These are claims which have accrued after the commencement of the bankruptcy proceedings and by which the bankruptcy estate has expressly declared to be bound. Debts that have been incurred by the debtor in company reorganisation proceedings preceding bankruptcy enjoy the same priority provided that the bankruptcy has commenced not later than three months after the reorganisation proceedings have ended. Finally, all of the non-secured claims are satisfied.

Enforcement of Security in Bankruptcy. According to the general rule under the Finnish Bankruptcy Act, an administrator that is appointed by a court is obliged to realise the assets belonging to the bankruptcy estate in a manner which is considered most favourable for the bankruptcy estate. The actual method of sale shall be decided upon by the estate administrator or by the meeting of

creditors which is convened after a hearing of the creditors. As for the realisation of moveable property, which has been pledged as security and which is in the creditor's physical possession, the creditor is generally not subject to any moratorium on enforcement but instead may enforce the security in a manner provided for in the relevant security agreement for the purposes of satisfying any matured claim unless the bankruptcy estate decides to redeem the security at the price corresponding to the amount of the secured claim comprising interest accruing until the time of redemption, or unless the administrator imposes a moratorium of up to two months on enforcement of security. The secured creditor must inform the estate administrator of its intention to sell the property subject to the security in a reasonable time prior to the intended time of sale. When conducting the sale, the interests of the bankruptcy estate must be taken into consideration. In practical terms this means, *inter alia*, that a sale at an undervalue is prohibited. Finally, after the sale, the secured creditor must give an account to the estate administrator on the sale and deliver to the estate administrator any sales proceeds exceeding the amount of the secured debt. In case the secured creditor does not wish to conduct the sale itself, the bankruptcy estate may arrange the sale on behalf of such creditor but then it is required that the sales price is sufficient to cover the entire secured debt (unless the secured creditor consents to a lower sales price).

As an alternative to immediately realising the assets of the bankruptcy estate either through a sale of the business as an operating whole or through several separate asset sales, the creditors may also decide to continue the company's business in the name and on behalf of the bankruptcy estate. Subject to certain exceptions, such decision generally requires an affirmative vote by creditors representing the majority of the total amount of debt represented in the meeting of the creditors. Should the creditors decide to continue the company's business, the administrator of the bankruptcy estate shall enter into the necessary agreements on behalf of the bankruptcy estate. The continuation of business by the bankruptcy estate is, however, intended to be only temporary, the ultimate objective being to realise the assets of the company in the most efficient and profitable manner.

Reorganisation of a Company Pursuant to the Finnish Reorganisation Act

General. The purpose of the Finnish Reorganisation Act is to lay out a statutory framework for reorganising companies that are in financial difficulties but have the potential for viable operations in the long-run. In reorganisation proceedings, both the business operations and the debts of a company may be reorganised and restructured. After a completion of the reorganisation plan, a company may either continue its operations, or, if the reorganisation fails, typically, be placed into bankruptcy.

Despite the reorganisation proceedings, the control over the business operations of the debtor remains with the debtor except for certain decisions outside the ordinary course of business. During the procedure, before the reorganisation plan is adopted, the business operations of the debtor are continued in the same manner as before.

Moratorium. The initiation of the reorganisation proceedings imposes a moratorium on all legal proceedings and other enforcement actions against the debtor. The district court's decision on the commencement of reorganisation proceedings results in a general prohibition on payment, collection and execution of debts, which applies to all creditors. According to the Finnish Reorganisation Act, no creditor, including a secured creditor, has the right to enforce its rights in respect of any collateral or collect any debts after the initiation of the reorganisation. The moratorium remains in force until the reorganisation plan has been confirmed.

Administration. In connection with the decision to initiate reorganisation proceedings, the relevant district court appoints one or several administrators. The administrator's main duties comprise supervising the debtor's operations during the proceedings, initiating any recovery claims pursuant the Finnish Act on Recovery to Bankruptcy Estate and to prepare a proposal for the reorganisation plan.

The district court deciding upon initiation of reorganisation proceedings may also appoint a creditors' committee to assist the administrator in its tasks unless it is deemed unnecessary due to the limited number of creditors. The composition of the committee must reflect the different creditor groups in such a manner that all the creditor groups are equally represented in the committee.

The functions of the creditors' committee are (a) to advise and assist the administrator, (b) to negotiate important decisions related to the running of the business of the debtor with the administrator, (c) to co-operate with the administrator during the preparation of the reorganisation plan, (d) to supervise the operations of the administrator on behalf of the creditors, and (e) to decide on the fees, compensation and expenses of the administrator. The creditor committee cannot vote in favour of the approval of the reorganisation plan.

The creditors decide upon the approval of the reorganisation. For this purpose, the creditors are divided into separate groups such that the secured creditors are divided into groups based on the type of the collateral they hold. Other creditors are divided into groups such that the creditors within one group have an equal right to payment. These groups of other creditors may also be further divided based on the grounds for their claims.

Reorganisation Plan. The central task of the administrator is to prepare a proposal for a reorganisation plan in collaboration with the debtor company and the creditors within the time limit set by the district court. The time limit cannot exceed four months without special reasons. A significant part of the reorganisation plan is the payment arrangements concerning the reorganisation debts. Any debt other than a secured debt, to the extent it is covered by the collateral value of the relevant security, may be restructured in any of the following ways: (a) by changing the payment schedule, (b) by applying payments made by the debtor first towards amortising principal of the debt and only thereafter in paying interest and other debt related costs, (c) by reducing debt related costs, and (d) by reducing the amount of the unpaid principal. Restructuring can also include payment of the entire debt or part thereof as a bullet payment, or as a payment in lieu of performance. In addition to the administrator, the following parties, among others, have the right to prepare and present a reorganisation plan for court approval within a set time limit: (a) the debtor, (b) secured creditors whose claims represent at least 20 per cent. of all the secured claims of the debtor, and (c) other creditors whose claims represent at least 20 per cent. of all the non-secured claims of the debtor.

As a rule, a majority of each group of creditors must approve the reorganisation plan in order for the relevant district court to be able to confirm it. A majority is deemed to exist when the plan has been supported by more than half of the creditors present in the voting in each creditor group and the combined aggregate principal amount owed to such creditors represents more than half of the total amount owed to the creditors of such group present in such voting. In calculating the majority for the purpose of voting on a reorganisation plan as described above, the following creditors are not taken into account: creditors that are proposed to be fully repaid no later than within one month from the date on which the reorganisation plan was confirmed by the court; creditors whose rights are not affected by the reorganisation plan; and creditors that are only affected in such a manner that any payment default which occurred prior to the initiation of the reorganisation proceedings is deemed to have been rectified and the terms of the remaining receivable remain as they were prior to the payment default.

On the other hand, even if a majority approves a reorganisation plan, in the event that the plan does not provide a secured creditor with the rights provided by the Finnish Reorganisation Act for secured creditors (such as the right to receive full payment of the secured principal amount) and if such secured creditor has voted against the approval of the plan, a reorganisation plan may not be confirmed by the district court. Also, the district court may not approve and confirm a plan even if it has the support of all creditors if it is considered unreasonable for the debtor or for a shareholder of the debtor company; if there are valid grounds to assume that there is no chance of implementing the plan; if the plan is not considered equal for all the creditors, or if a creditor that has voted against the plan provides evidence that it would realise a bigger portion of its debt if the assets of the debtor were liquidated in a bankruptcy rather than the restructuring of the company in accordance with the Finnish Reorganisation Act.

In the event that no majority decision can be reached in the manner described above, under the Finnish Reorganisation Act, the relevant district court has the right to confirm the plan upon request by the debtor, the administrator or any other party that has prepared the plan. However, confirmation of the plan by the district court without the approval of the majority of each creditor group is subject to the same general requirements as set forth above. Therefore, the district court cannot confirm a plan, for example, in the event that a secured creditor is not guaranteed full payment of the principal amount secured by the relevant collateral. In addition, at least one creditor group must have voted in favour of the plan and the combined aggregate amount of receivables of the creditors that have voted in favour of the plan must constitute at least 20 per cent. of the total amount of receivables.

Secured Creditors in Reorganisation. It should be noted that a creditor is considered as a secured creditor only to such extent as the collateral value of the security is sufficient to cover the debt so secured. Any amount of the debt in excess of this is considered as non-secured debt.

Even though the secured creditors are subject to the moratorium on enforcement actions, the Finnish Reorganisation Act provides them with special protection in respect of their rights as secured creditors during the process. One of the most important of these rights is their right to prevent the amount of the principal from being reduced. Without the explicit consent of the secured creditor, a reorganisation plan may provide for the restructuring of a secured debt only by way of (a) changing the payment schedule (both as to principal and interest), (b) ordering payments made by the debtor to be applied first towards amortisation of the principal and only thereafter towards interest and other costs and (c) reducing the payment obligation in respect of debt related costs, such as interest, that remain unpaid at the time when the reorganisation plan is approved. Additionally, the Finnish Reorganisation Act permits the replacement of the collateral securing the debt with other collateral considered to provide adequate security for the secured debt. Finally, the administrator may decide to pay off of a secured debt prematurely if this can be considered to facilitate the financing arrangements of the debtor.

The general moratorium imposed at the initiation of the reorganisation proceedings does not restrict the right of the secured creditors to be paid interest and other debt related costs prior to the confirmation of the reorganisation plan on the original terms to the extent these become due after the initiation of the process.

Recovery to Insolvency Estate

The Finnish Act on Recovery to Bankruptcy Estate (1991), as amended (the "**Finnish Act on Recovery to Bankruptcy Estate**"), sets out the criteria pursuant to which certain payments and security interests can be clawed back in connection with bankruptcy and reorganisation proceedings. Broadly, these include, amongst others, situations where the debtor has conveyed property fraudulently or preferentially to the detriment of its creditors before the initiation of the relevant insolvency proceedings, created a new security interest or paid a debt that is considerable compared to the value of the debtor's assets or which is made by using unusual means of payment. In many situations, a claim for recovery can be made concerning actions, which were made during the three months preceding the commencement of the relevant insolvency. In certain situations longer time limits apply and in some situations there are no such time limits in this respect. These include, among others, situations where the other party to an agreement or other arrangement is a qualifying closely related party to the debtor, such as a subsidiary or parent company.

Potential Effects of the Issuer's Bankruptcy Under the Finnish Bankruptcy Act or Reorganisation Under the Finnish Company Reorganisation Act

While there can be no assurance about the potential effects of any bankruptcy proceedings in respect of the Issuer pursuant to the Finnish Bankruptcy Act or any reorganisation proceedings in respect of the Issuer pursuant to the Finnish Company Reorganisation Act, it is believed that such proceedings should generally not have any material adverse effect on the security over the Mortgaged Property created in favour of the Secured Parties pursuant to the Trust Deed, given that the security so created (i) would be valid as a matter of English law and (ii) would constitute such third party rights in rem that pursuant to Article 5 of the EU Insolvency Regulation are not affected by the opening of insolvency proceedings.

TERMS AND CONDITIONS OF THE NOTES

The following are the conditions of each of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, substantially in the form in which they will be endorsed on such Notes if issued in definitive registered form and will be incorporated by reference into the Global Notes subject to the provisions of such Global Notes, some of which will modify the effect of these Conditions. See ''Summary of Provisions relating to the Notes while in Global Form'' below.

The issue of the €41,500,000 Class A Secured Floating Rate Credit-Linked Notes due 2015 (the ''**Class A Notes**''), the €22,000,000 Class B Secured Floating Rate Credit-Linked Notes due 2015 (the ''**Class B Notes**''), the €14,500,000 Class C Secured Floating Rate Credit-Linked Notes due 2015 (the ''**Class C Notes**''), the €14,500,000 Class D Secured Floating Rate Credit-Linked Notes due 2015 (the ''**Class D Notes**''), the €15,000,000 Class E Secured Floating Rate Credit-Linked Notes due 2015 (the ''**Class E Notes**''), and the €37,500,000 Class F Secured Floating Rate Credit-Linked Notes due 2015 (the ''**Class F Notes**'' and, together with the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes, the ''**Notes**'') of SEA FORT Securities p.l.c. (the ''**Issuer**'') was authorised by a resolution of the board of directors of the Issuer on 14 July, 2006. The Notes are constituted and secured by a trust deed dated on or about 20 July, 2006 (the ''**Closing Date**'') (such trust deed being the ''**Trust Deed**'') which the Issuer entered into on or before the Closing Date with, *inter alios*, HSBC Trustee (C.I.) Limited as trustee (in such capacity, the ''**Trustee**'' which term shall include all persons for the time being the trustee or trustees under the Trust Deed) for the holders of the Notes (''**Noteholders**''). The Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes are each separately referred to herein as a ''**Class**''. Payments under the Notes will be made pursuant to an agency agreement dated on or about the Closing Date (the ''**Agency Agreement**'') which the Issuer entered into on or before the Closing Date with HSBC Bank plc as principal paying agent (in such capacity, the ''**Principal Paying Agent**''), Sampo Bank plc as note calculation agent (in such capacity, the ''**Note Calculation Agent**''), HSBC Institutional Trust Services (Ireland) Limited as Irish paying agent (in such capacity, the ''**Irish Paying Agent**''), the other paying agents referred to therein (together with the Principal Paying Agent, the Irish Paying Agent and any other paying agents appointed thereby, the ''**Paying Agents**''), each of which will also act as transfer agents with respect to the Notes (in such capacity, the ''**Transfer Agents**''), HSBC Private Bank (Jersey) Limited as registrar (in such capacity, the ''**Registrar**'') and the Trustee. The Eligible Investments (as defined below), to the extent that they are comprised of securities, will be held or caused to be held on behalf of the Issuer by or on behalf of HSBC Bank plc as custodian (in such capacity, the ''**Custodian**'') pursuant to a custody agreement dated on or about the Closing Date between the Issuer, the Custodian and the Trustee (the ''**Custody Agreement**''). Each Account (as defined below) other than the Custody Account (as defined below) will be held with HSBC Bank plc (in such capacity, the ''**Account Bank**'') pursuant to an account agreement dated on or about the Closing Date (as the same may be amended from time to time, the ''**Account Bank Agreement**'') which the Issuer has entered into with, among others, the Account Bank.

The Issuer has entered into a credit default swap transaction (the ''**Credit Default Swap**'') with Sampo Bank plc as CDS Counterparty (in such capacity, the ''**CDS Counterparty**'') referencing a portfolio of reference obligations (each a ''**Reference Obligation**'' and such portfolio, the ''**Reference Portfolio**''), documented by an ISDA Master Agreement (together with the schedule thereto) dated as of the Closing Date (the ''**Master Agreement**''), a confirmation dated on or about the Closing Date (the ''**CDS Confirmation**'' and, together with the Master Agreement, the ''**Credit Default Swap Agreement**'') between the Issuer and the CDS Counterparty. Under the Credit Default Swap Agreement, the CDS Counterparty will make certain payments to the Issuer and the Issuer will make certain payments to the CDS Counterparty.

The Issuer has entered into a put option agreement dated on or about the Closing Date (the ''**Put Option Agreement**'') with Sampo Bank plc (in such capacity, the ''**Put Option Counterparty**'').

Statements in these terms and conditions (the ''**Conditions**'') include summaries of, and are subject to, the detailed provisions of the Trust Deed, the Credit Default Swap Agreement, the Agency Agreement, the Custody Agreement, the Cash Administration Agreement, the Account Bank Agreement, the Put Option Agreement, the Credit Support Deed, the Corporate Services Agreement, the Subscription Agreement and the Verification Agency Agreement (together, the ''**Transaction Documents**''). Copies of the Transaction Documents are available for inspection at the specified offices of the Principal Paying Agent and the Irish Paying Agent. The Trust Deed includes the form of the

Global Notes referred to below. Noteholders are entitled to the benefit of, and are deemed to have notice of, all the provisions contained in the Transaction Documents.

1. Definitions

(a) *Definitions*

For the purpose of these Conditions:

"**Accounts**" means the Collection Account, the Collateral Account, the CDS Prepayment Account, the Excess Spread Account, the Issuer Irish Account and the Custody Account;

"**Account Bank**" means HSBC Bank plc and any successor appointed as transaction account bank pursuant to the Account Bank Agreement;

"**Account Bank Agreement**" means the agreement dated on or about the Closing Date between the Issuer and the Account Bank pursuant to which the Account Bank has agreed to open and maintain the Accounts (other than the Custody Account) on behalf of the Issuer;

"**Account Bank Required Ratings**" has the meaning given to it in the Account Bank Agreement;

"**Additional CDS Payments**" means the payments of Additional Tax Payments as defined in the Credit Default Swap Agreement and described in Condition 16;

"**Adjusted Principal Balance**" means, in respect of a Class of Notes and any date, the Outstanding Principal Amount of such Class of Notes on such date (after any reduction thereof on such date) less an amount equal to, in the case of the Class A Notes, the Class A Principal Deficiency Ledger Balance, in the case of the Class B Notes, the Class B Principal Deficiency Ledger Balance, in the case of the Class C Notes, the Class C Principal Deficiency Ledger Balance, in the case of the Class D Notes, the Class D Principal Deficiency Ledger Balance, in the case of the Class E Notes, the Class E Principal Deficiency Ledger Balance and in the case of the Class F Notes, the Class F Principal Deficiency Ledger Balance, on such date (after any increase or reduction thereof on such date);

"**Administrative Expenses**" means the amounts due and payable by the Issuer:

(i) to the Corporate Services Provider in respect of Corporate Services Fees;

(ii) to the independent accountants, auditors, agents and counsel of the Issuer for fees and expenses, including amounts payable to the Paying Agents, the Account Bank, the Note Calculation Agent, the Registrar, the Custodian and the Put Option Counterparty and each of their permitted successors and assigns under the Agency Agreement, the Account Bank Agreement, the Custody Agreement and the Put Option Agreement;

(iii) to the Rating Agencies in respect of any surveillance fees, including any fees in respect of shadow ratings assigned to any Reference Obligations;

(iv) to any other person in respect of any governmental fee, charge or tax in relation to the Issuer (in relation to any governmental fee, charge or tax in excess of €1,000 in each case as certified by a director of the Issuer to the Trustee);

(v) to the Irish Stock Exchange or any other stock exchange on which any of the Notes are listed from time to time;

(vi) to any other person in respect of any other fees, costs or expenses (including indemnities) permitted under the Trust Deed and the other Transaction Documents; and

(vii) to the payment of any applicable value added tax required to be paid or reimbursed by the Issuer in accordance with the Transaction Documents in respect of the foregoing,

provided that Administrative Expenses shall not include (a) the Initial Fees and Expenses (b) amounts payable in respect of the Notes or the Credit Default Swap Agreement or (c) the Put Option Premium;

"**Affiliate**" or "**Affiliated**" means with respect to a person, (i) any other person who, directly or indirectly, is in control of, or controlled by, or is under common control with, such person, or (ii) any other person who is a director, officer or employee (a) of such person, (b) of any subsidiary or parent company of such person or (c) of any person described in (i) above. For the purposes of this definition, control of a person shall mean the power, direct or indirect, whether by contract or otherwise (I) to vote more than 50 per cent. of the share capital or similar rights of ownership or control of such person, or (II) to direct or cause the direction of the management and policies of such person;

"**Aggregate Outstanding Principal Amount**" means, at any time, the sum of the Class A Outstanding Principal Amount, the Class B Outstanding Principal Amount, the Class C Outstanding Principal Amount, the Class D Outstanding Principal Amount, the Class E Outstanding Principal Amount and the Class F Outstanding Principal Amount;

"**Arranger**" means HSBC Bank plc;

"**Authorised Denomination**" means, in respect of any Note, the Minimum Denomination and any denomination equal to one or more multiples of the Authorised Integral Amount in excess of the Minimum Denomination;

"**Authorised Integral Amount**" means €50,000;

"**Available Subordination Amount**", with respect to a Class of Notes, is an amount equal to the sum of the Outstanding Principal Amounts for all Classes of Notes (if any) having a lower priority pursuant to the Principal Priority of Payments, in each case determined before giving effect to payments to be made on such Payment Date pursuant to the Conditions. With respect to a Class of Notes and the Closing Date, (i) in the case of the Class A Notes, €103,500,000; (ii) in the case of the Class B Notes, €81,500,000; (iii) in the case of the Class C Notes, €67,000,000; (iv) in the case of the Class D Notes, €52,500,000; (v) in the case of the Class E Notes, €37,500,000; and (vi) in the case of the Class F Notes, zero;

"**Balance**" means, on any day, with respect to any Account (or any sub account thereof), the aggregate of:

(i) the cash balance of such Account;

(ii) the amount of any Eligible Investment that is a deposit (excluding the interest accrued thereon) made with funds from such Account;

(iii) the outstanding principal amount of any interest-bearing Eligible Investments purchased with funds from such Account; and

(iv) the purchase price, up to an amount not exceeding the face amount, of non interest-bearing Eligible Investments purchased with funds from such Account;

"**Base Rate**" for any Payment Date will be the rate at which euro interbank term deposits within the Euro-zone are offered by one prime bank to another prime bank during the related Payment Period, calculated as:

(i) the percentage rate per annum determined by the Banking Federation of the European Union for deposits in euro for three months, commencing on the first day of the related Payment Period, as that rate is displayed on the appropriate page of the Telerate screen as of 11:00 a.m., Brussels time, two TARGET Business Days preceding such first day; or

(ii) if the rate for deposits in euro cannot be determined by the Note Calculation Agent in accordance with paragraph (a) above, the rate calculated by the Note Calculation Agent as the arithmetic mean of at least two quotations obtained by the Note Calculation Agent after requesting the principal Euro-zone offices of four major banks in the Euro-zone interbank market, in the European interbank market, to provide the Note Calculation Agent with its offered quotation for deposits in euro for three months, commencing on the first day of the related Payment Period, to prime banks in the Euro-zone interbank market at approximately 11:00 A.M., Brussels time, on the second TARGET Business Day preceding such first day and in a principal amount not less than €1,000,000 that is representative for a single transaction in euro in such market at such time; or

(iii) if fewer that two quotations referred to in paragraph (b) above are so provided, the rate will be calculated by the Note Calculation Agent as the arithmetic mean of the rates quoted at approximately 11:00 A.M., Brussels time, on the second TARGET Business Day preceding the first day of the related Payment Period by four major banks in the Euro-zone for loans in euro to leading European banks, having a maturity of three months, commencing on such first day and in a principal amount not less than €1,000,000 that is representative for a single transaction in euro in such market at such time; or

(iv) if the banks so selected by the Note Calculation Agent are not quoting as mentioned in paragraph (c) above, the Base Rate applicable to the immediately preceding Payment Date,

provided, *however*, that the Base Rate for the first Payment Period will be determined by the Note Calculation Agent using straight line linear interpolation of the rates which appear in respect of three month and two month Euro interbank deposits;

"**Basic Terms Modification**" means:

(i) any modification which would have the effect, in respect of any Class of Notes, of (A) postponing or altering any day for the payment of interest or principal (to the extent there are funds available for the purpose), (B) reducing, cancelling or rescheduling the amount of principal that would otherwise have been payable in accordance with the Conditions or the amount or rate of interest payable, (C) altering the Priorities of Payments, (D) altering the currency of payment, or (E) altering the final maturity date; or

(ii) any modification to the Security in respect of the Mortgaged Property in any manner not expressly contemplated by the Transaction Documents unless in the Trustee's opinion it is not materially prejudicial to the interests of the Noteholders of any Class; or

(iii) an alteration of (A) the definition of "Basic Terms Modification", (B) the definition of "Excluded Notes" or "Excluded Class of Notes", (C) the quorum required to pass an Extraordinary Resolution, (D) the majority required to pass an Extraordinary Resolution, or (E) the majority required for a Written Resolution,

provided that no modification which is made by the Trustee to correct a manifest error or which is of a formal, minor or technical nature shall constitute a "Basic Terms Modification";

"**Business Day**" means any day, not being a Saturday or Sunday, on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) and foreign exchange markets settle payments in London, Dublin and Helsinki (and, if different, the city in which the corporate trust office of the Trustee is located, which will be Jersey in the case of this initial Trustee) and which is a TARGET Business Day;

"**Calculation Date**" means, with respect to any Payment Date (or any other date), the tenth Business Day prior to such Payment Date (or such other date);

"**Calculation Period**" means each period from, and including, one Calculation Date to, but excluding the next following Calculation Date, except that the initial Calculation Period will commence on, and include, the Closing Date;

"**Cash Administration Agreement**" means the agreement dated on or about the Closing Date between the Issuer and the Cash Administrator pursuant to which the Cash Administrator has agreed to perform, *inter alia*, the duties expressed to be performed by it in these Conditions;

"**Cash Administrator**" means Sampo Bank plc;

"**Cash Deposit**" means, at any time, the amount on deposit with the Account Bank at such time;

"**Cash Settlement Date**" means 15 January, 15 April, 15 July and 15 October in each year commencing 15 October, 2006 or, if such day is not a Business Day, the next following day which is a Business Day provided that if such day would fall in the next calendar month, it shall be the immediately preceding Business Day.

"**CDS Calculation Agent**" means Sampo Bank plc in its capacity as calculation agent appointed pursuant to the Credit Default Swap Agreement;

"**CDS Calculation Date**" means, with respect to any Cash Settlement Date, the tenth Business Day prior to such Cash Settlement Date.

"**CDS Counterparty**" means Sampo Bank plc in its capacity as swap counterparty under the Credit Default Swap Agreement;

"**CDS Counterparty Default**" means the occurrence of an event of default under the Credit Default Swap Agreement in relation to which the CDS Counterparty is the defaulting party;

"**CDS Payment Date**" means, in respect of a Payment Period, the Payment Date falling at the beginning of such Payment Period (or, in the case of the first Payment Period, the Closing Date);

"**CDS Prepayment Account**" means a segregated interest bearing account of the Issuer entitled "CDS Prepayment Account" and held in the name of the Issuer with the Account Bank;

"**Certificate**" means the certificate issued in respect of a Global Note or a Definitive Note pursuant to the Trust Deed;

"**Class A Definitive Notes**" means the registered notes in definitive form to be issued in respect of the Class A Notes pursuant to, and in the circumstances specified in, the Trust Deed, substantially in the form set out under the Trust Deed and includes any replacements for Class A Definitive Notes issued pursuant to the Conditions;

"**Class A Global Note**" means the permanent global note to be issued pursuant to the Trust Deed representing the Class A Notes substantially in the form set out in the Trust Deed;

"**Class A Note Deferred Funding Amount**" on any day, means the lower of (i) the Class A Note Adjusted Principal Balance and (ii) the Deferred Funding Amount on such day less the aggregate of the Adjusted Principal Balance of the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, provided that such amount may not be negative;

"**Class A Noteholder**" means a person who holds a Class A Note;

"**Class A Outstanding Principal Amount**" means, at any time, the Outstanding Principal Amount of the Class A Notes at that time;

"**Class A Principal Deficiency Ledger Balance**" means, on any day, the Principal Deficiency Ledger Balance less the Available Subordination Amount on such day with respect to the Class A Notes, or zero if higher provided that such amount shall not exceed the Outstanding Principal Amount of the Class A Notes;

"**Class B Definitive Notes**" means the registered notes in definitive form to be issued in respect of the Class B Notes pursuant to, and in the circumstances specified in, the Trust Deed, substantially in the form set out under the Trust Deed and includes any replacements for Class B Definitive Notes issued pursuant to the Conditions;

"**Class B Global Note**" means the permanent global note to be issued pursuant to the Trust Deed representing the Class B Notes substantially in the form set out in the Trust Deed;

"**Class B Note Deferred Funding Amount**" means, on any day, means the lower of (i) the Class B Note Adjusted Principal Balance and (ii) the Deferred Funding Amount on such day less the aggregate of the Adjusted Principal Balance of the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes, provided that such amount may not be negative;

"**Class B Noteholder**" means a person who holds a Class B Note;

"**Class B Outstanding Principal Amount**" means, at any time, the Outstanding Principal Amount of the Class B Notes at that time;

"**Class B Principal Deficiency Ledger Balance**" means, on any day, the Principal Deficiency Ledger Balance less the Available Subordination Amount on such day with respect to the Class B Notes, or zero if higher provided that such amount shall not exceed the Outstanding Principal Amount of the Class B Notes;

"**Class C Definitive Notes**" means the registered notes in definitive form to be issued in respect of the Class C Notes pursuant to, and in the circumstances specified in, the Trust Deed, substantially in the form set out under the Trust Deed and includes any replacements for Class C Definitive Notes issued pursuant to the Conditions;

"**Class C Global Note**" means the permanent global note to be issued pursuant to the Trust Deed representing the Class C Notes substantially in the form set out in the Trust Deed;

"**Class C Note Deferred Funding Amount**" means, on any day, means the lower of (i) the Class C Note Adjusted Principal Balance and (ii) the Deferred Funding Amount on such day less the aggregate of the Adjusted Principal Balance of the Class D Notes, the Class E Notes and the Class F Notes, provided that such amount may not be negative;

"**Class C Noteholder**" means a person who holds a Class C Note;

"**Class C Outstanding Principal Amount**" means, at any time, the Outstanding Principal Amount of the Class C Notes at that time;

"**Class C Principal Deficiency Ledger Balance**" means, on any day, the Principal Deficiency Ledger Balance less the Available Subordination Amount on such day with respect to the Class C Notes, or zero if higher provided that such amount shall not exceed the Outstanding Principal Amount of the Class C Notes;

"**Class D Definitive Notes**" means the registered notes in definitive form to be issued in respect of the Class D Notes pursuant to, and in the circumstances specified in, the Trust Deed, substantially in the form set out under the Trust Deed and includes any replacements for Class D Definitive Notes issued pursuant to the Conditions;

"**Class D Global Note**" means the permanent global note to be issued pursuant to the Trust Deed representing the Class D Notes substantially in the form set out in the Trust Deed;

"**Class D Note Deferred Funding Amount**" means, on any day, means the lower of (i) the Class D Note Adjusted Principal Balance and (ii) the Deferred Funding Amount on such day less the

aggregate of the Adjusted Principal Balance of the Class E Notes and the Class F Notes, provided that such amount may not be negative;

"**Class D Noteholder**" means a person who holds a Class D Note;

"**Class D Outstanding Principal Amount**" means, at any time, the Outstanding Principal Amount of the Class D Notes at that time;

"**Class D Principal Deficiency Ledger Balance**" means, on any day, the Principal Deficiency Ledger Balance less the Available Subordination Amount on such day with respect to the Class D Notes, or zero if higher provided that such amount shall not exceed the Outstanding Principal Amount of the Class D Notes;

"**Class E Definitive Notes**" means the registered notes in definitive form to be issued in respect of the Class E Notes pursuant to, and in the circumstances specified in, the Trust Deed, substantially in the form set out under the Trust Deed and includes any replacements for Class E Definitive Notes issued pursuant to the Conditions;

"**Class E Global Note**" means the permanent global note to be issued pursuant to the Trust Deed representing the Class E Notes substantially in the form set out in the Trust Deed;

"**Class E Note Deferred Funding Amount**" means, on any day, means the lower of (i) the Class E Note Adjusted Principal Balance and (ii) the Deferred Funding Amount on such day less the Adjusted Principal Balance of the Class F Notes, provided that such amount may not be negative;

"**Class E Noteholder**" means a person who holds a Class E Note;

"**Class E Outstanding Principal Amount**" means, at any time, the Outstanding Principal Amount of the Class E Notes at that time;

"**Class E Principal Deficiency Ledger Balance**" means, on any day, the Principal Deficiency Ledger Balance less the Available Subordination Amount on such day with respect to the Class E Notes, or zero if higher provided that such amount shall not exceed the Outstanding Principal Amount of the Class E Notes;

"**Class F Definitive Notes**" means the registered notes in definitive form to be issued in respect of the Class F Notes pursuant to, and in the circumstances specified in, the Trust Deed, substantially in the form set out under the Trust Deed and includes any replacements for Class F Definitive Notes issued pursuant to the Conditions;

"**Class F Global Note**" means the permanent global note to be issued pursuant to the Trust Deed representing the Class F Notes substantially in the form set out in the Trust Deed;

"**Class F Note Deferred Funding Amount**" means, on any day, means the lower of (i) the Class F Note Adjusted Principal Balance and (ii) the Deferred Funding Amount on such day;

"**Class F Noteholder**" means a person who holds a Class F Note;

"**Class F Outstanding Principal Amount**" means, at any time, the Outstanding Principal Amount of the Class F Notes at that time;

"**Class F Principal Deficiency Ledger Balance**" means, on any day, the Principal Deficiency Ledger Balance less the Available Subordination Amount on such day with respect to the Class F Notes, or zero if higher provided that such amount shall not exceed the Outstanding Principal Amount of the Class F Notes;

"**Clean-up Event**" means the reduction of the Reference Portfolio Notional Amount to 10 per cent. or less of the Initial Reference Portfolio Notional Amount;

"**Clearing Systems**" means each of Euroclear and Clearstream, Luxembourg;

"**Clearstream, Luxembourg**" means Clearstream Banking, *société anonyme*;

"**Closing Date**" means 20 July, 2006 (or such other date as the Issuer and the Lead Managers shall agree);

"**Collateral Account**" means the account so designated pursuant to Condition 5(a);

"**Collateral Portfolio**" means the Cash Deposit, the cash amounts (if any) standing to the credit of any Account and the Eligible Investments held at that time;

"**Collection Account**" means the account so designated pursuant to Condition 5(a);

"**Conditions to Settlement**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Controlling Class**" or "**Controlling Class of Notes**" means the Class A Notes or, following redemption and payment in full of the Class A Notes, the Class B Notes or, following redemption and payment in full of the Class A Notes and the Class B Notes, the Class C Notes or, following redemption and payment in full of the Class A Notes, the Class B Notes and the Class C Notes, the Class D Notes or, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes, the Class E Notes or, following redemption and payment in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and Class E Notes, the Class F Notes;

"**Corporate Services Agreement**" means the agreement (as may be amended from time to time) to be dated on or around the Closing Date between the Issuer, the Trustee and the Corporate Services Provider;

"**Corporate Services Fee**" means the fee payable to the Corporate Services Provider;

"**Corporate Services Provider**" means the person for the time being appointed by the Issuer as corporate services provider being, on the Closing Date, Structured Finance Management (Ireland) Limited;

"**Covered Bonds**" means €145,000,000 principal amount of the Series No: 278, Tranche 1 issue of €153,410,000 Floating Rate Obligations Foncières due January 2012 to be issued by the Covered Bonds Issuer on or about the Closing Date pursuant to the base prospectus dated 18 August, 2005 of the Euro 75,000,000,000 Dexia Municipal Agency Euro Medium Term Note Programme;

"**Covered Bonds Conditions**" means the terms and conditions of the Covered Bonds;

"**Covered Bonds Issuer**" means Dexia Municipal Agency;

"**Credit Default Swap Agreement**" means the credit default swap agreement entered into between the Issuer and the CDS Counterparty in relation to the Notes on or about the Closing Date pursuant to which the CDS Counterparty has purchased credit protection on the Reference Portfolio from the Issuer;

"**Credit Default Swap Notional Amount**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Credit Protection Amount**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Credit Protection Calculation Notice**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Credit Support Deed**" means the 1995 Credit Support Deed (Bilateral Form – Security Interest) published by ISDA entered into on or about the Closing Date between, *inter alios*, Sampo Bank and the Issuer pursuant to which Sampo Bank provides security over the Put Option Collateral;

"**Custody Account**" has the meaning given to it in Condition 5(a);

"**Day Count Fraction**" means, with respect to each Payment Period, the actual number of days in the relevant Payment Period divided by 360;

"**Defaulted Notional Amount**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Defaulted Reference Obligation**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Deferred Funding Amount**", on the applicable Final Redemption Date and each subsequent Payment Date, is an amount equal to (a) if, on such Final Redemption Date or such subsequent Payment Date, there are neither any Impaired Reference Obligations nor any Defaulted Reference Obligations in respect of which a Credit Protection Amount has not been determined pursuant to the Credit Default Swap Agreement, zero, or (b) otherwise, the least of (i) the Credit Default Swap Notional Amount on such Final Redemption Date or such subsequent Payment Date, as applicable and (ii) the aggregate of the Impaired Notional Amounts, Defaulted Notional Amounts and Guarantee Undrawn Amounts of all Impaired Reference Obligations and all Defaulted Reference Obligations in respect of which a Credit Protection Amount has not been determined on or prior to such Final Redemption Date or such subsequent Payment Date, as applicable, pursuant to the Credit Default Swap Agreement;

"**Deferred Interest**" means, in respect of any Class of Notes and any Payment Date, an amount equal to the aggregate Interest Amount payable on the Notes of such Class on each prior Payment Date (assuming, whether or not such is the case, that there were sufficient funds available to pay such

amount) as determined by the Note Calculation Agent minus the aggregate amount of interest actually paid in respect of such Class of Notes on each prior Payment Date;

"**Definitive Note**" means any Class A Definitive Note, Class B Definitive Note, Class C Definitive Note, Class D Definitive, Class E Definitive Note or Class F Definitive Note;

"**Depository**" means the securities depository operated by each of Euroclear or Clearstream, Luxembourg, as applicable;

"**Early Redemption Date**" means any Redemption Date occurring prior to the Final Redemption Date;

"**Early Termination Date**" has the meaning given to such term in the Master Agreement;

"**EC Treaty**" means the Treaty establishing the European community signed in Rome on 25 March 1957, as amended from time to time, including by the Treaty on European Union signed in Maastricht on 7 February, 1992;

"**Eligibility Criteria**" means the Reference Obligation Eligibility Criteria as set out in the Credit Default Swap Agreement;

"**Eligible CDS Prepayment Account Investment**" means the Cash Deposit or any Other Eligible Investments (including bank deposits) either (a) with stated maturities no later than the third Business Day prior to the Payment Date succeeding the date of acquisition of such investments or (b) which are capable of liquidation within three Business Days of demand without penalty and that by their terms have a predetermined fixed amount of principal due at maturity which cannot vary or change;

"**Eligible Collateral Account Investment**" means any Eligible Investment;

"**Eligible Collateral Account Investment Loss**" means in respect of any Eligible Collateral Account Investment, the Eligible Investment Loss Amount thereon;

"**Eligible Collection Account Investment**" means the Cash Deposit or any Other Eligible Investments (including bank deposits) either (a) with stated maturities no later than the third Business Day prior to the Payment Date succeeding the date of acquisition of such investments or (b) which are capable of liquidation within three Business Days of demand without penalty and that by their terms have a predetermined fixed amount of principal due at maturity which cannot vary or change;

"**Eligible Excess Spread Account Investment**" means the Cash Deposit or any Other Eligible Investments (including bank deposits) either (a) with stated maturities no later than the third Business Day prior to the Payment Date succeeding the date of acquisition of such investments or (b) which are capable of liquidation within three Business Days of demand without penalty and that by their terms have a predetermined fixed amount of principal due at maturity which cannot vary or change;

"**Eligible Investment**" means (i) the Cash Deposit, provided the Account Bank has the Account Bank Required Ratings or has, within 30 days of ceasing to have the Account Bank Required Ratings taken the action described below under "*– Downgrade of Account Bank*"; (ii) the Covered Bonds, provided the Covered Bonds are rated AAA by S&P and AAA by Fitch; (iii) in respect of the Collateral Account, if the Covered Bonds cease to be rated AAA by S&P and AAA by Fitch and Sampo Bank has put in place economically equivalent arrangements to the Put Option Agreement (including, without limiting the same, arrangements under which Sampo Bank assumes the risk that the aggregate amount of the Eligible Investments, including the Other Eligible Investments, purchased from amounts credited to the Collateral Account, may be realised (whether by sale, redemption repayment or otherwise) at an amount which is lower than the aggregate Adjusted Principal Balance of the Notes) satisfactory to the Trustee and in respect of which a Ratings Confirmation has been received, Other Eligible Investments; and (iv) in respect of any account other than the Collateral Account, Other Eligible Investments in respect of which a Rating Agency Confirmation is received;

"**Eligible Investment Earnings Amount**" means, in respect of each Payment Period an amount equal to (a) all income paid or scheduled to be paid on any Eligible Investments other than the Cash Deposit in such Payment Period plus (b) all interest payable on the Cash Deposit from and excluding the Payment Date at the beginning of such Payment Period to and including the Payment Date at the end of such Payment Period plus (c) the amount received in the Calculation Period ending in such Payment Period on sale, disposal or other realisation of any Eligible Investment in respect of sold accrued interest less (d) the amount paid in the Calculation Period ending in such Payment Period on any acquisition of any Eligible Investment in respect of purchased accrued interest, *provided that* if any such amount has been taken into account in a prior period such amount shall not be taken into account again.

