BASE PROSPECTUS

STANDARD CHARTERED BANK
(incorporated with limited liability in England by Royal Charter 1853 with reference number ZC18)

STANDARD CHARTERED BANK (HONG KONG) LIMITED
(incorporated with limited liability in Hong Kong: number 875305)

Notes Base Prospectus

Pursuant to the U.S.$10,000,000,000 Structured Product Programme

This Base Prospectus comprises two base prospectuses in respect of Notes (as defined below) issued under the Programme (as defined below) which constitutes one base prospectus for each of the two Issuers (as defined below) for the purposes of Article 5.4 of the Prospectus Directive (as defined below). Any Notes issued under the Programme on or after the date of this Base Prospectus are issued subject to the provisions herein. This does not affect any Notes issued prior to the date of this Base Prospectus.

Under the Structured Product Programme (the "**Programme**") described in this Base Prospectus, each of Standard Chartered Bank ("**SCB**") and Standard Chartered Bank (Hong Kong) Limited ("**SCBHK**" and, together with SCB, the "**Issuers**" and, each an "**Issuer**") may from time to time issue notes (the "**Notes**"), warrants (the "**Warrants**") and certificates (the "**Certificates**" and, together with Notes and Warrants, the "**Securities**"). Notes may be issued and denominated in any currency determined by the relevant Issuer, on the terms set out herein and in the relevant Final Terms (as defined below).

Notice of the terms and conditions applicable to any Warrants or Certificates that may be issued by the Issuers under the Programme will be set out in one or more separate prospectuses and/or final terms documents which do not form part of this Base Prospectus. Accordingly, this Base Prospectus does not comprise a base prospectus in respect of Warrants or Certificates issued under the Programme for the purposes of the Prospectus Directive.

Each series of the Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein. Notes may be issued from time to time on a continuing basis.

The relevant Issuer may appoint a manager or managers (each a "**Manager**") for any particular issue of Notes issued by it.

This Base Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules (the "**Rules**") of the Dubai Financial Services Authority. This Base Prospectus is intended for distribution only to persons of a type specified in those Rules. It must not be delivered to, or relied on by, any other person. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this document nor taken steps to verify the information set out in it, and has no responsibility for it. Notes to which this Base Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of Notes offered should conduct their own due diligence on the relevant Notes. If you do not understand the contents of this document you should consult an authorised financial adviser.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") in its capacity as competent authority under the Luxembourg Act dated 10 July, 2005 (the "**Prospectus Act**") relating to prospectuses for securities, for the approval of this document as a base prospectus in relation to the Notes for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in a relevant Member State of the European Economic Area). The CSSF's approval does not confirm, and the CSSF assumes no responsibility as to, the economic and financial soundness of the transaction and the quality or solvency of the Issuers in accordance with Article 7(7) of the Prospectus Act. Application has also

been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the Luxembourg Stock Exchange's regulated market (the "**Regulated Market**"). The Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and any other terms and conditions not contained herein which are applicable to each Tranche (as defined under "*General Terms and Conditions of the Notes*") of Notes will be set out in a final terms document (the "**Final Terms**") which, with respect to Notes to be listed on the Official List, will be filed with the CSSF on or before the date of issue of Notes of such Tranche.

The Issuers may issue Notes under the Programme in a form not contemplated by the General Terms and Conditions of the Notes herein, in which event (in the case of Notes intended to be listed on the Official List) a product prospectus (a "**Product Prospectus**"), if appropriate, will be made available which will set out the relevant terms applicable to such Notes.

The Programme provides that Notes may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) as the relevant Issuer may agree with the Manager. Either Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market. The Final Terms in respect of an issue of Notes will specify whether or not an application will be made for such Notes to be listed on and admitted to trading on a regulated market for the purposes of the Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments.

The Issuers shall not be liable for or, otherwise be obliged to pay, any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment or enforcement of any Note by any person and all payments made by the relevant Issuer in respect of any Notes shall be made subject to any such tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. The Issuers shall not be obliged to gross up or otherwise increase any such payments on the Notes.

Prospective purchasers of Notes should ensure that they understand the nature of the relevant Notes and the extent of their exposure to risks and that they consider the suitability of the relevant Notes as an investment in the light of their own circumstances and financial condition. Certain issues of Notes involve a high degree of risk and potential investors should be prepared to sustain a loss of all or part of their investment. It is the responsibility of prospective purchasers to ensure that they have sufficient knowledge, experience and professional advice to make their own legal, financial, tax, accounting and other business evaluation of the merits and risks of investing in the Notes and are not relying on the advice of the relevant Issuer, any specified branch or any Manager in that regard. See "*Risk Factors*" commencing on page 9.