"**Eligible Investment Loss Amount**" means, on any day in respect of any Eligible Investment, the amount by which the acquisition costs of such Eligible Investment (excluding the purchase price of accrued interest) exceeds the aggregate amount realised on disposal, sale or other realisation of such Eligible Investment (excluding any amounts received in respect of interest);

"**Enforcement Notice**" means a notice that the Security is to be enforced given pursuant to Condition 10(f) (*Events of Default*);

"**Enforcement Priority of Payments**" has the meaning given to that term in Condition 4(c);

"**Enforcement Proceeds**" has the meaning given to that term in Condition 4(c);

"**Euroclear**" means Euroclear Bank S.A./N.V.;

"**Euro-zone**" means the region comprised of member states of the European Union that adopt or have adopted the euro in accordance with the EC Treaty;

"**Event Determination Date**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Excess Spread Account**" means a segregated interest bearing account of the Issuer entitled "Excess Spread Account" and held in the name of the Issuer with the Account Bank;

"**Excess Spread Amount**" has the meaning given to it in the Credit Default Swap Agreement;

"**Excess Spread Rebate Amount**" in respect of any Payment Date is the amount determined as such in accordance with Condition 4(a)(xviii), 4(b)(x) and/or 4(c)(xiii);

"**Excluded Class of Notes**" has the meaning given to that term in Condition 14(b);

"**Excluded Matter**" means any matter to be discussed or voted on at a Meeting that is (i) connected to any discretion, power or authority (whether contained in these Conditions or the Trust Deed or vested by operation of law) which the Trustee is required, expressly or impliedly, to exercise in or by reference to the interests of Noteholders or any of them in relation to the CDS Counterparty or (ii) any event, circumstance, matter or thing relating to the CDS Counterparty or any of its Affiliates which, in the Trustee's determination, is materially prejudicial to the interests of Noteholders or any of them;

"**Excluded Notes Reserved Matter**" has the meaning given to that term in Condition 14(c);

"**Excluded Notes**" means those Notes which are for the time being held by, or for the benefit of, the CDS Counterparty and/or one or more of its Affiliates (which shall (unless and until ceasing to be so held) be deemed not to remain outstanding for the purposes of determining entitlement to count in quorums or to vote at Meetings or to pass Written Resolutions in relation to Excluded Matters);

"**Extension Maturity Date**" with respect to any Class of Notes is the earlier of (a) the first Payment Date on or after the Final Maturity Date on which the Deferred Funding Amount for such Class of Notes has been reduced to zero (after giving effect on such Payment Date to the payments to be made in accordance with the applicable Priority of Payments in relation to such Payment Date) and (b) the Legal Final Maturity Date;

"**Extraordinary Resolution**" means a resolution passed at a Meeting duly convened and held in accordance with the provisions for Meetings of Noteholders in the Trust Deed by a majority of not less than 75 per cent. of the votes cast, whether on a show of hands or a poll;

"**Final Redemption Date**" is the earlier of (a) the Scheduled Maturity Date and (b) with respect to any one or more Classes of Notes, the date on which the Adjusted Principal Balance of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes, the Class E Notes and the Class F Notes (in each case as applicable and excluding the portion thereof constituting the Deferred Funding Amount, if any, for such Class of Notes) shall become due and payable upon acceleration or redemption of such Class of Notes in accordance with these Conditions;

"**Fitch**" means Fitch Ratings Ltd., and any successor to its ratings business;

"**Global Notes**" means the Class A Global Note, the Class B Global Note, the Class C Global Note, the Class D Global Note, the Class E Global Note and the Class F Global Note;

"**Gross Up Amount**" in respect of a Class of Notes is the Additional Tax Amount payable in respect of such Class of Notes in accordance with Condition 16;

"**Guarantee Undrawn Amount**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Impaired Notional Amount**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Impaired Reference Obligation**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Income Priority of Payments**" means the priority of payments set out in Condition 4(a);

"**Indebtedness**" means (without double-counting) any indebtedness of any person for or in respect of:

(i) moneys borrowed;

(ii) any amount raised by acceptance under any acceptance credit facility;

(iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;

(iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with International Financial Reporting Standards, be treated as a finance or capital lease;

(v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);

(vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

(vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);

(viii) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; and

(ix) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (viii) above;

"**Indemnifiable Tax**" has the meaning given to it in Condition 16;

"**Independent Director**" means a person who is not a director, officer or employee of Sampo Bank plc or any Affiliate thereof;

"**Initial CDS Payment**" means the payment by the CDS Counterparty to the Issuer on the Closing Date under the Credit Default Swap Agreement of an amount in euro equal to the Initial Fees and Expenses;

"**Initial Fees and Expenses**" means the fees, costs and expenses incurred by or on behalf of the Issuer in connection with the issue and sale of the Notes and entry into the other Transaction Documents;

"**Initial Principal Amount**" means, in respect of each Class of Notes, the amount set out in respect of such Class in the table below:

Class of Notes	*Initial Principal Amount*
Class A Notes	€41,500,000
Class B Notes	€22,000,000
Class C Notes	€14,500,000
Class D Notes	€14,500,000
Class E Notes	€15,000,000
Class F Notes	€37,500,000

"**Initial Reference Portfolio Notional Amount**" means €1,000,000,000;

"**Initial Swap Notional Amount**" means €145,000,000;

"**Insolvency Event**" in respect of a company means:

(i) the initiation of or consent to Insolvency Proceedings by such company or any other person or the presentation of a petition for the making of an administration order (other than in the case of the Issuer) which proceedings are not being disputed in good faith with a reasonable prospect of success; or

(ii) the making of an administration order in relation to such company; or

(iii) an encumbrancer (excluding, in relation to the Issuer, the Trustee or any receiver or manager appointed by the Trustee) taking possession of the whole or any substantial part of the undertaking or assets of such company; or

(iv) a distress, diligence, execution or other process being levied or enforced upon or sued out against the whole or any substantial part of the undertaking or assets of such company (excluding, in relation to the Issuer, by the Trustee or any receiver appointed by the Trustee) and such order, appointment, possession or process (as the case may be) not being discharged or otherwise ceasing to apply within 14 days; or

(v) the making of an arrangement, composition, reorganisation with or conveyance to or assignment for the creditors of such company generally or the making of an application to a court of competent jurisdiction for protection from the creditors of such company generally; or

(vi) the passing by such company of an effective resolution or the making of an order by a court of competent jurisdiction for the winding up or dissolution of such company (except, in the case of the Issuer, a winding up for the purpose of a merger, reorganisation or amalgamation the terms of which have previously been approved either in writing by the Trustee or by an Extraordinary Resolution); or

(vii) the appointment of an Insolvency Official in relation to such company or in relation to the whole or any substantial part of the undertaking or assets of such company (excluding, in relation to the Issuer, an administrative receiver or other receiver or manager appointed by the Trustee pursuant to the Trust Deed);

"**Insolvency Official**" means, in respect of any company, a liquidator, provisional liquidator, administrator (whether appointed by the court or otherwise), administrative receiver, examiner, receiver or manager, nominee, supervisor, trustee in bankruptcy, conservator, guardian or other similar official in respect of such company or in respect of all (or substantially all) of the company's assets or in respect of any arrangement or composition with creditors;

"**Insolvency Proceedings**" means the winding-up, liquidation, dissolution, examinership, company voluntary arrangement or administration of a company or corporation and shall be construed so as to include any equivalent or analogous proceedings under the law of the jurisdiction in which such company or corporation is incorporated or of any jurisdiction in which such company or corporation carries on business including the seeking of liquidation, winding-up, reorganisation, dissolution, administration, arrangement, adjustment, protection or relief from creditors or the appointment of an Insolvency Official;

"**Insolvency Regulation**" means the Insolvency Act 1986 (Amendment) (No. 2) Regulations 2002;

"**Interest Amount**" means, in respect of a Note and a Payment Period, the amount of interest payable in respect of such Note for such Payment Period;

"**Interest Proceeds**" means, in respect of any Payment Date, the amount which is, or should (if the appropriate debits and credits in Condition 5 had been made) be, standing to the credit of the Collection Account on the day prior to such Payment Date plus interest payable on the Cash Deposit on such Payment Date, subject to any adjustment made pursuant to Condition 4(f);

"**Investment Company Act**" means the United States Investment Company Act of 1940, as amended;

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

"**Issuer Irish Account**" means the account so designated pursuant to Condition 5(a);

"**Issuer Spread Amount**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Lead Managers**" means HSBC Bank plc and Sampo Bank plc as joint lead managers;

"**Legal Final Maturity Date**" means the Payment Date falling in January 2015;

"**Majority**" with respect to a Class of Notes means holders holding more than 50 per cent. of the Outstanding Principal Amount of Such Notes;

"**Margin**" means in respect of each Class of Notes, the rate set out in respect of such Class in the table below:

Class of Notes	*Margin*
Class A Notes	0.16 per cent. per annum (the "**Class A Interest Margin**")
Class B Notes	0.26 per cent. per annum (the "**Class B Interest Margin**")
Class C Notes	0.38 per cent. per annum (the "**Class C Interest Margin**")

Class of Notes	*Margin*
Class D Notes	0.70 per cent. per annum (the "**Class D Interest Margin**")
Class E Notes	2.50 per cent. per annum (the "**Class E Interest Margin**")
Class F Notes	10.18 per cent. per annum (the "**Class F Interest Margin**")

"**Master Agreement**" means the 1992 ISDA Master Agreement (Multicurrency – Cross Border) published by ISDA together with the schedule thereto;

"**Meeting**" means a meeting of the Noteholders or of any one or more Classes of Noteholders and, except where the context otherwise requires, includes a meeting resumed following an adjournment;

"**Minimum Denomination**" means, in respect of each Note, €50,000;

"**Minimum Profit Amount**" means, on each Payment Date €500;

"**Mortgaged Property**" has the meaning given to that term in Condition 3(f);

"**Negative Adjustment Payment**" has the meaning given to it in the Credit Default Swap Agreement;

"**Note Acceleration Notice**" has the meaning given to it in Condition 10(a);

"**Note Accrual Amount**" with respect to the Class F Notes for each Payment Date is equal to the lesser of (i) the remaining balance standing to the credit of the Collection Account on such Payment Date after giving effect to the provisions of the Income Priority of Payments for payment or provision to be made to or in respect of prior ranking creditors and (ii) the Class F Note Interest Amount;

"**Note Calculation Agent**" means Sampo Bank plc or any successor appointed as note calculation agent pursuant to the Agency Agreement;

"**Note Event of Default**" has the meaning given to that term in Condition 10(b);

"**Noteholder**" means any of a Class A Noteholder, a Class B Noteholder, a Class C Noteholder, a Class D Noteholder, a Class E Noteholder or a Class F Noteholder;

"**Note Interest Amount**" with respect to any Class of Notes for each Payment Date is equal to:

(a) to and including the applicable Final Redemption Date, with respect to each such Class of Notes, the product of:

  (i) the Adjusted Principal Balance of such Class of Notes on the immediately preceding Payment Date (or, in the case of the first Payment Date, on the Closing Date),

  (ii) the sum of the Base Rate for the related Payment Period and the Margin applicable to such Class of Notes, and

  (iii) the Day Count Fraction; and

(b) after such Final Redemption Date, the product of:

  (i) the Adjusted Principal Balance of such Class of Notes on the immediately preceding Payment Date,

  (ii) the Base Rate for the related Payment Period, and

  (iii) the Day Count Fraction,

(in the case of (a)(i) and (ii) and (b)(i) and (ii) after giving effect on such Payment Date to the applicable provisions of the relevant Priority of Payments) *plus*, in each case, the Note Interest Amount in respect of such Class of Notes for any preceding Payment Period that was not and has not been paid in full pursuant to the Income Priority of Payments;

"**Operating Expenses**" means in respect of any Payment Period, the Administrative Expenses the Trustee Fees and Expenses payable in any period from (and excluding) a Payment Date (or in the case of the first period, the Closing Date) to (and including) the next succeeding Payment Date plus the Put Option Premium payable on the Payment Date falling at the end of such Payment Period plus an amount equal to the Minimum Profit Amount;

"**Ordinary Resolution**" means a resolution passed at a Meeting duly convened and held in accordance with the provisions for meetings of Noteholders or a Class of Noteholders, as applicable in the Trust Deed by a majority of not less than 50 per cent. of the votes cast, whether on a show of hands or a poll;

"**Other Eligible Investments**" means

(a) interest-bearing cash deposits with a bank located in the European Union or the United States having the ratings at least equal to the Account Bank Required Ratings;

(b) direct obligations of, and obligations under which the timely payment of interest and principal is fully and expressly guaranteed by, a government, or of any other agency or instrumentality of a government, that is in each case zero risk weighted under the Standardised Approach; and

(c) demand and time deposits in, certificates of deposits of, and bankers' acceptances issued by, and any other senior debt security issued by any bank or other financial institution which qualifies for a 10 per cent. risk weighting under the Standardised Approach,

which are, in each case denominated in euro and redeemable at an amount equal to or in excess of the net acquisition cost thereof (excluding the purchase price of accrued interest thereon), on the acquisition of which no stamp duty or similar tax is required to be paid in any jurisdiction and payments on which are not subject to any withholding or deduction for or on account of tax (unless the obligor is required to pay such additional amounts as ensure that the holder receives, after withholding or deduction, the amount it would have received had no such withholding or deduction been required);

"**outstanding**" means, with respect to the Notes of a Class, all of the Notes of such Class issued other than:

(i) those Notes of the relevant Class which have been redeemed pursuant to the Trust Deed;

(ii) those Notes of such Class in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable in respect thereof and any interest payable under the Conditions after such date) have been duly paid to the Trustee or to the Principal Paying Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the relevant Noteholders) and remain available for payment against presentation of the relevant Notes;

(iii) those Notes, claims in respect of which have become void under Condition 11;

(iv) those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 12; and

(v) (for the purpose only of ascertaining the Outstanding Principal Amount of the Notes and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued pursuant to Condition 12;

"**Outstanding Principal Amount**" means, in respect of any Class of Notes on any date:

(i) the aggregate principal amount of such Class as of the Closing Date; minus

(ii) all principal payments from the Closing Date to and including such date made in accordance with Condition 8 to the Noteholders of that Class;

"**Payment Date**" has the meaning given to that term in Condition 7(a);

"**Payment Period**" has the meaning given to that term in Condition 7(a);

"**Positive Adjustment Payment**" has the meaning given to it in the Credit Default Swap Agreement;

"**Potential Failure to Pay**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Principal Deficiency Ledger**" has the meaning given to that term in Condition 5(i);

"**Principal Deficiency Ledger Balance**" on any Payment Date is the amount determined in accordance with Condition 5(i);

"**Principal Priority of Payments**" has the meaning given to that term in Condition 4(b);

"**Principal Proceeds**" means, subject to any adjustment made pursuant to Condition 4(f), on any Payment Date, the Balance of the Collateral Account less any Deferred Funding Amount;

"**Priorities of Payment**" means the Income Priority of Payments, the Principal Priority of Payments and the Enforcement Priority of Payments (each a "**Priority of Payments**");

"**Prospectus**" means the Prospectus dated 20 July, 2006 in respect of the Notes;

"**Put Covered Bonds**" means, in respect of any Put Exercise Date, the Covered Bonds stated in the Put Exercise Notice given in respect of such Put Exercise Date, to be the subject of such Put Exercise Notice;

"**Put Exercise Date**" means the date on which a Put Exercise Notice is given;

"**Put Exercise Notice**" means a notice from the Issuer to the Put Option Counterparty that it is exercising its option to sell some or all of the Covered Bonds to the Put Option Counterparty;

"**Put Option Agreement**" means the put option agreement entered into between the Issuer and the Put Option Counterparty pursuant to which the Issuer may put some or all of the Covered Bonds onto the Put Option Counterparty in accordance with its terms;

"**Put Option Collateral**" means the assets provided by the Put Option Counterparty under the Credit Support Deed to secure its obligations under the Put Option Agreement;

"**Put Option Collateral Account**" means the account of the Put Option Counterparty with the Custodian in the name of the Issuer to which will be credited all Put Option Collateral (whether cash or securities) subject to security under the Credit Support Deed;

"**Put Option Collateral Required Amount**" has the meaning given to it in the Put Option Agreement;

"**Put Option Counterparty**" means Sampo Bank plc;

"**Put Option Default**" means any event of default or termination event arising under the Put Option Agreement;

"**Put Option Premium**" means the premium payable by the Issuer to the Put Option Counterparty under the Put Option Agreement;

"**Put Purchase Price**" means in respect of any Put Covered Bonds, the nominal amount of such Put Covered Bonds plus interest accrued on the Put Covered Bonds from the last interest payment date of such Put Covered Bonds to the Put Settlement Date;

"**Put Settlement Date**" means, in respect of the Covered Bonds in respect of which a Put Exercise Date has occurred (a) in the case of a Put Exercise Notice given on the fourth Business Day prior to a Payment Date or Redemption Date, the second Business Day prior to such Payment Date or Redemption Date and (b) in any other case, the Business Day following the date of such Put Exercise Notice;

"**Quarterly Report**" means each report to be prepared pursuant to the Credit Default Swap Agreement;

"**Rated Notes**" means the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes;

"**Rating Agencies**" means Fitch and S&P, and "**Rating Agency**" means either of them;

"**Rating Agency Confirmation**" means, with respect to any circumstance, event or action taken or to be taken, a condition that is satisfied when each Rating Agency has confirmed in writing to the Issuer that such circumstance, event or action will not result in the withdrawal, reduction or other adverse action with respect to the then-current rating of the Notes;

"**Receiver**" means a receiver appointed pursuant to the Trust Deed;

"**Redemption Date**" means any date on which Notes are to be redeemed, in whole or in part;

"**Redemption Notice**" means a redemption notice in the form available from any of the Paying Agents which has been duly completed by a Noteholder and which specifies, amongst other things, the applicable Redemption Date;

"**Reference Banks**" means the principal London office of each of four major banks in the Euro-zone inter-bank market selected by the Note Calculation Agent;

"**Reference Obligation Notional Amount**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Reference Portfolio**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Reference Portfolio Notional Amount**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Register**" means the register of holders of the legal title to the Definitive Notes and Global Notes kept by the Registrar pursuant to the terms of the Agency Agreement;

"**Regulatory Event**" means any (a) introduction or change in (i) any law, rule or regulation binding on the CDS Counterparty or any of its relevant Affiliates (the "**Sampo Group**") relating to regulatory capital requirements; or (ii) the interpretation, application or administration of any law, rule or regulation specified in (i) above by any governmental, supervisory or regulatory authority having jurisdiction over any member of the Sampo Group; or (b) request or directive relating to regulatory capital requirements (whether or not having the force of law) of any governmental, supervisory or regulatory authority having jurisdiction over any member of the Sampo Group, which in such case is made after the Closing Date, including, in each case and without limitation, in connection with the implementation of the principles contained in "International Convergence of Capital Measurement and Capital Standards: a Revised Framework" as published by the Basel Committee on Banking Supervision in June 2004 or as subsequently modified or supplemented (as so modified or supplemented, the "**Basel Principles**"), and which, in each case, the CDS Counterparty reasonably determines after the Closing Date (acting in good faith) result in the Sampo Group obtaining materially less regulatory capital relief in respect of the Reference Portfolio when compared with the regulatory capital relief which at that time would be available if the Sampo Group had, for regulatory capital relief purposes, transferred on commercially attainable market terms 100 per cent. of the credit exposure in respect of the Reference Portfolio and acquired the Eligible Investments then held by the Issuer, after the Sampo Group has taken reasonable measures to obtain such relief, including having made and pursued relevant official applications, but not involving any material additional payment by, or capital or other expenditure by, the Sampo Group. For the avoidance of doubt, the CDS Counterparty may determine that a Regulatory Event has occurred even if, prior to the date hereof, information in respect of the relevant event under paragraph (a) or (b) above was contained in the Basel Principles or was announced or contained in any other proposal, decision or view expressed by any governmental, supervisory or regulatory authority having jurisdiction over the Sampo Group (including any document or meeting or discussion with any such governmental, supervisory or regulatory authority) provided that implementation occurred after the Closing Date;

"**Regulation S**" means Regulation S under the U.S. Securities Act of 1933 (as amended);

"**Relevant Date**" means, with respect to the payment of principal and interest on the Notes, whichever is the later of (a) the date on which such payment first becomes due and (b) if the full amount payable has not been received by the Trustee or the Principal Paying Agent on or prior to such due date, the date on which, the full amount having been received, notice to that effect shall have been given to the Noteholders under Condition 13;

"**Replenishment**" has the meaning given to that term in the Credit Default Swap Agreement;

"**Replenishment Period**" means the period beginning on (and including) the Closing Date and ending on (but excluding) the Payment Date falling in July 2009;

"**S&P**" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor to its ratings business;

"**Scheduled Maturity Date**" means the Payment Date falling in January 2012;

"**Secured Obligations**" means all present and future obligations and liabilities (whether actual or contingent) of the Issuer to any Secured Party under the Notes, the Trust Deed, the Credit Default Swap Agreement, the Put Option Agreement, the Cash Administration Agreement, the Verification Agency Agreement, the Agency Agreement, the Custody Agreement, the Account Bank Agreement, the Corporate Services Agreement and the Subscription Agreement;

"**Secured Parties**" means the Noteholders, the Trustee, any Receiver, the CDS Counterparty, the Lead Managers, the Put Option Counterparty, the Paying Agents, the Transfer Agents, the Note Calculation Agent, the Custodian, the Account Bank, the Cash Administrator and the Corporate Services Provider;

"**Securities Act**" means the United States Securities Act of 1933, as amended;

"**Security Interest**" means any mortgage, sub-mortgage, security assignment, standard security, charge, sub-charge, pledge, lien, right of set-off or other encumbrance or security interest of any kind, however created or arising, including anything analogous to any of the foregoing under the laws of any jurisdiction;

"**Security**" means the security created by the Trust Deed in favour of the Secured Parties;

"**Share Trustee**" means SFM Corporate Services Limited;

"**Standardised Approach**" means the standardised approach to assessing credit risks contained in the document entitled "International Convergence of Capital Measurement and Capital Standards: a Revised Framework" published by the Basel Committee in June 2004;

"**Subscription Agreement**" means the agreement made between the Issuer and the Lead Managers dated 19 July, 2006, pursuant to which the Lead Managers have severally agreed, subject to certain conditions, to subscribe for the Notes;

"**Swap Event of Default**" means, with respect to the Credit Default Swap Agreement and the CDS Counterparty, any of a Failure to Pay, a Breach of Agreement, a Misrepresentation, a Bankruptcy or a Merger Without Assumption (as such terms are defined in the Master Agreement), and with respect to the Issuer, any of a Failure to Pay or Bankruptcy (as such terms are defined in the Master Agreement);

"**TARGET Business Day**" means any day on which TARGET (the Trans-European Automated Real-time Gross Settlement Express Transfer system) is open;

"**Tax**" means any present or future tax, levy, impost, duty, charge, fee, deduction or withholding of any nature whatsoever (including any penalty or addition or interest payable in connection with any failure to pay or any delay in paying any of the same) imposed or levied by or on behalf of any jurisdiction or any sub-division of it or by any authority in it having power to tax in respect of any payment and "**taxes**", "**taxation**", "**taxable**" and comparable expressions shall be construed accordingly;

"**Telerate**" means Bridge's Telerate Service (or such other services may be nominated as the information vendor by the Note Calculation Agent);

"**Transaction Documents**" means the Trust Deed, the Agency Agreement, the Account Bank Agreement, the Cash Administration Agreement, the Put Option Agreement, the Credit Support Deed, the Credit Default Swap Agreement, the Verification Agency Agreement, the Corporate Services Agreement, the Custody Agreement and the Subscription Agreement;

"**Transaction Party**" means each party to each and any Transaction Document for the time being and includes its successors, transferees and assignees and, in the case of the Trustee, includes any additional or replacement trustee, separate trustee or co-trustee appointed under the Trust Deed and "**Transaction Parties**" means any one of them;

"**Trustee Fees and Expenses**" means the fees, costs and expenses and other amounts (including without limitation, disbursements of the Trustee and fees, costs and expenses of its agents and counsel and indemnities under the Trust Deed) payable to the Trustee pursuant to the Trust Deed from time to time (other than interest and/or principal of the Notes and any amounts in respect of the Credit Default Swap Agreement);

"**U.S. Person**" means a person who is a U.S. Person as defined in Regulation S;

"**Verification Agency Agreement**" means the agreement dated on or about the Closing Date between the CDS Counterparty, the Issuer, the Trustee and Ernst & Young Oy (together with any successor accountant appointed under the Verification Agency Agreement, the "**Accountant**") under which Ernst & Young Oy has agreed to act as the Accountant in relation to the Credit Default Swap Agreement;

"**Written Resolution**" means a resolution in writing signed by or on behalf of 90 per cent. of the holders of Notes or, if applicable, 90 per cent. of the holders of Notes of a particular Class who, in accordance with the provisions for Meetings of Noteholders in the Trust Deed, would be entitled to attend and vote at a Meeting of Noteholders or, if applicable, Noteholders of that Class, whether contained in one document or several documents in the same form, each signed by or on behalf of one or more of them.

(b) *General Interpretation*

In these Conditions any reference to:

(i) "**Euroclear**" and/or "**Clearstream, Luxembourg**" shall, wherever the context so admits, be deemed to include reference to any additional or alternative clearing system approved by the Issuer and the Trustee in relation to the Notes;

(ii) "**including**" shall be construed as a reference to "**including without limitation**", so that any list of items or matters appearing after the word "including" shall be deemed not to be an exhaustive list, but shall be deemed rather to be a representative list, of those items or matters forming a part of the category described prior to the word "including";

(iii) a "**law**" shall be construed as any law (including common or customary law), statute, constitution, decree, judgment, treaty, regulation, directive, by-law, order or any other legislative measure of any government, supranation, local government, statutory or regulatory body or court;

(iv) a "**person**" means, any individual, firm, company, corporation, unincorporated association, government, state or agency of a state or any association or partnership, limited liability company, trustee or statutory business trust (whether or not having separate legal personality) of two or more of the foregoing;

(v) "**repay**", "**redeem**" and "**pay**" shall each include both of the others and "**repayable**", "**repayment**" and "**repaid**" and "**redeemable**", "**redemption**" and "**redeemed**" and "**payable**", "**payment**" and "**paid**" shall be construed accordingly;

(vi) a "**subsidiary**" of a company or corporation shall be construed as a reference to any company or corporation (A) which is controlled, directly or indirectly, by the first-mentioned company or corporation; or (B) more than half the issued share capital of which is beneficially owned, directly or indirectly, by the first mentioned company or corporation; or (C) which is a subsidiary of another subsidiary of the first-mentioned company or corporation and for these purposes a company or corporation shall be treated as being controlled by another if that other company or corporation is able to direct its affairs and/or to control the composition of its board of directors or equivalent body; and

(vii) "**VAT**" shall be construed as a reference to value added tax or any other tax of a similar fiscal nature imposed by the laws of any jurisdiction.

(c) *Singular and Plural*

Unless the context otherwise requires: words denoting the singular number only include the plural number also and *vice versa*; a defined term in the plural which refers to a number of different items or matters may be used in the singular or plural to refer to any (or any set) of those items or matters, as the context requires; words denoting one gender only include the other genders; and words denoting persons only include firms, corporations and other organised entities, whether separate legal entities or otherwise, and vice versa.

(d) *Agreements and Statutes*

Unless the context otherwise requires, any reference in these Conditions to:

(i) any Transaction Document or any other agreement, deed or document shall be construed as a reference to the relevant agreement, deed or document as the same may have been, or may from time to time be, replaced, extended, amended, varied, novated, supplemented or superseded in accordance with its terms and includes any agreement, deed or document expressed to be supplemental to it, as from time to time so extended, amended, varied or novated;

(ii) any statutory provision or legislative enactment shall be deemed also to refer to any re-enactment, modification or replacement thereof and any statutory instrument, order or regulation made thereunder or under any such re-enactment, and

(iii) any person shall include its successors, transferees and assigns or any person representing such person in accordance with the relevant Transaction Document.

2. Form, Denomination and Title

(a) *Structure of Note Issue*

Each Class of Notes will be initially represented by a Global Note in an aggregate principal amount on issue of €41,500,000 for the Class A Notes, €22,000,000 for the Class B Notes, €14,500,000 for the Class C Notes, €14,500,000 for the Class D Notes, €15,000,000 for the Class E Notes and €37,500,000 for the Class F Notes.

(b) *Form and Denomination of Notes*

Each Class of Notes is serially numbered and will be represented by beneficial interests in one or more Global Notes in fully registered form in substantially the form attached to the Trust Deed, in each case without interest coupons or principal receipts attached, in the applicable Authorised Denomination. Certificates representing Global Notes will be issued and deposited with the Common Depositary. Definitive Notes will be issued to each Noteholder in respect of its registered holding or holdings of Global Note(s) only in the limited circumstances described

herein. Each Certificate in respect of a Definitive Note will be numbered serially with an identifying number which will be recorded in the Register which the Issuer shall procure to be kept by the Registrar.

(c) *Title to Notes*

Title to Notes passes upon registration of transfers in the Register in accordance with the provisions of the Agency Agreement and the Trust Deed. Notes will be transferable only on the books of the Issuer and its agents. The registered holder of any Note will (except as ordered by a court of competent jurisdiction or otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it, any writing on it, or its theft or loss) and no person will be liable for so treating the holder.

(d) *Transfer*

Subject to the other Conditions set forth herein, transfers of a Global Note shall be limited to transfers of such Global Note, in whole or in part, to nominees of the Clearing Systems or to one or more successors of the Clearing Systems or such successor's nominee. Transfers by a holder of a beneficial interest in a Global Note may be made only in accordance with the applicable procedures of the relevant Clearing System. Definitive Notes may be transferred in whole or in part in nominal amounts equal to the applicable Authorised Denomination or integral multiples thereof only upon the surrender at the specified office of the Registrar or any Transfer Agent of the Certificate(s) (in respect of such Definitive Note(s)) to be transferred, with the form of transfer endorsed on such Certificate duly completed and executed and together with such other evidence as the Registrar or the relevant Transfer Agent may reasonably require. In the case of a transfer of part only of a Definitive Note, a new Certificate in respect of such Definitive Note will be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

(e) *Delivery of New Notes*

Each new Certificate to be issued pursuant to Condition 2(d) will be available for delivery within five Business Days of receipt of such form of transfer or of surrender of an existing Certificate upon partial redemption. Delivery of new Certificates shall be made at the specified office of the Registrar or Transfer Agent, as the case may be, to whom delivery or surrender shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the form of transfer or otherwise in writing, shall be mailed by pre-paid first class post, at the risk of the holder entitled to the new Certificate, to such address as may be so specified. In this Condition 2(e), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified offices of the Registrar and the relevant Transfer Agent.

(f) *Transfer Free of Charge*

Transfer of Global Notes and Definitive Notes in accordance with these Conditions on registration or transfer will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent, but upon payment (or the giving of such indemnity as the Registrar or Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(g) *Closed Periods*

No Noteholder may require the transfer of a Note to be registered (i) during the period of 15 calendar days ending on the due date for redemption (in full or part) of that Note or (ii) during the period of fifteen calendar days ending on the due date of any payment of interest under the Notes.

(h) *Regulations Concerning Transfer and Registration*

All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning the transfer of Notes scheduled to the Trust Deed and the Agency Agreement, including without limitation, the provisions of the Trust Deed which provide that a transfer of Notes in breach of certain of such regulations will result in such transfer being void *ab initio*. In addition, the Issuer may require that a Note transferred in breach of certain of such regulations be sold. The regulations may be changed by the Issuer in any manner which is reasonably required by the Issuer (after consultation with the Trustee and the Agents) to reflect

changes in legal or regulatory requirements or in any other manner which, in the opinion of the Trustee, is not prejudicial to the interests of the holders of any relevant Class of Notes. A copy of the current regulations may be inspected at the offices of the Registrar during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for the term of the Notes and will be sent by the Registrar to any Noteholder who so requests.

(i) *Forced Transfer of Notes*

If the Issuer determines at any time that either a person within the U.S. or a U.S. Person has purchased Notes, the Issuer will require such holder to sell the Notes held by such holder within 30 days after notice of the sale requirement is given. If the holder of the Notes fails to effect the sale within such 30 day period, the Issuer will cause such holder's Notes to be transferred in a commercially reasonable sale (conducted by the Issuer in accordance with Section 9-610(b) of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognised market or that may decline speedily in value) to a person that certifies to the Issuer that such person is not a U.S. Person, together with the other acknowledgments, representations and agreements deemed to be made by a transferee of Notes pursuant to Regulation S. No payments will be made on the affected Notes from the date notice of the sale requirement is sent to the date on which the interest is sold.

If the Issuer determines that a beneficial owner of Class E Notes or Class F Notes (or an interest therein) is an employee benefit plan or other arrangement subject to the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") or Section 4975 of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), the Issuer may compel such beneficial owner to sell its interest in this Note within 30 days after notice of the sale requirement is given, or if such beneficial owner fails to effect the sale within such 30 day period, the Issuer will cause such beneficial owner's Notes (or interest therein) to be transferred in a commercially reasonable sale (conducted by the Issuer in accordance with section 9-610(b) of the Uniform Commercial Code as in effect in the State of New York as applied to securities that are sold on a recognised market or that may decline speedily in value), to a person that certifies to the Issuer that it is not an employee benefit plan or other arrangement subject to the ERISA or Section 4975 of the Code. No payment will be made on the affected Notes from the date notice of the sale requirement is sent to the date the interest is sold.

3. Status, Relationship between Notes and Security

(a) *Status of the Notes*

The Notes constitute direct and, upon issue, unconditional, limited recourse obligations of the Issuer subject to the Trust Deed and these Conditions and are secured over the Mortgaged Property. The Notes are obligations solely of the Issuer and are not obligations of, or guaranteed by, any of the other parties to the Transaction Documents.

(b) *Subordination*

The Notes of each Class rank *pari passu* without preference or priority among themselves. The different Classes of Notes rank as among themselves in accordance with the Priorities of Payment. Certain other obligations of the Issuer rank in priority to each Class of Notes in accordance with the Priorities of Payments.

(c) *Conflicts of Interest between Noteholders*

The Trust Deed contains provisions requiring the Trustee (except where expressly provided otherwise in any Transaction Document) to have regard to the interests of the Noteholders of each Class as regards the exercise or performance of each of its trusts, powers, authorities, duties, discretions and obligations under or in connection with the Trust Deed and each of the other Transaction Documents or conferred upon it by operation of law (together, the "**Trustee Powers**").

If, in relation to the exercise or performance of any of the Trustee Powers, in the Trustee's opinion there is or may be a conflict between the interests of the Noteholders of different Classes and/or any other Secured Party the Trustee shall, to the extent permitted by applicable law, have regard only to the interests of the Controlling Class or, if the Controlling Class has no interest in the outcome of the conflict, only to the interests of the holders of the Class of Notes that have an interest in the outcome of such conflict and are next in line to become the Controlling Class in the order specified in the definition of that term, **provided that** in relation to any provision of a Transaction Document that requires the Trustee to have regard to the

interests of the Noteholders of each Class or to determine that the relevant circumstance, event or action taken or to be taken is not materially prejudicial to the interests of the Noteholders of any Class, the Trustee shall have regard to the interests of the Noteholders of each Class irrespective of any conflict between the interests of the different Classes of Noteholders.

(d) *Excluded Noteholder Interests*

In relation to the exercise or performance of any of the Trustee Powers, in, or by reference to, the interests of the Noteholders or any of them, the Trustee shall not have regard to:

(i) the interests of holders of Excluded Notes in relation to Excluded Matters;

(ii) the circumstances of individual Noteholders (and in particular the place where they are domiciled or resident for any purpose) and no Noteholder shall have any right to be compensated by the Issuer or any other person for the tax or other consequences for it individually of any such exercise or performance.

(e) *No Material Prejudice Test*

The Trustee, in determining whether or not any circumstance, event or action taken or to be taken is materially prejudicial to the interests of any Class of Noteholders, shall be entitled to take into account whether or not such circumstance, event or action is subject to a Rating Agency Confirmation; provided that the Trustee shall continue to be responsible for taking into account all other matters which would be relevant for the purpose of making that determination.

(f) *Security*

The obligations of the Issuer under the Notes, the Trust Deed and the other Transaction Documents are secured by the following assignments and charges in favour of the Trustee pursuant to the Trust Deed:

(i) a charge by way of first fixed security of the Issuer's rights, title, interest and benefit, present and future, in and to the Eligible Investments and Other Eligible Investments (other than the Cash Deposit) and all rights, entitlement or other benefits relating thereto including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of or in substitution therefor and the proceeds of sale, redemption or discharge thereof;

(ii) a charge by way of first fixed security of all the Issuer's rights, title, interest and benefit, present and future, in and to all sums of money which may now be or hereafter are from time to time standing to the credit of any bank or other account (including, for the avoidance of doubt, the Cash Deposit, the Collection Account, the Collateral Account, the CDS Prepayment Account, the Excess Spread Account and the Issuer Irish Account) in which the Issuer may at any time acquire any right, title, interest or benefit together with all interest accruing from time to time thereon and the debts represented thereby;

(iii) an assignment by way of first fixed security of the Issuer's rights, title, interest and benefit, present and future, in, under and pursuant to the Transaction Documents and all other contracts, deeds and documents, present and future, to which the Issuer is or may become a party and all proceeds thereof and sums arising therefrom;

(iv) a first fixed charge over the Custody Account together with all interest accruing from time to time thereon and any cash and securities held therein and the debt represented thereby; and

(v) a sub-charge over the Credit Support Deed and all the Issuer's rights, title, interest and benefit, present and future, in and to any Put Option Collateral and all rights, entitlement or other benefits relating thereto including, without limitation, all moneys received in respect thereof, all dividends and distributions paid or payable thereon, all property paid, distributed, accruing or offered at any time on, to or in respect of, or in substitution therefore and the proceeds of sale, redemption or discharge thereof;

(vi) a charge by way of first floating charge over the whole of the Issuer's undertaking and all of its property and assets whatsoever and wheresoever situated, present and future.

The assets and rights described in paragraphs (i) to (vi) above are together referred to as the "**Mortgaged Property**".

The Trustee shall hold the benefit of the Mortgaged Property for the Secured Parties on the terms of the Trust Deed and shall deal with the Mortgaged Property and apply all payments, recoveries or receipts in respect of the Mortgaged Property in accordance with these Conditions and the Trust Deed.

4. Order of Payments

(a) *Income Priority of Payments*

Prior to the security in respect of the Mortgaged Property being enforced as described in Condition 10(f), on each Payment Date, the Issuer shall apply the Interest Proceeds in the order set out below (the "**Income Priority of Payments**") (in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full):

(i) (A) to the payment of any Taxes (other than these in respect of (i)(B) below) due but unpaid by the Issuer to any tax authority in respect of any Payment Period ending on or before such Payment Date provided, in respect of any payment of Taxes in excess of €1,000, they have been certified to the Trustee as being due and payable by a director of the Issuer and, where an Additional Tax Payment has been made, to setting aside for payment of a corresponding amount of Relevant Issuer Tax such Additional Tax Payment until the corresponding Relevant Issuer Tax is paid;

(B) to the payment of an amount equal to the Minimum Profit Amount to be retained by the Issuer (which amounts include Irish corporate income tax required to be paid by the Issuer in respect of such Minimum Profit Amount) for Irish tax purposes, to the Issuer Irish Account;

(ii) to the payment of any due but unpaid Trustee Fees and Expenses;

(iii) to the payment of (A) any due but unpaid Administrative Expenses in relation to each item thereof, on a *pro rata* and *pari passu* basis and (B) the Put Option Premium payable on that Payment Date;

(iv) to the payment to the CDS Counterparty of an amount equal to any overpayment by the CDS Counterparty of the Issuer Spread Amount in respect of the Payment Period ending on such Payment Date;

(v) to the payment, on a *pro rata* and *pari passu* basis, of the Note Interest Amount (and any Gross Up Amount in respect thereof arising under Condition 16) due and payable in respect of the Class A Notes on such Payment Date;

(vi) if such Payment Date falls on or before the Final Redemption Date with respect to the Class A Notes, to debit an amount equal to the Class A Principal Deficiency Ledger Balance from the Principal Deficiency Ledger and transfer such amount from the Collection Account to the Collateral Account;

(vii) to the payment, on a *pro rata* and *pari passu* basis, of the Note Interest Amount (and any Gross Up Amount in respect thereof arising under Condition 16) due and payable in respect of the Class B Notes on such Payment Date;

(viii) if such Payment Date falls on or before the Final Redemption Date with respect to the Class B Notes, to debit an amount equal to the Class B Principal Deficiency Ledger Balance from the Principal Deficiency Ledger and transfer such amount from the Collection Account to the Collateral Account;

(ix) to the payment, on a *pro rata* and *pari passu* basis, of the Note Interest Amount (and any Gross Up Amount in respect thereof arising under Condition 16) due and payable in respect of the Class C Notes on such Payment Date;

(x) if such Payment Date falls on or before the Final Redemption Date with respect to the Class C Notes, to debit an amount equal to the Class C Principal Deficiency Ledger Balance from the Principal Deficiency Ledger and transfer such amount from the Collection Account to the Collateral Account;

(xi) to the payment, on a *pro rata* and *pari passu* basis, of the Note Interest Amount (and any Gross Up Amount in respect thereof arising under Condition 16) due and payable in respect of the Class D Notes on such Payment Date;

(xii) if such Payment Date falls on or before the Final Redemption Date with respect to the Class D Notes, to debit an amount equal to the Class D Principal Deficiency Ledger Balance from the Principal Deficiency Ledger and transfer such amount from the Collection Account to the Collateral Account;

(xiii) to the payment, on a *pro rata* and *pari passu* basis, of the Note Interest Amount (and any Gross Up Amount in respect thereof arising under Condition 16) due and payable in respect of the Class E Notes on such Payment Date;

(xiv) if such Payment Date falls on or before the Final Redemption Date with respect to the Class E Notes, to debit an amount equal to the Class E Principal Deficiency Ledger Balance to the Principal Deficiency Ledger and transfer such amount from the Collection Account to the Collateral Account;

(xv) to the payment, on a *pro rata* and *pari passu* basis, of the Note Accrual Amount (and any Gross Up Amount in respect thereof arising under Condition 16) in respect of the Class F Notes on such Payment Date to the Class F Noteholders as interest on the Class F Notes;

(xvi) if such Payment Date falls on or before the Final Redemption Date with respect to the Class F Notes, to debit an amount equal to the Class F Principal Deficiency Ledger Balance from the Principal Deficiency Ledger and transfer such amount from the Collection Account to the Collateral Account; and

(xvii) if such Payment Date either:

(A) falls other than in October; or

(B) falls on or after the Final Redemption Date and there is any Adjusted Principal Balance of any Class of Notes outstanding or any Deferred Funding Amount is outstanding,

in payment to, in the case of (A) to the Excess Spread Account and, in the case of (B), to the Collateral Account; and

(xviii) the balance, if any, to the CDS Counterparty as Excess Spread Rebate Amount.

In determining the Principal Deficiency Ledger Balance and, accordingly, the Class A Principal Deficiency Ledger Balance, the Class B Principal Deficiency Ledger Balance, the Class C Principal Deficiency Ledger Balance, the Class D Principal Deficiency Ledger Balance, the Class E Principal Deficiency Ledger Balance and the Class F Principal Deficiency Ledger Balance on a Payment Date for the purpose of determining the amounts to be credited to such ledger balances under the Interest Priority of Payments, the calculation shall be made on the basis that all amounts required to be credited and debited to such ledger balances in accordance with the Principal Priority of Payments (other than pursuant to the Income Priority of Payments) have first been made and accordingly any Credit Protection Amounts and/or Positive Adjustment Payments to be made on such Payment Date shall be taken into account in determining the amount which needs to be credited to such ledger balances above.

(b) *Principal Priority of Payments*

Prior to the security in respect of the Mortgaged Property being enforced as described in Condition 10(f), subject as provided in the Trust Deed, on each Payment Date, the Issuer shall apply the Principal Proceeds on that date in the order set out below (the "**Principal Priority of Payments**") (in each case, only if and to the extent that payments or provisions of a higher order of priority have been made in full) and, in the case of items provided for under the Income Priority of Payments, to the extent not paid out of the Interest Proceeds in accordance with the Income Priority of Payments:

(i) to the payment of any Credit Protection Amounts and Positive Adjustment Amounts due to the CDS Counterparty under the Credit Default Swap Agreement;

(ii) on any Payment Date falling prior to the Final Redemption Date, in redeeming, on a *pro rata* and *pari passu* basis, the Adjusted Principal Balance of first the Class A Notes, then the Class B Notes, then the Class C Notes, then the Class D Notes, then the Class E Notes and finally the Class F Notes in an amount equal to the amount by which the aggregate Outstanding Principal Amount of all Classes of Notes less the sum of all Credit Protection Amounts and all Positive Adjustment Payments on the immediately preceding Payment Date (after all payments made on such date) exceeds the Reference Portfolio Notional Amount on the immediately preceding Calculation Date;

(iii) if such Payment Date falls on or after the Final Redemption Date to the payment, on a *pro rata* and *pari passu* basis, of the Adjusted Principal Balance of the Class A Notes immediately prior to such Payment Date less the Class A Note Deferred Funding Amount on such Payment Date;

(iv) if such Payment Date falls on or after the Final Redemption Date and following redemption in full of the Class A Notes at their Adjusted Principal Balance, to the payment, on a *pro rata* and *pari passu* basis, of the Adjusted Principal Balance of the Class B Notes immediately prior to such Payment Date less the Class B Note Deferred Funding Amount on such Payment Date;

(v) if such Payment Date falls on or after the Final Redemption Date and following redemption in full of the Class A Notes and the Class B Notes at their Adjusted Principal Balance, to the payment, on a *pro rata* and *pari passu* basis, of the Adjusted Principal Balance of the Class C Notes immediately prior to such Payment Date less the Class C Note Deferred Funding Amount on such Payment Date;

(vi) if such Payment Date falls on or after the Final Redemption Date and following redemption in full of the Class A Notes, the Class B Notes and the Class C Notes at their Adjusted Principal Balance, to the payment, on a *pro rata* and *pari passu* basis, of the Adjusted Principal Balance of the Class D Notes immediately prior to such Payment Date less the Class D Note Deferred Funding Amount on such Payment Date;

(vii) if such Payment Date falls on or after the Final Redemption Date and following redemption in full of the Class A Notes, the Class B Notes, the Class C Notes and the Class D Notes at their Adjusted Principal Balance, to the payment, on a *pro rata* and *pari passu* basis, of the Adjusted Principal Balance of the Class E Notes immediately prior to such Payment Date less the Class E Note Deferred Funding Amount on such Payment Date;

(viii) if such Payment Date falls on or after the Final Redemption Date and following redemption in full of the Class A Notes, the Class B Notes, the Class C Notes, the Class D Notes and the Class E Notes at their Adjusted Principal Balance, to the payment, on a *pro rata* and *pari passu* basis, of the Adjusted Principal Balance of the Class F Notes immediately prior to such Payment Date less the Class F Note Deferred Funding Amount on such Payment Date;

(ix) prior to the Payment Date on which there is no Adjusted Principal Balance remaining on any Class of Notes and no Deferred Funding Amount outstanding to the payment of the balance to the Collateral Account; and

(x) on the Payment Date on which there is no Adjusted Principal Balance remaining on any class of Notes and no Deferred Funding Amount outstanding, to the payment of the balance to the CDS Counterparty as Excess Spread Rebate Amount.

(c) *Application of Proceeds upon Enforcement of Security*

Any moneys received ("**Enforcement Proceeds**") by the Trustee upon enforcement of the security or by the Trustee or the Noteholders pursuant to the delivery to the Issuer of a Note Acceleration Notice shall be applied in the order set out below (the "**Enforcement Priority of Payments**"):

(i) to the payment of the fees, costs, charges, expenses and liabilities incurred by the Trustee or any Receiver;

(ii) to the payment of any due but unpaid Trustee Fees and Expenses;

(iii) to the payment of any due but unpaid Administrative Expenses in relation to each item thereof, on a *pro rata* and *pari passu* basis;

(iv) to the payment to the CDS Counterparty of (a) an amount equal to any overpayment by the CDS Counterparty of the Issuer Spread Amount in respect of the Payment Period ending on such Payment Date and (b) any Credit Protection Amounts and any Positive Adjustment Amounts due to the CDS Counterparty under the Credit Swap Agreement;

(v) in the payment of the Adjusted Principal Balance of, and Note Interest Amount accrued in respect of, the Class A Notes;

(vi) in the payment of the Adjusted Principal Balance of, and the Note Interest Amount accrued in respect of, the Class B Notes;

(vii) in the payment of the Adjusted Principal Balance of, and the Note Interest Amount accrued in respect of, the Class C Notes;

(viii) in the payment of the Adjusted Principal Balance of, and the Note Interest Amount accrued in respect of, the Class D Notes;

(ix) in the payment of the Adjusted Principal Balance of, and the Note Interest Amount accrued in respect of, the Class E Notes;

(x) in the payment of the Adjusted Principal Balance of, and the Note Interest Amount accrued in respect of, the Class F Notes;

(xi) in payment of any amount due to the Put Option Counterparty in respect of the Put Option Agreement;

(xii) in payment to the Issuer of an amount equal to the Minimum Profit Amount in respect of such Payment Period; and

(xiii) the balance to the CDS Counterparty as Excess Spread Rebate Amount.

(d) *Calculation and Payment of Amounts*

The Note Calculation Agent will, on each Calculation Date (and/or any other date), calculate the amounts payable in respect of each €50,000 in principal amount of each Class of Notes on the next following Payment Date or any other date under the relevant Priorities of Payment. The Note Calculation Agent shall, by no later than 11.00 am (London time) on the ninth Business Day following the applicable Calculation Date direct the Principal Paying Agent to make such payments set out in the Income Priority of Payments or the Principal Priority of Payments, as the case may be, on the applicable Payment Date (or other date).

(e) *De Minimis Amounts*

The Note Calculation Agent may, acting in a commercially reasonable manner, adjust the amounts required to be applied in payment of principal and interest on each denomination of each Class of Notes pursuant to the Income Priority of Payments, the Principal Priority of Payments or the Enforcement Priority of Payments, as the case may be, so that the amount to be so applied in respect of any Note is a whole amount and does not involve any part of a cent.

(f) *Unexpected Receipts and non-payments*

In relation to any Payment Date, if the Issuer receives any payments in respect of the Collateral Portfolio or any payment in respect of the Credit Default Swap Agreement or Put Option Agreement during the period from, and including, the immediately prior Calculation Date to, but excluding, such Payment Date (other than amounts expected to be deposited in the Collection Account, the Collateral Account, the Excess Spread Account, the CDS Prepayment Account or the Custody Account in the period from, and including, such Calculation Date to, but excluding, such Payment Date and which the Note Calculation Agent shall have taken into account for the purposes of determining amounts payable under the Income Priority of Payments or the Principal Priority of Payments on such Payment Date), such amounts shall remain standing to the credit of the relevant Account and shall not form part of Interest Proceeds or Principal Proceeds on such Payment Date. To the extent that any amount expected to be received between the Calculation Date and the immediately succeeding Payment Date is not so received, the Note Calculation Agent may make such adjustments to the amount payable in accordance with the applicable Priority of Payments as is necessary to reflect such non-payment.

(g) *Publication of Interest Amounts and Principal Amounts*

The Note Calculation Agent will cause details of (i) amounts payable in respect of each Minimum Denomination and the Authorised Integral Amount for each Class of Notes on each Payment Date (or any other date) under the Priorities of Payment (ii) the Adjusted Principal Balance of each Class of Notes and (iii) in the case of any redemption of any Class of Notes, the Deferred Funding Amount allocated to such Class of Notes to be notified to the Issuer, the Trustee, the CDS Counterparty, the Put Option Counterparty, each Paying Agent, the Registrar and any stock exchange on which the Notes are for the time being listed by no later than 11.00 am (London time) on the third Business Day following the applicable Calculation Date. The Principal Paying Agent shall procure that details of such amounts are notified to the relevant Noteholders in accordance with Condition 13 as soon as possible after notification thereof to

the Principal Paying Agent in accordance with the above but in no event later than four Business Days after the applicable Calculation Date. The Note Calculation Agent will be entitled to re-calculate any such amount if there has been a shortfall in the expected receipts and will notify the relevant Noteholders of any amendment to such amount in accordance with Condition 13 as soon as practicable after such re-calculation. Any such shortfall in expected receipts shall not form part of the Interest Proceeds or Principal Proceeds to be paid on the relevant Payment Date or Redemption Date.

(h) *Note Calculation Agent*

The Issuer will procure that, so long as any Note is outstanding, there shall at all times be a Note Calculation Agent for the purposes of the Notes. If the Note Calculation Agent is unable or unwilling to continue, or if the Note Calculation Agent fails duly to determine or to calculate the amounts payable in respect of each Class of Notes, the Issuer shall (with the prior written approval of the Trustee) appoint another leading bank of recognised international standing to act as such in its place. The Note Calculation Agent may not resign its duties without a successor having been so appointed.

(i) *Liability of Note Calculation Agent; Notifications, etc. to be final*

The Note Calculation Agent shall not (in the absence of wilful default, negligence or bad faith) be liable to any Noteholder, the Trustee, the CDS Counterparty, the Note Collateral Manager, the Principal Paying Agent, the Registrar or any other Secured Party in respect of any of the calculations and/or directions made by it pursuant to Condition 4(d), 4(e), 4(f), 4(g) or 7 or in respect of any failure by it to direct the making of any payments due to non-receipt by the Note Calculation Agent of information which is, in its opinion, required to make any such calculation and/or give any such direction. The Note Calculation Agent may rely upon any communication or document believed by it to be genuine and correct which is delivered to it by any of the Issuer, the CDS Counterparty, the Account Bank or the Cash Administrator in connection with the calculations to be carried out pursuant to Condition 4(d), 4(e), 4(f), 4(g) or 7. All notifications, opinions, determinations, certificates, quotations and decisions given, expressed, made or obtained by the Note Calculation Agent for the purposes of the provisions of these Conditions will (in the absence of manifest error) be binding on the Issuer, the Trustee, the CDS Counterparty, the Account Bank, the Put Option Counterparty, all Noteholders and the other Secured Parties.

5. The Collateral Portfolio

(a) *Accounts*

The Issuer will at all times maintain the following cash accounts in its name with the Account Bank for the time being:

(i) an account designated as the "**Collection Account**";

(ii) an account designated as the "**Collateral Account**";

(iii) an account designated as the "**CDS Prepayment Account**";

(iv) an account designated as the "**Excess Spread Account**"; and

(v) an account designated as the "**Issuer Irish Account**".

The Issuer will at all times maintain a custody account in the books of the Custodian for the time being (together with each cash or securities account forming part of the custody arrangements under the Custody Agreement, the "**Custody Account**") in which all Eligible Investments (other than the Cash Deposit) will be held.

In addition the Put Option Counterparty shall maintain an account in the name of the Issuer with the Custodian (acting on behalf of the Issuer) to which will be credited all Put Option Collateral (whether cash or securities) subject to security under the Credit Support Deed (the "**Put Option Collateral Account**").

(b) *Eligible Investments*

The cash amounts standing to the credit of the Collateral Account may be invested from time to time only in Eligible Collateral Account Investments; the cash amounts standing to the credit of the Collection Account may be invested from time to time only in Eligible Collection Account Investments; the cash amounts standing to the credit of the CDS Prepayment Account

may be invested from time to time only in Eligible CDS Prepayment Account Investments; and the cash amounts standing to the credit of the Excess Spread Account may be invested from time to time only in Eligible Excess Spread Investments.

The Cash Administrator on behalf of the Issuer shall procure that prior to each Payment Date:

(i) all Eligible Investments made from the Collection Account, the CDS Prepayment Account and the Excess Spread Account are liquidated; and

(ii) such proportion of the Eligible Investments made from the Collateral Account as is required to fund the amount to be applied as Principal Proceeds on that date in accordance with Condition 8 or required to be transferred into the Collection Account are liquidated (including, if applicable, pursuant to the Put Option Agreement);

and, in each case, the proceeds are standing to the credit of the relevant account on each Payment Date.

(c) *The Account Bank, the Principal Paying Agent, the Custodian and the Covered Bonds*

In the event that the Account Bank, the Principal Paying Agent, and/or the Custodian is downgraded below any of the relevant required ratings or any of such ratings is withdrawn, the Issuer will procure that, subject to the provisions of the Account Bank Agreement, the Agency Agreement and/or Custody Agreement (as relevant), a replacement Account Bank, Principal Paying Agent and/or Custodian, as the case may be, with at least the relevant required ratings, which is a financial institution acceptable to the Trustee, is appointed within 30 days.

The required ratings of the Account Bank are a short-term senior, unsecured and unguaranteed indebtedness rating of "F1+" from Fitch, and a short-term issuer credit rating of "A-1+" from S&P.

The required ratings of the Principal Paying Agent and the Custodian are a short-term senior, unsecured and unguaranteed indebtedness rating of "F1" from Fitch, and a short-term issuer credit rating of at least "A-1" from S&P.

The Issuer reserves the right at any time, with the prior written approval of the Trustee, HSBC Bank plc and the Cash Administrator and subject to Rating Agency Confirmation, to change the Custodian. Notice of such change shall be given to the Noteholders in accordance with Condition 13.

In the event that the Covered Bonds cease to be rated AAA by S&P and AAA by Fitch, the Issuer (acting through the Cash Administrator) will exercise the Put Option and sell the Covered Bonds for settlement on the next Payment Date (excluding accrued interest to such Payment Date) and will deposit the proceeds of sale with the Account Bank in the Cash Deposit (such amount being credited to the Collateral Account).

(d) *The Collection Account*

(i) The Issuer will procure that the following amounts are paid into the Collection Account promptly upon receipt thereof or as otherwise specified below:

(A) the interest received on the Accounts;

(B) all proceeds from the disposal, liquidation or redemption of an Eligible Collection Account Investment purchased or made with funds from the Collection Account;

(C) payments in respect of interest, deferred interest, accrued interest and other amounts (other than principal) paid under any Eligible Investments (made from any Account) or in respect of any sale, redemption or other realisation thereof;

(D) all amounts transferred to the Collection Account from the CDS Prepayment Account and/or the Excess Spread Account;

(E) all Negative Adjustment Payments;

(F) the proceeds of any claims against third parties in respect of any of the above and/or any payment provided for in the Income Priority of Payments;

(G) any Additional Tax Payments; and

(H) except as required or permitted otherwise under the Transaction Documents, any other payment to the Issuer.

(ii) The Issuer will procure payment of the following amounts (and shall ensure that no other payment is paid) out of the Collection Account:

(A) the purchase price of any Eligible Collection Account Investments or any deposit constituting an Eligible Collection Account Investment made from the Collection Account;

(B) in respect of any Eligible Investments purchased from the Collateral Account, any part of the purchase price representing accrued interest on such Eligible Investments;

(C) on each Payment Date, to the extent that, after making all payments then due and payable under (B) above, there are any funds remaining in the Collection Account, the balance of the funds in the Collection Account as Interest Proceeds payable under the Income Priority of Payments; and

(D) on any date on which Relevant Issuer Tax is required to be paid in accordance with Condition 16, in payment to the relevant taxing authority the amount of such Relevant Issuer Tax in respect of which the CDS Counterparty has paid a corresponding Additional Tax Payment.

(e) *The Collateral Account*

(i) The Issuer will procure that the following amounts are paid into the Collateral Account promptly upon receipt thereof:

(A) the net proceeds from the issuance and sale of the Notes on the Closing Date together with the Initial CDS Payment;

(B) all proceeds from the disposal, liquidation or redemption of an Eligible Collateral Account Investment purchased or made with funds from the Collateral Account, to the extent such amounts are not required to be paid into the Collection Account;

(C) all amounts payable to the Issuer in respect of the Put Option Agreement (including any Put Option Collateral (or the proceeds of realisation thereof) transferred to the Issuer following realisation of the security constituted by the Credit Support Deed) (other than any amount representing sold accrued interest on the Covered Bonds);

(D) all amounts required or permitted to be paid into the Collateral Account by the terms of the Income Priority of Payments; and

(E) the proceeds of any claims against third parties in respect of the above amounts.

(ii) The Issuer will procure payment, or the setting aside, of the following amounts (and shall ensure that no other amount is paid) out of the Collateral Account:

(A) the purchase price of any Eligible Collateral Account Investment and the amount of any deposit constituting an Eligible Collateral Account Investment made from the Collateral Account (excluding the purchase price of any accrued interest thereon, which shall be funded only from the Collection Account or the CDS Prepayment Account or the Excess Spread Account, in that order);

(B) any Positive Adjustment Payment and/or Credit Protection Amount;

(C) in setting aside an amount equal to the Deferred Funding Amount in respect of such Payment Date if it falls on or after the Final Redemption Date but before the Legal Final Maturity Date; and

(D) to the extent there are any funds remaining in the Collateral Account on any Payment Date falling after making payment or setting aside amounts under (C), the balance of the funds in the Collateral Account will be applied as Principal Proceeds payable in accordance with the Principal Priority of Payments on that date.

(f) *The CDS Prepayment Account*

(i) The Issuer will procure that the following amounts are paid into the CDS Prepayment Account promptly upon receipt thereof:

(A) all proceeds from the disposal, liquidation or redemption of an Eligible CDS Prepayment Account Investment purchased or made with funds from the CDS Prepayment Account, to the extent such amounts are not required to be paid into the Collection Account; and

(B) all amounts payable by the CDS Counterparty under the Credit Default Swap Agreement other than any Negative Adjustment Payment, any Excess Spread Amount, the Initial CDS Payment and any Additional Tax Amounts.

(ii) The Issuer will procure payment of the following amounts (and shall ensure that no other payment is paid) out of the CDS Prepayment Account:

(A) the purchase price of any Eligible CDS Prepayment Account Investment and the amount of any deposit constituting an Eligible CDS Prepayment Account Investment made from the CDS Prepayment Account;

(B) in respect of any Eligible Investments purchased from the Collateral Account, any part of the purchase price representing accrued interest on such Eligible Investments to the extent not funded out of the Collection Account;

(C) on any day during a Payment Period, other than a Payment Date, in payment of any Administrative Expenses or Trustee Fees and Expenses which are not payable on a Payment Date, up to an amount equal in aggregate in such period to the Issuer Operating Expenses Amount component of the Issuer Spread Amount paid on the CDS Payment Date falling at the beginning of such Payment Period;

(D) to the extent there is any Balance remaining in the CDS Prepayment Account on the third Business Day prior to each Payment Date, to the payment (or transfer, in the case of Eligible Investments) to the Collection Account of such amount.

(g) *The Excess Spread Account*

(i) The Issuer will procure that

(A) on each CDS Payment Date all Excess Spread Amounts are paid into the Excess Spread Account; and

(B) on each Payment Date any amount required to be transferred into the Excess Spread Account from the Collection Account is so transferred.

(ii) The Issuer will procure payment of the following amounts (and shall ensure that no other payment is paid) out of the Excess Spread Account:

(A) the purchase price of any Eligible Excess Spread Account Investment and the amount of any deposit constituting an Eligible Excess Spread Account Investment made from the Excess Spread Account;

(B) in respect of any Eligible Investment purchased from the Collateral Account, any part of the purchase price representing accrued invest on such Eligible Investment to the extent not funded out of the Collection Account or the CDS Prepayment Account;

(C) to the extent there is any Balance remaining in the Excess Spread Account on the third Business Day prior to each Payment Date, to the payment (or transfer, in the case of Eligible Investments) to the Collection Account of such amount.

(h) *The Custody Account*

(i) The Issuer will procure that any Eligible Investments comprising securities will be deposited in the Custody Account.

(ii) Other than on enforcement of the security in respect of the Mortgaged Property by the Trustee, the Issuer will procure that Eligible Investments shall be realised or sold:

(A) to fund the cash amount of any payment required from an Account up to an amount equal to the non-cash Balance of such Account; or

(B) in order to minimise losses and downside risks in respect of Eligible Investments in the form of financial instruments or securities which are capable of being traded.

(i) *The Principal Deficiency Ledger*

The Cash Administrator will maintain a ledger in respect of the Notes (the "**Principal Deficiency Ledger**"). On the Closing Date the balance of the Principal Deficiency Ledger will be zero. Thereafter the balance of the Principal Deficiency Ledger will be calculated as follows:

(i) upon payment of any Credit Protection Amount or any Positive Adjustment Payment by the Issuer to the CDS Counterparty under the Credit Default Swap Agreement, the Principal Deficiency Ledger will be credited with an amount equal to such Credit Protection Amount or Positive Adjustment Payment, as the case may be;

(ii) upon any Eligible Investment Loss Amount being determined, the Principal Deficiency Ledger will be credited with an amount equal to such Eligible Investment Loss Amount; and

(iii) on each Payment Date the Principal Deficiency Ledger will be debited with the amounts required to be debited therefrom in accordance with the Income Priority of Payments.

If the Principal Deficiency Ledger would become negative, the absolute amount by which it would become negative shall be credited to the Principal Deficiency Ledger to reduce such negative balance to zero and an amount equal to such amount shall be transferred to the Collection Account from the Collateral Account and paid in accordance with the Income Priority of Payments.

The Cash Administrator shall determine the Class A Principal Deficiency Ledger Balance, the Class B Principal Deficiency Ledger Balance, the Class C Principal Deficiency Ledger Balance, the Class D Principal Deficiency Ledger Balance, the Class E Principal Deficiency Ledger Balance and the Class F Principal Deficiency Ledger Balance.

(j) *Issuer Irish Account*

The Issuer Irish Account shall be credited with amounts required to be credited to it in accordance with the Income Priority of Payments.

The Issuer may, subject to the approval of its board of directors and to the extent permitted by applicable law, on one Payment Date only falling in April apply the funds, net of any Taxes on the Issuer's profits and any other Taxes not otherwise provided for in the Income Priority of Payments, to pay a dividend to its shareholders.

(k) *Cash Administration Agreement*

Pursuant to the Cash Administration Agreement, the Issuer has appointed the Cash Administrator, *inter alia*, to select, and manage the Eligible Investments on behalf of the Issuer.

6. Restrictions on and Covenants of the Issuer

The Issuer has given certain covenants to the Trustee pursuant to the Trust Deed.

(a) *Restrictions*

In particular, except with the prior written consent of the Trustee or as expressly provided in these Conditions or any of the other Transaction Documents, the Issuer will not, *inter alia*, so long as any Note remains outstanding:

(i) *Negative Pledge*: create or permit to subsist any Security Interest over the whole or any part of its present or future assets, revenues or undertaking;

(ii) *Restrictions on Activities*: carry on any business other than as described or contemplated in the Prospectus and, in respect of that business, shall not engage in any activity or do anything whatsoever except that the Issuer shall be entitled to:

(A) enter into the Transaction Documents to which it is a party and preserve, exercise and/or enforce any of its rights and perform and observe its obligations under and pursuant to the Transaction Documents to which it is a party;

(B) issue the Notes;

(C) perform any act, incidental to or necessary in connection with any of the above; and

(D) engage in those activities necessary for its continued existence and proper management;

(iii) *Disposal of Assets*: transfer, sell, lend, part with or otherwise dispose of, or deal with, or grant any option or present or future right to acquire, any of its assets, revenues or undertaking or any interest, right or benefit in respect of any of them or agree or purport to do so;

(iv) *Indebtedness*: create, incur or permit to subsist any Indebtedness or give any guarantee or indemnity in respect of Indebtedness or of any other obligation of any person;

(v) *Dividends, Distributions and Shares*: pay any dividend or make any other distribution to its shareholders (save that the Issuer may on one occasion pay a dividend not exceeding €1,000) or issue any further shares;

(vi) *Subsidiaries, Employees and Premises*: have or form or cause to be formed, any subsidiaries or subsidiary undertakings of any other nature or have any employees or premises;

(vii) *Merger*: amalgamate, consolidate or merge with any other person or transfer its assets, revenues or undertaking to any other person;

(viii) *No Variation or Waiver*: permit:

(A) any of the Transaction Documents to which it is a party to become invalid or ineffective;

(B) the priority of the security created with respect to the Mortgaged Property to be altered, released, postponed or discharged or consent to any amendment to, or exercise any powers of consent or waiver pursuant to the terms of, any of those Transaction Documents;

(C) any party to any of those Transaction Documents or any other person whose obligations form part of the security created with respect to the Mortgaged Property to be released from its obligations; or

(D) any modification to its constitutional documents without Rating Agency Confirmation;

(ix) *Accounts*: have an interest in any bank account other than the Accounts unless that account or interest is charged to the Trustee on terms acceptable to the Trustee;

(x) *Separateness*: permit or consent to any of the following occurring:

(A) its books and records being co-mingled with those of any other person or entity;

(B) its bank accounts and the debts represented thereby being co-mingled with those of any other person or entity;

(C) its assets or revenues being co-mingled with those of any other person or entity; or

(D) its business being conducted other than in its own name;

(xi) *Tax Residence*: become tax resident in any country outside Ireland, save in the event of a permitted substitution pursuant to Condition 16;

(xii) *COMI*: (A) maintain its registered office other than in the jurisdiction of its incorporation, or (B) have any office, branch or place of business other than in the jurisdiction of its incorporation;

(xiii) *Establishment*: maintain an ''establishment'' (as that expression is used in the Insolvency Regulation) in any jurisdiction other than the jurisdiction of its incorporation;

(xiv) *Established Place of Business*: have an established place of business in England and Wales under Chapter I of Part XII of the Companies Act 1985;

(xv) *Investment Company Act*: become subject to registration as an investment company for the purposes of the Investment Company Act; or

(xiv) *Taxation*: prejudice its status as a qualifying company within the meaning of Section 110 of the Taxes Consolidation Act 1997 of Ireland, as amended, or make an election pursuant to subsection (6)(b) of that section.

(b) *Covenants*

In particular, the Issuer will, so long as any Note remains outstanding:

(i) *Separateness*: procure that separate financial statements in relation to its financial affairs are maintained; all corporate formalities with respect to its affairs are observed; separate stationery, invoices and cheques to be used in all correspondence between it and any third party; it holds itself out as a separate entity; and any known misunderstandings regarding its separate identity are corrected as soon as possible;

(ii) *Register*: procure that the Register is at all times kept outside the United Kingdom;

(iii) *Enforcement of Rights*: take reasonable steps to enforce its rights and other claims pursuant to the Transaction Documents to which it is a party;

(iv) *Independent Directors*: the Issuer shall at all times have at least two Independent Directors provided that, following any resignation or removal of any such director, the Issuer shall take reasonable steps to appoint a replacement Independent Director;

(v) *Financial Statements*: provide the Trustee and each of the Paying Agents (or procure that such parties are provided) with copies of: (i) its audited annual financial statements (including its balance sheet, profit and loss and cashflow statements) as soon as they become publicly available (together with the related auditors' report); and (ii) on or before each Payment Date, the Quarterly Report;

(vi) *Listing*: take reasonable steps to procure that the Notes are listed either on the Official List of the Irish Stock Exchange or any other stock exchange to which the Trustee consents (such consent not to be unreasonably withheld); and

(vii) *Taxation*: ensure that a note of profits as calculated under Irish GAAP as it existed at 31 December, 2004 will be included in its audited financial statements.

7. Interest

(a) *Interest on the Notes*

Each Class of Notes will bear interest for each Payment Period from, and including, the Closing Date to, but excluding, the Legal Final Maturity Date in an amount equal to, in the case of the Rated Notes, the Note Interest Amount in respect of such Class of Rated Notes in respect of such Payment Period and, in respect of the Class F Notes, in an amount equal to the Note Accrual Amount for such Payment Period. Such interest will, subject to Condition 7(b) and Condition 7(c), be payable quarterly in arrear on 15 January, 15 April, 15 July and 15 October in each year commencing on 15 October, 2006 up to and including the Legal Final Maturity Date and on any date on which Notes become due and payable (each, a "**Payment Date**"). If any Payment Date would otherwise fall on a day which is not a Business Day, it 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 it shall be brought forward to the immediately preceding Business Day. The period beginning on and including the Closing Date and ending on but excluding the first Payment Date and each successive period beginning on and including a Payment Date and ending on but excluding the next succeeding Payment Date or, if earlier, Redemption Date is called a "**Payment Period**".

(b) *Deferral of interest on the Rated Notes*

The Issuer shall not be obliged to pay interest on any Class of Rated Notes to the extent that there are insufficient Interest Proceeds to make payment in full of the interest due on the corresponding Payment Date in accordance with the Income Priority of Payments. In such case, payment of the shortfall in the interest payment shall be deferred until the next following Payment Date and comprise part of the calculation of the Note Interest Amount on such next following Payment Date; such deferred interest shall not itself carry any interest.

(c) *Accrual*

Interest will cease to accrue on each Note on the earlier of the Redemption Date (with respect only to the principal due on such date) and the Legal Final Maturity Date unless, upon due presentation, payment of the full amount of principal due on such due date for redemption is improperly withheld or refused, in which event interest will continue to accrue on the unpaid amount of principal in accordance with the Trust Deed until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the fifth Business Day after the Issuer or the Principal Paying Agent (failing whom the Trustee) has notified the Class A Noteholders and/or the Class B Noteholders and/or the Class C Noteholders and/or the Class D Noteholders and/or the Class E Noteholders and/or the Class F Noteholders, as the case may be, pursuant to Condition 13 of receipt of all sums due in respect of all the Class A Notes and/or the Class B Notes and/or the Class C Notes and/or the Class D Notes and/or the Class E Notes and/or the Class F Note, as the case may be, provided that, upon further presentation thereof being duly made, such payment is made.

8. Redemption

(a) *Redemption of the Notes*

No payments of principal under the Notes shall be made prior to the Scheduled Maturity Date except for early redemption of the Notes in accordance with Conditions 8(b), 8(c), 10(a) or 16. On each Payment Date starting on the Final Redemption Date and ending on the Legal Final Maturity Date, each Class of Notes shall be redeemed in accordance with the Principal Priority of Payments after all other payments are made to the Collateral Account from any other Account or from the Collateral Account in accordance with the applicable Priority of Payments. The Issuer shall realise Eligible Collateral Account Investments sufficient to enable amounts payable under the Principal Priority of Payments to be paid on such Payment Dates.

To the extent that the Adjusted Principal Balance of any Class of Notes is not paid on the Final Redemption Date the remaining Adjusted Principal Balance will be payable in accordance with the Principal Priority of Payments on each Payment Date from but excluding the Final Redemption Date to and including the Legal Final Maturity Date, until full redemption of the relevant Notes at their Adjusted Principal Balance has occurred, and all interest accrued thereon shall be paid in accordance with the Income Priority of Payments and/or the Principal Priority of Payments on each Payment Date to and including the Legal Final Maturity Date until full redemption of the relevant Notes. If Notes have been redeemed at their Adjusted Principal Balance any excess of the Outstanding Principal Amount over the Adjusted Principal Balance shall be written off.

(b) *Optional Redemption*

(i) Redemption at the Option of the CDS Counterparty

All (but not some only) of each Class of Notes shall, subject to Condition 8(b)(iii), be redeemable on any Payment Date by the Issuer following the occurrence of a Regulatory Event or a Clean-up Event, at the request in writing, at least 20 Business Days prior to the relevant Payment Date, of the CDS Counterparty. Notice of such redemption, including the applicable Redemption Date, shall be given to the Noteholders by the Issuer in accordance with Condition 13.

The provisions of Condition 8(a) shall apply on the Final Redemption Date arising by virtue of the redemption under this paragraph and any Payment Date thereafter to the extent that any Class of Notes has not been redeemed at an amount equal to its Adjusted Principal Balance.

(ii) Redemption for Taxation Reasons

All (but not some only) of each Class of Notes shall, subject to Condition 8(b)(iii), be redeemable pursuant to and in accordance with Condition 16 if certain Tax events occur.

The provisions of Condition 8(a) shall apply on the Final Redemption Date arising by virtue of the redemption under this paragraph and Condition 16 and any Payment Date thereafter to the extent that any Class of Notes has not been redeemed at an amount equal to its Adjusted Principal Balance.

(iii) Notes redeemable pursuant to Condition 8(b)(i) or (ii) shall be redeemable subject to the condition that the Cash Administrator on behalf of the Issuer has certified to the Trustee at least 3 Business Days prior to the due date for redemption that there are sufficient funds standing to the credit of the relevant Accounts (i) to redeem the Notes at their respective Adjusted Principal Balance on the due date for redemption after deducting, in the case of the Class A Notes, the Class A Deferred Funding Amount, in the case of the Class B Notes, the Class B Deferred Funding Amount, in the case of the Class C Notes, the Class C Deferred Funding Amount, in the case of the Class D Notes, the Class D Deferred Funding Amount, in the case of the Class E Notes, the Class E Deferred Funding Amount and in the case of the Class F Notes, the Class F Deferred Funding Amount and (ii) that the Balance of the Collateral Account on the Payment Date following such redemptions (and other debits and credits pursuant to the applicable Priorities of Payment) will be no less than the Deferred Funding Amount. If such condition is not met, the Notes shall not be redeemable on the date on which they would otherwise have been redeemable (but without prejudice to the right to redeem Notes on any subsequent exercise of any optional redemption).