Restrictions have been imposed on offers and sales of the Notes and on the distribution of documents relating thereto in the United States of America and the European Economic Area (including the United Kingdom). The distribution of this document and offers and sales of the Notes in certain other jurisdictions may be restricted by law. Persons into whose possession this document comes are required by the relevant Issuer to inform themselves about, and to observe, any such restrictions. See "*Subscription and Sale and Transfer and Selling Restrictions*" commencing on page 118.

The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") will be disclosed in the Final Terms. Please also refer to "*Credit Ratings may not reflect all risks*" in the Risk Factors section of this Base Prospectus.

27 June, 2012

Subject as set out below, each of SCB and SCBHK accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of SCB and SCBHK (who have taken all reasonable care to ensure that such is the case), the information contained or incorporated in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*" below). This Base Prospectus shall be read and construed on the basis that such documents are incorporated and form part of this Base Prospectus.

To the fullest extent permitted by law, no Manager accepts any responsibility for the contents of this Base Prospectus or for any statement made or purported to be made by any Manager or on its behalf in connection with the Issuers, or the issue or the offering of the Notes. The Manager accordingly disclaims any and all liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

No person is or has been authorised by the Issuers to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers or any Manager.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by an Issuer or any Manager that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the relevant Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the relevant Issuer or any Manager to any person to subscribe for or to purchase any Notes.

Save as further disclosed below, neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Notes shall in any circumstances imply that the information contained herein concerning the Issuers is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. No Manager has, or will, undertake to review the financial condition or affairs of the relevant Issuer during the life of the Programme or to advise any investor in the Notes of any information coming to its attention. Investors should review, *inter alia*, the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Notes. If at any time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to information contained in this Base Prospectus which is capable of affecting the assessment of any Notes and whose inclusion in or removal from this Base Prospectus is necessary for the purpose of allowing an investor to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the relevant Issuer, and the rights attaching to the Notes, the relevant Issuer shall prepare a supplement to this Base Prospectus or publish a replacement Base Prospectus for use in connection with any subsequent offering of the Notes.

The Notes and, in the case of Notes to be redeemed by physical delivery of securities, any such securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") nor any state securities law, nor may the Notes be offered, sold or delivered in the United States or to, or for the benefit of, U.S. persons (as defined in Regulation S under the Securities Act ("**Regulation S**")) unless, as specified in the Final Terms, the Notes are registered under the Securities Act or an exemption from the registration requirements of the Securities Act and applicable state securities laws is available. In addition, Bearer Notes are subject

to U.S. tax law requirements (see "*Subscription and Sale and Transfer and Selling Restrictions*" below).

The Notes have not been approved or disapproved by the United States Securities and Exchange Commission or any other securities commission or other regulatory authority in the United States, nor have the foregoing authorities reviewed or passed upon the accuracy or adequacy of this Base Prospectus. Any representation to the contrary is a criminal offence in the United States. The Notes do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the United States Commodity Exchange Act of 1936, as amended (the "**Commodity Exchange Act**") and trading in the Notes has not been approved by the United States Commodity Futures Trading Commission under the Commodity Exchange Act. Furthermore, neither the sale of nor trading in Notes which relate to currencies, commodity prices or indices has been approved by the United States Commodity Futures Trading Commission under the Commodity Exchange Act and no U.S. person may at any time purchase, trade or maintain a position in such Notes unless otherwise specified in the applicable Final Terms.

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of SCB, SCBHK or any Manager represents that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuers or any Manager which would permit a public offering of any Notes outside Luxembourg or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, Hong Kong, Japan, Singapore, Malaysia, Korea, the European Economic Area (including the United Kingdom), the United Arab Emirates, Dubai International Financial Centre, Indonesia, Switzerland, South Africa, Jersey, Guernsey, Kingdom of Saudi Arabia, Kingdom of Bahrain and the Philippines (see "*Subscription and Sale and Transfer and Selling Restrictions*" below).

The Notes of each issue may be sold by the relevant Issuer and/or any Manager at such times and at such prices as the relevant Issuer and/or the Manager(s) may select. There is no obligation on the relevant Issuer or any Manager to sell all of the Notes of a Tranche. The Notes may be offered or sold from time to time in one or more transactions, in the over-the-counter market at prevailing market prices or in negotiated transactions, at the discretion of the relevant Issuer. No representation or warranty or other assurance is given as to the number of Notes of a Tranche issued or outstanding at any time.

All references in this document to "U.S. dollars" and "U.S.$" refer to United States dollars, to "HK$" refer to Hong Kong dollars and to "S$" refer to Singapore dollars. References to "euro" and "€" refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended.

U.S. INFORMATION

This Base Prospectus is being submitted on a confidential basis in the United States to a limited number of QIBs (as defined under "*Form of the Notes*") for informational use solely in connection with the consideration of the purchase of Notes being offered hereby. Its use for any other purpose in the United States is not authorised. It may not be copied or reproduced in whole or in part nor may it be distributed or any of its contents disclosed to anyone other than the prospective investors to whom it is originally submitted.