(c) *Mandatory Redemption*

(i) Mandatory Redemption upon Termination of the Credit Default Swap Agreement

In the event that an Early Termination Date has been designated with respect to the Credit Default Swap Agreement, then the Issuer shall forthwith notify the Noteholders in accordance with Condition 13 (together with a copy to the Trustee) (which notices shall be irrevocable) and redeem all (but not some only) of each Class of Notes at its Adjusted Principal Balance (together with any accrued but unpaid interest thereon) on the tenth Business Day following the date on which a statement is delivered pursuant to Section 6(d)(i) of the Master Agreement, provided that if such Early Termination Date occurs

solely as a result of the redemption of the Notes pursuant to Condition 8(b) or Condition 10 or Condition 16 then the provisions of the applicable Condition shall prevail over the provisions of this Condition 8(c), otherwise, this Condition will prevail.

Each Class of Notes shall be redeemed, in whole, but not in part, from the proceeds of realisation of the Mortgaged Property or enforcement of security over the Mortgaged Property in accordance with the Enforcement Priority of Payments on the applicable Redemption Date.

(ii) Mandatory Redemption where Reference Portfolio Notional Amount is less than the aggregate Outstanding Principal Amount of the Notes less all Credit Protection Amounts and all Positive Adjustment Payments

In the event that on any Payment Date falling after the Replenishment Period End Date and prior to the Final Redemption Date the aggregate Outstanding Principal Amount of the Notes less the sum of all Credit Protection Amounts and Positive Adjustment Payments paid on or prior to the immediately preceding Payment Date (after all payments made on such date) exceeds the Reference Portfolio Notional Amount on the immediately preceding Calculation Date, an amount equal to such excess shall be applied in redeeming, on a *pro rata* and *pari passu* basis, the Adjusted Principal Balance of first the Class A Notes, then the Class B Notes, then the Class C Notes, then the Class D Notes, then the Class E Notes and finally the Class F Notes in an amount equal to the amount by which the Adjusted Principal Balance of the Notes on such Payment Date.

(d) *Purchases*

The Issuer may not purchase any of the Notes at any time.

(e) *Cancellation*

All Notes redeemed by the Issuer in full will be cancelled forthwith and may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

9. Payments

(a) *Method of Payment*

Payments of principal and interest in respect of the Notes shall, subject as mentioned below, be made to the holders shown on the register of Noteholders at the close of business on the date being the fifteenth day before the relevant Payment Date and (in the case of payments of interest and principal due otherwise than on an Payment Date) surrender of the relevant Notes, as the case may be, at the specified office of any Paying Agent by a euro cheque drawn on a bank in Europe or, at the option of the relevant Noteholder, by transfer to a euro account maintained by the payee.

(b) *Payments subject to law etc.*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) *Appointment of Agents*

The Paying Agents, the Note Calculation Agent, the Custodian and the Account Bank initially appointed by the Issuer and their respective specified offices are listed below. Other than in the case of an enforcement pursuant to Condition 10, they act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or to terminate the appointment of any of them and to appoint additional or other Paying Agents, Note Calculation Agents, Custodians or Account Banks provided that it will at all times maintain (i) a Paying Agent having a specified office in a major European city which, so long as the Notes are listed on the Irish Stock Exchange, shall be Dublin, (ii) a Paying Agent approved by the Trustee in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other Directive or implementing the conclusions of the ECOFIN Council meeting on 26-27 November, 2000 or any law implementing or complying with, or introduced in order to conform to such Directive, (iii) a Custodian, (iv) an Account Bank, (v) a Note Calculation Agent and (vi) a Principal Paying Agent.

Notice of any such change or any change of any specified office (other than by the Note Calculation Agent) will promptly be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 13 and to the Rating Agencies.

(d) *Non-Business Days*

Where payment is to be made to an account maintained by the payee, payment instructions (for value the due date, or if that is not a Business Day (as defined below), for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed on the Business Day preceding the due date for payment or, in the case of a payment of principal or a payment of interest due otherwise than on a Payment Date, if later, on the Business Day on which the relevant certificate is surrendered at the specified office of an Agent.

Noteholders will not be entitled to any interest or other payment for any delay after the due date in receiving the amount due if the due date is not a Business Day, if the Noteholder is late in surrendering its certificate (if required to do so) or if a cheque mailed in accordance with this Condition arrives after the due date for payment.

In this Condition 9, "**Business Day**" means a day on which commercial banks and foreign exchange markets are open in the relevant city.

10. Note Events of Default and Enforcement

(a) *Determination of Note Events of Default*

The Trustee:

(i) may, in its absolute discretion, and

(ii) shall, provided it has been indemnified or otherwise secured to its satisfaction and if it has been directed to do so in writing by the holders of not less than 50 per cent. of the aggregate Outstanding Principal Amount of the Controlling Class,

give a notice to the Issuer (a "**Note Acceleration Notice**") that each Class of Notes is immediately due and repayable in accordance with the Enforcement Priority of Payments following the occurrence of any of the Note Events of Default set out in Condition 10(b).

(b) *Events of Default*

The occurrence of any of the following events shall be a "**Note Event of Default**":

(i) a default in the payment of any amount payable in respect of any Note on the applicable Final Redemption Date; or

(ii) other than a failure already referred to in paragraph (i) above, the Issuer fails (A) to disburse Interest Proceeds in accordance with the Income Priority of Payments, which failure continues for a period of three Business Days or (B) to disburse Principal Proceeds in accordance with the Principal Priority of Payments, which failure continues for a period of three Business Days; or

(iii) the Issuer fails, or it has or will become unlawful for the Issuer, to perform or observe any other covenant, warranty or other agreement of the Issuer in the Conditions or any of the Transaction Documents, or any representation made by the Issuer in the Trust Deed is or proves to have been incorrect or misleading in any material respect and the continuation thereof for a period of 30 days (or such longer period as the Trustee may agree) after notice thereof shall have been given to the Issuer by the Trustee specifying such failure, illegality or misrepresentation, certifying (upon the basis of such expert advice as the Trustee in its sole discretion considers appropriate) that it is, in its sole opinion, materially prejudicial to the interests of the Controlling Class of Notes at such time and, in the case of such failure, requiring it to be remedied; or

(iv) the Issuer, ceasing or, through an official action of the Board of Directors of the Issuer, threatening to cease to carry on business; or

(v) any of the following occurs with respect to the Issuer:

(A) it is, or is deemed for the purposes of any law to be, unable to pay its debts or insolvent; or

(B) it admits its inability to pay its debts as they fall due; or it suspends making payments on any of its debts or announces an intention to do so; or

(C) an Insolvency Event occurs with respect to the Issuer; or

(vi) any event occurs with respect to the Issuer which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in paragraph (iv) or paragraph (v) above; or

(vii) the Trustee ceases to have a valid and enforceable security interest in all or a material part of the Mortgaged Property or such security interest proves not to have been valid or enforceable when granted or purported to have been granted; or

(viii) the Issuer becomes subject to registration as an investment company for the purposes of the Investment Company Act.

(c) *Acceleration*

Upon delivery of a Note Acceleration Notice, the Notes shall immediately become due and payable at their Adjusted Principal Balance together with accrued interest up to (but excluding) the earlier of (i) the date on which the full amount (together with accrued interest) is paid to the Noteholders and (ii) the seventh day after notice has been given to the Noteholders in accordance with Condition 13 (*Notices*) that the full amount (together with accrued interest) has been received by the Principal Paying Agent or the Trustee.

(d) *Notification of Default*

The Issuer shall promptly notify in writing the Trustee, the Cash Administrator, the CDS Counterparty, the Put Option Counterparty, the Lead Managers, the Paying Agents, the Note Calculation Agent, the Custodian, the Account Bank, the Corporate Services Provider, the Rating Agencies (if any of the Notes remain outstanding) and the Noteholders in accordance with Condition 13 upon becoming aware of the occurrence of a Note Event of Default.

(e) *Confirmation of No Default*

The Trust Deed contains provision for the Issuer to provide written confirmation to the Trustee on an annual basis or on request that no Note Event of Default has occurred and that no other matter which is required (pursuant thereto) to be brought to the Trustee's attention has occurred.

(f) *Enforcement*

(i) The security in respect of the Mortgaged Property shall become enforceable by the Trustee upon the Notes becoming due and repayable following the occurrence of any Note Event of Default.

(ii) At any time after a Note Acceleration Notice has been given to the Issuer, subject to Condition 3(c) and to Condition 10(f)(iii), the Trustee:

(A) may, in its absolute discretion; and

(B) shall, provided it has been indemnified or otherwise secured to its satisfaction and if it has been directed to do so:

(1) in writing by the Controlling Class; or

(2) by an Extraordinary Resolution of the Controlling Class of Notes,

take such proceedings and/or other action as it may think fit against or in relation to the Issuer or any other party to any of the Transaction Documents to enforce its obligations under (as applicable) the Trust Deed or any other Transaction Document and take, at any time after the security in respect of the Mortgaged Property becomes enforceable, action to enforce the security over the Mortgaged Property, without any liability as to the consequences of such proceedings or action.

(iii) The Trustee shall only exercise its rights and perform its obligations set out in paragraph (f)(ii) if it has been indemnified to its satisfaction against all liabilities, proceedings, claims and demands to which it may thereby become liable and all costs, charges and expenses which may be incurred by it in connection therewith.

(iv) Subject to paragraph (v) below, no Noteholder shall be entitled to take any proceedings or other action directly against the Issuer including:

(A) directing the Trustee to enforce the security in respect of the Mortgaged Property;

(B) taking or joining any person in taking steps against the Issuer for the purpose of obtaining payment of any amount due from the Issuer to it;

(C) initiating or joining any person in initiating any Insolvency Proceedings in relation to the Issuer or the appointment of an Insolvency Official in relation to the Issuer or in relation to the whole or any part of the undertakings or assets of the Issuer; and

(D) taking any steps or proceedings that would result in the Priorities of Payments not being observed.

(v) Paragraph (iv) above shall not apply where the Trustee having become bound (i) to give a Note Acceleration Notice to the Issuer or (ii) to take such proceedings and/or action as it thinks fit against the Issuer under Condition 10(f) fails to do so within a reasonable time and that failure is continuing and in such circumstances the holders of not less than 50 per cent. of the aggregate Outstanding Principal Amount of the Controlling Class may sign and give a Note Acceleration Notice to the Issuer or to take such proceedings and/or action in accordance with Condition 10(f).

(g) *Limited Recourse*

The only assets of the Issuer available to meet the claims of, amongst others, the Noteholders and the other Secured Parties will be the assets comprising the Mortgaged Property. Any claim (other than those for which a provision has been made in accordance with the applicable Priorities of Payments) remaining unsatisfied after the realisation of the Mortgaged Property and the application of the proceeds thereof in accordance with the applicable Priorities of Payments shall be extinguished and the Noteholders and the other Secured Parties shall have no rights in respect of any such claims. The Notes shall be surrendered and cancelled upon being extinguished in accordance with this Condition 10(g).

In such circumstances none of the Noteholders, the Trustee, the CDS Counterparty or the other Secured Parties will have the right to take any further action against the Issuer. In particular, none of the Noteholders, the Trustee, the CDS Counterparty or the other Secured Parties shall be entitled at any time to institute against the Issuer, or join in any institution against the Issuer of, any bankruptcy, reorganisation, examination, arrangement, insolvency or liquidation proceedings or other proceedings under applicable bankruptcy or similar law in connection with any obligations of the Issuer relating to the issuance of the Notes or under the Transaction Documents, save for lodging a claim in the liquidation of the Issuer which is initiated by another party or taking proceedings to obtain a declaration or judgment as to the obligations of the Issuer.

In addition, neither the Trustee, the Noteholders nor any other Secured Party shall have any recourse against any director, shareholder, or officer of the Issuer in respect of any obligations, covenant or agreement entered into or made by the Issuer pursuant to the terms of the Transaction Document to which it is a party or any notice or documents which it is requested to deliver hereunder or thereunder.

11. Prescription

Claims in respect of any of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date.

12. Replacement of Notes

If a Note is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of each Paying Agent which, so long as the Notes are listed on the Official List of the Irish Stock Exchange, shall include the Irish Paying Agent, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders pursuant to Condition 13, 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 (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note is subsequently presented for payment, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Note) as the Paying Agent may require. Mutilated or defaced Notes must be surrendered before replacements will be issued.

13. Notices

(a) *Valid Notices*

Any notice to Noteholders shall be validly given if it is published in a leading English language daily newspaper having general circulation in London (which is expected to be the *Financial Times*) or, if this is not practicable, in another leading English language newspaper as the Trustee shall approve having general circulation in Europe. Any such notice shall be deemed to have been given to Noteholders on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in one of the newspapers referred to above.

(b) *Notices While Notes in Global Form*

For so long as any of the Notes are represented by a Global Note and such Global Note is held on behalf of Euroclear and/or Clearstream, Luxembourg (as the case may be) notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant accountholders rather than by publication as required by Condition 13(a). Any notice delivered to Euroclear and/or Clearstream, Luxembourg shall be deemed to have been given to Noteholders on the date on which such notice is delivered to Euroclear and/or Clearstream, Luxembourg (as the case may be).

(c) *Notices on Screen Page*

Any notice specifying (i) a Payment Date, a Rate of Interest, an interest amount, a principal payment, an Outstanding Principal Amount, an Adjusted Principal Balance or other information about payments under the Notes, (ii) that any interest is to be deferred or (iii) that a Note Event of Default has occurred and/or an enforcement notice has been given shall also appear on the relevant Bloomberg screen page or such other medium for the electronic display of data approved by the Trustee and notified to the Noteholders in accordance with the other paragraphs of this Condition 13.

(d) *Other Methods for Notice*

The Trustee may approve any other method of giving notice to Noteholders which is, in its opinion, reasonable having regard to market practice then prevailing and to the requirements of the stock exchange on which the Notes are then listed.

(e) *Copy of Notices*

A copy of each notice given in accordance with this Condition 13 shall be provided to the Rating Agencies and, for so long as the Notes are admitted to the Official List of the Irish Stock Exchange and/or its regulated market and its guidelines so require, the Companies Announcement Office of the Irish Stock Exchange.

(f) *Reports and Financial Statements*

The audited annual financial statements (together with the related auditors' report) and the Quarterly Reports shall be available for inspection by the Noteholders on any Business Day at the specified office for the time being of each of the Paying Agents.

14. Meetings of Noteholders; Modification; Waiver; and Substitution

(a) *Convening of Meeting*

The Trust Deed contains provisions for convening Meetings of Noteholders or of any one or more Classes of Noteholders to consider any matter affecting their interests.

(b) *Excluded Notes and Excluded Classes of Notes*

The provisions for Meetings of Noteholders in the Trust Deed provide that a holder of Excluded Notes shall not be entitled to attend or vote at any Meeting at which an Excluded Matter is to be voted on or included on the agenda.

If immediately following the Payment Date falling no less than 14 days prior to the date set for a Meeting or the date of a Written Resolution, the Adjusted Principal Balance (as determined on the Calculation Date preceding such Payment Date) of a Class of Notes is zero, such Class of Notes shall be an "**Excluded Class of Notes**".

(c) *Powers*

A Meeting will have the power, exercisable by Extraordinary Resolution, to make certain decisions, including to approve the modification, and to authorise or waive any proposed breach or breach, of the Trust Deed, these Conditions and any other Transaction Document.

Any Basic Terms Modification must be approved by an Extraordinary Resolution of the Noteholders of each Class (other than each Excluded Class of Notes) provided that any Basic Terms Modification that alters either (i) the Outstanding Principal Amount or Adjusted Principal Balance of an Excluded Class or an Excluded Class of Notes, (ii) the accrual of interest on an Excluded Class or an Excluded Class of Notes, (iii) the legal maturity dates specified in the Conditions for final payment of principal or interest in respect of an Excluded Class or an Excluded Class of Notes, (iv) the subordination of the payments on an Excluded Class or an Excluded Class of Notes provided for under the Priorities of Payments, this provision or the provisions relating to the quorum and Meetings of an Excluded Class or an Excluded Class of Notes, (each an "**Excluded Notes Reserved Matter**"), in each case, must be approved by an Extraordinary Resolution of the Noteholders of the affected Excluded Class or Excluded Class of Notes, as applicable.

An Extraordinary Resolution of the Noteholders of any Class to approve any matter other than a Basic Terms Modification shall be binding on the Noteholders of each Class ranking junior to such Class but shall not be binding on the Noteholders of any Class ranking *pari passu* with or senior to such Class (each such Class a "**Relevant Class**") unless either (x) that matter is approved by an Extraordinary Resolution of the Noteholders of each of the Relevant Classes or (y) the Trustee has determined that such matter is not materially prejudicial to the Noteholders of each of the Relevant Classes. For this purpose the Classes rank in the order in which they are eligible to become the Controlling Class of Notes.

Except as provided in relation to an Excluded Notes Reserved Matter, an Extraordinary Resolution of the Noteholders of any Class (other than an Excluded Class of Notes) to approve a Basic Terms Modification shall be binding on the Noteholders of each Excluded Class of Notes.

(d) *Quorum*

The quorum at any Meeting originally convened or adjourned and reconvened except for lack of a quorum shall, subject as provided below, be at least two voters representing the proportion of the Notes of the relevant Class or Classes shown by the table below:

To pass an Extraordinary Resolution involving a Basic Terms Modification:	75 per cent.
To pass any other Extraordinary Resolution:	More than 50 per cent.
Any other purpose:	10 per cent.

The quorum at any Meeting adjourned for lack of a quorum and reconvened shall, subject as provided below, be at least two voters representing the proportion of the Notes of the relevant Class or Classes shown by the table below:

To pass an Extraordinary Resolution involving a Basic Terms Modification:	33 1/3 per cent.
To pass any other Extraordinary Resolution:	No minimum proportion
Any other purpose:	No minimum proportion

So long as all of the Notes or, as applicable, any Class of Notes are held by a single Noteholder, a single voter in relation thereto shall be deemed to be two voters for the purpose of forming a quorum.

(e) *Separate Meetings of different Classes of Notes*

The following provisions shall apply where any matter, including the passing or rejection of any Extraordinary Resolution, falls to be considered where more than one Class of Notes is outstanding:

(i) matters which the Trustee in its absolute discretion determines affect the Noteholders of only one Class shall be transacted at a separate Meeting of the Noteholders of that Class;

(ii) matters which the Trustee in its absolute discretion determines affect the Noteholders of more than one Class but do not give rise to an actual or potential conflict of interest between the Noteholders of any such Class and the Noteholders of any other Class shall be transacted either at separate Meetings of the Noteholders of each such Class or at a single Meeting of the Noteholders of all affected Classes (who shall be treated as the holders of a single class of Notes for this purpose), as the Trustee determines in its absolute discretion; and

(iii) matters which the Trustee in its absolute discretion determines affect the Noteholders of more than one Class and give rise, or may give rise, to an actual or potential conflict of interest between the Noteholders of any such Class and the Noteholders of any other Class shall be transacted at separate Meetings of the Noteholders of each such Class.

(f) *Written Resolutions*

Any reference to an action being directed, authorised or approved by an Extraordinary Resolution of Noteholders or, as applicable, of Noteholders of a particular Class shall be deemed to include a reference to that matter being directed, authorised or approved by a Written Resolution of the Noteholders or, as applicable, of the Noteholders of a particular Class.

(g) *Modification*

The Trustee may, without the consent of the Noteholders agree to any modification (other than a Basic Terms Modification) to the Trust Deed, these Conditions or any of the other Transaction Documents if, in the Trustee's opinion:

(i) it is not materially prejudicial to the interests of the Noteholders of any Class; or

(ii) it is to correct a manifest error or is of a formal, minor or technical nature;

(h) *Waiver of Breach*

Subject as provided below, the Trustee may also, without the consent of the Noteholders, if in its opinion it will not be materially prejudicial to the interests of the Noteholders of any Class:

(i) authorise or waive, on any terms and subject to any conditions which it considers appropriate, any proposed breach or breach of the Trust Deed, these Conditions or any other Transaction Document; or

(ii) determine that any event that would otherwise constitute a Note Event of Default shall not, or shall not subject to any conditions which it considers appropriate, be treated as such for the purposes of the Trust Deed and these Conditions.

The Trustee shall not exercise any powers conferred on it by this Condition 14(h):

(A) so as to authorise or waive any proposed breach or breach relating to any term the modification of which would be a Basic Terms Modification; or

(B) in contravention of any direction given to it in accordance with Condition 10.

Unless the Trustee otherwise agrees, the Issuer shall give notice of any such modification, waiver, authorisation or determination to the Noteholders in accordance with Condition 13.

(i) *CDS Counterparty's rights*

No modification may be made to the Trust Deed or the Conditions without the prior written consent of the CDS Counterparty unless (a) the CDS Counterparty or the Put Option Counterparty is in default under, respectively, the Credit Default Swap Agreement or the Put Option Agreement or (b) such modification is not materially prejudicial to the interests of the CDS Counterparty.

15. The Trustee

(a) *Actions Binding*

The Trustee shall (except as expressly provided otherwise in the Trust Deed or the other Transaction Documents) have absolute discretion as to whether and how it exercises or performs each of its trusts, powers, authorities, duties, discretions and obligations under or in connection with the Transaction Documents or conferred on it by operation of law and its decision as to whether and how to exercise or perform those trusts, powers, authorities, duties, discretions and obligations and any action taken or omitted in consequence shall, as between itself and the

Noteholders, be conclusive and binding on the Noteholders provided that any determination or calculation made by the Trustee pursuant to these Conditions shall only be binding in the absence of manifest error.

(b) *Limitation on Trustee's Liability; Right to Indemnity*

The Trust Deed contains provisions:

(i) giving various powers, authorities and discretions to the Trustee and the Trustee in addition to those conferred by law including those referred to elsewhere in these Conditions;

(ii) specifying various matters in respect of which the Trustee is to have (A) no duty or responsibility to make any investigation to supervise or to enforce and (B) no liability or responsibility to the Noteholders, in the absence of wilful default, negligence or fraud or, in the case of certain matters, in any circumstances; and

(iii) entitling the Trustee to indemnification or providing that it is not obliged to take any steps, proceedings or other action at the request or direction of any person unless it has been indemnified or otherwise secured to its satisfaction.

(c) *Trustee and Security*

The Trustee shall not be responsible for matters relating to the Security or the Mortgaged Property or the Put Option Collateral including:

(i) the nature, value, collectability or enforceability of the Mortgaged Property or the Put Option Collateral;

(ii) the registration, perfection or priority of the security in respect of the Mortgaged Property or the Put Option Collateral;

(iii) the Issuer's title to the Mortgaged Property or the Put Option Collateral; or

(iv) the compliance of the Mortgaged Property or the Security or the Put Option Collateral with any applicable criteria or performance measures.

(d) *Removal and Replacement of Trustee*

There shall at all times be a Trustee. The Trust Deed provide that the retirement or removal of any Trustee shall not become effective unless a trust corporation would remain as trustee or a replacement trust corporation is appointed.

16. Taxation

The Issuer expects that all payments in respect of the Notes will be made without withholding or deduction for, or on account of, any Taxes unless such withholding or deduction is required by law. For the avoidance of doubt, the Issuer shall not be required to gross up any payments on account of tax unless so required by law or any relevant taxing authority or pursuant to this Condition. Any such withholding or deduction shall not constitute a Note Event of Default under Condition 10.

Subject as provided below, if the Issuer satisfies the Trustee that it has or will on or before the next Payment Date (a) become subject to any requirement to withhold or deduct any amount in respect of Indemnifiable Taxes in relation to amounts payable on any Class of Notes or (b) become required to pay any tax in excess of €1,000 in any Payment Period (other than in respect of Irish corporate income tax required to be paid by the Issuer in respect of the Minimum Profit Amount) (any tax or payment described in this Clause (b), a "**Relevant Issuer Tax**"), then the Issuer shall, to the extent applicable, use all reasonable endeavours to arrange for the substitution of a company incorporated in another jurisdiction approved by the Trustee as the principal obligor under the Notes of such Class, or to change its domicile or residence for taxation purposes to another jurisdiction approved by the Trustee, subject to Rating Agency Confirmation (subject to receipt of such information and/or opinions as the Rating Agencies may require) with respect to such substitution or change. If such condition continues notwithstanding such efforts or cannot be so avoided, the Issuer will so notify the Trustee, which will in turn so notify the Noteholders and the CDS Counterparty.

If any such requirement to withhold or deduct applies exclusively in relation to amounts payable on a Class of Notes, and the Issuer is unable to take the remedial action referred to in the preceding paragraph, then a Majority of the Controlling Class will have the right, by written notice to the Issuer and the Trustee, to designate the next Payment Date as a Final Redemption Date and the provisions of Condition 8(a) and 8(b)(ii) and (iii) shall apply.

If the Issuer is required to pay any Relevant Issuer Tax, then the CDS Counterparty will have the right, by written notice to the Issuer and the Trustee, to direct the Issuer to redeem all of the Notes at their Adjusted Principal Balance, and a Majority of the Controlling Class will have the right, by written notice to the Issuer and the Trustee, to direct the Issuer to redeem all of the Notes at their Adjusted Principal Balance in accordance with Condition 8(a) and 8(b)(ii) and (iii).

If the Issuer is directed to redeem the Notes as set forth above, then the Issuer will so notify the Trustee and the CDS Counterparty that the conditions to such direction have been met. Unless such direction shall have been given by the CDS Counterparty, where the Issuer has been directed to redeem the Notes on the basis that condition (a) or (b) in the second paragraph above has been satisfied, the CDS Counterparty will have the right, in its sole discretion, to make additional payments to the Issuer under the Credit Default Swap (each, an "**Additional Tax Payment**") in order to provide the Issuer with funds to pay either any Relevant Issuer Taxes or such additional amounts to the Noteholders as are necessary to ensure that the net amount received by the Noteholders (free and clear of the relevant Indemnifiable Taxes; each such amount payable to the Noteholders, an "**Additional Tax Amount**") will equal the full amount that would have been received had no withholding or deduction in respect of Indemnifiable Taxes been required or had the Issuer not been required to pay any such Relevant Issuer Tax.

Upon receipt of notice from the Issuer of the requirement to pay a Relevant Issuer Tax and after giving effect to the provisions described above allowing the CDS Counterparty to pay Additional Tax Payments in respect thereof, the Issuer will pay the relevant taxing authority the amount of such Relevant Issuer Tax which is then payable by withdrawing first, from amounts on deposit in the Collection Account representing any Additional Tax Payments paid by the CDS Counterparty under the Credit Default Swap in respect thereof, the amount of such unpaid Relevant Issuer Tax and second, to the extent any amount of such Relevant Issuer Tax remains unpaid, the amount of such unpaid Relevant Issuer Tax from the Custody Account.

The CDS Counterparty will notify the Trustee of its intention whether or not to pay such Additional Tax Payments (and, if such intention is to pay such Additional Tax Payments, of any subsequent change in such intention, not less than 15 Business Days in advance of the relevant Payment Date) and, for so long as the CDS Counterparty continues to pay such Additional Tax Payments, no such redemption of the Notes will occur. If (x) the CDS Counterparty notifies the Trustee that it no longer intends to pay such Additional Tax Payments or (y) any such Additional Tax Payment is not paid in full when due, then the Trustee will so notify the Noteholders and the Issuer will redeem the Notes on the Payment Date following such notice or following the date on which such Additional Tax Payment was due and was not paid in full in accordance with Condition 8(a) and 8(b)(ii).

"**Indemnifiable Tax**" means any Tax other than a Tax that would not be imposed on a payment in respect of the Notes but for a present or former connection between the jurisdiction of the government or taxation authority imposing such Tax and the recipient of such payment or a person related to such recipient (including, without limitation, a connection arising from such recipient or related person being or having been a citizen or resident of such jurisdiction, or being or having been organized, present or engaged in a trade or business in such jurisdiction, or having or having had a permanent establishment or fixed place of business in such jurisdiction, but excluding a connection arising solely from such recipient or related person having executed, delivered, performed its obligations or received a payment under, or enforced, the Indenture). However, an Indemnifiable Tax will not include (i) any Tax imposed on a payment to a person or entity which 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 (ii) any Tax imposed on a payment to a holder of an interest in a Note where the related Note was 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 Note to another Paying Agent in another jurisdiction which would not have imposed such withholding or deduction. "**Indemnifiable Tax**" also means any Tax imposed in respect of a payment under the Credit Default Swap Agreement by reason of a Change in Tax Law (as defined in the Credit Default Swap Agreement) by a government or taxing authority of a Relevant Jurisdiction of the party making or having made such payment, unless the other party is incorporated, organized, managed and controlled or considered to have its seat in such jurisdiction, or is acting for purposes of the Credit Default Swap Agreement through a branch or office located in such jurisdiction.

17. Contracts (Rights of Third Parties) Act 1999

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

18. Governing Law and Jurisdiction

The Trust Deed and the Notes are governed by, and will be construed in accordance with, English law.

The Issuer has in the Trust Deed irrevocably and unconditionally agreed for the exclusive benefit of the Noteholders and the Trustee that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Trust Deed or the Notes and that accordingly any suit, action or proceedings arising therefrom or in connection therewith (together referred to as "**Proceedings**") may be brought in the courts of England.

The Issuer has in the Trust Deed irrevocably and unconditionally waived and agreed not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and has further irrevocably and unconditionally agreed that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

19. Agent for Service of Process

The Issuer irrevocably appoints SFM Corporate Services Limited at its registered office address from time to time as its agent in England to receive service of process in any proceedings in England based on any Notes. If for any reason the Issuer does not have such an agent in England, it will promptly appoint a substitute process agent and notify the Noteholders of such appointment pursuant to Condition 13. Nothing herein shall affect the right to serve process in any other manner permitted by law.

PRINCIPAL PAYING AGENT

HSBC Bank plc

IRISH PAYING AGENT

HSBC Institutional Trust Services (Ireland) Limited

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

1. Form

Each Class of Notes will be represented by one or more permanent global note certificates (each, a "**Global Note**") in registered form without interest coupons or principal receipts deposited with HSBC as common depositary (the "**Common Depositary**") for Euroclear and Clearstream, Luxembourg. Upon deposit of the Global Notes, Euroclear or Clearstream, Luxembourg will credit each subscriber of the Notes with the principal amount of Notes for which it has subscribed and paid. By acquisition of a beneficial interest in a Global Note, any purchaser thereof will be deemed to represent that it is not a U.S. Person and that, in the future if it decides to transfer such beneficial interest, it will transfer such interest only to non-U.S. Persons in an offshore transaction in accordance with Regulation S.

Temporary documents of title will not be issued for the Global Notes.

Euroclear and Clearstream, Luxembourg

Ownership of beneficial interests in the Global Notes will be limited to persons that have accounts with Euroclear or Clearstream, Luxembourg ("**participants**") or persons that hold interests in the Global Notes through participants ("**indirect participants**"), including, as applicable, banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with Euroclear or Clearstream, Luxembourg (the "**Clearing Systems**"), either directly or indirectly. Indirect participants shall also include persons that hold beneficial interests through such indirect participants. Euroclear and Clearstream, Luxembourg, as applicable, will credit the participants' accounts with the respective amount of Notes beneficially owned by such participants on each of their respective book-entry registration and transfer systems. The accounts to be credited shall be designated by the Lead Managers. Beneficial interests in the Global Notes will be shown on, and transfers of book-entry interests or the interests therein will be effected only through, records maintained by Euroclear or Clearstream, Luxembourg (with respect to the interests of their participants) and on the records of participants or indirect participants (with respect to the interests of their indirect participants). The laws of some jurisdictions or other applicable rules or stock exchange guidelines may require that certain purchasers of securities take physical delivery of such securities in definitive form. The foregoing limitations may therefore impair the ability to own, transfer or pledge book- entry interests.

Although the Clearing Systems have agreed to certain procedures to facilitate transfers of beneficial interests in the Global Notes among account holders of the Clearing Systems, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Trustee, the Arranger, the Lead Managers or any of its respective agents will have any responsibility for the performance by the Clearing Systems or their participants or account holders of their respective obligations under the rules and procedures governing their operations.

References herein to Euroclear and/or Clearstream, Luxembourg or the Clearing Systems shall be deemed to include references to any other clearing system approved by the Trustee.

2. Payments

Payment of principal of, and interest on, and any other amount due in respect of, the Global Notes, will be made in the relevant currency by the Principal Paying Agent on behalf of the Issuer to the registered holder thereof. It is anticipated that the Principal Paying Agent will distribute all such payments in the relevant currency for the account of the registered holder to the relevant Clearing System. All such payments will be distributed without deduction or withholding for any taxes, duties, assessments or other governmental charges of whatever nature except as may be required by law. If any such deduction or withholding is required to be made, then neither the Issuer nor any other person will be obliged to pay additional amounts in respect thereof.

In accordance with the rules and procedures for the time being of the relevant Clearing System, after receipt of any payment from the Principal Paying Agent the respective systems will promptly credit their participants' accounts with payments in amounts proportionate to their respective ownership of the Global Notes as shown in the records of Euroclear or Clearstream, Luxembourg. The Issuer expects that payments by participants to owners of beneficial interests in Global Notes held through such participants or indirect participants will be governed by standing customer instructions and customary practices, as is now the case with the securities held for the accounts of customers in

bearer form or registered in "street name", and will be the responsibility of such participants or indirect participants. None of the Issuer, the Trustee, the Arranger, the Lead Managers or any of their respective agents, will have any responsibility or liability for any aspect of the records relating to or payments made on account of a participant's ownership of beneficial interests in the Global Notes or for maintaining, supervising or reviewing any records relating to a participant's ownership of Global Notes.

3. Notices

For so long as any of the Notes are represented by a Global Note and such Global Note is held on behalf of a relevant Clearing System, notices to Noteholders may be given by delivery of the relevant notice to the relevant Clearing System for communication to the relative accountholders rather than by publication as required by Condition 13. So long as the Notes are admitted to the Official List of the Irish Stock Exchange and/or its regulated market, the Company Announcement Office of the Irish Stock Exchange must also be notified of such notice. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to the relevant Clearing System as aforesaid.

4. Redemption

In the event that any Global Note (or portion thereof) is redeemed in whole, the Principal Paying Agent will deliver all amounts received by it in respect of the redemption of such Global Note to the relevant Clearing System for the account of the relevant nominee, and the Principal Paying Agent shall cancel such Global Note. The redemption price payable in connection with the redemption of Noteholder interests in a Global Note will be equal to the amount received by the Principal Paying Agent in connection with the redemption of the Global Note (or portion thereof) relating thereto. For any redemptions of a Global Note in part, the relevant Noteholder interests relating thereto to be redeemed will be allocated by the relevant Clearing System, as the case may be, on a *pro rata* basis.

5. Cancellation

Any Note represented by a Global Note which is required to be cancelled following its redemption will be cancelled by reduction in the principal amount of the applicable Global Note and may not be reissued or resold.

6. Transfers

All transfers of beneficial interests in the Global Notes will be recorded in accordance with the book-entry systems maintained by the relevant Clearing System pursuant to customary procedures established by each respective system and its participants.

Beneficial interests in the Global Notes may be held only through Euroclear or Clearstream, Luxembourg. The Global Notes will bear a legend substantially identical to that appearing under "*Transfer Restrictions*", and neither the Global Notes nor any beneficial interest therein may be transferred except in compliance with the transfer restrictions set forth in the legend and under "*Transfer Restrictions*" below.

Except in the limited circumstances described below, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of definitive Notes.

7. Issuance of Notes in Definitive Form

Holders of beneficial interests in the Global Notes will be entitled to receive Definitive Notes in exchange for their respective holdings of beneficial interests if:

(a) both Euroclear and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do so cease business and no alternative clearing system satisfactory to the Trustee is available; or

(b) any Notes become due and payable by reason of a Note Event of Default; or

(c) the Issuer would suffer a material disadvantage in respect of the Notes as a result of a change in the laws or regulations (taxation or otherwise) (or in the interpretation, application or administration of the same) of any applicable jurisdiction (including payments being made net of tax) which would not be suffered were the relevant Notes in definitive form and a certificate to such effect signed by two directors of the Issuer is delivered to the Trustee.

If the Issuer becomes obliged to issue, or procure the issue of, Definitive Notes following notification of a Note Event of Default pursuant to Condition 10(d), but fails to do so within 30 days of the occurrence of the relevant Note Event of Default, then the Issuer shall indemnify the Trustee, the registered holder of the relevant Global Note and the relevant holder of the book-entry interests in such Global Note and keep them indemnified against any loss or damage incurred by any of them if the amount received by the Trustee, the registered holder of the relevant Global Note or the holder of book-entry interests in such Global Note in respect of the Notes is less than the amount that would have been received had Definitive Notes been issued. If and for so long as the Issuer discharges its obligations under this indemnity, the failure by the Issuer to issue Definitive Notes following a Note Event of Default shall be deemed to be cured *ab initio*.

If Definitive Notes are issued, the beneficial interests represented by the Global Notes shall be exchanged in whole (but not in part) by the Issuer for Definitive Notes in the aggregate amount equal to the Outstanding Principal Amount of the relevant Global Note subject to and in accordance with the detailed provisions of the Agency Agreement, the Trust Deed and the relevant Global Notes. Any Definitive Notes issued in exchange for beneficial interests in the Global Notes will be registered in a register in such name or names and in such Authorised Denominations as the Principal Paying Agent shall instruct the Registrar based on the instructions of the relevant Clearing System. It is expected that such instructions will be based upon directions received by the relevant Clearing System from their participants with respect to ownership of the relevant beneficial interests in the Global Notes.

Definitive Notes will bear the legend set out in "*Transfer Restrictions*".

8. Prescription

Claims against the Issuer in respect of principal and interest on the Notes while the Notes are represented by a Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date.

9. Legends

The holder of a Definitive Note may transfer the Notes represented thereby in whole or in part in the Authorised Denomination by surrendering the Certificate in respect of such Definitive Note at the specified office of the Registrar or any Transfer Agent, together with the completed form of transfer thereon. Upon the transfer, exchange or replacement of a Definitive Note bearing the legend referred to under "*Transfer Restrictions*", or upon request for the removal of the legend on a Definitive Note, the Issuer will deliver only Definitive Notes that bear such legend, or will refuse to remove such legend, as the case may be, unless there is delivered to the Issuer and the Registrar such satisfactory evidence, which may include an opinion of counsel, as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act and the Investment Company Act and the rules and regulations thereunder.

10. Meetings

The holder of each Global Note will (unless it represents only one Note) be treated as being two persons for the purposes of any quorum requirements of, or the right to demand a poll at, a meeting of Noteholders and, at any such meeting, as having one vote in respect of each €1,000 of principal amount of Notes for which the relevant Global Note may be exchanged.