Registered Notes may be offered or sold within the United States only to QIBs in transactions exempt from registration under the Securities Act. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it may be made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A under the Securities Act ("**Rule 144A**") (or pursuant to another exemption from the registration requirement of the Securities Act) and one or more exemptions and/or exclusions from regulation under the Commodity Exchange Act.

Each purchaser or holder of Notes represented by a Rule 144A Global Note or by any registered certificates issued in exchange or substitution therefor (together, "**Rule 144A Notes**") will be deemed, by its acceptance or purchase of any such Rule 144A Notes, to have made certain representations and agreements intended to restrict the resale or other transfer of such Notes as set out in "*Subscription and Sale and Transfer and Selling Restrictions*". Unless otherwise stated, terms used in this paragraph have the meanings given to them in *the applicable Final Terms*.

AVAILABLE INFORMATION

To permit compliance with Rule 144A in connection with any resales or other transfers of Notes that are "**restricted securities**" within the meaning of the Securities Act, SCB and SCBHK have each undertaken in a deed poll dated 18 December, 2006 (the "**Deed Poll**") to furnish, upon the request of a holder of such Notes or any beneficial interest therein, to such holder or to a prospective purchaser designated by him, the information required to be delivered under Rule 144A(d)(4) under the Securities Act if, at the time of the request any of the Notes remain outstanding as "restricted securities" within the meaning of Rule 144(a)(3) of the Securities Act and the relevant Issuer is neither a reporting company under Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), nor exempt from reporting pursuant to Rule 12g3-2(b) thereunder.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER CHAPTER 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

KINGDOM OF SAUDI ARABIA NOTICE

This Base Prospectus may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations issued by the Capital Market Authority of the Kingdom of Saudi Arabia (the "Capital Market Authority"). The Capital Market Authority does not make any representations as to the accuracy or completeness of this Base Prospectus, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Base Prospectus. Prospective purchasers of Notes should conduct their own due diligence on the accuracy of the information relating to the Notes. If a prospective purchaser does not understand the contents of this Base Prospectus he or she should consult an authorised financial adviser.

NOTICE TO BAHRAIN RESIDENTS

Any offer of Securities does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No.

64 of 2006). The offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain ("CBB"). Accordingly, no Securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Securities, whether directly or indirectly, to persons in the Kingdom of Bahrain.

The CBB has not reviewed or approved the offering documents and it has not in any way considered the merits of the Securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document.

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In connection with the issue of any Tranche of Notes, the Manager (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes of the Series (as defined herein) of which such Tranche forms part at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of 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 relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

RISK FACTORS

The risk factors set out below should be read in addition to the risk factors set out on pages 3 to 13 of the SCB Registration Document and pages 3 to 13 of the SCBHK Registration Document, which are incorporated by reference into this Notes Base Prospectus, and which may affect the relevant Issuer's ability to fulfil its obligations under Notes issued under the Programme.

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

Each Issuer believes that the factors described in the relevant Registration Document and below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of each Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuers based on information currently available to them or which they may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.

Risks relating to the Notes

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. Although application has been made for the Notes issued under the Programme to be admitted to listing on the Official List and to trading on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such applications will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

The prices at which Zero Coupon Notes, as well as other instruments issued at a substantial discount from their principal amount payable at maturity, trade in the secondary market tend to fluctuate more in relation to general changes in interest rates than do such prices for conventional interest-bearing securities of comparable maturities.

Investors whose investment activities are subject to investment laws and regulations or to review or regulation by certain authorities may be subject to restrictions on investments in certain types of debt securities. Investors should review and consider such restrictions prior to investing in the Notes.

Further, compliance with the EU Transparency Obligations Directive may be unduly burdensome for the Issuers and could result in the relevant Issuer electing to terminate the listing of Notes on the Official List.

Current Market

Investors should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuers and the Group. The Issuers cannot predict when these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes at that time.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to the Base Prospectus;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Risks related to the structure of a particular issue of Notes

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Partly-paid Notes

The relevant Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of its investment.

Variable rate Notes with a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

Inverse Floating Rate Notes

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since such Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Principal at risk

The principal amount of the Noteholder's investment in the Notes is not assured and the Noteholder may receive less than the amount it had invested. Accordingly, the Noteholder may lose some or all of its initial investment in the Notes.

Risks related to Notes generally

Creditworthiness of the relevant Issuer

The Notes constitute direct and unsecured obligations of the relevant Issuer. The obligations of the relevant Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the relevant Issuer, present and future. The Noteholders will be exposed to the general credit risk of the relevant Issuer, including the risk that the relevant Issuer becomes insolvent or defaults on its obligations (including payment obligations) under the Notes.