USE OF PROCEEDS

On the Closing Date, the gross proceeds of the issue and sale of the Notes will be €145,000,000. After (i) deducting the Arranger's and HSBC Bank plc's commissions as a Lead Manager from the gross proceeds and (ii) adding in the Initial CDS Payment to the Issuer under the Credit Default Swap Agreement, the aggregate net proceeds to the Issuer from the issue and sale of the Notes and receipt of the Initial CDS Payment will be €145,000,000, which will be credited to the relevant Accounts held in the name of the Issuer with the Account Bank. Sampo Bank plc has agreed to pay the Issuer's other fees and expenses in connection with the initial issue of the Notes.

ORIGINATION OF LOANS

There is no requirement that Reference Obligations be originated or held by Sampo Bank or any of its affiliates (any such person a "**Sampo Bank Group Entity**") or that Sampo Bank be exposed to losses in respect of the Reference Entities in respect of such Reference Obligations.

The following applies in connection with Reference Obligations and/or Reference Entities which are debtors of a Sampo Bank Group Entity; to the extent that a Reference Obligation is not an obligation to a Sampo Bank Group Entity, Sampo Bank is required to have allocated a Sampo Bank Internal Rating to such Reference Obligation either at the time of such obligation being incurred or at a later time (but prior to its being included in the Reference Portfolio).

The following is a description of the credit risk methodology and processes used by Sampo Bank as of the date of this Prospectus. Sampo Bank continually reviews the methods by which it conducts its loan origination business to ensure that it remains current and efficient in a competitive market. Accordingly, Sampo Bank may revise its risk and origination procedures from time to time

Fundamental Principles for the Extension of Corporate Credit

It is a principle of Sampo Bank to extend credit to companies with adequate risk profiles.

In general, credit is extended primarily based on an obligor's credit standing evaluated in accordance with Sampo Bank's internal risk rating system, which places particular emphasis on the obligor's future outlook and cash flow: the obligor must be willing and able to fulfil its obligations (usually from business operations). In addition, alternative sources of repayment are also considered.

Collateral, therefore, serves as a protection against potential future risks. The respective security agreements and liquidation values are based on guidelines for handling and evaluating collateral. Any collateral taken is reviewed for enforceability and value. For the avoidance of doubt, guarantees are originated under the standard Credit and Collection Policies.

Review of Applicants

Extensions of credit are approved in accordance with Sampo Bank's internal credit policies then valid and applicable, as well as Sampo Bank's specialised product guidelines. The factors used to determine the required authority level are the amount of exposure in the particular case and the calculated economic capital of credit risk (evaluated by an internal rating system and reflecting any collateral taken). Credit authorisations are assigned to individual persons and to committees. Credit authorisation and the respective amount thereof is assigned according to the professional qualifications and experience of the individual, his or her skill in evaluating risk.

Credit Proposals

Every customer has an account officer responsible for that customer and its exposure. Account officers are based in the branch network or in some cases in centralised special functions. The account officer is responsible for preparing credit proposals.

Credit Proposal Documentation

Written credit proposals are prepared in accordance with Sampo Bank's group-wide standards. Each credit decision is made on the basis of such credit proposal reports which summarise, evaluate and document all relevant information essential for the credit decision. Primary components of such credit proposal documentation are:

- a summary (basic customer information, rating, exposure and collateral, amount of economic risk capital, performance of customer relationship);
- the terms of credit to be decided;
- the grounds for the proposal (customers' needs, use of funds, offered collateral and valuation);
- an analysis and forecast of customer relationship profitability; and
- a rating report.

If the collateral deficit (the exposure to the customer group minus the value of the collateral (which value is subject to haircuts)) is small, the account officer has the power to prepare the rating report and the valuation of collateral in accordance with Sampo Bank's group-wide standards. If the collateral deficit is large, the report is written by a credit analyst who is not the account officer for

the customer. If the collateral deficit or the value of the collateral is large, the collateral valuation is done by an independent valuer (who may be a person who is not the account officer for the customer or a third party).

The rating report includes the following information.

- the ownership, management and group structure of the company;
- the company's products, customers, markets and competitors;
- a SWOT – analysis of the business;
- the actual and forecast profitability of the company and the group to which it belongs;
- financial analyses of the company;
- the collateral to be provided; and
- a summary of the information derived from the scoring model including the proposed rating and the business conclusions based on the rating. The scoring model includes two parts on which the rating is based:
  - the credit analyst has to evaluate 20 features of the business of the company; and
  - actual and forecasted financial ratios are produced.

Credit Administration and Monitoring

Sampo Bank regularly performs a review of the internal credit rating for each individual company and group. Such a review is an integral part of the credit process and takes place in line with internal rules. In certain cases, for example with respect to high risk exposures, the review may be conducted on a more frequent basis.

The review involves a thorough examination of the obligor's financial statements and an update of the credit risk score of the obligor. In addition to this review process, Sampo Bank makes use of additional management tools, which include the following:

- regular reviews of the credit processes are conducted by Sampo Group internal audit and controllers. The reviews focus on credit process quality and consistency;
- regular reviews of the credit exposures and customer performance are conducted by area managers and supported by the Credit Risk Management Unit;
- regular analysis of the structure of the overall portfolio with particular emphasis on risk, industry and exposure profiles of the portfolio;
- regular reviews of credit limit control lists, dealing, for example, with breaches of credit limits; and
- an analysis of internal and external industry studies.

Arrears and Default Management

The aim of the arrears and default management process is to assist clients through periods of financial difficulties and to lead them, and the related credit exposure, through such circumstances. If an obligor defaults on a payment, Sampo Bank will proceed in the manner customarily provided for in its standard procedures then in effect.

Work-out cases are primarily managed by the account manager of the client either in the relevant branch office or the centralised customer unit. Complex cases are dealt with by specialised personnel of the Credit Risk Management Unit. The aim is to achieve the best possible solution for Sampo Bank by negotiating a restructuring of the debt. If this is not sufficient, repayment of outstanding loans may be accelerated or collateral supporting the obligation liquidated. Legal processes against the client are the responsibility of the Collection Department.

Provisioning and Write-off Policy

Once a client has been downgraded to a default category on the internal credit rating scale, the account officer responsible for the client and its exposure will re-value all the existing collaterals and will prepare a proposal for provisioning against the loan receivable (loan receivables minus the hair-cut value of the collateral), according to the provisioning policies based on IFRS-rules. The amount of the provision is decided by the relevant credit committee.

During the arrears and default management process, Sampo Bank will adjust the provisioning amount over time and will write-off the loss amount once the work-out process and the liquidation of the collateral have been completed and/or after the legal proceedings have finished. This process on average takes between 2 and 4 years.

In some specific cases, when the court procedure may take up to 10 years, small dividends could be paid to Sampo Bank after the write-off has occurred on the loan receivable. As no material recoveries are expected, under Sampo Bank's write-off policies such dividends are not taken into account in establishing the loss amount on the defaulted loan receivables.

In cases where the obligor becomes subject to reorganisation pursuant to the Finnish Reorganisation Act and the relevant court confirms a reorganisation programme, the write-off will be made by deducting the payments allowed under such programme from the loan receivables.

Collateral

Any collateral that Sampo Bank takes in accordance with the practice described above (see "*Fundamental Principles for the Extension of Commercial Credit*") typically consists of the following:

- mortgages (first or second liens on specified real estate);
- pledges of movable assets (such as inventory, machinery, cars or trucks) and rights (such as deposits, securities, receivables, licenses, or claims from, for example, life insurance policies) through assignments or transfers for collateral purposes; and
- guarantees.

SERVICING OF LOANS

The Servicer will service the Reference Obligations. If a Sampo Bank Group Entity is the Servicer of a Reference Obligation such Reference Obligation is required to be serviced in accordance with the credit and collection policies of Sampo Bank. There is no requirement that such Reference Obligations be held or serviced by a Sampo Bank Group Entity or that Sampo Bank be exposed to losses in respect of the Reference Entities in respect of such Reference Obligations.

The following is a description of the loan servicing procedures of Sampo Bank in relation to its corporate loan business as at the date of this Prospectus.

The Sampo Bank Group Entities will, to the extent that they act as Servicers, service the Reference Obligations in accordance with the following servicing principles. Reference Obligations in respect of which a Sampo Bank Group Entity is not the Servicer will be serviced by the Servicer thereof and there are no requirements required to be complied with by such a Servicer.

Common Principles

General

In administering, collecting and enforcing the Reference Obligations in respect of which a Sampo Bank Group Entity is the Servicer (a "**Sampo Servicer**") or foreclosing on any Reference Collateral in respect of such a Reference Obligation (collectively the "servicing" and to "service") each Sampo Servicer shall at all times act (in the case of a syndicated loan, to the extent permissible under the relevant loan agreement and/or security agreements) as a reasonable creditor in the protection of its own interests acting reasonably and in good faith in accordance with its general business practices taking into account the interests of the Secured Parties. In the case of a conflict of interest between the interests of the Secured Parties and the interests of any Sampo Bank Group Entity or a third party with regard to servicing of the Reference Obligations, the Sampo Servicers shall not place the interests of any of the Secured Parties in a less favourable position than the interests of any such Sampo Bank Group Entity or third party. In the case of a conflict between the interests of the CDS Counterparty and the interests of the Noteholders, the Sampo Servicers shall give priority to the interests of the CDS Counterparty and then, among the Noteholders, to the interests of the Noteholders of the Class or Classes of Notes which then rank most senior pursuant to the applicable Priority of Payments.

Each Sampo Servicer shall take all measures it deems necessary or appropriate in its professional judgment (which judgment must, for the avoidance of doubt, be reasonable) to service the Reference Obligations of which it is the Servicer in a manner which complies with supervisory and regulatory requirements and shall refrain from acting when so required by applicable law, regulations or a competent regulator.

Except as otherwise described herein, each Sampo Servicer shall perform its duties in the course of servicing the Reference Obligations of which it is the Servicer in compliance with its current Credit and Collection Policies.

Amendments

The CDS Counterparty may at any time amend or supplement the servicing principles of any Sampo Servicer, provided that any such amendment or supplement does not adversely affect (except in an immaterial manner) the interests of any Secured Party, unless otherwise required by mandatory provisions of law. The CDS Counterparty may amend or supplement its Credit and Collection Policies in its sole discretion from time to time, provided that (A) if any such amendment or supplement is inconsistent with the servicing principles, it shall not be applied with respect to the Reference Portfolio, (B) if such amendment or supplement may, in the professional judgment of the CDS Counterparty (which judgment must, for the avoidance of doubt, be reasonable), adversely affect the determination of the Credit Protection Amounts, Credit Events, or appraised values from the perspective of any of the Secured Parties, it shall not be applied to the Reference Obligations without the prior consent of the Trustee, unless, in the case of each of (A) or (B), otherwise required by mandatory provisions of law and (C) to the extent such amendment or supplement, in the professional judgment of the CDS Counterparty (which judgment must, for the avoidance of doubt, be reasonable), affects or may affect the interests of the Noteholders, the Rating Agencies receive notice thereof from the CDS Counterparty.

Payments in Arrears from Reference Obligors

If a Reference Obligor in respect of a Reference Obligation for which the Servicer is the Sampo Servicer is in arrears with a payment due, the relevant Sampo Servicer shall proceed in accordance with the Credit and Collection Policies. If these do not generally provide for the specific case at hand, the relevant Sampo Servicer shall handle the case as would a reasonable creditor in the protection of its own interests acting in good faith.

The Sampo Servicers shall exercise reasonable discretion in handling default by a Reference Obligor within the scope of the Credit and Collection Policies. Each Sampo Servicer shall exercise this discretion as would a reasonable creditor in maximizing recovery on its claims against debtors and in the protection of its own interests.

In accordance with the Credit and Collection Policies and subject to the following three paragraphs, each Sampo Servicer may agree on payment rescheduling or debt restructuring with a Reference Obligor. In doing so, the relevant Sampo Servicer may in particular (i) forgo the repayment of a portion of the relevant Reference Obligation or (ii) subordinate all or a portion of a Reference Obligation. Such a restructuring would not give rise to a Credit Event under the Credit Default Swap Agreement.

If any Reference Obligor in respect of a Reference Obligation for which the Servicer is the Sampo Servicer falls more than six months in arrears on a payment due and no payment rescheduling or debt restructuring agreement has been entered into, the relevant Sampo Servicer shall commence enforcement against the Reference Obligor or, if different, the Reference Entity for the Reference Obligation, or foreclose on any related Reference Collateral, unless the relevant Sampo Servicer concludes, in its professional judgment (which judgment must, for the avoidance of doubt, be reasonable), that such enforcement or foreclosure would not be justified in view of the expenses and expected proceeds thereof.

In all cases of a payment rescheduling or debt restructuring in respect of a Reference Obligation for which the Servicer is the Sampo Servicer, the Sampo Servicer shall adequately safeguard the interests of the Secured Parties in the fullest performance of the Reference Obligations at all times and shall not place such interests in a less favourable position than its own interests (if any) or the interests of any other Sampo Bank Group Entity in relation to their respective claims (if any) against the same Reference Obligor.

Each Sampo Servicer shall only agree to payment rescheduling or debt restructuring of a Reference Obligation for which the Servicer is the Sampo Servicer except for any amount of principal of such Reference Obligation which qualifies as principal foregone for the purposes of the determination of losses (whether the relevant Reference Obligor is in arrears or not), if the Reference Obligation, under the altered repayment schedule or as restructured, is due to be repaid in full before the Scheduled Maturity Date or the original loan maturity date if it was longer than the Scheduled Maturity Date.

Other Changes in Reference Obligation Conditions

Each Sampo Bank Group Entity may take action in the context of servicing the Reference Obligations for which the Servicer is the Sampo Servicer (in particular to amend contractual provisions of the underlying loan), which in the relevant Sampo Servicer's professional judgment (which judgment must, for the avoidance of doubt, be reasonable) may affect the Reference Obligations, only if, on the assumption that the relevant Reference Obligation were eligible to be added to the Reference Portfolio through a Replenishment immediately prior to the relevant action, such action would not result in such Reference Obligation not complying with the Replenishment Conditions, if it were added to the Reference Portfolio at the time of such action.

Accounting

Each Sampo Servicer shall keep separate accounting records regarding the Reference Obligations serviced by it, which shall show, *inter alia*:

(a) the identification number and any other identifiers assigned to the relevant Reference Obligation,

(b) the Reference Obligation Notional Amount of the Reference Obligation as of the Cut-off Date or the Relevant Date, as applicable, and

(c) the remaining term to maturity of the Reference Obligation as of the Cut-off Date or the Replenishment Date, as applicable.

Accounting records, journals, daily accounts and portfolio inventories for the annual financial statements shall be kept in safekeeping for a period of seven years after the relevant accounting period, or for such longer or shorter period as is required from time to time by applicable law. The accounting records shall be kept current and shall not fall behind for more than 30 calendar days.

Each Sampo Servicer may maintain records and documentation relating to the Reference Obligations in paper or electronic form or any other commercially reasonable manner.

Consultants

In connection with servicing the Reference Obligations for which the Servicer is the Sampo Servicer, each of the Sampo Servicers may retain outside consultants and experts to the extent it deems necessary in its professional judgment (which judgment shall, for the avoidance of doubt, be reasonable). Each Sampo Servicer shall select and monitor such consultants and experts with the care expected of a prudent bank.

Change in Servicers

A Sampo Servicer may be substituted in its function as Servicer of a Reference Obligation by another Sampo Bank Group Entity, provided that if such substitution is voluntary:

(a) the standard of the servicing and the loss determination and allocation of losses remains unchanged,

(b) the obligations under the transaction documents remain to be complied with, and

(c) in the professional judgment of the CDS Counterparty (which judgment shall, for the avoidance of doubt, be reasonable) such change shall not adversely affect the interests of the Secured Parties.

THE CREDIT DEFAULT SWAP

The following information describes certain terms of the Credit Default Swap. This description does not purport to be complete and is subject to, and is qualified in its entirety by all of the provisions of the Credit Default Swap, including the ISDA Definitions to the extent they are incorporated by reference into the Credit Default Swap.

General

On the Closing Date, the Issuer and the CDS Counterparty will enter into a credit default swap (the "**Credit Default Swap Agreement**") which is in the form of a 1992 ISDA Master Agreement (Multicurrency-Cross Border), together with the schedule thereto (such master agreement and related schedule, the "**Master Agreement**") and a confirmation thereunder (the "**CDS Confirmation**"). The CDS Calculation Agent and the Verification Agent will execute the CDS Confirmation, accepting and agreeing to their respective obligations thereunder.

The Credit Default Swap Agreement incorporates the definitions and provisions in the ISDA Definitions, except to the extent those terms are specifically modified or excluded as provided in the CDS Confirmation. The "**ISDA Definitions**" are the 2003 ISDA Credit Derivatives Definitions published by the International Swaps and Derivatives Association, Inc. ("**ISDA**"), as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivatives Definitions. In the event of any inconsistency between the provisions of the CDS Confirmation and the Trust Deed, the provisions of the Trust Deed will govern.

The CDS Counterparty will enter into the Credit Default Swap Agreement and will exercise its rights and perform its obligations thereunder solely on its own behalf and not as agent, fiduciary or in any other capacity on behalf of the Issuer, the Noteholders or any other person.

The Credit Default Swap commences on the Closing Date and, unless an Early Termination Date is designated thereunder, will end on the Termination Date.

The "**Termination Date**" of the Credit Default Swap will be the Final Redemption Date; *provided however* that, in the event that, on such Final Redemption Date, the Deferred Funding Amount for any Class of Notes is greater than zero, the Termination Date shall be the earlier of (a) the Payment Date on which the Deferred Funding Amount for each Class of Notes has been reduced to zero (after giving effect on such Payment Date to the applicable provisions of the Trust Deed in relation to such Payment Date) and (b) the Legal Final Maturity Date.

The Credit Default Swap has a "**Scheduled Termination Date**" that will occur on the Payment Date falling in January 2012.

The Issuer's rights under the Credit Default Swap will be assigned to the Trustee for security purposes pursuant to the Trust Deed.

Initial Reference Portfolio Notional Amount; Maximum Portfolio Notional Amount

On the Closing Date, the aggregate of the Reference Obligation Notional Amounts of the Reference Obligations comprising the Reference Portfolio will equal approximately €1,000,000,000 (the "**Initial Reference Portfolio Notional Amount**").

On any date of determination, the "**Reference Portfolio Notional Amount**" will be:

(a) the aggregate of the Reference Obligation Notional Amounts of all Reference Obligations (including Impaired Reference Obligations and Defaulted Reference Obligations) comprised in the Reference Portfolio on such date,

minus

(b) the aggregate of (i) the Impaired Notional Amounts of all Impaired Reference Obligations *plus* (ii) the aggregate of the Defaulted Notional Amounts of all Defaulted Reference Obligations, in each case comprised in the Reference Portfolio on such date,

plus

(c) the aggregate of the Guarantee Undrawn Amounts on such date.

On any date of determination, the "**Maximum Portfolio Notional Amount**" will be:

(a) the Initial Reference Portfolio Notional Amount,

minus

(b) the aggregate of (i) the Impaired Notional Amounts of all Impaired Reference Obligations *plus* (ii) the aggregate of the Defaulted Notional Amounts of all Defaulted Reference Obligations, in each case comprised in the Reference Portfolio on such date,

minus

(c) the Aggregate Loss Amount on such date.

"**Defaulted Reference Obligation**" means a Reference Obligation with respect to which an Event Determination Date (as defined in the Credit Default Swap) has occurred but which has not become a Liquidated Reference Obligation.

The "**Guarantee Undrawn Amount**" means, with respect to each Impaired Reference Obligation or Defaulted Reference Obligation, on any date of determination, the lesser of (a) the aggregate amount remaining undrawn under Guarantees that remains capable of being drawn (and of giving rise to a Guarantee Reimbursement Obligation comprising such Impaired Reference Obligation or Defaulted Reference Obligation, as applicable) on or after such date of determination notwithstanding the occurrence of a Potential Failure to Pay or a Credit Event, as applicable, in relation to such Reference Obligation, in accordance with the terms of such Guarantees and (b) the greater of (i) (x) the Reference Obligation Notional Amount thereof on the date on which the relevant Potential Failure to Pay arose (in the case of the Impaired Reference Obligation) or the Event Determination Date (in the case of a Defaulted Reference Obligation) *minus* (y) the Impaired Notional Amount thereof or the Defaulted Notional Amount thereof, as applicable, and (ii) zero.

A "**Guarantee**" is, with respect to any Reference Entity, a letter of credit, bank guarantee or other instrument providing for credit enhancement in favour of (or capable of being drawn by) a party other than such Reference Entity. For the avoidance of doubt, a letter of credit, guarantee or similar sublimit under a loan facility will be considered a Guarantee for the purposes of this definition.

A "**Guarantee Reimbursement Obligation**" is an obligation owed by a Reference Entity to reimburse or indemnify the grantor of the Guarantee arising out of a drawing under a Guarantee.

"**Impaired Notional Amount**" means, with respect to an Impaired Reference Obligation on any date of determination, the Reference Obligation Notional Amount thereof on the date the relevant Potential Failure to Pay arose *plus*, in the case of a Reference Obligation or any portion thereof comprising one or more Guarantee Reimbursement Obligations, the aggregate amount of Guarantee Reimbursement Obligations arising out of drawings made under Guarantees after the date the relevant Potential Failure to Pay arose and on or prior to such date of determination, in each case determined by the CDS Counterparty, as stated in or pursuant to the applicable Impairment Notice.

"**Impaired Reference Obligation**" means a Reference Obligation with respect to which an Impairment Notice has been duly delivered by the CDS Counterparty but which has not become a Defaulted Reference Obligation.

"**Liquidated Reference Obligation**" means a Reference Obligation with respect to which a Credit Protection Amount has been determined.

Initial Swap Notional Amount; Credit Default Swap Notional Amount

On the Closing Date, the Initial Swap Notional Amount of the Credit Default Swap (the "**Initial Swap Notional Amount**") will be €145,000,000.

On any date of determination, the "**Credit Default Swap Notional Amount**" will equal

(a) the Initial Swap Notional Amount

minus

(b) the aggregate amount of

(i) all Credit Protection Payments paid by the Issuer to the CDS Counterparty

plus

(ii) all Positive Adjustment Payments paid by the Issuer to the CDS Counterparty

minus

(iii) all Negative Adjustment Payments paid by the CDS Counterparty to the Issuer,

in each case paid on or prior to such date.

Payments

Initial CDS Payment

On the Closing Date the CDS Counterparty will pay to the Issuer an amount equal to the Arranger's and Lead Managers' commissions which have been deducted from the gross proceeds of issue.

Periodic Payments from the CDS Counterparty to the Issuer

On each CDS Payment Date, as and to the extent applicable, the CDS Counterparty will pay to the Issuer the amount estimated by the CDS Calculation Agent to the Issuer Spread Amount in respect of the Payment Period commencing on such CDS Payment Date. The Issuer Spread Amount is payable in advance of the Payment Date on which the amounts paid are expected to be needed by the Issuer. In respect of each Payment Period, if the amount estimated as the Issuer Spread Amount (which includes the estimate of the Eligible Investment Spread Shortfall Amount, Eligible Investment Loss Amount and Issuer Operating Expenses Amount) at or before the beginning of the Payment Period is too high, the excess will be repaid to the CDS Counterparty on the Payment Date falling at the end of such Payment Period (subject to the Income Priority of Payments); if the amount estimated as the Eligible Investment Spread Shortfall Amount, Eligible Investment Loss Amount and Issuer Operating Expenses Amount at the beginning of the Payment Period is too low, the CDS Counterparty is required to pay the deficiency no later than 3 Business Days prior to the Payment Date falling at the end of such Payment Period.

"**CDS Payment Date**" means, in respect of any Payment Period, the Payment Date falling at the beginning of such Payment Period or, in the case of the first Payment Period, the Closing Date.

As the Issuer Spread Amount is paid quarterly in advance of the Payment Date on which such funds are required by the Issuer, the Issuer will invest such funds in the Cash Deposit or other Eligible CDS Prepayment Account Investments.

The "**Issuer Spread Amount**" for any CDS Payment Date until and including the last Final Redemption Date will equal the Base Spread Amount plus the Eligible Investment Spread Shortfall Amount plus the Eligible Investment Loss Amount, plus the Issuer Operating Expenses Amount; after such Final Redemption Date, no further payments in respect of the Base Spread Amount will be due and the Issuer Spread Amount will equal the Eligible Investment Spread Shortfall Amount plus the Eligible Investment Loss Amount plus the Issuer Operating Expenses Amount.

The "**Base Spread Amount**" will equal, for any CDS Payment Date until and including the CDS Payment Date immediately preceding the Final Redemption Date, the sum of (a) the sum of the products, for each Class of Notes of (i) the Adjusted Principal Balance of such Class of Notes on the Payment Date at the beginning of the Payment Period to which such CDS Payment Date corresponds (or, for the first CDS Payment Date, on the Closing Date), (ii) the applicable Class Spread and (iii) the Day Count Fraction and (b) the product of (i) the Excess Spread Rate, (ii) the Reference Portfolio Notional Amount at the beginning of the Payment Period to which such CDS Payment Date corresponds (or, for the first CDS Payment Date, on the Closing Date) and (iii) the Day Count Fraction; thereafter, zero.

"**Class Spread**" means, in respect of any Class of Notes, the rate per annum set forth opposite such Class below:

Class A Notes: 0.16 per cent. per annum;

Class B Notes: 0.26 per cent. per annum;

Class C Notes: 0.38 per cent. per annum;

Class D Notes: 0.70 per cent. per annum;

Class E Notes: 2.50 per cent. per annum;

Class F Notes: 10.18 per cent. per annum.

"**Class Spread Amount**" for any CDS Payment Date is that part of the Base Spread Amount determined pursuant to paragraph (a) of the definition of Base Spread Amount.

"**Excess Spread Amount**" for any CDS Payment Date is that part of the Base Spread Amount determined pursuant to paragraph (b) of the definition of Base Spread Amount.

"**Excess Spread Rate**" means 0.10 per cent. per annum.

The "**Day Count Fraction**" means, for any CDS Payment Date, the number of days in the corresponding Payment Period, divided by 360.

Payments of the Issuer Spread Amount are made for each Payment Period in advance on the Payment Date falling at the beginning of the Payment Period to which such payment corresponds (the "**corresponding Payment Period**").

The "**Eligible Investment Spread Shortfall Amount**" for any CDS Payment Date is an amount equal to the greater of (a) (i) the product of (x) the aggregate Adjusted Principal Balance of each Class of Notes on the Payment Date falling on such CDS Payment Date (after all payments, debits and credits required to be made pursuant to the Conditions on such date have been made), (y) the Base Rate and (z) the Day Count Fraction minus (ii) the Eligible Investment Earnings Amount for the Payment Period commencing on such Payment Date (or, in the case of the first Payment Period, the Closing Date) and (b) zero. Such amount shall be estimated by the CDS Calculation Agent on each CDS Payment Date for the corresponding Payment Period; to the extent such estimate is incorrect, the CDS Counterparty will, if such estimate turns out to be too low, pay to the Issuer no later than 3 Business Days prior to the Payment Date falling at the end of such corresponding Payment Period an amount equal to the deficit and will, if such estimate turns out to be too high, be entitled to be repaid the excess on the Payment Date falling at the end of such corresponding Payment Period subject to the Income Priority of Payments.

"**Eligible Investment Earnings Amount**" means, in respect of each Payment Period an amount equal to (a) all income paid or scheduled to be paid on any Eligible Investments other than the Cash Deposit in such Payment Period plus (b) all interest payable on the Cash Deposit from and excluding the Payment Date at the beginning of such Payment Period to and including the Payment Date at the end of such Payment Period plus (c) the amount received in the Calculation Period ending in such Payment Period on sale, disposal or other realisation of any Eligible Investment in respect of sold accrued interest less (d) the amount paid in the Calculation Period ending in such Payment Period on any acquisition of any Eligible Investment in respect of purchased accrued interest, *provided that* if any such amount has been taken into account in a prior period such amount shall not be taken into account again.

"**Issuer Operating Expenses Amount**" means in respect of each CDS Payment Date the amount determined by the Cash Administrator to be the Operating Expenses of the Issuer in respect of the corresponding Payment Period. Such amount shall be estimated by the CDS Calculation Agent on each CDS Payment Date for the corresponding Payment Period; the CDS Counterparty will, to the extent such estimate is incorrect, if such estimate turns out to be too low, pay to the Issuer no later than 3 Business Days prior to the Payment Date falling at the end of such corresponding Payment Period an amount equal to the deficit and, if such estimate turns out to be too high, the CDS Counterparty will be entitled to be repaid the excess on the Payment Date falling at the end of such corresponding Payment Period subject to the Income Priority of Payments.

Payment of Additional Payments by the CDS Counterparty

The CDS Counterparty will have the right, but not the obligation, under the Credit Default Swap, either with knowledge of or after receiving notice from the Issuer of any Tax Redemption Condition, to pay to the Issuer prior to each relevant Payment Date such additional amount (for any such Payment Date, the "**Additional Payment**") as may be required to ensure (without limitation in respect of the amount (or equivalent) of liability incurred in respect of taxes) that the net amount actually received by the Noteholders in respect of such Payment Date (free and clear of any taxes that constitute Indemnifiable Taxes within the meaning of the Trust Deed) will equal the full amount the Noteholders would have received on such Payment Date had the applicable condition(s) described in clause (1) (a) or clause (2) of the definition of "Tax Redemption Condition" not subsisted.

"**Tax Redemption Condition**" means that either (1) (a) the Issuer (i) becomes subject to any requirement to withhold or deduct any amount in respect of Indemnifiable Taxes (within the meaning of the Trust Deed) in relation to amounts payable on the Notes or (ii) whether as a result of a Change in Tax Law or otherwise, is required to pay any tax in excess of €1,000 (other than in respect of Irish corporate income tax required to be paid by the Issuer in respect of the Minimum Profit Amount); and (b) the Issuer has been duly directed by a person or persons other than the CDS Counterparty to redeem the Notes in accordance with Condition 16 of the Notes as a result of any of the conditions described in the foregoing Clause (a); or (2) the CDS Counterparty is required to withhold or deduct any amount for or on account of any Tax, or to pay any Tax, in respect of the Credit Default Swap Agreement.

Credit Protection Payments from the Issuer to the CDS Counterparty

Subject to the Master Agreement, on any Cash Settlement Date, the Issuer will pay the CDS Counterparty an amount equal to the lesser of (a) the Credit Default Swap Notional Amount and (b) the aggregate of the Credit Protection Amounts for each Reference Obligation with respect to which the Additional Condition to Settlement is met in the Calculation Period ending immediately prior to such Cash Settlement Date.

Adjustment Payments

On or prior to the final Extension Maturity Date, if (A) any Credit Protection Amount in respect of which a Credit Protection Payment was made by the Issuer proves, after the date of determination thereof, to have been determined in error or (B) after the relevant Loss Determination Date additional amounts are recovered by a Servicer from any collateral or otherwise in respect of any Liquidated Reference Obligation, then:

(a) the CDS Calculation Agent shall calculate (I) the amount equal to (i) the Credit Protection Amount that should rightfully have been determined, minus (ii) the Credit Protection Amount that was actually determined (the "**Adjustment Amount**"); and (II) the sum of all Credit Protection Amounts determined, and the sum of the amounts of all Positive Adjustment Payments paid (less the sum of the amounts of all Negative Adjustment Payments received) by the Issuer, prior to the date of such calculation (the "**Aggregate Loss Amount**" for such date); and

(b) (I) if the Adjustment Amount is greater than zero and the final Extension Maturity Date has not yet occurred, then on the Payment Date next succeeding the day that is ten Business Days after the CDS Calculation Agent so notifies the Issuer, the Issuer will pay the CDS Counterparty an amount equal to the greater of (i) the lower of (x) the Credit Default Swap Notional Amount and (y) the Adjustment Amount and (ii) zero (each such amount a "**Positive Adjustment Payment**"); and (II) if the Adjustment Amount is less than zero (and, for the avoidance of doubt, without regard to whether the Final Redemption Date for any Class of Notes has occurred), then on the Payment Date next succeeding the day that is ten Business Days after the CDS Calculation Agent so notifies the CDS Counterparty, the CDS Counterparty will pay the Issuer an amount equal to the lesser of (i) the absolute value of the Adjustment Amount and (ii) the Aggregate Loss Amount (each such amount a "**Negative Adjustment Payment**" and any such payment described in this paragraph (b), an "**Adjustment Payment**").

Excess Spread Rebate Amount payments from the Issuer to the CDS Counterparty

On each Payment Date falling in December of each year, the Issuer shall pay to the CDS Counterparty an amount equal to the Excess Spread Rebate Amount, subject to the Income Priority of Payments.

Reduction and Increase of Credit Default Swap Notional Amount

If the Issuer pays a Credit Protection Payment to the CDS Counterparty, then the Credit Default Swap Notional Amount will be reduced by the amount of such Credit Protection Payment. If the Issuer makes a payment to the CDS Counterparty in respect of a Positive Adjustment Payment, then the Credit Default Swap Notional Amount will be reduced by the amount thereof. If the CDS Counterparty makes a payment to the Issuer in respect of a Negative Adjustment Payment, then the Credit Default Swap Notional Amount will be increased by the amount thereof, and such amount will be credited to the Collection Account and deposited into the Cash Deposit or invested in other Eligible Investments.

The Reference Portfolio

The Reference Portfolio will consist of the obligations listed in the Reference Obligation List in relation to Reference Entities ("**Reference Obligations**") representing certain claims, including partial claims and contingent claims, in respect of principal, interest and fees (if any) arising from certain loans (including syndicated loans), revolving credit facilities and other payment claims arising from certain guarantees (including letters of credit) to corporate entities, including financial institutions and certain other entities.

A Reference Obligation that has become restructured or the maturity date of which has been extended pursuant to a restructuring shall nevertheless remain in the Reference Portfolio unless and

to the extent that such restructuring results in the relevant Reference Obligation not complying with the Reference Obligation Eligibility Criteria or, if such Reference Obligation did not comply with the Reference Obligation Eligibility Criteria immediately prior to such restructuring, increases the extent of such non-compliance (the "**Restructuring Requirement**").

A Reference Obligation will, unless earlier removed (or subject to the reduction of its Reference Obligation Notional Amount) pursuant to a Reduction, remain in the Reference Portfolio until the related Reference Obligation Due Date.

The "**Reference Obligation Due Date**" for any Reference Obligation shall be the earlier of (x) the Scheduled Termination Date of the Credit Default Swap and (y) (i) unless its maturity date shall have been extended pursuant to a restructuring, consensual extension or refinancing, its original maturity date or (ii) if its maturity date shall have been so extended, its maturity date as so extended or otherwise agreed pursuant to such restructuring, consensual extension or refinancing; *provided* that for a Reference Obligation consisting of a portion of an underlying claim, the Reference Obligation Due Date of such Reference Obligation shall be the remaining term to maturity of such portion. A Reference Obligation in respect of which the maturity has been extended pursuant to the exercise of an option given to the borrower to extend the maturity of the credit facility at the initial maturity for an additional period of time established at the initial loan closing date (such later date, the "**Term-Out Maturity Date**") will remain in the Reference Portfolio until the Term-Out Maturity Date even if such Reference Obligation is governed by new loan documents and such Term-Out Maturity Date shall become the Reference Obligation Due Date for the relevant Reference Obligation; *provided*, *however*, that if the original maturity date of any Reference Obligation is extended (pursuant to paragraph (y)(ii) above or pursuant to the exercise of an option to extend the maturity date to the Term-Out Maturity Date) to a date later than the Scheduled Termination Date, then the Reference Obligation Due Date for such Reference Obligation shall be deemed to be the Scheduled Termination Date.

The Reference Portfolio will not include any Liquidated Reference Obligation. The Reference Obligations comprised in the Reference Portfolio are subject to the eligibility criteria and the Reference Portfolio may be replenished, subject to satisfaction of certain conditions as set forth under "Replenishment". See "*Description of the Reference Portfolio – Reference Obligation Eligibility Criteria*" and "*Information Tables Regarding the Initial Reference Portfolio*".

The CDS Calculation Agent will maintain the Reference Obligation List that will specify for each Reference Obligation the information set out in "*Description of the Reference Portfolio – Quarterly Reporting*".

Credit Events

Under the Credit Default Swap, a "**Credit Event**" will occur with respect to any Reference Obligation upon the occurrence of either of the following:

(i) Bankruptcy; and

(ii) Failure to Pay.

"**Bankruptcy**" means the related Reference Entity (a) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (b) becomes insolvent or is unable to pay its debts or fails or admits in writing in a judicial, regulatory or administrative proceeding or filing its inability generally to pay its debts as they become due; (c) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (d) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights (including, for the avoidance of doubt, any such proceeding under the Finnish Reorganisation Act), or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (i) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (ii) is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days of the institution or presentation thereof; (e) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (f) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets (excluding, for the avoidance of doubt, the appointment by any Reference Entity of a trustee, custodian, fiscal agent or similar representative solely for the purpose of the issue of securities by such Reference Entity); (g) has a

secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within 30 calendar days thereafter; or (h) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (a) to (g) (inclusive).

"**Failure to Pay**" means the failure by a Reference Entity (after the expiration of the longer of (x) any applicable Grace Period as defined in the ISDA Definitions (after the satisfaction of any conditions precedent to the commencement of such Grace Period) and (y) 90 calendar days) to make, when and where due, any payments in respect of principal, interest or fees (in respect of commitments to make advances, issue letters of credit or otherwise provide credit services, however described, under revolving credit facilities, but excluding arrangement fees not directly related to the availability or extension of credit or credit-related services) under a Reference Obligation in accordance with the terms of such Reference Obligation at the time of such failure in an aggregate amount of not less than the Payment Requirement.

The "**Payment Requirement**" is the lesser of €5,000 and the Defaulted Notional Amount on the date of the relevant Failure to Pay.

The rights and obligations of the Issuer and the CDS Counterparty deriving from Failure to Pay Credit Events will be subject to "grace period extension", meaning that if such a Credit Event occurs prior to the Grace Period Extension Date, the CDS Counterparty will have the right to initiate the process giving rise to Credit Protection Payments, even if that Credit Event occurs after a Final Redemption Date, provided that the related Potential Failure to Pay (as defined in the ISDA Definitions) occurs prior to the Scheduled Termination Date.

"**Grace Period Extension Date**" means, if a Potential Failure to Pay occurs on or prior to the Scheduled Termination Date, the date that is the number of days in the applicable Grace Period (as defined in the ISDA Definitions) after the date of such Potential Failure to Pay.

The "**Relevant Date**" is the Closing Date or, with respect to any Reference Obligation added to the Reference Portfolio (or whose Reference Obligation Notional Amount was increased) pursuant to a Replenishment, the related Replenishment Date or, in the case of any Reference Obligation added to the Reference Portfolio (or whose Reference Obligation Notional Amount was increased) pursuant to the provisions of the Credit Default Swap described in "*Replenishment-Exceptions to the Replenishment Conditions*" under which the Replenishment Conditions are made inapplicable, the date on which the CDS Counterparty makes an election pursuant to such provisions.

Potential Failure to Pay on Final Redemption Date

The Verification Agent will have the right to deliver one or more Impairment Notices to the Issuer.