Effect of Credit Rating Reduction

The value of the Notes is expected to be affected, in part, by investors' general appraisal of the relevant Issuer's creditworthiness. Such perceptions are generally influenced by the ratings accorded to the relevant Issuer's outstanding securities by standard statistical rating services, such as Moody's Investors Service Inc. and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. and Fitch Ratings Ltd. A reduction in the rating, if any, accorded to outstanding securities of the relevant Issuer by one of these rating agencies could result in a reduction in the trading value of the Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the Notes. The credit rating agencies may have different rating methodologies, criteria, models and requirements from one

another. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be reduced, withdrawn or qualified by its assigning rating agency at any time. Additionally, global financial sector regulation is undergoing significant change. In the U.S., the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (the "**Financial Reform Act{ XE "**Financial Reform Act**"}**"), among other things, expands regulatory oversight of the credit rating agencies. It is not clear how this expanded regulatory oversight will impact the ratings on Notes or the ratings of the Issuer.

The European Parliament in tandem with the European Commission continue to review the regulation of and the role played by Credit Rating Agencies ("**CRAs**") in the European Union. Under Regulation (EC) No 1060/2009, CRAs are now required to comply with rigorous rules of conduct and an amendment to Regulation (EU) No 513/2011 established the European Securities and Markets Authority ("**ESMA**") as the supervisory with responsibility for CRAs. A number of open items remain, including the drive to enhance the regulatory framework, to take measures to reduce the risk of overreliance on ratings and to look at measures to stimulate competition in the sector. It is not clear how the outcome of this review will impact the ratings on any Notes or the ratings of the relevant Issuer.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**") from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority ("**ESMA**") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

No gross up of payments by the Issuers

The relevant Issuer is not obliged to gross up or otherwise increase any payment made in respect of any Notes where such payment is subject to any tax, duty, deduction, withholding or other payment. Therefore, should any such tax, duty, deduction, withholding or other payment be or become applicable to any such payment by the relevant Issuer in respect of any Notes, then the actual amount received by the Noteholder may be less than it would have been in the absence of such tax, duty, deduction, withholding or other payment and the Noteholder may not be able to recover any amount or credit in respect of such tax, duty, deduction, withholding or other payment.

Modification, waivers and substitution

The General Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The General Terms and Conditions of the Notes also provide that the relevant Issuer and the Agent (as defined herein) or the Registrar (as defined herein), as the case may be, may agree, without the consent of Noteholders, Receiptholders or Couponholders to (i) any modification of Notes, the Receipts, the Coupons or the Notes Agency Agreement which is not prejudicial to the interest of Noteholders or (ii) any modification of the Notes, the Receipts, the Coupons or the Notes Agency Agreement which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of the law.

Risks related to Implementation of Regulatory Reform

Implementation of recently-enacted U.S. federal financial reform legislation may affect the value of Reference Items (as defined below), which may ultimately affect the value, trading price and viability of Notes. For example, the Financial Reform Act would, upon implementation, impose limits on the maximum position that could be held by a single trader in certain of Reference Items and may subject certain transactions to new forms of regulation that could create barriers to some types of hedging activity by an Issuer or any of its affiliates. Other provisions of the Financial Reform Act could require certain Reference Items or hedging transactions to be cleared, traded on a regulated exchange, and reported to regulators, central data repositories and, in some cases, the public. The Financial Reform Act will also expand entity registration requirements and impose business conduct requirements on persons active in the swaps market (including new capital and margin requirements), which may affect the value of Reference Items or value and/or cost of hedging transactions. Such regulation may affect the value, trading price and viability of Notes. The implementation of the Financial Reform Act and future rulemaking thereunder could potentially limit or completely restrict the ability of an Issuer to hedge its exposure on Notes, increase the costs of hedging or make hedging strategies less effective.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**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 (further defined in the Directive as a "**Paying Agent**") to an individual resident or to certain other persons established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to any law implementing or complying with, or introduced in order to conform to, the Directive, neither the relevant Issuer, nor any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. However, the relevant Issuer is required, save as provided in Condition 11(a) of the Notes, to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to any such law.

Potential purchasers of Notes should note that the European Commission has announced proposals to amend the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

Change of law

The terms and conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

Bearer Notes where denominations involve integral multiples: definitive bearer Notes

In relation to any issue of Notes in bearer form which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in bearer form in respect of such holding (should such Notes be printed) and would need to purchase a nominal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes in bearer form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Reliance on DTC, Euroclear and Clearstream, Luxembourg procedures

Notes issued under the Programme may be represented by one or more Global Notes (as defined herein) that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the relevant Issuer will discharge its payment obligation under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. The relevant Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Holders of beneficial interests in a Global Note will not have a direct right to vote in respect of the Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Exchange rate risks and exchange controls

Each Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. In addition, certain jurisdictions may impose restrictions on investments in Notes but there is no guarantee that any issue of Notes will satisfy any relevant investment criteria or would be considered by the relevant regulator as qualifying for any particular investment purpose. Investors should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Suitability of Investment

This Base Prospectus identifies in a general way some of the information that a prospective investor should consider prior to making an investment in any Notes. However, this Base Prospectus does not purport to provide all of the information or the comprehensive analysis necessary to evaluate the economic and other consequences of investing in Notes. Therefore, a prospective investor should conduct its own thorough analysis (including its own financial, accounting, legal and tax analysis) prior to deciding whether to invest in Notes. Any evaluation of whether an investment in Notes is suitable depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of any Notes. This Base Prospectus is not, and does not purport to be, investment advice. A prospective investor should make an investment in any Notes only after it has determined that such investment is suitable for its financial investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility. If a prospective investor does not have experience in financial, legal, business and investment matters sufficient to permit it to make such a determination, the prospective investor should consult with its financial, tax, legal and/or accounting advisers prior to deciding to make an investment in any Notes.

US Foreign Accounts Reporting

The relevant Issuer may be subject to U.S. withholding tax if it fails to enter into an agreement with the IRS to report certain information about the holders of certain Notes or a holder of certain Notes may become subject to U.S. withholding if it fails to provide requested information to such Issuer.

The Hiring Incentives to Restore Employment Act, which was enacted in early 2010 and contains provisions from the former Foreign Account Tax Compliance Act of 2009 ("**FATCA**"), imposes a 30% withholding tax on certain payments to certain non-US financial institutions (including entities such as the relevant Issuer) who do not enter into and comply with an agreement with the IRS to provide certain information on its United States account holders.

The relevant rules have not yet been fully developed and the future application of FATCA to the Issuers and the holders of Notes is uncertain. It is currently the intention of the Issuers to enter into such agreement with the IRS, and as a result of such agreement, holders of certain Notes may be required to provide certain information or otherwise comply with FATCA, or be subject to withholding on certain payments made to them. If such a holder does not provide the necessary information or otherwise comply with FATCA, and is subject to withholding there will be no "gross up" (or any other additional amount) payable by way of compensation to the holder for the deducted amount. See "*Taxation—United States Taxation—FATCA Withholding*" for a further discussion of FATCA, including a discussion of the timing of any withholding.

FATCA IS PARTICULARLY COMPLEX AND ITS APPLICATION TO THE ISSUERS IS UNCERTAIN AT THIS TIME. EACH HOLDER OF NOTES SHOULD CONSULT ITS OWN TAX ADVISOR TO OBTAIN A MORE DETAILED EXPLANATION OF FATCA AND TO LEARN HOW THIS LEGISLATION MIGHT AFFECT EACH HOLDER IN ITS PARTICULAR CIRCUMSTANCE.

Prospective investors who consider purchasing any Notes should reach an investment decision only after carefully considering the suitability of such Notes in light of their particular circumstances.

OVERVIEW OF THE PROGRAMME IN RELATION TO THE NOTES

This overview must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including the documents incorporated by reference.

*The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined in "*Form of the Notes*" and "*General Terms and Conditions of the Notes*" herein shall have the same meanings in this overview.*

Description of the Issuers:	***Standard Chartered Bank***
	SCB was incorporated in England with limited liability by Royal Charter in 1853. SCB's issued share capital comprises ordinary shares, all of which are owned by Standard Chartered Holdings Limited, a company incorporated in England and Wales and a wholly-owned subsidiary of Standard Chartered PLC ("**SCPLC**"), non-cumulative irredeemable preference shares of US$0.01 each, all of which are owned by Standard Chartered Capital Investments LLC, a company incorporated in the United States, and non-cumulative redeemable preference shares of U.S.$5.00 each, all of which are owned by SCPLC.
	SCPLC together with its subsidiaries and subsidiary undertakings comprise an international banking and financial services group particularly focused on the markets of Asia, Africa and the Middle East.
	Standard Chartered Bank (Hong Kong) Limited
	SCBHK was incorporated in Hong Kong with limited liability on 12 December, 2003 under the Companies Ordinance (Cap. 32) of Hong Kong as a non-private company (registered number 875305). With effect from 1 July, 2004, the businesses of the Hong Kong branch of Standard Chartered Bank, Manhattan Card Company Limited, Standard Chartered Finance Limited, Standard Chartered International Trade Products Limited and Chartered Capital Corporation Limited were merged into SCBHK, principally by a private ordinance in Hong Kong.
	SCBHK is a licensed bank in Hong Kong and operates two business divisions: Consumer Banking and Wholesale Banking.
Description of the Programme:	Structured Product Programme for the issue of Notes, Warrants and Certificates.
	All relevant terms in relation to each issue of Warrants or Certificates will be set out in one or more separate prospectuses and/or final terms documents in relation to such issue.