"**Impairment Notice**" means an irrevocable notice by the Verification Agent to the Issuer and the Trustee on or prior to the Business Day immediately preceding any Final Redemption Date that a Potential Failure to Pay has occurred and has neither been Cured nor become a Failure to Pay Credit Event nor is capable of becoming a Failure to Pay Credit Event on or prior to such Final Redemption Date. An Impairment Notice must (i) contain a description in reasonable detail of the facts relevant to the determination that a Potential Failure to Pay has occurred that cannot become a Failure to Pay Credit Event on or prior to such Final Redemption Date and (ii) specify the date on which the Potential Failure to Pay occurred and the Reference Obligation in respect of which such Potential Failure to Pay occurred. An Impairment Notice may be delivered between 9:00 a.m. and 4:00 p.m. (London time) on any Business Day occurring less than 90 calendar days prior to such Final Redemption Date. If an Impairment Notice is delivered to the Trustee after 4:00 p.m. (London time) on a Business Day or on a day which is not a Business Day, such Impairment Notice shall be deemed delivered on the immediately following Business Day. Delivery of an Impairment Notice shall not be construed to be a Condition to Settlement.

"**Potential Failure to Pay**" means any event or circumstance which, with the lapse of time and/or the giving of notice, could become a Failure to Pay.

If an Impairment Notice is delivered and the related Potential Failure to Pay is Cured prior to the 14th calendar day after the Grace Period Extension Date, then the Impairment Notice delivered in relation to such Reference Obligation will, with effect from the Business Day immediately following the day on which the CDS Counterparty determines that such Potential Failure to Pay was Cured, be deemed to be rescinded and shall have no effect, and each Reference Obligation that was the subject

of such Impairment Notice will remain in the Reference Portfolio and no Credit Protection Payment will be payable to the CDS Counterparty by the Issuer in connection therewith under the Credit Default Swap. The CDS Counterparty shall provide notice to the Issuer and the Trustee in writing within 10 Business Days of becoming aware of such Cure.

A Potential Failure to Pay will be deemed "**Cured**" if there is a payment in full (by any Reference Obligor, any Reference Obligation Guarantor or otherwise) of the amount of the Reference Obligation that was the subject of such Potential Failure to Pay (together with any contractual interest on past-due amounts). None of (a) a reduction in the rate or amount of interest payable or the amount of scheduled interest accruals; (b) a reduction in the amount of principal or premium payable at maturity or at scheduled redemption dates; and (c) a postponement or other deferral of a date or dates for either (i) the payment or accrual of interest or (ii) the payment of principal or premium shall in any event result, in and of itself, in a Potential Failure to Pay being Cured. Any Reference Obligation in respect of which a Potential Failure to Pay is Cured will remain in the Reference Portfolio as if each event had not occurred.

Conditions to Settlement

The "**Conditions to Settlement**" will be satisfied with respect to a Credit Event when all of the following have taken place:

(a) The CDS Counterparty has, within 90 calendar days following the occurrence of a Credit Event with respect to a Reference Obligation, delivered to the Issuer (with a copy to the Trustee) a notice describing the occurrence of such Credit Event (each such notice, as defined in and subject to the requirements of the ISDA Definitions, a "**Credit Event Notice**").

(b) In respect of each Defaulted Reference Obligation, the Verification Agent shall cause an independent accountant of internationally recognized standing ("**Accountant**") appointed by the CDS Calculation Agent with the consent of the Issuer (such consent not to be unreasonably withheld) to deliver to the CDS Calculation Agent, the CDS Counterparty and the Issuer an irrevocable notice (the "**Notice of Accountant Certification**") containing a certificate (a) that such Defaulted Reference Obligation satisfied the Reference Obligation Eligibility Criteria and, if added to the Reference Portfolio pursuant to a Replenishment, did not (taken together with any other Reference Obligation added to the Reference Portfolio on the same day) contravene the Replenishment Conditions, in each case on the related Relevant Date, (b) verifying that the Credit Event identified in the Credit Event Notice occurred and (c) verifying the computation of the relevant Credit Protection Amount, which delivery of such Notice of Accountant Certification shall be an additional "Condition to Settlement". The Notice of Accountant Certification Condition to Settlement will be satisfied by receipt of such Notice of Accountant Certification by the Issuer (with a copy to the Trustee). All Defaulted Reference Obligations of any Reference Entity may be identified (and computational verification for all such Defaulted Reference Obligations set forth) in a single Notice of Accountant Certification relating to such Reference Entity.

Credit Protection Amounts

The "**Defaulted Notional Amount**" of a Defaulted Reference Obligation on any date of determination is the lesser of (a) the Reference Obligation Notional Amount thereof on the Event Determination Date and (b) the aggregate drawn amount of the Reference Obligation plus, in the case of a Reference Obligation or any portion thereof comprising one or more Guarantee Reimbursement Obligations, the aggregate amount of Guarantee Reimbursement Obligations arising out of drawings made under Guarantees after the Event Determination Date that has not been reimbursed by the relevent Reference Entity and on or prior to such date of determination, in each case as determined by the CDS Counterparty.

The CDS Calculation Agent will determine the "**Credit Protection Amount**" with respect to a Reference Obligation by multiplying (A) the Defaulted Notional Amount and (B) 100% minus the Final Price, subject to a minimum of zero.

The "**Final Price**" will be the percentage obtained by dividing Recoveries by the Defaulted Notional Amount.

Settlement Following Final Redemption Date

On the Final Redemption Date, if there are any Impaired Reference Obligations or Defaulted Reference Obligations, then the provisions of the Credit Default Swap with respect to the determination (including in respect of Recoveries) and payment of Credit Protection Amounts and Adjustment Payments will continue in effect with respect to such obligations, and if no Credit Protection Amount has been determined for any such obligation by the Legal Final Maturity Date then the Final Price for any such obligation shall be 100% and such Final Price shall be deemed to have been determined on the Business Day immediately preceding the Legal Final Maturity Date.

Recoveries

The "**Recoveries**" for each Defaulted Reference Obligation or Liquidated Reference Obligation will be the amount determined by the CDS Counterparty to be the amount which is recovered by a Holder in respect of a principal amount equal to the Reference Obligation Notional Amount of such Reference Obligation upon a work-out of such Reference Obligation (including recovery under the related Reference Collateral and from the Reference Obligation Guarantor). For these purposes, if the CDS Counterparty determines that if it were a Holder it would have sold such Reference Obligation in accordance with its applicable Credit and Collection Policies and applicable laws as part of the work-out process, the CDS Counterparty shall determine the amount for which the Reference Obligation Notional Amount of such Reference Obligation could have been sold and such amount (the "**deemed sale proceeds**") shall be deemed to be a Recovery. Any amount in respect of principal that is forgone as part of the work-out process by or on behalf of a Holder in respect of a principal amount equal to the Reference Obligation Notional Amount of such Reference Obligation in relation to a restructured Defaulted Reference Obligation or Liquidated Reference Obligation does not constitute a recovery. To the extent that any work-out processes is conducted by the relevant Servicer otherwise than in accordance with the servicing practices of the Sampo Bank Group (the "**Servicing Practices**"), the CDS Counterparty shall determine whether Recoveries would have been greater if such work-out process had been conducted in accordance with the Servicing Practices and if it determines that this would be the case such additional amount it determines would have been recovered shall be deemed to be a Recovery. The work-out processes shall be deemed to continue until the date on which either (a) the CDS Counterparty determines that the sale of such Reference Obligation would have been consummated or determines in accordance with its Servicing Practices that such Reference Obligation would have been written-off or (b) the formal work-out process has been terminated (such date, the "**Loss Determination Date**").

The CDS Counterparty has agreed to provide, or cause to be provided, to the Issuer, the Trustee and the Rating Agencies a written report from the Accountant verifying the computation of each Credit Protection Amount by the CDS Calculation Agent and to use commercially reasonable efforts to deliver such report to the Issuer and the Rating Agencies as soon as practicable after determination of the Credit Protection Amount. With respect to any Credit Protection Amount, the day on which the Issuer receives such report is the "**Loss Certification Date**".

A "**Holder**" in respect of a Reference Obligation is a notional owner of a principal amount of such Reference Obligation equal to its Reference Obligation Notional Amount from time to time and which has the characteristics of a bank incorporated under the laws of, and resident for tax purposes in, Finland.

Recoveries:

(i) will be calculated as of the Loss Determination Date by reference to the amount of principal recovered (including deemed sale proceeds allocable to the principal deemed sold) in respect of the Reference Obligation Notional Amount of such Reference Obligation expressed as a percentage of the Defaulted Notional Amount;

(ii) will take into account as a component of loss the *pro rata* share attributable to the Defaulted Notional Amount of any fees or expenses duly incurred and paid to third parties by a Servicer or which the CDS Counterparty determines would have been paid by a Holder in respect of the recovery of the related Reference Obligation;

(iii) will not take into account any interest accrued in respect of such Reference Obligation or any internal costs or fees of a Holder or Servicer or any Affiliate of the Servicer (or, if applicable, any agent bank, unless duly and actually deducted from the distribution of amounts by such agent bank);

(iv) will take into account in determining any loss of principal the market value as determined by the CDS Counterparty of any securities or other consideration which may include interest and principal received by a Holder after the occurrence of the relevant Credit Event, whether pursuant to any restructuring, settlement or proceeding affecting such Reference Obligation or otherwise with respect to such Reference Obligation;

(v) will not be affected by any rights of set-off, netting or combination of accounts in respect of the relevant Reference Entity unless set-off, netting or combination of accounts forms part of the enforcement of collateral in respect of the related Reference Obligation;

(vi) shall take into account in determining any loss of principal the "*Reference Collateral Allocation Principles*" described below; and

(vii) for the avoidance of doubt, need not take account of any determination made in respect of any "**Cash Settlement Amount**" (as defined in the ISDA Definitions or in the 2003 Credit Derivatives Definitions as published by ISDA in 2003 (as supplemented by the May 2003 Supplement to the 2003 ISDA Credit Derivative Definitions)) in relation to a "**Credit Derivative Transaction**" (as so defined) other than the Transaction evidenced by this Confirmation relating to any "Obligation" (as so defined) that is also a Reference Obligation hereunder.

Reference Collateral Allocation Principles

A Defaulted Reference Obligation may be secured by collateral (or a portion thereof) which may from time to time be held or acquired by a Holder for its own benefit or by a third party for the benefit of such entity and in each case, if applicable, for the benefit of third parties, generally on a *pro rata* basis (the "**Reference Collateral**"). Together with such Defaulted Reference Obligation, such Reference Collateral may from time to time also secure (i) any other payment claims of such entity (including other Reference Obligations) and/or (ii) payment claims transferred from time to time by such entity together with a *pro rata* benefit from such Reference Collateral (in each case, a "**Reference Collateral Pool**").

For the purpose of the determination of Recoveries any proceeds of a Reference Collateral Pool securing one or more Defaulted Reference Obligations shall (except as specified below) be allocated to reduce the outstanding amount of such Defaulted Reference Obligations as follows: a portion of the proceeds from such Reference Collateral shall be allocated to the relevant Defaulted Reference Obligation(s) (in each such case, the "**Reference Collateral Share**") in proportion to the ratio, as determined by the CDS Counterparty between:

(i) the Defaulted Notional Amount(s) of the relevant Defaulted Reference Obligation(s) secured by such Reference Collateral on the date of determination; and

(ii) the outstanding principal amount, on such date, of all payment claims (including contingent claims) secured by such Reference Collateral.

The Reference Collateral Share may change from time to time, as the claims of the relevant creditors secured by the Reference Collateral Pool may be redeemed and new claims secured by such Reference Collateral Pool created.

With respect to any Reference Obligation that is a syndicated loan or in respect of which claims on a Reference Collateral Pool must be shared with other creditors, the principles set forth above will not apply and instead the principles applicable to all such creditors alike will apply.

Events of Default and Termination Events

Events of Default

The occurrence of any of the following with respect to the CDS Counterparty constitutes an event of default under the Credit Default Swap:

(a) a payment default by the CDS Counterparty under the Credit Default Swap lasting at least three Business Days after notice;

(b) certain insolvency and bankruptcy-related events applicable to the CDS Counterparty; and

(c) a merger without assumption by the surviving entity of the obligations of the CDS Counterparty under the Credit Default Swap.

The occurrence of any of the following with respect to the Issuer constitutes an event of default under the Credit Default Swap:

(a) a payment default by the Issuer under the Credit Default Swap lasting at least three Business Days after notice; and

(b) certain insolvency and bankruptcy-related events applicable to the Issuer.

The occurrence of any event of default under the Credit Default Swap as described above is a "**Credit Default Swap Event of Default**".

Termination Events

The occurrence of any of the following constitutes a termination event under the Credit Default Swap:

(a) a change in law making it unlawful for a party to perform its obligations under the Credit Default Swap (an "**Illegality**");

(b) a Note Event of Default (other than as a result of early termination of the Credit Default Swap arising out of another Credit Default Swap Event of Default).

(c) if the CDS Counterparty gives notice pursuant to Condition 8(b)(i);

(d) if the Notes became repayable pursuant to Condition 8(b)(ii); and

(e) upon the occurrence of a CDS Tax Event.

A "**CDS Tax Event**" occurs if any payment by the Issuer to the CDS Counterparty under the Credit Default Swap is subject to any deduction in or withholding for tax.

The occurrence of any termination event under the Credit Default Swap as described above is a "**Credit Default Swap Termination Event**".

If a Regulatory Event or Clean-up Event occurs, the CDS Counterparty may give notice to the Issuer requiring the Notes to be redeemed in accordance with Condition 8(b)(i) and the Issuer undertakes to redeem the Notes provided that such notice shall be deemed not to have been given if the Cash Administrator has not certified to the Trustee at least 3 Business Days prior to the due date for redemption of the Notes in accordance with Condition 8(b)(iii). If the Issuer is required to pay any Relevant Issuer Tax, the CDS Counterparty may give notice to the Issuer and the Trustee, directing the Issuer to redeem all of the Notes pursuant to Condition 16 and Condition 8(b)(ii), and the Issuer undertakes to redeem the Notes provided that such notice shall be deemed not to have been given if the Cash Administrator has not certified to the Trustee at least 3 Business Days prior to the due date for redemption of the Notes in accordance with Condition 8(b)(iii). For the avoidance of doubt, the date on which Notes become due and payable upon an acceleration following the exercise by the CDS Counterparty of its rights under this provision shall give rise to a Final Redemption Date.

Early Termination Date

If a Credit Default Swap Event of Default or a Credit Default Swap Termination Event occurs in which the CDS Counterparty is the Defaulting Party or the sole Affected Party (each as defined in the Credit Default Swap), then the Issuer will have the right, but not the obligation, to designate an "Early Termination Date". If the Issuer is the Defaulting Party or the sole Affected Party, then the right will rest with the CDS Counterparty. However, if an Illegality occurs, then either party will have the right; and if a Tax Event occurs, then any Affected Party will have the right.

Following designation of an Early Termination Date due to a Credit Default Swap Event of Default, the Credit Default Swap shall terminate on such Early Termination Date. Following designation of an Early Termination Date due to a Credit Default Swap Termination Event other than where the CDS Counterparty gives notice that the Notes are to be redeemed pursuant to Conditions 8(b)(i) or (ii), the Credit Default Swap shall terminate on such Early Termination Date. In either such case, the Issuer shall pay to the CDS Counterparty any unpaid Credit Protection Amounts and Positive Adjustment Payments and shall be paid any unpaid Negative Adjustment Amounts and any Issuer Spread Amount to the extent it has not been prepaid in respect of the relevant period. In addition, the Issuer will, on the Payment Date following such Early Termination Date, pay to the CDS Counterparty any Excess Spread Rebate Amount to which it is entitled on such Payment Date and the CDS Counterparty will pay to the Issuer any underpayment of the Issuer Spread Amount.

Following designation of an Early Termination Date due to a Credit Default Swap Termination Event where the CDS Counterparty gives notice that the Notes are to be redeemed pursuant to Condition 8(b)(i) or Condition 8(b)(ii), the Credit Default Swap shall continue as if no Early Termination Date had been designated save that no Credit Event Notice may be given with respect to

any Reference Obligation which was not a Defaulted Reference Obligation on such Early Termination Date or which was not included in an Impairment Notice as a Reference Obligation with respect to which a Potential Failure to Pay had occurred prior to such Early Termination Date.

No amount will be payable in respect of any termination of the Credit Default Swap by reference to market quotation or loss.

The CDS Counterparty

Additional information with respect to the CDS Counterparty and its affiliates is presented in the section entitled "*Description of the CDS Counterparty*".

Governing Law

The Credit Default Swap is governed by the laws of England, without reference to its choice of law doctrine.

DESCRIPTION OF THE REFERENCE PORTFOLIO

General

The Reference Portfolio will consist of obligations listed as such in the Reference Obligation List in relation to Reference Entities ("**Reference Obligations**"), including partial claims and contingent claims in respect of principal, interest and fees (if any) arising from certain loans (including syndicated loans) revolving credit facilities and other payment claims arising from certain guarantees (including letters of credit) to corporate entities, including financial institutions and certain other entities. The Reference Portfolio may be replenished by Sampo Bank under certain conditions in accordance with the criteria described herein. See "*Replenishment*".

The Reference Portfolio will not include any Liquidated Reference Obligation.

On any date, a "**Reference Entity**" in respect of any Reference Obligation in the Reference Portfolio on that date will be any obligor in respect thereof (each, a "**Reference Obligor**") or, in respect of any Reference Obligation that is subject to a guarantee, any guarantor in respect thereof (each, a "**Reference Obligation Guarantor**"), in each case as would be shown in the books and records of the Holder, as determined in good faith by the CDS Counterparty, and having a "**Reference Entity Identifier**" as set forth in the Reference Obligation List, as it may be amended from time to time.

A "**Reference Entity Group**" in respect of any Reference Entity will mean such Reference Entity and any other debtor forming a unit with such Reference Entity (as determined in good faith by the CDS Counterparty), meaning that one has (directly or indirectly) controlling influence on the other, can exert such controlling influence, or in the absence of such influence may be seen as one unit in terms of risk, or if one of such debtors experiences financial difficulties, such condition would lead the Reference Entity also to experience financial difficulties. Each Reference Entity Group will be identified by a "**Reference Entity Group Identifier**" in the Reference Obligation List.

Any Successor to a Reference Entity identified pursuant to the definition of "Successor" below will be the Reference Entity for the Credit Default Swap. A "**Successor**" is, in relation to a Reference Entity, a direct or indirect successor to such Reference Entity that assumes liability in respect of any relevant Reference Obligation by way of merger, consolidation, amalgamation, transfer or otherwise, whether by operation of law or pursuant to any agreement, as determined by the CDS Calculation Agent.

"**Credit and Collection Policies**" means the standard credit and collection policies of Sampo Bank as amended or supplemented from time to time, consistently applied by Sampo Bank and provided that any amendment or supplement does not adversely affect the quality and standards of servicing.

The aggregate Reference Obligation Notional Amount of the Reference Obligations included in the initial Reference Portfolio, as of the beginning of business (in London) on 10 July, 2006 (the "**Cut-off Date**"), was approximately €1,000,000,000, in relation to which the Issuer will bear credit losses up to €145,000,000.

The CDS Calculation Agent will maintain a list of the Reference Obligations forming the Reference Portfolio (as amended from time to time, the "**Reference Obligation List**"), which will specify, with respect to each Reference Obligation, the amount (in euro) of such Reference Obligation (each such amount, the "**Reference Obligation Notional Amount**"), which may include unfunded as well as funded amounts.

If a Replenishment Date occurs in any month beginning in July 2006 and ending in July 2009 (or, if earlier, the month in which the Termination Date occurs), then on the tenth day of the following month (each such day, a "**Reference Obligation List Delivery Date**"), the CDS Calculation Agent will deliver to each of the Issuer, the Verification Agent and the CDS Counterparty a copy of the amended Reference Portfolio and the Reference Obligation List containing information regarding the Reference Portfolio as at the latest Replenishment Date (or, in the case of the first Reference Obligation List Delivery Date, since the Closing Date).

Reference Obligations – Identification

Each Reference Obligation forming part of the initial Reference Portfolio as of the Cut-off Date has been identified to the Issuer in an initial report generally in the form of the Reference Obligation List and each Reference Obligation which is subsequently added to the Reference Portfolio on any Replenishment Date will be similarly so identified. This information will not be provided to the Noteholders.

All references to Reference Obligations, Reference Entities or Reference Entity Groups in the Reference Obligation List as delivered by the CDS Counterparty from time to time will be by unique numerical identifier and not by actual name or other identifying characteristics.

Reference Obligation Eligibility Criteria

In respect of each Reference Obligation, and the related Reference Entity, the following criteria (the "**Reference Obligation Eligibility Criteria**") (i) are required to be met as of the Closing Date, in respect of each Reference Obligation comprising the original Reference Portfolio and (ii) will be met as of each Replenishment Date, in respect of each Reference Obligation that is (or is proposed to be) added to the Reference Portfolio (or whose Reference Obligation Notional Amount is (or is proposed to be) increased) on such date:

(a) such Reference Entity has a Sampo Bank Internal Rating of "L3-" or better;

(b) such Reference Obligation is (or if drawn would be) to a senior obligation of the relevant Reference Entity that has been originated by the original lender in accordance with standard credit policies and guidelines similar to and not materially worse than the standard credit policies and guidelines of Sampo Bank;

(c) a Credit Event or other event which, with the giving of notice or the lapse of time (or both) could become a Credit Event shall not have occurred in relation to such Reference Obligation;

(d) such Reference Obligation is not subject to any ongoing Restructuring of its terms or any proposal which would result in a Restructuring of its terms;

(e) at least one payment of interest and, if the Reference Obligation has amortising principal which has fallen due, such principal, has been paid;

(f) the maturity of such Reference Obligation is no later than 31 January, 2013 (which date is not subject to adjustment for any business day convention);

(g) such Reference Obligation shall be, to the knowledge of the originator, legally valid and enforceable in accordance with its terms and applicable provisions of law subject to customary assumptions and exceptions;

(h) such Reference Obligation shall not be a bond but shall be a loan, guarantee, letter of credit or revolving credit facility (or combination of the foregoing) as defined in the definition of "Reference Obligations" in the ISDA Definitions;

(i) such Reference Entity is located in Finland;

(j) such Reference Obligation is denominated in euro; and

(k) such Reference Obligation does not have a Sampo Bank Internal Rating of L3- if either (i) there is no Reference Collateral in respect of such Reference Obligation or (ii) such Reference Obligation has an LTFV higher than 150 per cent. "**LTFV**" is the loan to fair value of the collateral for such loan calculated as the Reference Obligation Notional Amount of such Reference Obligation divided by the fair value of the Reference Collateral for such Reference Obligation.

"**Sampo Bank Internal Rating**" means the credit rating assigned by Sampo Bank to such Reference Entity for the purposes of Sampo Bank's generally applicable internal credit evaluation and monitoring processes.

"**Restructuring**" has the same meaning as given to that term in Section 4.7 of the 2003 ISDA Credit Derivatives Definitions;

Servicing Practices

The administration, collection and enforcement of each Reference Obligation will be carried out by a Sampo Bank Group entity or by a third party bank (each, a "**Servicer**").

Quarterly Reporting

On the day falling 21 Business Days after each Calculation Date in each year commencing in October 2006 (each, a "**Quarterly Report Date**" and the period from (and including) one Quarterly Report Date, or in the case of the first such period the Closing Date, to (but excluding) the next Quarterly Report Date, a "**Quarterly Reporting Period**"), the CDS Counterparty is required to provide to each of the Issuer, the Rating Agencies and the Trustee (for delivery to the Noteholders) a periodic report on the Reference Portfolio (the "**Quarterly Report**").

The Quarterly Reports will update, as appropriate, the information set out in the Reference Obligations List and include details of all Credit Event Notices delivered during the preceding Quarterly Reporting Period. They will also specify the Reference Obligation Notional Amount of any Reference Obligation in respect of which the Conditions to Settlement have been satisfied together with the Credit Protection Amounts, if any, resulting therefrom as well as information relating to amortisation, prepayment or repayments, Defaulted Reference Obligations, Liquidated Reference Obligations and any Replenishments during the relevant Quarterly Reporting Period (including confirmation from the CDS Counterparty that any such Replenishments made during the relevant Quarterly Reporting Period complied with the Reference Obligation Criteria, and the Replenishment Criteria or, to the extent that the Reference Portfolio was not in compliance with the Replenishment Criteria on any Replenishment Date on which a Replenishment was effected, confirmation that the extent of non-compliance was not increased).

All information delivered pursuant to the Quarterly Report will be on a strictly anonymous and statistical basis and no data in relation to any Reference Entity, Borrower, any Guarantor, any Reference Obligations or any Qualifying Guarantees that are subject to confidentiality requirements will be disclosed.

Other than the Quarterly Report, none of the Issuer, the Trustee, the Rating Agencies or the Noteholders will be entitled to receive from the CDS Counterparty any information relating to the Reference Portfolio. In particular, none of the Issuer, the Trustee, the Rating Agencies or the Noteholders will be entitled to receive from the CDS Counterparty any information as to the identity of the Reference Entity, the Borrowers or the Reference Obligations from time to time designated in the Reference Obligations List.

INFORMATION TABLES REGARDING THE SAMPLE REFERENCE PORTFOLIO

On 10 July, 2006 (the "**Cut-off Data Date**") Sampo Bank selected a pool of obligations (the "**Reference Obligations**") which complied on the Cut-off Data Date with the Eligibility Criteria. The tables set out below give certain statistical information in respect of the Reference Obligations. The following tables set out, as of the Cut-off Date, the number, the Reference Obligation Notional Amounts, the terms to maturity and other characteristics of the Reference Obligations. The sum of the Reference Obligation Notional Amounts of the Reference Obligations and the percentages in the following tables may not equal the totals due to rounding. The Reference Obligation Notional Amounts are denominated in euro.

The actual characteristics of the Reference Portfolio will change over time as a result of amortisation in the Reference Portfolio, changes in credit quality and resulting changes in ratings, and during the Replenishment Period as a result of Replenishments in the Reference Portfolio. During the Replenishment Period, Sampo Bank may add new Reference Obligations to the Reference Portfolio in accordance with the Replenishment Conditions. See "*Description of the Reference Portfolio – Reference Obligation Eligibility Criteria*" and "*Replenishment*".

Ratings

Ratings information in respect of each Reference Obligation and the Reference Portfolio generally has been sourced from Fitch and/or the Sampo Bank Internal Ratings as the case may be and as further described under "*Description of the Reference Portfolio*" and hereunder.

A rating assigned by a rating agency may be subject to revision or withdrawal by the relevant rating agency at any time. The Sampo Bank Internal Ratings is, with respect to a Reference Entity, the credit rating assigned by Sampo Bank to such Reference Entity for the purposes of Sampo Bank's generally applicable internal credit evaluation and monitoring processes, may be subject to revision or withdrawal at any time and may be based on factors which are not relevant to the Noteholders. A rating is not a recommendation to buy, sell or hold securities.

Summary of Reference Portfolio as of 10 July, 2006

Number of Reference Obligations	1,082
Number of Reference Entities	819
Number of Reference Entity Groups	702
Reference Portfolio Notional Amount	€1,000,000,000
Average Reference Obligation Notional Amount with respect to a Reference Entity	1,221,001
Average Reference Obligation Notional Amount with respect to a Reference Entity Group	1,312,336
Weighted Average Life	3.21 years

Distribution of Reference Obligations by reference to the Reference Obligation Notional Amounts of a Reference Entity

Reference Entity Notional Amounts (EUR)	*No. of Reference Entities*	*Reference Entity Percentage*	*Total Balance (EUR)*	*Total Balance Percentage*
1–5,000	0	0.0%	0	0.0%
5,001–10,000	0	0.0%	0	0.0%
10,001–25,000	0	0.0%	0	0.0%
25,001–75,000	0	0.0%	0	0.0%
75,001–100,000	1	0.1%	100,000	0.0%
100,001–250,000	314	38.3%	50,825,170	5.1%
250,001–500,000	185	22.6%	66,499,362	6.6%
500,001–750,000	69	8.4%	42,624,748	4.3%
750,001–1,000,000	58	7.1%	51,251,332	5.1%
1,000,001–2,000,000	78	9.5%	111,299,675	11.1%
2,000,001–3,000,000	27	3.3%	67,370,408	6.7%
3,000,001–4,000,000	17	2.1%	60,738,418	6.1%
4,000,001–5,000,000	12	1.5%	54,349,673	5.4%
5,000,001–10,000,000	58	7.1%	494,941,214	49.5%
Total	819	100.0%	1,000,000,000	100.0%

Maximum: EUR 10,000,000

Minimum: EUR 100,000

Average: EUR 1,221,001

Distribution of Reference Obligations by reference to the Reference Obligation Notional Amounts of a Reference Entity Group

Reference Entity Group Balances (EUR)	*No. of Reference Entity Groups*	*Reference Entity Group Percentage*	*Total Balance (EUR)*	*Total Balance Percentage*
1–5,000	0	0.0%	0	0.0%
5,001–10,000	0	0.0%	0	0.0%
10,001–25,000	0	0.0%	0	0.0%
25,001–75,000	0	0.0%	1	0.0%
75,001–100,000	1	0.1%	100,000	0.0%
100,001–250,000	298	39.1%	48,361,906	4.8%
250,001–500,000	164	21.5%	58,850,985	5.9%
500,001–750,000	66	8.7%	40,592,753	4.1%
750,001–1,000,000	47	6.2%	40,966,434	4.1%
1,000,001–2,000,000	68	8.9%	96,463,935	9.6%
2,000,001–3,000,000	25	3.3%	63,039,837	6.3%
3,000,001–4,000,000	19	2.5%	66,567,241	6.7%
4,000,001–5,000,000	11	1.4%	50,542,158	5.1%
5,000,001–10,000,000	63	8.3%	534,514,751	53.5%
Total	762	100.0%	1,000,000,000	100.0%

Maximum: EUR 10,000,000

Minimum: EUR 100,000

Average: EUR 1,312,336

Distribution of Reference Obligations by reference to Sampo Bank Internal Ratings of Reference Obligations

Sampo Bank Internal Rating	*No. of Reference Obligations*	*Reference Obligation Percentage*	*Total Balance (EUR)*	*Total Balance Percentage*
L1+	0	0.0%	0	0.0%
L1	31	2.9%	17,679,197	1.8%
L1-	18	1.7%	37,944,485	3.8%
L2+	47	4.3%	74,872,784	7.5%
L2	100	9.2%	156,972,760	15.7%
L2-	112	10.4%	161,981,681	16.2%
L3+	198	18.3%	196,552,549	19.7%
L3	337	31.1%	216,734,668	21.7%
L3-	239	22.1%	137,261,876	13.7%
L4+	0	0.0%	0	0.0%
L4	0	0.0%	0	0.0%
L4-	0	0.0%	0	0.0%
Total	1,082	100.0%	1,000,000,000	100.0%

Distribution of Reference Obligation Notional Amounts of a Reference Entity by reference to S&P's Industries

Industry Code	*S&P Industry*	*No. of Reference Entities*	*Reference Entity Percentage*	*Total Balance (EUR)*	*Total Balance Percentage*
1	Aerospace and defense	1	0.1%	1,884,873	0.2%
2	Air Transport	0	0.0%	0	0.0%
3	Automotive	33	4.0%	43,408,290	4.3%
4	Beverage and tobacco	0	0.0%	0	0.0%
5	Broadcast radio and television	6	0.7%	2,516,925	0.3%
6	Brokers/dealers/investment houses	0	0.0%	0	0.0%
7	Building and development	188	23.0%	144,837,052	14.5%
8	Business equipment and services	62	7.6%	63,744,746	6.4%
9	Cable and satellite television	0	0.0%	0	0.0%
10	Chemical/plastics	16	2.0%	61,038,760	6.1%
11	Clothing/textiles	10	1.2%	15,001,045	1.5%
12	Conglomerates	45	5.5%	48,488,486	4.8%
13	Containers and glass products	0	0.0%	0	0.0%
14	Cosmetics/toiletries	0	0.0%	0	0.0%
15	Drugs	0	0.0%	0	0.0%
16	Ecological services and equipment	12	1.5%	5,058,974	0.5%
17	Electronics/electrics	26	3.2%	39,965,303	4.0%
18	Equipment leasing	9	1.1%	3,809,495	0.4%
19	Farming/agriculture	7	0.9%	2,413,276	0.2%
20	Financial intermediaries	26	3.2%	52,039,156	5.2%
21	Food/drug retailers	0	0.0%	0	0.0%
22	Food products	17	2.1%	55,975,470	5.6%
23	Food service	0	0.0%	0	0.0%
24	Forest products	43	5.3%	72,513,150	7.3%
25	Health care	38	4.6%	20,261,463	2.0%
26	Home furnishings	0	0.0%	0	0.0%
27	Lodging and casinos	34	4.2%	24,002,128	2.4%
28	Industrial equipment	24	2.9%	41,146,285	4.1%
29	Insurance	0	0.0%	0	0.0%
30	Leisure goods/activities/movies	11	1.3%	9,113,400	0.9%
31	Nonferrous metals/minerals	12	1.5%	21,473,667	2.1%
32	Oil and gas	0	0.0%	0	0.0%
33	Publishing	23	2.8%	51,085,966	5.1%
34	Rail industries	0	0.0%	0	0.0%
35	Retailers (except food and drug)	73	8.9%	59,742,944	6.0%
36	Steel	23	2.8%	31,476,922	3.1%
37	Surface transport	46	5.6%	57,976,631	5.8%
38	Telecommunications	3	0.4%	10,265,459	1.0%
39	Utilities	31	3.8%	60,760,135	6.1%
Total		819	100.0%	1,000,000,000	100.0%

Distribution of Reference Obligations by reference to Remaining Months to Maturity of Reference Obligations

Remaining Months to Maturity of Reference Obligation	*No. of Reference Obligations*	*Reference Obligation Percentage*	*Total Balance (EUR)*	*Total Balance Percentage*
0 to 1	0	0.0%	0	0.0%
1 to 2	0	0.0%	0	0.0%
2 to 3	1	0.1%	315,352	0.0%
3 to 4	13	1.2%	34,939,139	3.5%
4 to 5	11	1.0%	13,101,408	1.3%
5 to 6	19	1.8%	33,117,563	3.3%
6 to 12	65	6.0%	50,121,220	5.0%
12 to 18	86	7.9%	95,725,899	9.6%
18 to 24	83	7.7%	85,967,637	8.6%
24 to 30	90	8.3%	89,544,640	9.0%
30 to 36	98	9.1%	90,509,129	9.1%
36 to 42	78	7.2%	75,188,726	7.5%
42 to 48	89	8.2%	54,883,021	5.5%
48 to 54	108	10.0%	77,858,726	7.8%
54 to 60	115	10.6%	116,410,701	11.6%
60 to 66	68	6.3%	63,886,256	6.4%
66 to 72	71	6.6%	49,925,484	5.0%
72 to 78	75	6.9%	65,449,925	6.5%
78 to 84	12	1.1%	3,055,174	0.3%
84 to 90	0	0.0%	0	0.0%
Total	1,082	100.0%	1,000,000,000	100.0%

REPLENISHMENT

General

Sampo Bank, as CDS Counterparty may add new Reference Obligations to the Reference Portfolio during the period (the "**Replenishment Period**") from and including the Closing Date to but excluding the Payment Date falling in July 2009 or, if earlier, the Final Redemption Date. Any Replenishment made by the CDS Counterparty will be solely for its own benefit and not as agent, fiduciary or in any other capacity on behalf of the Issuer or the Noteholders.

Sampo Bank's right, as CDS Counterparty, to replenish the Reference Portfolio will be subject to the satisfaction of the applicable Reference Obligation Eligibility Criteria and applicable Replenishment Conditions.

Replenishment

On any date during the Replenishment Period on which the Maximum Portfolio Notional Amount exceeds the Reference Portfolio Notional Amount, the CDS Counterparty may add Reference Obligations to the Reference Portfolio or increase the Reference Obligation Notional Amount of any Reference Obligation then comprised in the Reference Portfolio, provided that each Reference Obligation so added (or whose Reference Obligation Notional Amount was so increased) meets the Reference Obligation Eligibility Criteria and, following such addition or increase, the Reference Portfolio meets the Replenishment Conditions. Each such addition of Reference Obligations (or increase in Reference Obligation Notional Amounts) shall constitute a "**Replenishment**" and the day on which any Replenishment is to take effect shall constitute a "**Replenishment Date**" with respect to each Reference Obligation so added (or whose Reference Obligation Notional Amount was so increased).

Within five Business Days after each Replenishment Date, the CDS Counterparty shall provide written notice to the CDS Calculation Agent, the Verification Agent, the Trustee and the Issuer stating that each such addition or increase has occurred and identifying the Reference Obligation so added (and the associated Reference Obligation Notional Amount) or the amount of each such increase and the related Replenishment Date.

For the avoidance of doubt, if the Reference Portfolio does not comply with any Replenishment Condition prior to the proposed Replenishment(s), the proposed Replenishment(s) shall be permitted (and the Reference Portfolio deemed to comply with the Replenishment Conditions) if the inclusion of the relevant Reference Obligation(s) (in each case taken at the associated Reference Obligation Notional Amount(s) or relevant increase therein) would not cause the degree of non-compliance with any Replenishment Condition to worsen. Following any Replenishment, the Reference Portfolio Notional Amount may not exceed the Maximum Portfolio Notional Amount.

Reduction

(a) The Reference Obligation Notional Amount of any Reference Obligation may be reduced as a result of the irrevocable cancellation or expiry of any undrawn commitment or any amortisation, repayment or prepayment of principal.

(b) The Reference Obligation Notional Amount of any Defaulted Reference Obligation will be reduced by an amount equal to the difference between (i) the Reference Obligation Notional Amount of such Defaulted Reference Obligation and (ii) (A) the Defaulted Notional Amount of such Defaulted Reference Obligation plus (B) the Guarantee Undrawn Amount with respect to such Defaulted Reference Obligation.

(c) The Reference Obligation Notional Amount of any Reference Obligation will be reduced if, pursuant to the provisions described in clause (y) of the list of Replenishment Conditions, the inclusion of such Reference Obligation, or any portion of the Reference Obligation Notional Amount associated therewith, in the Reference Portfolio is not valid as a result of such Reference Obligation not complying with any of the Reference Obligation Eligibility Criteria or causing any contravention (or worsening of any existing contravention) of the Replenishment Conditions on the Relevant Date, but only to the extent of the Reference Obligation Notional Amount associated with the non-compliance, contravention or worsening of contravention.

For the avoidance of doubt, the Reference Obligation Notional Amount of any Reference Obligation in relation to which a Reduction has occurred as described above will be reduced on the first

Business Day following the day on which such Reduction occurred and the last produced Reference Obligations List shall be deemed amended accordingly.