Certain Restrictions:	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale and Transfer and Selling Restrictions*").
Issuing and Principal Paying Agent:	Deutsche Bank AG, London Branch
Registrar:	Deutsche Bank (Luxembourg) S.A.
Listing Agent:	Deutsche Bank (Luxembourg) S.A.
Programme Size in relation to the Notes:	Up to U.S.$10,000,000,000 (or its equivalent in other currencies calculated as described under "*General Description of the Programme*") aggregate nominal amount of Notes outstanding at any time. The Issuers may increase the amount of the Programme.
Distribution:	Notes may be distributed on a syndicated or non-syndicated basis.
Currencies:	Subject to any applicable legal or regulatory restrictions, any currency specified by the relevant Issuer.
Redenomination:	The applicable Final Terms may provide that certain Notes may be redenominated in euro. The relevant provisions applicable to any such redenomination will be contained in the applicable Final Terms.
Maturities:	Such maturities as may be specified by the relevant Issuer subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.
Issue Price:	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par, at a discount to par, or at a premium over par.
Form of Notes:	The Notes will be issued in bearer form ("**Bearer Notes**") or registered form ("**Registered Notes**") as described in "*Form of the Notes*". Registered Notes will not be exchangeable for Bearer Notes and *vice versa*. Notes in bearer form will, on issue, be represented by a temporary global Note. Interests in temporary global Notes will be exchangeable either for (i) interests in a permanent global Note or (ii) definitive Notes as indicated in the applicable Final Terms. Interests in permanent global Notes will be exchangeable for definitive Notes upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (ii) only upon the occurrence of an Exchange Event as described under "*Form of the*

Notes". If a global Note is exchangeable for definitive Notes at the option of Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination.

Registered Notes which are delivered outside any clearing system will be represented by individual registered certificates ("**Definitive Registered Notes**"), one Definitive Registered Note being issued in respect of each holder's entire holding of Registered Notes of one Series. Registered Notes that are registered in the name of a nominee for one or more clearing systems will be represented by permanent global registered certificates ("**Registered Global Notes**" and together with Definitive Registered Notes, "**Note Certificates**"). Registered Notes offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States ("**Regulation S Notes**"), will be represented by a Registered Global Note ("**Regulation S Registered Global Note**") or one or more Definitive Registered Notes ("**Regulation S Definitive Registered Notes**"). Registered Notes offered and sold in the United States to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") ("**Rule 144A Notes**") will be represented by a Registered Global Note ("**Rule 144A Registered Global Note**") or one or more Definitive Registered Notes ("**Rule 144A Definitive Registered Notes**"). Only Registered Notes issued pursuant to Regulation S may be initially issued in the form of Definitive Registered Notes and only if permitted by the Final Terms.

Clearing Systems

Clearstream, Luxembourg and/or Euroclear for Notes in bearer form, Clearstream, Luxembourg and/or Euroclear and DTC for Notes in registered form and, in relation to any Tranche, such other clearing system as may be agreed between the relevant Issuer and the Agent.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be specified by the relevant Issuer, and will be calculated on the basis of such Day Count Fraction as may be specified by the relevant Issuer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series);

(ii) on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(iii) on such other basis as may be specified by the relevant Issuer.

	The margin (if any) relating to such floating rate will be specified by the relevant Issuer for each Series of Floating Rate Notes.
Other Provisions in Relation to Fixed Rate Notes and Floating Rate Notes:	Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Fixed Rate Notes and Floating Rate Notes in respect of each Interest Period, as specified prior to issue by the relevant Issuer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be specified by the relevant Issuer.
Zero Coupon Notes:	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
Redemption:	The applicable Final Terms relating to each Tranche of Notes will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or as a result of a Tax Event or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be specified by the relevant Issuer. The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.
Denomination of Notes:	Notes will be issued in such denominations as may be specified by the relevant Issuer, save that the minimum denomination of each Note admitted to trading on a European Economic Area exchange or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €100,000 (or if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency) or such higher amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency.
Taxation:	The Issuers shall not be liable for or otherwise be obliged to pay, any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment or enforcement of any Note. All payments made by the relevant Issuer in respect of any Notes shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid or deducted. The Issuers shall not be obliged to gross up or otherwise increase any such payments on the Notes.