Replenishment Conditions

The CDS Counterparty may, on a daily basis, provided that the aggregate Defaulted Notional Amount is less than 4.50 per cent. of the Initial Reference Portfolio Notional Amount, replenish the Reference Portfolio, to the extent that, after giving effect to any such Replenishment, the Reference Portfolio complies with the following guidelines on the relevant day; *provided, however,* that if the Reference Portfolio does not comply with any Replenishment Condition prior to the proposed Replenishment, the proposed Replenishment shall be permitted (and the Reference Portfolio deemed to comply with the Replenishment Conditions) if the inclusion of the relevant Reference Obligation(s) (taken at the associated Reference Obligation Notional Amount(s)) or the relevant increase(s) in Reference Obligation Notional Amount(s) would not cause the extent of non-compliance with any Replenishment Condition to increase. The following are the "**Replenishment Conditions**":

(a) no Reference Entity Group has an aggregate Reference Obligation Notional Amount that exceeds 1.00 per cent of the Reference Portfolio Notional Amount;

(b) the Weighted Average Life of the Reference Portfolio is less than or equal to 5 years;

"**Weighted Average Life**" means, in respect of the Reference Portfolio, on any date of determination (the "**Weighted Average Life Determination Date**"), the weighted average time that will elapse from such Weighted Average Life Determination Date to each date of repayment of principal on any Reference Obligation that forms part of the Reference Portfolio (excluding Defaulted Reference Obligations) on such Weighted Average Life Determination Date, each such elapsed time being weighted by the relevant repayment amount;

(c) the Reference Portfolio Notional Amount does not exceed the Maximum Portfolio Notional Amount;

(d) the Aggregate Reference Obligation Notional Amount (including the outstanding amount of the proposed new Reference Obligation) owed by obligors belonging to the largest S&P Industry Group or Fitch Industry Group must not exceed 15.00 per cent. of the Reference Portfolio Notional Amount;

(e) the Aggregate Reference Obligation Notional Amount (including the outstanding amount of the proposed new Reference Obligation) owed by obligors belonging to the second and third largest S&P Industry Groups or Fitch Industry Groups must not exceed 10.00 per cent. of the Reference Portfolio Notional Amount;

(f) subject to (d) and (e) above, no S&P Industry Group or Fitch Industry Group has an aggregate Reference Obligation Notional Amount that exceeds 8.00 per cent. of the Reference Portfolio Notional Amount;

(g) the number of Reference Entity Groups is not less than 350;

(h) no more than 80.00 per cent. of the Reference Portfolio Notional Amount has a Sampo Bank Internal Rating that is worse than L2-;

(i) no more than 35.00 per cent. of the Reference Portfolio Notional Amount has a Sampo Internal Rating below L3;

(j) the aggregate Reference Obligation Notional Amount of all Reference Obligations which benefit from Reference Collateral must be equal to or greater than 50.00 per cent. of the Reference Portfolio Notional Amount;

(k) the aggregate Reference Obligation Notional Amount of all Reference Obligations which benefit from a mortgage over real estate must be equal to or greater than 25.00 per cent. of the Reference Portfolio Notional Amount;

(l) the aggregate Reference Obligation Notional Amount of all Reference Obligations which benefit from a mortgage over real estate where the maximum loan to value ratio (of the Reference Obligation to the value of the real estate) is 80 per cent. must be equal to or greater than 10.00 per cent. of the Reference Portfolio Notional Amount;

(m) the aggregate Reference Obligation Notional Amount of all Reference Obligations which are amortising Reference Obligations must be at least 55.00 per cent. of the Reference Portfolio Notional Amount; and

(n) the Weighted Average Probability of Default of the Reference Portfolio is not worse than the Servicer's internal measure of probability of default for an L3 rated Reference Entity.

The "**Weighted Average Probability of Default**" is calculated by summing for each Reference Obligation the product of the Reference Obligation Notional Amount of such Reference Obligation and the probability of default based on Sampo Bank's probability of default measure corresponding to its rating and dividing it by the Reference Portfolio Notional Amount.

S&P Industry Group

Industry Code	*Description*
1	Aerospace & Defense
2	Air transport
3	Automotive
4	Beverage & Tobacco
5	Radio & Television
6	Brokers, Dealers & Investment houses
7	Building & Development
8	Business equipment & services
9	Cable & satellite television
10	Chemicals & plastics
11	Clothing/textiles
12	Conglomerates
13	Containers & glass products
14	Cosmetics/toiletries
15	Drugs
16	Ecological services & equipment
17	Electronics/electrical
18	Equipment leasing
19	Farming/agriculture
20	Financial intermediaries
21	Food/drug retailers
22	Food products
23	Food service
24	Forest products
25	Health care
26	Home furnishings
27	Lodging & casinos
28	Industrial equipment
29	Insurance
30	Leisure goods/activities/movies
31	Nonferrous metals/minerals
32	Oil & gas
33	Publishing
34	Rail industries
35	Retailers (except food & drug)
36	Steel
37	Surface transport
38	Telecommunications
39	Utilities

Fitch Industry Group

Industry Code	*Description*
1	Aerospace & Defense
2	Automobiles
3	Banking & Finance
4	Broadcasting/Media/Cable
5	Building & Materials
6	Business Services
7	Chemicals
8	Computers & Electronics
9	Consumer Products
10	Energy
11	Food, Beverage & Tobacco
12	Gaming, Leisure & Entertainment
13	Health Care & Pharmaceuticals
14	Industrial/Manufacturing
15	Lodging & Restaurants
16	Metals & Mining
17	Packaging & Containers
18	Paper & Forest Products
19	Real Estate
20	Retail (General)
21	Supermarkets & Drugstores
22	Telecommunications
23	Textiles & Furniture
24	Transportation
25	Utilities

Exceptions to the Relenishment Conditions

The conditions specified above will not be applicable as follows:

(y) If, subsequent to its inclusion in the Reference Portfolio, any purported Reference Obligation is determined not to comply with the Reference Obligation Eligibility Criteria or the Replenishment Conditions (determined as of the Relevant Date), the inclusion of the purported Reference Obligation in the Reference Portfolio on that Relevant Date (and any Credit Event Notice given in relation to that purported Reference Obligation) will be treated as not having been a valid inclusion and be of no effect for any purpose, in each case only to the extent of the Reference Obligation Notional Amount associated with such error or breach. Following the discovery of any such error or breach, the CDS Counterparty will remove the invalid Reference Obligation (or part thereof) from the Reference Portfolio and such removal shall be treated as a Reduction, as described above. Notwithstanding the foregoing provisions of this clause (y), if a Reference Obligation is removed from the Reference Portfolio pursuant to this clause (y) and such removal results in retroactive non-compliance with the Replenishment Conditions by another Reference Obligation in the Reference Portfolio, the CDS Counterparty may substitute other Reference Obligations for the Reference Obligation removed pursuant to this clause, subject to the Replenishment Conditions and Reference Obligation Eligibility Criteria being satisfied; provided that this clause (y) will not require the removal of such other Reference Obligation from the Reference Portfolio.

(z) If the Guarantee Undrawn Amount with respect to any Defaulted Reference Obligation is drawn upon, the amount of any related Guarantee Reimbursement Obligation arising in connection therewith after the Event Determination Date shall be deemed a Defaulted Reference Obligation without any approval of the Issuer or any satisfaction of the Reference Obligation Eligibility Criteria or the Replenishment Conditions.

THE CASH DEPOSIT, OTHER ELIGIBLE INVESTMENTS AND THE PUT OPTION

The following description of the Account Bank Agreement and Put Option Agreement is a summary only of certain aspects of such Agreements and is subject in all respects to the terms of the Agreements. The following summary does not purport to be complete and prospective investors in the Notes must refer to the Account Bank Agreement and and Put Option Agreement for detailed information regarding the Account Bank Agreement and Put Option Agreement.

The Cash Deposit

Pursuant to the Account Bank Agreement, HSBC Bank plc as Account Bank will provide certain banking services and establish and operate the Accounts and the Cash Deposit in them.

Deposit of Funds

The net proceeds of the issuance of the Notes, together with the Initial CDS Payment to the Issuer under the Credit Default Swap Agreement, being the sum of €145,000,000, will be deposited by the Issuer in the Accounts in the name of the Issuer held with the Account Bank (the "**Cash Deposit**").

Withdrawals from the Cash Deposit

Until such time as the Issuer has no further obligations under the Notes, the Issuer shall not be entitled to withdraw the moneys standing to the credit of the Accounts or any part thereof without the prior consent in writing of the Trustee, and the Account Bank shall not be under any obligation to repay any balance standing to the credit of the Accounts unless and to the extent that such withdrawal is to make payments anticipated under the Conditions of the Notes and the Credit Default Swap Agreement.

If the directions to withdraw funds to make payments are received by the Account Bank before 12.30 p.m. London time on a Business Day, the Account Bank shall, if so directed, comply with such directions by no later than the close of business on that day. With respect to directions received after 12.30 p.m. London time on any Business Day, or on a day which is not a Business Day, the Account Bank is required to comply with such directions on the following Business Day, or such later Business Day as so directed.

Interest on the Accounts

For so long as HSBC Bank plc is the Account Bank the balance standing to the credit of the Accounts from time to time will accrue interest payable at overnight Euro LIBOR (as determined by HSBC) less a margin, payable quarterly on each Payment Date in respect of the Notes for each day in the relevant Payment Period. The amount of interest accrued in respect of each such period shall be paid by the Account Bank into the Collection Account on behalf of the Issuer and will be comprised within the Interest Proceeds with respect to the Notes available for payment to the Noteholders in respect of, *inter alia*, interest amounts due in respect of the Notes for the corresponding Payment Period in accordance with the Income Priority of Payments.

Payment of Credit Protection Amounts

In the event that a Credit Protection Amount or Positive Adjustment Amount is due and payable by the Issuer to the CDS Counterparty pursuant to the Credit Default Swap Agreement, the CDS Counterparty shall deliver a notice to the Issuer, the Cash Administrator and the Account Bank, with a copy to the Trustee, setting out the amount of the Credit Protection Amount and the details of the account to which such amount is to be credited.

Termination of Account Bank Agreement

The Account Bank Agreement will terminate on the earlier of the Legal Final Maturity Date and the later of the date on which all of the Notes are redeemed in full and there are no further obligations owed to any Secured Party (other than the Account Bank).

The Account Bank may resign its appointment upon not less than three months' written notice to the Issuer (with a copy to the Trustee, the CDS Counterparty and the Rating Agencies) ending on a Business Day which does not (i) fall on a Payment Date or (ii) less than 10 Business Days before or after a Payment Date, provided that (a) if such resignation would otherwise take effect less than 60 days before or after the Legal Final Maturity Date or other date for redemption of the Notes, it shall not take effect until such date and (b) such resignation will not take effect until a successor has been duly appointed (as described further below).

The Issuer may (with the prior written approval of the Trustee), or the Trustee may, revoke the appointment of the Account Bank by not less than three months' written notice to the Account Bank (with a copy to the Trustee and the CDS Counterparty) if any of the following events occur: (i) a deduction or withholding for or on account of any Tax is imposed, or it appears likely that such a deduction or withholding will be imposed, in respect of the interest payable on the Accounts held with the Account Bank and the Account Bank does not gross-up such interest payment in full or (ii) the Account Bank fails to perform any of its obligations under the Account Bank Agreement including material aspects and such failure remains unremedied for five Business Days after the CDS Counterparty, the Issuer or the Trustee has given notice of such failure. Such revocation will not take effect until a successor has been duly appointed (as described further below).

The appointment of the Account Bank will terminate forthwith if an insolvency event occurs in relation to the Account Bank. If the appointment of the Account Bank is so terminated in accordance with this provision, the Issuer may appoint a successor or require that the amount received on repayment of the Cash Deposits be invested in other Eligible Investments by the Note Collateral Manager.

The Issuer shall (with the prior written approval of the Trustee and the CDS Counterparty and provided that the Account Bank Required Ratings are met by such replacement) appoint a successor Account Bank and will forthwith give notice of any such appointment to the Trustee and the Rating Agencies, whereupon the Issuer, the CDS Counterparty, the Trustee and the successor Account Bank will acquire and become subject to the same rights and obligations between themselves as if they had entered into an agreement in the form of (and on the same terms as) the Account Bank Agreement. Any successor Account Bank appointed by the Issuer will be a reputable and experienced financial institution which has at least the Account Bank Required Ratings.

If the Account Bank gives notice of its resignation and by the tenth day before the expiry of such notice a successor has not been duly appointed, the Account Bank may itself, following such consultation with the Issuer as is practicable in the circumstances and with the prior written approval of the Trustee and, subject to Rating Agency Confirmation, appoint as its successor any reputable and experienced financial institution which has at least the Account Bank Required Ratings.

Downgrade of the Account Bank

On the Closing Date, the Account Bank is expected to have a short-term issuer rating by S&P of A-1+ and a short-term rating by Fitch of F1+. Pursuant to the terms of the Account Bank Agreement, if the Account Bank's S&P short-term rating falls below A-1+ or its Fitch short-term rating falls below F1+ (the "**Account Bank Required Ratings**") or any such rating is withdrawn (an "**Account Bank Downgrade Event**"), the Account Bank will be obliged, within 30 calendar days:

(a) to use commercially reasonable efforts to obtain (at its expense) a guarantee in respect of its obligations under the Account Bank Agreement from a third party acceptable to the Trustee; or

(b) to find a replacement Account Bank acceptable to the Trustee, meeting the requirements set out in the Account Bank Agreement including having at least the Account Bank Required Ratings, to act as Account Bank under the Account Bank Agreement; or

(c) to take such other appropriate action acceptable to the Trustee which the Rating Agencies have previously confirmed in writing to the Issuer will not cause the then applicable ratings of the Notes to be downgraded, withdrawn or qualified; or

(d) arrange for the amount in the Cash Deposits (and any accrued interest) to be transferred to a custodian with the Custodian Required Ratings to be invested in Eligible Investments managed by the Cash Administrator.

Governing Law

The Account Bank Agreement will be governed by English law and will provide for the parties thereto to submit to the jurisdiction of the English courts.

The Covered Bonds

The amount credited to the Collateral Account on the Closing Date (which will equal the Outstanding Principal Amount of the Notes on the Closing Date) is expected to be applied on the Closing Date by the Issuer in subscribing €145,000,000 principal amount of the Covered Bonds having a denomination of €1,000 each.

The Covered Bonds are expected to pay interest at a rate equal to the three-month (or, in relation to the first period, the interpolated 2 month and 3 month) Euro interbank deposit rate (set 2 Target Business Days prior to each interest payment rate on the Covered Bonds) less a margin of 0.05 per cent. per annum, such amount being payable on 10 January, 10 April, 10 July and 10 October in each year from and including 10 October, 2006 to and including their due date for redemption. The Covered Bonds are expected to be redeemed on 10 January 2012 (or if such day is not a business day for such Covered Bonds, the immediately succeeding business day or if such day would fall in the next calendar month, the immediately preceding business day) by way of a bullet maturity.

Put Option Agreement

On the Closing Date, the Issuer and Sampo Bank plc (in such capacity, the "**Put Option Counterparty**") will enter into a put option agreement which is in the form of a 1992 ISDA Master Agreement (Multicurrency-Cross Border), together with the schedule thereto and a confirmation thereunder (the "**Put Option Confirmation**", together with the Master Agreement and schedule thereto, the "**Put Option Agreement**") under which the Put Option Counterparty will grant the Issuer the right (the "**Put Option**") to sell Covered Bonds to it as described below.

Under the Put Option Agreement, the Issuer will, at the direction of the Cash Administrator, in respect of each Payment Date sell to the Put Option Counterparty a principal amount of the Covered Bonds equal to the amount which would be payable pursuant to the Principal Priority of Payments (assuming, whether or not such is the case, there was sufficient cash standing to the credit of the Collateral Account) (rounded up to the nearest €1,000). The Cash Administrator will be required to exercise the Put Option on the fourth Business Day prior to the relevant Payment Date or Redemption Date (if not a Payment Date) on terms that:

(i) Sampo Bank will pay the purchase price equal to the nominal amount of the Covered Bonds to which such exercise relates (together with accrued interest to the Put Settlement Date) on the Put Settlement Date related to such exercise;

(ii) the Issuer will transfer the Covered Bonds agreed to be sold through the relevant Clearing System in which they are held (on a delivery versus payment basis) on the Put Settlement Date related to such exercise; and

(iii) the Issuer will be entitled to receive and retain interest due on the Covered Bonds agreed to be sold until the Put Settlement Date.

If the Put Option Counterparty fails on any Put Settlement Date to pay in full the Put Purchase Price, the Issuer will be entitled immediately, and the Cash Administrator on behalf of the Issuer is required, to put all the Covered Bonds onto the Put Option Counterparty and the Put Option Counterparty shall pay an amount equal to the nominal amount of the Covered Bonds subject to such sale, plus accrued interest thereon, on the Put Settlement Date in respect of such exercise. If the Put Option Counterparty fails to pay the Put Purchase Price in respect of such exercise, the Issuer shall be entitled to sell the securities the subject of the Put Option into the market and the Put Option Counterparty agrees to pay to the Issuer an amount equal to the difference between the net sale proceeds and the nominal amount of the securities, plus accrued interest thereon, so sold.

The Put Option Agreement will be subject to early termination if a Put Option Event of Default or Put Option Termination Event occurs. In such event, the Issuer will use its reasonable efforts to sell the securities into the market and the Put Option Counterparty agrees to pay to the Issuer an amount equal to the difference between the net sale proceeds and the nominal amount of the securities, plus accrued interest thereon, so sold.

The occurrence of any of the following (each a "**Put Option Event of Default**") with respect to the Put Option Counterparty constitutes an event of default under the Put Option Agreement:

(a) a payment default by the Put Option Counterparty under the Put Option Agreement lasting at least three Local Business Days after notice;

(b) certain breaches and defaults under the Credit Support Deed;

(c) certain insolvency and bankruptcy-related events applicable to the Put Option Counterparty; and

(d) a merger without assumption by the surviving entity of the obligations of the Put Option Counterparty under the Put Option Agreement.

The occurrence of any of the following (each a "**Put Option Event of Default**") with respect to the Issuer constitutes an event of default under the Put Option Agreement:

(a) a payment default by the Issuer under the Put Option Agreement lasting at least three Local Business Days after notice; and

(b) certain insolvency and bankruptcy-related events applicable to the Issuer.

The occurrence of any of the following (each a "**Put Option Termination Event**") with respect to either party, in the case of (a) and (b), or the Put Option Counterparty, with respect to (c), constitutes a termination event under the Put Option Agreement:

(a) a change in law making it unlawful for a party to perform its obligations under the Put Option Agreement;

(b) any amount payable by a party is subject to a requirement to withhold or deduct for or on account of any tax; and

(c) the value of the Put Option Collateral being below the Put Option Required Collateral Amount on any valuation date and the Put Option Counterparty failing to provide sufficient additional cash and/or Collateralising Covered Bonds to ensure that the value of the Put Option Collateral is at least equal to the Put Option Required Collateral Amount within 3 Business Days of such valuation date.

Sampo Bank will enter into a security arrangement with the Issuer in the form of the 1995 Credit Support Deed (Bilateral Form – Security Interest) published by ISDA (the "**Credit Support Deed**") pursuant to which it is required to provide security over cash or Collateralising Covered Bonds at least equal in value to the Put Option Required Collateral Amount, which Put Option Collateral will be held by the Custodian in an account for the benefit of the Issuer securing Sampo Bank's obligations under the Put Option Agreement. Sampo Bank undertakes with the Issuer to use all reasonable endeavours to provide to S&P, prior to the expiry of 30 days from the short term senior unsecured and unguaranteed credit rating of Sampo Bank being rated below A-2 by S&P, legal opinions of independent counsel, satisfactory to S&P, as to the ability of the Issuer to have timely access to the Put Option Collateral when such Put Option Collateral may be required by the Issuer.

The amount of Put Option Collateral will be required to be not less than 105.8 per cent. of the nominal amount of Covered Bonds held as an Eligible Investment less the clean market value (that is, the market value excluding accrued interest) of the Covered Bonds held as an Eligible Investment (the "**Put Option Required Collateral Amount**"). The Put Option Collateral Valuation Agent will be required to determine the amount of the Put Option Required Collateral Amount and the value of the assets held as Put Option Collateral weekly and Sampo Bank plc will be required to provide additional cash or Collateralising Covered Bonds to the extent the value of the Put Option Collateral is less than the Put Option Required Collateral Amount. Conversely, if the value of the Put Option Collateral exceeds the Put Option Required Collateral Amount, Sampo Bank is entitled to require such excess be transferred back to it. The "**Put Option Collateral Valuation Agent**" is the person appointed pursuant to the Credit Support Deed to determine the Put Option Collateral Required Amount and must be a person acceptable to the Trustee and in respect of whom there is a Rating Agency Confirmation.

RATINGS OF THE RATED NOTES

It is expected that on issuance each Class of Rated Notes will be assigned the rating by S&P and the rating by Fitch stated in respect of such Class of Notes below on the Closing Date.

Class of Notes	S&P Rating	Fitch Rating
Class A Notes	AAA	AAA
Class B Notes	AA	AA
Class C Notes	A	A
Class D Notes	BBB	BBB
Class E Notes	BB	BB
Class F Notes	Unrated	Unrated

A credit rating is not a recommendation to buy, sell or hold a security and may be subject to revision or withdrawal at any time by the assigning rating agency. There can be no assurance that either Rating Agency will continue to monitor their ratings of the Notes during the life of the Notes or that any such rating may not be downgraded, withdrawn or qualified.

The ratings assigned by the Rating Agencies to the Rated Notes address, the ratings assigned by the Rating Agencies to the Rated Notes address the likelihood that such Class of Notes will receive all payments to which they are entitled as described in this document; the ratings take into consideration the characteristics of the Reference Portfolio and the structural, legal, tax and Issuer-related aspects associated with the Rated Notes. It is not anticipated that the Class F Notes will be rated. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time.

WEIGHTED AVERAGE LIVES OF THE NOTES

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of distribution to the investor of amounts distributed in net reduction of principal of such security (assuming no losses). The weighted average lives of the Notes will be influenced by, among other things, the actual rate of repayment of the Reference Obligations.

The following tables were prepared based on the following assumptions (the "**Modelling Assumptions**"):

(i) no Credit Event occurs with respect to any Borrower;

(ii) no amount is credited to the Principal Deficiency Ledger in respect of any Class of Notes;

(iii) the Reference Obligations repay at a rate of 8 per cent. each month relative to the outstanding principal balance at the beginning of that month;

(iv) the CDS Counterparty exercises its right to redeem the Notes when the Reference Portfolio Notional Amount is less than 10 per cent. of the Initial Reference Portfolio Notional Amount;

(v) the CDS Counterparty exercises its right to replenish the Portfolio to the Maximum Notional Amount up to the end of the Replenishment Period;

(vi) the notes are not redeemed early pursuant to Condition 16; and

(vii) the Regulatory Call Option is not exercised.

The actual characteristics and performance of the Reference Obligations are likely to differ from the assumptions used in constructing the table set forth below. The following table is hypothetical in nature and is provided only to give a general sense of how the principal cash flows might behave under an assumed scenario. For example, it is not expected that the Reference Obligations will repay at a constant rate until maturity, that all of the Reference Obligations will repay at the same rate or that there will be no Credit Events with respect to any Reference Obligations. Any difference between such assumptions and the actual characteristics and performance of the Reference Obligations will affect the percentage of the initial amount outstanding of the Notes which are outstanding over time and cause the weighted average lives of the Notes to differ (which difference could be material) from the corresponding information in the table below.

Subject to the foregoing discussion and assumptions, the following table indicates the weighted average life of the Class A Notes, Class B Notes, Class C Notes, Class D Notes, Class E Notes and Class F Notes.

Weighted Average Life in Years

Class A Notes:	4.95 years
Class B Notes:	5.26 years
Class C Notes:	5.50 years
Class D Notes:	5.50 years
Class E Notes:	5.50 years
Class F Notes:	5.50 years

The above table assumes that there is no early redemption of the Notes other than as described in (iv) above.

THE ISSUER

General

SEA FORT Securities p.l.c., a public company limited by shares and a special purpose vehicle, was incorporated under the Companies Acts 1963 to 2005 of Ireland on 22 May, 2006 (under registered number 420473). The principal objects of the Issuer include issuing notes, entering into derivatives, acquiring collateral and entering into and carrying out its obligations in relation to such notes.

The Issuer has not previously carried on any business or carried on any activities other than those incidental to its incorporation under the Companies Acts, 1963 to 2005 of Ireland, the authorisation and issue of the Notes contemplated in this Prospectus, matters incidental to such issue of Notes, and the other matters described or contemplated in this Prospectus.

The Issuer has no subsidiaries.

The Issuer has no employees.

Share Capital and Registered Office

The Issuer has an issued and authorised share capital of €40,000, consisting of 40,000 shares with a nominal value of €1 each, which are paid up as to one quarter and held directly or indirectly by SFM Corporate Services Limited (the "**Share Trustee**"), pursuant to a declaration of charitable trust made under Irish law on 14 July, 2006.

The registered office of the Issuer is Trinity House, Charleston Road, Ranelagh, Dublin 6, Ireland, telephone number 00353 1 491 4055.

Directors

The directors of the Issuer and their respective addresses and principal activities are:

Name	*Address*	*Principal activities*
John Gerard Murphy	Trinity House, Charleston Road, Ranelagh, Dublin 6, Ireland	Company Director
Frank Heffernan	Trinity House, Charleston Road, Ranelagh, Dublin 6, Ireland	Company Director

Secretary

The secretary of the Issuer is Structured Finance Management (Ireland) Limited, whose business address is Trinity House, Charleston Road, Ranelagh, Dublin 6, Ireland.

The auditors of the Issuer are Ernst & Young of Ernst & Young Building, Harcourt Centre, Harcourt Street, Dublin 2, Ireland, who are members of the Institute of Chartered Accountants in Ireland.

DESCRIPTION OF SAMPO BANK PLC

The information contained herein with respect to Sampo Bank plc has been obtained from Sampo Bank plc. Delivery of this Prospectus shall not create any implication that there has been no change in the affairs of Sampo Bank plc since the date hereof, or that the information contained or referred to herein is correct as of any time subsequent to this date.

Sampo Bank plc, which is the CDS Counterparty, ("**Sampo Bank**" and, together with its subsidiaries, "**Sampo Bank Group**") is a public limited company which is a member of the Sampo Group (as defined below) and incorporated under the laws of the Republic of Finland (Business ID Code 1730744-7).

Sampo Bank carries on the banking business of one of its predecessors, Postipankki, which was established in 1886. As a deposit bank Sampo Bank is subject to legislation governing credit institutions, including the Act on Credit Institutions (1607/1993) as amended (the "**Credit Institutions Act**"), which is based on the Directive 2000/12/EC of the European Parliament and of the Council of 20 March, 2000 relating to the taking up and pursuit of the business of credit institutions. Sampo Bank is subject to inspection and supervision by the Financial Supervision Authority of Finland (the "**FFSA**"). Its registered office is at Unioninkatu 22, Helsinki, FI-00075 SAMPO, Finland.

Sampo Group

Sampo group ("**Sampo Group**") is the first financial group established in Finland to offer banking, asset management, life insurance and investment banking services to individuals and corporate clients. The parent company of Sampo Group is Sampo plc ("**Sampo**"). The shares of Sampo are listed on the Helsinki Stock Exchange.

Sampo Group took on its current form in 2004 when Sampo acquired all of the shares of If Holding AB, which had previously been jointly owned by Sampo, the Swedish insurance company Skandia, its subsidiary Skandia Liv, the Norwegian insurance company Storebrand, and Varma Mutual Pension Insurance Company.

Following the If transaction, Sampo Group's core business areas are property and casualty insurance, banking (including retail, private, corporate and investment banking) and long-term savings. In its current form, Sampo is the leading property and casualty insurer in the Nordic countries, and the leading bank in Finland and Estonia that specialises in long-term savings. The core areas of long-term savings are insurance investment, pension insurance and life insurance.

At 30 June, 2006, the four largest shareholders of Sampo were the Republic of Finland with a holding of 14.03 per cent. of the share capital, Varma Mutual Pension Insurance Company (8.66 per cent.), Björn Wahlroos (2.08 per cent.) and Ilmarinen Mutual Pension Insurance Company (1.71 per cent.).

Sampo Bank Group

Sampo Bank is the parent company of Sampo Bank Group. In its current form Sampo Bank is a result of mergers of several financial institutions: Postipankki and Finnish Export Credit which were originally state-owned and Mandatum Bank, originally a private investment bank which also had a retail banking arm.

Sampo Bank Group also contains banking subsidiaries in Estonia (AS Sampo Pank), Latvia (AS Sampo Banka) and Lithuania (AB Sampo bankas). At 31 December, 2005, the aggregate balance sheet total of the three Baltic subsidiaries was EUR 1,917 million representing 8 per cent. of the consolidated balance sheet of Sampo Bank Group.

As at 30 December, 2005, Sampo Bank acquired the shares of the investment services companies previously owned by Sampo. These companies include Mandatum & Co Ltd, Sampo Fund Management Ltd, 3C Asset Management Ltd, Mandatum Asset Management Ltd, Mandatum Securities Ltd and Arvo Asset Management Ltd.

In April 2006 Sampo Bank announced its intention to acquire Industry and Finance Bank (Profibank), a Russian bank based in St. Petersburg.

The Business of Sampo Bank Group

Sampo Bank Group offers its retail and corporate customers banking and financial services in accordance with the Credit Institutions Act. Sampo Bank Group consists of the parent bank Sampo Bank, the Finnish subsidiaries transacting business as well as the three Baltic banks described above.

Sampo Bank provides comprehensive banking services including deposit taking, lending and payment transaction services to Finnish households and small and medium-sized companies. It also offers a wide range of financial services, including capital market and treasury products to major Finnish companies with international operations. Financial services offered by other members of Sampo Bank Group include mortgage loans. In addition, Sampo Bank acts as a distributor of savings and investment products of other members of Sampo Bank Group, including mutual funds and asset management, as well as life and pension insurance offered by a the various insurance companies belonging to Sampo Group. Certain administrative services required by Sampo Bank are provided by the parent company Sampo.

Sampo Bank Group is the third largest bank group in Finland. Sampo Bank's business is mainly concentrated in Finland.

Sampo Bank has 99 branches and other servicing points to retail customers. Ten branches specialise in asset management and operate under the brand name Mandatum Private Banking. In addition, there are 68 branches and other servicing points serving Sampo Group's corporate customers, 1 unit specialising in large corporate banking and 1 unit specialising in public sector customers. Sampo Bank has maintained a branch office in Stockholm, Sweden since April 2005.

AS Sampo Pank has 16 branches, AS Sampo Banka has 2 branches and AB Sampo bankas has 12 outlets.

Day-to-day financial matters are increasingly dealt with over the internet, telephone and mobile services as well as through ATMs and payment ATMs.

The balance sheet total of Sampo Bank Group as at 31 December, 2005 was €23.207 billion. Sampo Bank Group's revenues in 2005 was €991 million. At the end of the year 2005, 4,263 persons were employed by Sampo Bank Group. At the end of 2005, the market share of Sampo Bank Group in Finland of public deposits was 13 per cent. and of lending (loans and advances to customers) 14 per cent.

The short term senior unsecured obligations of Sampo Bank are currently rated P-1 by Moody's Investor Service Limited and A-1 by S&P, and the long term senior unsecured obligations of Sampo Bank plc are currently rated A1 by Moody's and A by S&P.

Government Supervision and Regulation

Sampo Bank is subject to regulation governing credit institutions, including the Credit Institutions Act. The Credit Institutions Act requires, *inter alia*, Sampo Bank Group to maintain at all times a risk-based capital adequacy ratio of at least 8 per cent., which is calculated according to a formula which follows closely the guidelines set forth in the Basle Convergence Agreement of 1988, as amended. In practice, the Financial Supervision Authority has requested a credit institution to improve its capital adequacy ratio if the ratio falls below 10 per cent.

Sampo Bank is subject to inspection and supervision by the FFSA, in connection with the Bank of Finland, which requires Sampo Bank to submit its annual financial statements and interim financial statements for review. The FFSA conducts surveillance based on inspections, regular reporting and general market surveillance to ensure that Sampo Bank's operations comply with the Credit Institutions Act, the Securities Markets Act of 1989, as amended, and guidelines issued by the FFSA and other applicable laws and regulations.

Management and Employees

Management of Sampo Bank

In accordance with current legislation governing commercial banks, the corporate structure of Sampo Bank consists of a General Shareholders' Meeting and a Board of Directors. The Articles of Association of Sampo Bank provide that the members of the Board (not less than five or more than nine) are appointed by General Shareholders' Meeting. The Board of Directors currently consists of five members. The Board of Directors supervises the management of Sampo Bank's operations.

The President is responsible for Sampo Bank's day-to-day operations.

The present members of the Board of Directors of Sampo Bank are:

Chairman	
Björn Wahlroos	CEO and President of Sampo Group
Vice Chairman	
Patrick Lapveteläinen	Chief Investment Officer
Members	
Ilkka Hallavo	Executive Vice President, Head of Corporate Banking
Mika Ihamuotila	President, Head of Banking
Maarit Näkyvä	Executive Vice President, Head of Retail and Private Banking

President of Sampo Bank plc

Mika Ihamuotila

The business address for each member of the Board of Directors of Sampo Bank is Unioninkatu 22, Helsinki, FI-00075 SAMPO, Finland.

Certain debt securities of Sampo Bank plc are admitted to listing on the Official List of the Financial Services Authority of the United Kingdom (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000) and to trading on the gilt edged and fixed interest markets of the London Stock Exchange plc (which is a regulated market for the purposes of the Investment Services Directive 93/22/EEC).

DESCRIPTION OF HSBC BANK PLC

HSBC Bank plc is the Account Bank; initially it is expected that the proceeds of issue of the Notes and other amount received by or on behalf of the Issuer will be deposited in the interest bearing Accounts with the Account Bank (such accounts being Eligible Investments).

HSBC Bank plc and its subsidiaries form a UK-based group providing a comprehensive range of banking and related financial services.

HSBC Bank plc (formerly Midland Bank plc) was formed in England in 1836 and subsequently incorporated as a limited company in 1880. In 1923, the company adopted the name Midland Bank Limited which it held until 1982 when it re-registered and changed its name to Midland Bank plc.

During the year ended 31 December, 1992, Midland Bank plc became a wholly owned subsidiary undertaking of HSBC Holdings plc, whose Group Head Office is at 8 Canada Square, London E14 5HQ. HSBC Bank plc adopted its current name, changing from Midland Bank plc, in the year ended 31 December, 1999.

The HSBC Group is one of the largest banking and financial services organisations in the world, with over 9,800 offices in 76 countries and territories in five geographic regions: Europe; Hong Kong; the rest of Asia-Pacific, including the Middle East and Africa; North America and South America. Its total assets at 31 December, 2005 were £873 billion. HSBC Bank plc is the HSBC Group's principal operating subsidiary undertaking in Europe.

The short term senior unsecured and unguaranteed obligations of HSBC Bank plc are currently rated P-1 by Moody's Investor Service Limited ("**Moody's**"), A-1+ by S&P and F1+ by Fitch and the long term senior, unsecured and unguaranteed obligations of HSBC Bank plc are currently rated Aa2 by Moody's, AA by S&P and AA by Fitch.

Debt securities of HSBC Bank plc are admitted to listing on the Official List of the Financial Services Authority of the united Kingdom (in its capacity as competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000) and to trading on the gilt edged and fixed interest markets of the London Stock Exchange plc (which is a regulated market for the purposes of the Investment Services Directive 93/22/EEC).

DESCRIPTION OF DEXIA MUNICIPAL AGENCY

The information below has been reproduced from the base prospectus dated 18 August, 2005 of Euro 75,000,000,000 Dexia Municipal Agency Euro Medium Term Note Programme. This information has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by Dexia Municipal Agency, no facts have been omitted which would render the reproduced information inaccurate or misleading.

"Introduction

Dexia Municipal Agency, a *société anonyme à Directoire et Conseil de Surveillance* incorporated under French law, is a *société de credit foncier*. The name Dexia Municipal Agency was adopted at the Extraordinary Shareholders' Meeting of August 31, 1999. Dexia Municipal Agency is registered as a company under the number Paris B 421 318 064 (Paris *Trade and Companies Register*).

The company was created on 29 December 1998 for a period of 99 years.

The company was approved by the *Comité des établissements de crédit et des entreprises d'investissement* (the "**CECEI**") on July 23, 1999, as *société de credit foncier*. This approval became definitive on October 1, 1999. As such, Dexia Municipal Agency is an *établissement de crédit* ruled by the provisions of articles L.210-1 and following of the French commercial code, articles L.511-1 and following of the French Monetary and Financial Code and articles L.515-13 and following of the French Monetary and Financial Code.

Dexia Municipal Agency is managed by an Executive Board (*Directoire*) and supervised by a Supervisory Board (*Conseil de Surveillance*).

Dexia Municipal Agency's registered office is located at Tour Cristal, 7 to 11 Quai André Citroën, 75015 Paris, France (Telephone: +33 1 43 92 77 77)."

"Sociétés de crédit foncier

Article L.515-13 of the French Monetary and Financial Code defines the status of *sociétés de crédit foncier* as limited purpose credit institutions that are authorised as *etablissements de credit* by the CECEI. As specialised credit institutions, they may only carry out those banking activities which are listed in the authorisation granted by the CECEI.

Article L.515-13 of the Code provides that the sole objects of *sociétés de crédit foncier* are:

(a) To grant or acquire secured or guaranteed loans, loans to public entities and subscribe or acquire bonds and securities, referred to in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code;

(b) To issue *obligations foncières* to finance such categories of loans or bonds and securities, which *obligations foncières* benefit from the *privilège* defined in Article L.515-19 of the French Monetary and Financial Code, and to raise other resources under issue or subscription contracts referring to this *privilège*.

Sociétés de crédit foncier may also finance the activities mentioned above by issuing debt securities or raising funds which do not benefit from this *privilège*.

Sociétés de crédit foncier may assign, in accordance with Articles L.313-23 to L.313-34 of the French Monetary and Financial Code, the debt receivables held by them. They may temporarily assign, in accordance with Articles L.432-6 to L.432-19 of the French Monetary and Financial Code, their securities. In such case, the debt receivables and securities so assigned are not taken into account for the purpose of determining the coverage ratio of the resources benefiting from the *privilège*.

Under Dexia Municipal Agency's by-laws (*statuts*) and the authorisation of the CECEI, Dexia Municipal Agency may only grant or acquire loans to, or guaranteed by, public entities (as defined below).

Article L.515-15 of the French Monetary and Financial Code defines loans to public entities as loans granted to States, local authorities or their groupings (*groupement*), or public institutions (*établissements publics*) located within the European Economic Area (European Union, Liechtenstein, Norway, Iceland) Switzerland, United States of America, Canada or Japan, or wholly guaranteed by one or more States, local authorities or their groupings.

In accordance with Article L.515-15 are assimilated to loans to the above mentioned entities, bonds issued by these public sector entities or wholly guaranteed by one or more of these States, local

authorities or their groupings, under the condition that these bonds are acquired with the intention to hold them until their maturity, debt receivables due by the above mentioned entities and debt arising under a financial lease contract where the lessee is a French public sector entity.

Article L.515-16 of the French Monetary and Financial Code also includes within the category of loan under Article L.515-15 of the French Monetary and Financial Code the shares of debt mutual funds (*parts de fonds communs de créances*) (previously governed by French law n°. 88-1201 of 23rd December 1988) and units or debt securities issued by similar entities registered under the law of a State belonging to the European Economic Area, Switzerland, United States of America, Canada or Japan provided that at least 90 per cent. of the assets of these funds or entities, to the exception of temporary available sums awaiting affectation, and of guarantee, security or any other privilege which benefit to such assets, are made up of debts of the same nature as loans eligible for *sociétés de crédit foncier*, which in the case of Dexia MA, are loans to public entities only.

According to Article L.515-17 of the French Monetary and Financial Code, Dexia Municipal Agency, as a *société de crédit foncier*, is not allowed to hold shares in other companies.

Pursuant to Article L.515-18 of the French Monetary and Financial Code, in order to hedge the loans mentioned in Article L.515-14 to L.515-17 of the French Monetary and Financial Code, the *obligations foncières* or the other resources benefiting from the *privilege*, the *sociétés de crédit foncier* may contract forward financial instruments as defined in Article L.211-1 of the French Monetary and Financial Code. Any amounts payable to the *société de crédit foncier* under these forward financial instruments, after any applicable netting, and any amount payable to the *société de crédit foncier* under forward financial instruments contracted to hedge the global risk on its assets, liabilities and off-balance sheet risks benefit from the *privilège*. Sums due under forward financial instruments used to hedge the transactions referred to in Article L.515-13 II of the French Monetary and Financial Code (i.e. bonds or other resources not benefiting from the *privilège*) do not benefit from the *privilège*.

Finally, according to Article L.515-17 of the French Monetary and Financial Code, *sociétés de crédit foncier* may hold, as replacement assets (*valeurs de remplacement*), securities (including *obligations foncières* issued by other *sociétés de crédit foncier*), which are sufficiently safe and liquid to be held by *sociétés de crédit foncier*. Article 7 of French decree n° 99-710 dated 3rd August 1999 (the "**Decree**") defines these replacement assets as assets which may be eligible for refinancing with the European system of central banks, as well as debts due by credit institutions with less than one year maturity. The same Article provides that the proportion of such safe and liquid assets cannot exceed 20 per cent. of the total assets of a *sociétés de crédit foncier*, but upon prior authorisation of the French *Commission Bancaire*, this limit may temporarily be increased to 30 per cent.

Pursuant to Article L.515-20 of the Code and Article 6 of *Règlement n° 99-10 du Comité de la réglementation bancaire et financière sur les sociétés de crédit foncier* (the "**Règlement**"), *sociétés de crédit foncier* must at all times maintain a ratio of at least 100 per cent. as between their assets and the total amount of their liabilities which have the benefit of the *privilège* mentioned in Article L.515-19 of the French Monetary and Financial Code, in accordance with the terms specified by the Règlement. The French *Commission Bancaire* may temporarily waive this requirement for a given institution, on the condition that the institution meets the ratio by a given deadline.

As per Article 10 of the Règlement, sociétés de crédit foncier declare to the French *Commission Bancaire* their cover ratio on 30 June and 31 December in each year.

As credit institutions, *sociétés de crédit foncier* are supervised by the *French Commission* Bancaire, which ensures that sociétés de crédit foncier comply with their obligations under the French Monetary and Financial Code.

Pursuant to Article 13 of the Règlement, *sociétés de crédit foncier* must publish, at the latest 45 days after the general meeting approving the financial statements of the year ended, information relating to the quality of their assets, and in particular the characteristics and the distribution of the loans and the guarantees, the total of the unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of rates.

Obligations Foncières of Dexia Municipal Agency are admitted to listing and trading on the regulated market of the Luxembourg Stock Exchange. The regulated market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Investment Services Directive 93/22/EEC."

TAX CONSIDERATIONS

The following is a general discussion of the anticipated United Kingdom, Irish and Finnish tax treatment of the Issuer and the holders of the Notes. The discussion is based on laws, regulations, rulings and decisions (and interpretations thereof) currently in effect, all of which are subject to change. Any such change may have retroactive effect. The discussion is intended for general information only, and does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Notes.

Prospective investors should consult their own professional advisers concerning the possible tax consequences of buying, holding or selling any Notes under the applicable laws of their country of citizenship, residence or domicile.

United Kingdom Taxation

The following is a summary of the Issuer's understanding of current United Kingdom tax law and United Kingdom HM Revenue & Customs ("**HMRC**") practice as at the date of this Prospectus relating to certain aspects of the United Kingdom taxation of the Notes. The summary set out below is a general guide, applies only to the classes of persons mentioned below who are beneficial owners of the Notes and should be treated with appropriate caution. Some aspects do not apply to certain classes of taxpayer (such as dealers and persons connected with the Issuer). Prospective Noteholders who are in any doubt as to their tax position or who may be subject to tax in a jurisdiction other than the United Kingdom should seek their own professional advice.

Interest on the Notes

Withholding Tax on Payments of Interest on the Notes

1. Interest on Notes may be paid by the Issuer without withholding or deduction for or on account of United Kingdom income tax except in circumstances when such interest has a United Kingdom source.
2. Interest on Notes may have a UK source; for example interest on Notes secured on assets situate in the UK may have a UK source. Interest which has a United Kingdom source ("UK Interest") may be paid by the Issuer without withholding for or on account of UK income tax if the Notes in respect of which the UK Interest is paid constitute "quoted Eurobonds". Notes will constitute "quoted Eurobonds" if they carry a right to interest and are and continue to be issued by a company and listed on a "recognised stock exchange" (the Irish Stock Exchange is so recognised).
3. In addition to the exemptions referred to in paragraphs 1 to 2 above, the Issuer is entitled to make payments of UK Interest on the Notes without withholding or deduction for or on account of United Kingdom income tax if, at the time the relevant payments are made, the Issuer reasonably believes that, broadly, the person beneficially entitled to the income is a company within the charge to United Kingdom corporation tax in respect of the interest or falls within a list of specified United Kingdom tax-exempt entities and bodies, or has made a successful application for exemption from withholding tax under an application double taxation treaty.
4. In all other cases, UK Interest on the Notes will be paid under deduction of United Kingdom income tax at the lower rate applicable to savings income (currently 20 per cent.) subject to such relief as may be available under the provisions of any applicable double taxation treaty.
5. Noteholders should note that neither the Issuer nor the Registrar nor the Transfer Agent will be obliged to make any additional payments to a Noteholder in respect of any withholding or deduction required to be made by applicable law. Any such withholding or deduction will not constitute a Note Event of Default under Condition 10 (*Note Events of Default and Enforcement*) of the Notes.

Provision of Information

Noteholders who are individuals should note that where any interest is paid to them (or to any person acting on their behalf) by any person in the United Kingdom acting on behalf of the Issuer (a paying agent), or is received by any person in the United Kingdom acting on behalf of the relevant Noteholder (a receiving agent), then the paying agent or the receiving agent (as the case may be) may, in certain cases, be required to supply to HMRC details of the payment and certain details relating to the Noteholder. These provisions will apply whether or not the interest has been paid

subject to withholding or deduction for or on account of United Kingdom income tax and whether or not the Noteholder is resident in the United Kingdom for United Kingdom taxation purposes. Where the Noteholder is not so resident, the details provided to HMRC may, in certain cases, be passed by HMRC to the tax authorities of the jurisdiction in which the Noteholder is resident for taxation purposes.

Further United Kingdom Income Tax Issues for Non-United Kingdom Resident Noteholders

UK Interest on the Notes may be subject to tax by direct assessment even where paid without withholding, subject to any direction to the contrary from HMRC in respect of such relief as may be available pursuant to the provisions of an applicable double taxation treaty.

However, UK Interest received without deduction or withholding on account of United Kingdom income tax will not be chargeable to United Kingdom tax in the hands of a Noteholder (other than certain trustees) who is not resident for tax purposes in the United Kingdom unless that Noteholder carries on a trade, profession or vocation through a branch or agency (or, in the case of a Noteholder which is a company, which carries on a trade through a permanent establishment) in the United Kingdom in connection with which the interest is received or to which the Notes are attributable. There are exemptions for interest received by certain categories of agent (such as certain brokers and investment managers).

Where UK Interest has been paid under deduction of United Kingdom income tax, Noteholders who are not resident in the United Kingdom may be able to recover all or part of the tax deducted if there is an appropriate provision under an applicable double taxation treaty.

United Kingdom Corporation Tax Payers

In general, Noteholders which are within the charge to United Kingdom corporation tax in respect of the Notes will be charged to tax and obtain relief as income on all returns on and fluctuations in value of the Notes broadly in accordance with their accounting treatment so long as that is in line with generally accepted accounting practice as that term is defined for United Kingdom tax purposes.

Other United Kingdom Taxpayers

Taxation of Chargeable Gains

A disposal of the Notes may give rise to a chargeable gain or an allowable loss for the purposes of the United Kingdom taxation of chargeable gains depending on the individual circumstances of the Noteholder.

Accrued Income Scheme

On a disposal of Notes by a Noteholder, any interest which has accrued since the last Payment Date may be chargeable to tax as income under the rules of the accrued income scheme if that Noteholder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the Notes are attributable. Noteholders are advised to consult their own professional advisers for further information about the accrued income scheme in general and, in particular, the potentially adverse tax consequences of holding variable rate securities. Noteholders should note that, in December 2004, HMRC announced that the accrued income scheme was to be reformed following a further period of consultation and the HM Treasury Budget Report published in March 2006 stated that draft legislation would be published in the summer of 2006. It is not currently known whether or in what form any changes arising from the consultations will be enacted and it is possible that, when any changes are created, they may affect the taxation treatment described in this paragraph.

Stamp Duty and Stamp Duty Reserve Tax

No United Kingdom stamp duty or stamp duty reserve tax is payable on the issue of the Notes or, provided in the case of stamp duty that no instrument of transfer is executed in or brought into the United Kingdom, transfer of a Note.

Irish Taxation

Taxation of the Issuer

In general, Irish companies must pay corporation tax on their income at the rate of 12.5 per cent. in relation to trading income and at the rate of 25 per cent. in relation to income that is not income from a trade. However, Section 110 of the Irish Taxes Consolidation Act of 1997 ("**TCA 1997**")

provides for special treatment in relation to qualifying companies. A qualifying company means a company:

(a) which is resident in Ireland;

(b) which either acquires qualifying assets from a person, holds or manages qualifying assets as a result of an arrangement with another person, or has entered into a legally enforceable arrangement with another person which itself constitutes a qualifying asset;

(c) which carries on in Ireland a business of holding qualifying assets or managing qualifying assets or both;

(d) which, apart from activities ancillary to that business, carries on no other activities;

(e) which has notified an authorised officer of the Revenue Commissioners in the prescribed format that it intends to be such a qualifying company; and

(f) the market value of qualifying assets held or managed by the company or the market value of qualifying assets in respect of which the company has entered into legally enforceable arrangements is not less than EUR 10,000,000 on the day on which the qualifying assets are first acquired, first held, or a legally enforceable arrangement in respect of the qualifying assets is entered (which is itself a qualifying asset),

but a company shall not be a qualifying company if any transaction is carried out by it otherwise than by way of a bargain made at arms length apart from where that transaction is the payment of consideration for the use of principal (other than where that consideration is paid to certain companies within the charge of Irish corporation tax as part of a scheme of tax avoidance).

A qualifying asset is a financial asset or an interest in a financial asset.

If a company is a qualifying company for the purpose of Section 110 TCA 1997, then profits arising from its activities shall be chargeable to Corporation Tax under Case III of Schedule D (which is applicable to non-trading income) at a rate of 25 per cent. However, for that purpose those profits shall be computed in accordance with the provisions applicable to Case I of the Schedule (which is applicable to trading income). On this basis and on the basis that the interest on the Notes:

(a) does not represent more than a reasonable commercial return on the principal outstanding and it is not dependant on the results of the company's business; or

(b) it is not paid to certain companies within the charge of Irish corporation tax as part of a scheme of tax avoidance, then

the interest in respect of the Notes issued will be deductible in determining the taxable profits of the company.

Stamp Duty

If the Issuer is a qualifying company within the meaning of Section 110 TCA 1997, as amended, (and it is expected that the Issuer will be such a qualifying company) no Irish stamp duty will be payable on either the issue or transfer of the Notes, provided that the money raised by the issue of the Notes is used in the course of the Issuer's business.

Taxation of holders of Notes – 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 tax on a self-assessment basis and there is no requirement for the Irish Revenue Commission to issue or raise an assessment.

Interest paid and discounts realised on the Notes have an Irish source and therefore interest earned and discounts realised on such Notes will be regarded as Irish source income for the purposes of Irish tax. Accordingly, pursuant to general Irish tax rules, a non-Irish resident person in receipt of such income would be technically liable to Irish income tax (and levies if received by an individual) subject to the provisions of any applicable double tax treaty. Ireland has currently 44 double tax treaties in effect (see "– *Withholding Taxes*" below) and the majority of them exempt interest (which sometimes includes discounts) from Irish tax when received by a resident of the other jurisdiction. Credit is available for any Irish tax withheld from income on account of the related income tax liability. Non-Irish resident companies, where the income is not attributable to a branch or agency of the company in Ireland, are subject to income tax at the standard rate. Therefore any withholding tax suffered should be equal to and in satisfaction of the full income tax liability. (Non-Irish resident companies

operating in Ireland through a branch or agency of the company in Ireland to which the income is attributable would be subject to Irish corporation tax).

There is an exemption from Irish income tax under Section 198 TCA 1997 in certain circumstances.

These circumstances include:

(a) where interest is paid by a qualifying company within the meaning of Section 110 TCA 1997 to a person that is not resident in Ireland and that person is resident in an EU Member State (other than Ireland) or is a resident of a territory with which Ireland has a double tax treaty, under the terms of that treaty; and

(b) where the interest is paid by a company in the ordinary course of its trade or business and the recipient of the interest is a company that is resident in an EU Member State (other than Ireland) or that is a resident of a territory with which Ireland has a double tax treaty, under the terms of that treaty.

Interest on the Notes which does not fall within the above exemptions and discounts realised are within the charge to Irish income tax to the extent that a double tax treaty does not exempt the interest. However it is understood that the Irish Revenue Commissioners have, in the past, operated a practice (as a consequence of the absence of a collection mechanism rather than adopted policy) 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 the Irish Revenue Commissioners will apply this practice in the case of the holders of Notes and, as mentioned above, there is a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Irish Revenue Commissioners to issue or raise an assessment.

Withholding Taxes

In general, withholding tax at the rate of 20 per cent. must be deducted from payments of yearly interest that are within the charge to Irish tax, which would include those made by an Irish company. However, However, Section 64 TCA 1997 provides for the payment of interest in respect of quoted Eurobonds without deduction of tax in certain circumstances. A "**quoted Eurobond**" is defined in Section 64 TCA 1997 as a security which:

(a) is issued by a company;

(b) is quoted on a recognised stock exchange (the Irish Stock Exchange is a recognised stock exchange for this purpose); 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 (the Irish Revenue Commissioners have designated Euroclear and Clearstream, Luxembourg 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 declaration to this effect.

As the Notes to be issued by the Issuer will qualify as quoted Eurobonds and as they will be held in Euroclear and Clearstream, Luxembourg, the payment of interest in respect of such Notes should be capable of being made without withholding tax, regardless of where the Noteholder is resident.

Separately, section 246 TCA 1997 provides certain exemptions from this general obligation to withhold tax. Section 246 provides an exemption in respect of interest payments made by a qualifying

company within the meaning of S110 TCA 1997 to a person resident in a relevant territory except where that person is a company and the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. Also Section 246 provides an exemption in respect of interest payments made by a company in the ordinary course of business carried on by it to a company resident in a relevant territory except where the interest is paid to the company in connection with a trade or business carried on in Ireland by that company through a branch or agency. 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. As of the Closing Date, Ireland has entered into a double tax treaty with each of Australia, Austria, Belgium, Bulgaria, Canada, Chile (signed but not yet in effect), China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Israel, India, Italy, Japan, Korea (Rep. of), Latvia, Lithuania, Luxembourg, Malaysia, Mexico, the Netherlands, New Zealand, Norway, Pakistan, Poland, Portugal, Romania, Russia, Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, United Kingdom, U.S.A. and Zambia. Negotiations for agreements with Egypt, Malta and Singapore are completed. New treaties with Argentina, Kuwait, Morocco, Tunisia, Turkey and Ukraine are in the course of being negotiated.

Discounts realised on the Notes will not be subject to Irish withholding tax.

Encashment Tax

Interest on any Note which qualifies for exemption from withholding tax on interest as a quoted Eurobond (see above) realised or collected by an agent in Ireland on behalf of any Noteholder will be subject to a withholding at the standard rate of Irish income tax (currently 20 per cent.). This is unless the beneficial owner of the Note that is entitled to the interest is not resident in Ireland and makes a declaration in the required form. This is provided that such interest is not deemed, under the provisions of Irish tax legislation, to be the income of another person that is resident in Ireland.

Capital Gains Tax

A holder of a Note will not be subject to Irish taxes on capital gains provided that such holder is neither resident nor ordinarily resident in Ireland and such holder 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 Notes are attributable.

Capital Acquisitions Tax

If the Notes are comprised in a gift or inheritance taken from an Irish resident or ordinarily resident disponer or if the disponer's successor is resident or ordinarily resident in Ireland, or if any of the Notes are regarded as property situate in Ireland, the disponer's successor (primarily), or the disponer, may be liable to Irish capital acquisitions tax. The Notes, in registered form, would be regarded as property situate in Ireland if the principal register of the Notes is maintained in Ireland.

For the purposes of capital acquisitions tax, under current legislation a non-Irish domiciled person will not be treated as resident or ordinarily resident in Ireland for the purposes of the applicable legislation except where that person has been resident in Ireland for the purposes of Irish tax for the 5 consecutive years of assessment immediately preceding the year of assessment in which the date of the gift or inheritance falls.

Value Added Tax

The provision of financial services is an exempt transaction for Irish Value Added Tax ("**Irish VAT**") purposes. Accordingly, in general the Issuer should not be entitled to recover Irish VAT suffered. However, to the extent that income receivable by the Issuer is derived from non-EU sources, the Issuer will be entitled to recover Irish VAT in the proportion that such income bears to total income. The Issuer will be required to account for Irish VAT on a "self supply" basis on certain services received from abroad which are deemed to have an Irish place of supply.

Implementation of the EU Directive on the Taxation of Savings Income

The EU Savings Directive (see below under "*EU Directive on the Taxation of Savings Income*") has been enacted into Irish legislation. Where any person in the course of a business or profession carried on in Ireland makes an interest payment to, or secures an interest payment for the immediate benefit of, the beneficial owner of that interest, where that beneficial owner is an individual, that person must, in accordance with the methods prescribed in the legislation, establish the identity and residence

of that beneficial owner. Where such a person makes such a payment to a ''residual entity'' then that interest payment is a ''deemed interest payment'' of the ''residual entity'' for the purpose of this legislation. A ''residual entity'', in relation to ''deemed interest payments'', must, in accordance with the methods prescribed in the legislation, establish the identity and residence of the beneficial owners of the interest payments received that are comprised in the ''deemed interest payments''.

''**Residual entity**'' means a person or undertaking established in Ireland or in another Member State or in an ''associated territory'' to which an interest payment is made for the benefit of a beneficial owner that is an individual, unless that person or undertaking is within the charge to corporation tax or a tax corresponding to corporation tax, or it has, in the prescribed format for the purposes of this legislation, elected to be treated in the same manner as an undertaking for collective investment in transferable securities within the meaning of the UCITS Directive 85/611/EEC, or it is such an entity or it is an equivalent entity established in an ''associated territory'', or it is a legal person (not being an individual) other than certain Finnish or Swedish legal persons that are excluded from the exemption from this definition in the EU Savings Tax Directive.

Procedures relating to the reporting of details of payments of interest (or similar income) made by any person in the course of a business or profession carried on in Ireland, to beneficial owners that are individuals or to residual entities resident in another Member State or an ''associated territory'' and procedures relating to the reporting of details of deemed interest payments made by residual entities where the beneficial owner is an individual resident in another Member State or an ''associated territory'', apply since 1 July, 2005. For the purposes of these paragraphs ''associated territory'' means Aruba, Netherlands Antilles, Jersey, Gibraltar, Guernsey, Isle of Man, Anguilla, British Virgin Islands, Cayman Islands, Andorra, Liechtenstein, Monaco, San Marino, the Swiss Confederation, Montserrat and Turks and Caicos Islands.

Finnish Taxation

General

Generally, an individual is deemed to be Finnish resident if such individual continuously resides in Finland for more than six months or if the permanent home or dwelling of such individual is in Finland. Corporate entities established and registered under the laws of Finland are regarded as residents of Finland for tax purposes. Finnish residents are generally liable for tax in Finland for their world-wide income.

Payments of Principal

Payments of principal on the Notes to Finnish resident individuals, estates and corporate entities are not subject to tax in Finland.

Payments of Interest

Private Individuals and Estates

Interest income and capital gains of resident individuals and estates are subject to capital gains taxation at a flat rate of 28 per cent., unless the Notes are considered part of the business activity of an individual or an estate.

An accrued interest (''*jälkimarkkinahyvitys*'') paid upon purchase of a Note is deductible from the capital income of private individuals and estates. Correspondingly, any accrued interest received is regarded as taxable capital income for individuals and estates.

Corporate entities

Interest payments are included in the income arising from business activities (business income source) or from passive assets (other income source) of a Finnish corporate entity. The taxable income of a corporate entity is determined separately for business and other income sources. Both income sources are taxed at a flat rate of 26 per cent. in the fiscal year 2006.

Elimination of Possible International Double Taxation

Finland eliminates international double taxation, if any, with respect to the possible source-state tax in accordance with the Act on Elimination of International Double Taxation (1995), as amended and/or in accordance with the applicable tax treaty.

Capital Gains Tax

Private Individuals and Estates

Any gain arising from the transfer of Notes is capital income for individuals and estates resident in Finland for tax purposes, unless the Notes are considered to belong to the business activity of an individual or an estate.

For the fiscal year 2006, capital income is taxed at a flat rate of 28 per cent. Taxable capital gains or losses are the difference between the sales price and the aggregate of the acquisition cost of the Notes and related expenses. However, accrued interest paid or received upon transfer of a Note (''*jälkimarkkinahyvitys*'') are not included in the calculation of capital gains and losses arising from the transfer of a Note.

Individuals and estates may elect to apply a so-called presumptive acquisition cost instead of the actual acquisition cost. The presumptive acquisition cost is at least 20 per cent. of the sales price, but is 40 per cent. of the sales price for Notes that have been held for at least ten years. As the presumptive acquisition cost is used instead of the actual acquisition cost, the related expenses are included in, and therefore, may not be deducted in addition to the presumptive acquisition cost.

Capital losses arising from the sale of Notes, which are not considered to belong to the business activity of an individual or an estate, are deductible only from capital gains arising in the same year and the following three years.

Corporate entities

The sales price from a transfer of Notes is included in the income arising from business activities (business income source) or from passive assets (other income source) of a Finnish corporate entity. The taxable income of a corporate entity is determined separately for business and other income sources. Both income sources are taxed at a flat rate of 26 per cent. in the fiscal year 2006. The acquisition cost of the sold Notes belonging to business activities is deductible for the corporate entity from the income source to which the Notes belonged to at the time they were sold. Corporate entities are not allowed to use the above acquisition cost presumption.

Transfer Tax

Transfers of the Notes are not subject to transfer tax in Finland.

Gift and Inheritance Tax

Individuals and Estates

Transfer of Notes by way of gift, bequest or inheritance is subject to Finnish gift or inheritance tax, respectively, if either the transferor or the transferee was resident in Finland for tax purposes at the time of death or gift.

EU Directive on the Taxation of Savings Income

In June 2003, the European Council of Economics and Finance Ministers adopted EC Council Directive 2003/48/EC on the taxation of savings income (the ''**EU Savings Directive**'')). Under the EU Savings Directive, 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. However, for a transitional period, Belgium, 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).

SUBSCRIPTION AND SALE

Subscription

Pursuant to the terms of the subscription agreement dated on or about 19 July, 2006 (the "**Subscription Agreement**"), HSBC Bank plc and Sampo Bank plc in their respective capacities as joint lead managers (the "**Lead Managers**") have severally agreed, subject to certain conditions, to subscribe for the following Classes of Notes in each case at the issue price to the public indicated in the following table (in each case expressed as a percentage of the Initial Principal Amount of the relevant Class of Notes):

Class of Notes	*Issue Price to Public*
Class A Notes	100%
Class B Notes	100%
Class C Notes	100%
Class D Notes	100%
Class E Notes	100%
Class F Notes	100%

The Issuer has agreed to pay the Lead Managers a combined selling, management and underwriting commission in connection with the offer and sale of each Class of the Notes at the rate indicated in the above table (in each case expressed as a percentage of the Initial Principal Amount of the relevant Class of the Notes). The Issuer has also agreed to reimburse the Arranger and the Lead Managers for certain of their expenses in connection with the issue of the Notes, and to indemnify the Managers and certain other participants against certain liabilities or to contribute to payments they may be required to make in respect thereof.

Selling Restrictions

General

No action has been or will be taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Prospectus or any part thereof or any other offering material, in any country or jurisdiction where action for that purpose is required.

Each Lead Manager has represented 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 Notes or has in its possession or distributes this Prospectus or any part thereof, any other offering material in all cases at its own expense unless otherwise agreed and neither the Issuer nor any other Manager shall have responsibility therefor.

United States

The Notes have not been, and will not be, registered under the Securities Act or the state securities laws of any state of the United States or the securities laws of any other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S).

United Kingdom

Each Lead Manager has agreed 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 the Notes 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 the Notes in, from or otherwise involving the United Kingdom.

Republic of Ireland

Each Lead Manager has represented and agreed that either (i) it has complied and will comply with all applicable provisions of the Investment Intermediaries Act 1995 (as amended) of Ireland including, without limitation, Sections 9 and 23 (including advertising restrictions made thereunder) thereof and

the codes of conduct made under Section 37 thereof, or (ii) it is acting within the terms of an authorisation granted to it for the purposes of EU Council Directive 2000/12/EC of 20 March, 2000 (as amended or extended) and it has complied with any codes of conduct or practice made under Section 117(1) of the Central Bank Act 1989 (as amended) of Ireland, in each case with respect to anything done by it in relation to the Notes if operating in, or otherwise involving, Ireland.

Finland

This Prospectus has not been prepared to comply with the standards and requirements applicable under Finnish law, including the Finnish Securities Markets Act (1989), as amended and it has not been approved by the Finnish Financial Supervisory Authority. Each Lead Manager has represented and agreed that it will not, directly or indirectly, offer or sell in Finland any Notes other than in compliance with all applicable provisions of the laws of Finland, including the Finnish Securities Markets Act and any regulation issued thereunder, as supplemented and amended from time to time.

France

Each Lead Manager has represented and agreed with the Issuer that it has not offered, sold or otherwise transferred and will not offer, sell or otherwise transfer, directly, or indirectly, the Notes to the public in the Republic of France and that any offers, sales or other transfers of the Notes in the Republic of France will be made in accordance with Article L. 411-2 of the French Monetary and Financial Code (*Code monétaire et financier*) only to:

(i) qualified investors (*investisseurs qualifiés*) acting for their own account except as otherwise stated under French laws and regulations; and/or

(ii) a restricted circle of investors (*cercle restreint d'investisseurs*) acting for their own account,

all as defined in Articles D. 411-1 to D. 411-4, D. 734-1, D. 744-1, D. 754-1 and D. 764-1 of the *Code monétaire et financier*; and/or

(iii) persons providing portfolio management financial services (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*); and/or

(iv) investors investing each at least EUR50,000 per transaction, provided that the Issuer is a French *société anonyme* or *société en commandite par actions* or a foreign limited company with a similar status.

This Prospectus has not been prepared in the context of a public offer of securities in the Republic of France within the meaning of Article L. 411-1 of the *Code monétaire et financier* and Articles 211-1 *et seq.* of the General Regulations of the *Autorité des marchés financiers* and has not been and will not be submitted to the clearance procedures of the *Autorité des marchés financiers* or the competent authority of another member state of the European Economic Area and notified to the *Autorité des marchés financiers*.

In addition, each Lead Manager has represented and agreed with the Issuer that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France this Prospectus or any other offering material relating to the Notes other than to investors to whom offers, sales or other transfers of the Notes in the Republic of France may be made as described above.

This Prospectus and any other offering material relating to the Notes are not to be further distributed or reproduced (in whole or in part) by the addressee and have been distributed on the basis the addressee invests for its own account, as necessary, and does not resell or otherwise retransfer, directly or indirectly, the Notes to the public in the Republic of France other than in compliance with Articles L. 411-1, L.411-2, L.412-1 and L. 621-8 to L. 621-8-3 of the *Code monétaire et financier*.

Republic of Germany

Each Lead Manager has represented and agreed that it has not offered or sold or will not offer or sell or publicly promote or advertise in the Federal Republic of Germany any Notes other than in compliance with the German Securities Prospectus Act ("*Gesetz über die Erstellung, Billigung und Veröffentlichung des Prospekts, der beim öffentlichen Angebot won Wertpapieren oder bei der Zulassung von Wertpapieren zum Handel an einem organisierten Markt zu veröffentlichen ist (Wertpapierprospekgesetz-WpPG*")) as of 22 June, 2005, effective as of 1 July, 2005, as amended, or any other laws and regulations applicable in the Federal Republic of Germany governing the issue, offering and sale of securities.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive or where the Prospectus Directive is applied by the regulator (each, a "**Relevant Member State**"), the Lead Manager represents and agrees that with effect from and including the date on which the Prospectus Directive is implemented or applied in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than Euro 43,000,000 and (3) an annual net turnover of more than Euro 50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For these purposes, the expression an "offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression "**Prospectus Directive**" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

TRANSFER RESTRICTIONS

Because of the following restrictions, purchasers are advised to consult legal counsel prior to making any offer, resale, pledge or transfer of the Notes.

United States

The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act. The Notes are being sold outside the United States to non-U.S. persons in reliance on Regulation S. The Issuer has not registered, and does not intend to register, as an investment company under the Investment Company Act.

Each purchaser of Notes offered hereby will be deemed to have represented, agreed and acknowledged that:

(1) It understands that the Notes have not been approved or disapproved by the SEC or any other governmental authority or agency of any jurisdiction and that neither the SEC nor any other governmental authority or agency has passed upon the accuracy or adequacy of this Prospectus. It further understands that any representation to the contrary is a criminal offense.

(2) (a) It is, or at the time Notes are purchased will be, the beneficial owner of such Notes and (b) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S) and (c) it is not an affiliate (as defined in the Securities Act) of the Issuer or a person acting on behalf of such an affiliate.

(3) It understands that the Notes have not been and will not be registered under the Securities Act and it will not offer, sell, pledge or otherwise transfer such Notes except to a person that is not a U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, in accordance with any applicable securities laws of any State of the United States.

(4) it is not a U.S. person and is purchasing Notes in an offshore transaction pursuant to Regulation S and is located outside the United States (within the meaning of Regulation S).

(5) the Notes will bear a legend substantially to the following effect unless the Issuer has determined otherwise in accordance with applicable law:

THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN AN OFFSHORE TRANSACTION TO A PERSON WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT ("REGULATION S") IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S AND IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER FROM IT OF THE NOTES IN RESPECT HEREOF OF THE RESALE RESTRICTIONS REFERRED TO ABOVE. TRANSFER IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE OR EFFECT, WILL BE VOID AB INITIO, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER OF THIS NOTE, THE TRUSTEE OR ANY INTERMEDIARY. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF ANY EXEMPTION UNDER THE SECURITIES ACT FOR RESALES OF THIS NOTE.

THE BENEFICIAL OWNER HEREOF HEREBY ACKNOWLEDGES THAT IF, NOTWITHSTANDING THE RESTRICTIONS ON TRANSFER CONTAINED IN THE TRUST DEED, THE ISSUER DETERMINES THAT SUCH BENEFICIAL OWNER OF THIS NOTE (OR ANY INTEREST THEREIN) IS A U.S. PERSON WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT, THE ISSUER MAY COMPEL SUCH BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE TO A PERSON WHO IS NOT A U.S. PERSON WITHIN THE MEANING OF REGULATION S

UNDER THE SECURITIES ACT WITHIN 30 DAYS AFTER NOTICE OF THE SALE REQUIREMENT IS GIVEN. IF SUCH BENEFICIAL HOLDER FAILS TO EFFECT THE SALE WITHIN SUCH 30 DAY PERIOD, THE ISSUER WILL CAUSE SUCH BENEFICIAL OWNER'S NOTES (OR INTEREST THEREIN) TO BE TRANSFERRED IN A COMMERCIALLY REASONABLE SALE (CONDUCTED BY THE ISSUER IN ACCORDANCE WITH SECTION 9-610(b) OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK AS APPLIED TO SECURITIES THAT ARE SOLD ON A RECOGNISED MARKET OR THAT MAY DECLINE SPEEDILY IN VALUE) TO A PERSON THAT CERTIFIES TO THE ISSUER THAT SUCH PERSON IS NOT A U.S. PERSON, TOGETHER WITH THE OTHER ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS DEEMED TO BE MADE BY THE TRANSFEREE OF NOTES PURSUANT TO REGULATION S. NO PAYMENT WILL BE MADE ON THE AFFECTED NOTES FROM THE DATE NOTICE OF THE SALE REQUIREMENT IS SENT TO THE DATE THE INTEREST IS SOLD.

THE ISSUER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE INVESTMENT COMPANY ACT.

The following paragraph is to be included in the legend to be included in relation to the Class E Notes and the Class F Notes:

EACH PERSON ACQUIRING OR HOLDING THIS NOTE OR ANY INTEREST THEREIN SHALL BE DEEMED TO REPRESENT AND WARRANT THAT IT IS NOT AN EMPLOYEE BENEFIT PLAN OR OTHER ARRANGEMENT SUBJECT TO THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**") OR SECTION 4975 OF THE UNITED STATES INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "**CODE**"). THE BENEFICIAL OWNER HEREOF OR OF ANY INTEREST HEREIN HEREBY FURTHER ACKNOWLEDGES THAT IF THE ISSUER DETERMINES THAT SUCH HOLDER IS AN EMPLOYEE BENEFIT PLAN OR OTHER ARRANGEMENT SUBJECT TO THE ERISA OR SECTION 4975 OF THE CODE, THE ISSUER MAY COMPEL SUCH BENEFICIAL OWNER TO SELL ITS INTEREST IN THIS NOTE WITHIN 30 DAYS AFTER NOTICE OF THE SALE REQUIREMENT IS GIVEN, OR IF SUCH BENEFICIAL HOLDER FAILS TO EFFECT THE SALE WITHIN SUCH 30 DAY PERIOD, THE ISSUER WILL CAUSE SUCH BENEFICIAL OWNER'S NOTES (OR INTEREST THEREIN) TO BE TRANSFERRED IN A COMMERCIALLY REASONABLE SALE (CONDUCTED BY THE ISSUER IN ACCORDANCE WITH SECTION 9-610(b) OF THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK AS APPLIED TO SECURITIES THAT ARE SOLD ON A RECOGNISED MARKET OR THAT MAY DECLINE SPEEDILY IN VALUE), TO A PERSON THAT CERTIFIES TO THE ISSUER THAT IT IS NOT AN EMPLOYEE BENEFIT PLAN OR OTHER ARRANGEMENT SUBJECT TO ERISA OR SECTION 4975 OF THE CODE. NO PAYMENT WILL BE MADE ON THE AFFECTED NOTES FROM THE DATE NOTICE OF THE SALE REQUIREMENT IS SENT TO THE DATE THE INTEREST IS SOLD.

(6) It acknowledges that the Issuer, the Lead Managers and their respective affiliates and others will rely upon the truth and accuracy of the acknowledgements, representations and agreements set forth herein and agrees that, if any of the acknowledgements, representations or agreements deemed to have been made by it is no longer accurate, it shall promptly notify the Issuer and the Lead Managers. If its is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each of the Notes and that it has full power to make the above acknowledgements, representations and agreements on behalf of each account.

(7) It will not, at any time, offer to buy or offer to sell the Notes by any directed selling efforts or by any form of general solicitation or advertising, including, but not limited to, any advertisement, article, notice of other communication published in any newspaper, magazine or similar medium or broadcast over television or radio or seminar or meeting whose attendees have been invited by general solicitations or advertisements.

(8) It agrees that (a) any sale, pledge or other transfer of a Note (or any interest therein) made in violation of the transfer restrictions contained in this Prospectus and the Trust Deed or made based upon any false or inaccurate representation made by the holder or a transferee to the

Issuer, will be void and of no force or effect and (b) none of the Issuer, the Trustee, the Registrar and Transfer Agent has any obligation to recognize any sale, pledge or other transfer of a Note (or any interest therein) made in violation of any such transfer restriction or made based upon any such false or inaccurate representation.

GENERAL INFORMATION

1. The Notes have been accepted for clearance through Clearstream, Luxembourg and Euroclear. The table below lists the Common Code and the International Securities Identification Number ("**ISIN**") for each Class of Note.

	Common Code	*ISIN*
Class A Notes	25982100	XS0259821006
Class B Notes	25982134	XS0259821345
Class C Notes	25982142	XS0259821428
Class D Notes	25982169	XS0259821691
Class E Notes	25982177	XS0259821774
Class F Notes	25982207	XS0259822079

2. Application has been made to IFSRA, as competent authority under the Prospectus Directive for this Prospectus to be approved. Application has been made to the Irish Stock Exchange (the "**ISE**") for the Notes to be admitted to the Official List and trading on its regulated market. McCann Fitzgerald Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in connection with the Notes and is not itself seeking admission of the Notes to the Official List of the ISE or to trading on its regulated market for the purposes of the Prospectus Directive. It is expected that the total expenses relating to submission of the Notes to the Official List of the ISE and to trading on its regulated market will be approximately €20,000.
3. The Issuer is a newly formed entity which has not commenced operations or prepared financial statements as of the Closing Date. The Issuer will prepare and publish annual financial statements. The first annual financial statements of the Issuer will be in respect of the period from incorporation to 31 December 2006 and will be available for inspection and obtainable free of charge upon request at the offices of the Irish Paying Agent. The Issuer will not publish interim financial statements.
4. The Issuer represents that there has been no significant change in its financial or trading position or prospects since its date of incorporation.
5. The Issuer is not involved, and has not been involved, in any legal, arbitration or governmental proceedings (including such proceedings which are pending or threatened of which the Issuer is aware) which have or may have had since the date of its incorporation a significant effect on the Issuer's financial position or profitability.
6. The Issuer has obtained all necessary consents, approvals and authorisations in Ireland (if any) in connection with the issue of the Notes. The issuance of the Notes was authorised by the board of directors of the Issuer by resolutions passed on 14 July, 2006.

Documents Available for Inspection

From the date of this document and for so long as any Notes remain outstanding hard copies of the following documents will be available, during usual business hours, for inspection at the registered office of the Issuer, the specified office of the Registrar and the specified office of the Transfer Agent:

(1) the Memorandum and Articles of Association of the Issuer;

(2) the Subscription Agreement;

(3) the Trust Deed;

(4) the Agency Agreement;

(5) the Credit Default Swap Agreement;

(6) the Put Option Agreement and Credit Support Deed;

(7) the Account Bank Agreement;

(8) the Custody Agreement;

(9) the Cash Administration Agreement;

(10) the Verification Agency Agreement;

(11) the forms of the Global Registered Notes; and

(12) Quarterly Reports.

INDEX OF TERMS

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CUSTODIAN and TRANSFER AGENT

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