Negative Pledge:	The terms of the Notes will not contain a negative pledge provision.
Cross Default:	The terms of the Notes will not contain a cross default provision.
Status of the Notes:	The Notes will constitute direct and unsecured obligations of the relevant Issuer and will at all times rank *pari passu* and without any preference among themselves. The obligations of the relevant Issuer under the Notes will, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all other unsecured and unsubordinated obligations of the relevant Issuer, present and future.
Rating:	Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (as amended) will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.
Listing, Approval and Admission to Trading:	Application has been made to the CSSF to approve this Base Prospectus as a base prospectus in relation to Notes issued under the Programme. Application has also been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to trading on the Regulated Market and to be listed on the Official List. The Notes may also be listed on such other or further stock exchange(s) as may be specified by the relevant Issuer in relation to each Series. Unlisted Notes may also be issued. The applicable Final Terms will state whether or not the relevant Notes are to be listed and, if so, on which stock exchange(s).
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them will be governed by, and construed in accordance with, English law.
Transfer and Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes in the United States, Hong Kong, Japan, Singapore, Malaysia, Korea, the European Economic Area (including the United Kingdom), the United Arab Emirates, Dubai International Financial Centre, Indonesia, Switzerland, South Africa, Jersey, Guernsey, Kingdom of Saudi Arabia, Kingdom of Bahrain and the Philippines and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes.

See "*Subscription and Sale and Transfer and Selling Restrictions*".

Certain factors that may affect the relevant Issuer's ability to fulfil its obligations under the Notes and that are material for the purposes of assessing the risks associated with investing in the Notes are specified in the section titled "Risk Factors" in the Notes Base Prospectus.

Risks Relating to Standard Chartered's Business

Expansion Risk. Standard Chartered PLC together with its subsidiaries and subsidiary undertaking (the "**Group**") is expanding its operations, both geographically and in the scope of its operations, and this growth may represent a risk if not managed effectively.

Credit Risk. The Group is exposed to potential credit-related losses that can occur due to changes in credit quality and the recoverability of loans and amounts due from counterparties and such risks may have a material adverse effect on the Group's financial condition and results of operations and prospects.

Liquidity Risk. It is an inherent risk associated with banking operations and in relation to the Group means that the Group may not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or may access them only at excessive cost.

Capital Management Risk. Any future change that limits the Group's ability to manage its balance sheet and capital resources effectively or to access funding on commercially acceptable terms could have a material adverse affect on the Group's regulatory capital position, its financial condition, results of operations and prospects.

Legal and Regulatory Risk. The Group's businesses may be affected by legal and regulatory risks, for example, loss caused by changes in applicable laws or a failure to manage regulatory risk properly which could result in administrative actions, penalties or other proceedings involving the Group which may have a material adverse effect on the Group's business and reputation and ultimately the value of Securities.

Operational Risks. The Group is susceptible to the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. Any of these risks could result in a material adverse impact on the Group's ability to conduct business, its financial condition, results of operations and prospects.

External Risks

Macroeconomic risks. The prevailing economic conditions in each of the markets in which the Group operates could

result in an adverse impact on the Group's financial condition, results of operations and prospects.

Political and economic risk. The Group operates in Asia, Africa and the Middle East and some of these markets are typically more volatile and less developed economically and politically than markets in Western Europe and North America and risks to the Group's business stem from this.

Competition Risk. The Group is subject to significant competition from local banks and many other international banks operating in the emerging markets described above and such competition may increase in some or all of the Group's principal markets and may have a material adverse effect on its financial condition, results of operations and prospects.

Systemic Risk. The default of any institution in the banking industry could lead to liquidity problems, losses or defaults by other institutions because the commercial soundness of many financial institutions may be closely related as a result of their credit, trading, clearing or other relationships. Such systemic risk could have a material adverse effect on the Group's ability to raise new funding and on the Group's business, financial condition, results of operations and prospects.

Market Risk. The Group may suffer loss of earnings or economic value due to adverse changes in financial market rates or prices. The Group's exposure to market risk arises principally from customer driven transactions. Failure to manage these risks effectively or the occurrence of unexpected events resulting in significant market dislocation could have a material adverse effect on the Group's financial condition, results of operations and prospects.

Risks relating to the Notes

The following risks relate specifically to Notes: that there is no active trading market in the Notes and lack of liquidity may result in investors suffering losses; that the Notes may not be a suitable investment for all investors; that Notes may be subject to optional redemption by the relevant Issuer; that failure to pay an instalment amount may result in an investor losing all its investment; that variable rate Notes, inverse floating rate Notes and Notes issued at a discount or premium may be volatile investments; that any right of the relevant Issuer to convert an interest rate in respect of a Note may result in a less favourable interest rate being paid to investors and any fixed rate may be less than prevailing market interest rates; that the principal amount of an issue of Notes is not assured and Noteholders may lose some or all their investment; that Noteholders will be exposed to the credit risk of the relevant Issuer and that a reduction in the credit rating of the relevant Issuer may result in a reduction in the trading value of a Note; that credit ratings may not reflect all risks that may affect the Notes; that the relevant Issuer is not obliged

to gross up payments in respect of the Notes (including any taxes which may be imposed under the Foreign Account Tax Compliance Act of 2009); that amendments agreed at Noteholder meetings will bind all investors; that Notes may be traded in amounts that are not integral multiples of a minimum specified denomination may need to purchase additional amounts of the Notes in order to receive definitive Notes in respect of their entire holding and that definitive Notes which are not integral multiples of any minimum specified denomination may be illiquid; that where Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through the relevant clearing systems and the relevant Issuer will discharge its payment obligation by making payments through the relevant clearing systems; that an Investor's Currency may be different to the Specified Currency which may give rise to exchange rate risk; that legal investment considerations may restrict an investors investments.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated in, and form part of, this Base Prospectus:

(a) the Registration Document dated 27 June, 2012, relating to SCB (the "**SCB Registration Document**"), including any document incorporated by reference therein; and

(b) the Registration Document dated 27 June, 2012, relating to SCBHK (the "**SCBHK Registration Document**" and together with the SCB Registration Document, the "**Registration Documents**"), including any document incorporated by reference therein.

Notwithstanding the fact that each of the documents listed above is incorporated by reference in its entirety (save as mentioned above) into this Base Prospectus, the following non-exhaustive cross-reference lists are included in order to enable investors to easily identify where the specific items of information listed appear in the relevant document incorporated by reference.

Copies of documents incorporated by reference in this Base Prospectus are available on the Luxembourg Stock Exchange's website (*www.bourse.lu*).

The table below sets out the relevant page references for the SCB Registration Document:

SCB Registration Document	**Page reference**
Responsible persons	1
Risk Factors	3 – 13
Description of SCB, including: (a) place of registration and registration number, (b) date of incorporation, (c) domicile and legal form of SCB, (d) principal activities, (e) principal markets, (f) description of the group, (g) the directors, (h) confirmation of no conflict of interest and (i) direct and indirect owners of SCB	14 – 15
Documents Incorporated by Reference: the Directors' Report and Financial Statements of SCB for the financial years ended 31 December, 2011 and 2010 (including the audit report thereon) and the Standard Chartered PLC Annual Report 2011	16
Capitalisation and Indebtedness of SCB	17 – 18
Statutory auditors	19

The table below sets out the relevant page references for the SCBHK Registration Document:

SCBHK Registration Document	**Page reference**
Responsible persons	1
Risk Factors	3 – 13
Description of SCBHK, including: (a) place of registration and registration number, (b) date of incorporation, (c) domicile and legal form of SCBHK, (d) principal activities, (e) significant new products/activities, (f) principal markets, (g) description	14 – 16

of the group, (h) the directors, (i) confirmation of no conflict of interest, (j) details of audit committee, (k) compliance with corporate governance regime and (l) direct and indirect owners of SCBHK	
Selected Consolidated Financial Information relating to SCBHK	17
Documents Incorporated by Reference: the Directors' Report and Consolidated Financial Statements of the SCBHK for the financial years ended 31 December, 2011 and 2010 (including the audit report thereon) and the Standard Chartered PLC Annual Report 2011	18 – 19
Capitalisation and Indebtedness of SCBHK	20
Statutory auditors	21

Any information not listed in the cross-reference lists above but included in the documents incorporated by reference is given for information purposes only.

Following the publication of this Base Prospectus, a supplement to the Base Prospectus may be prepared by the Issuers and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement to the Base Prospectus (or contained in any document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

Copies of documents incorporated by reference in this Base Prospectus can be obtained from the principal place of business of SCB, from the registered office of SCBHK and from the specified offices of the Paying Agents for the time being in London and Luxembourg.

GENERAL DESCRIPTION OF THE PROGRAMME

Under the Programme, each Issuer may from time to time issue Securities denominated in any currency, subject as set out herein. A general description of the general terms and conditions of the Programme and the Securities appears below. The applicable terms of any Notes will be agreed by the relevant Issuer prior to the issue of such Notes and will be set out in the "*General Terms and Conditions of the Notes*" endorsed on, attached to, or incorporated by reference into, the Notes, as modified and supplemented by any applicable Product Prospectus and/or by the applicable Final Terms attached to, or endorsed on, such Notes. The applicable forms of the Notes are more fully described under "*Form of the Notes*" below. The applicable terms of any Warrants or Certificates issued under the Programme will be agreed by the relevant Issuer prior to the issue of such Warrants or Certificates and will be set out in the relevant terms and conditions of the Certificates or Warrants, as specified in the relevant base prospectus applicable to the Warrants or Certificates.

This Base Prospectus and any supplement to the Base Prospectus will only be valid for the listing of Notes on the Official List during the period of 12 months from the date of this Base Prospectus and in respect of Notes only, limited to an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme does not exceed U.S.$10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the U.S. dollar equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

(a) the U.S. dollar equivalent of Notes denominated in another Specified Currency (as specified in the applicable Final Terms of the relevant Notes) shall be determined, at the discretion of the relevant Issuer, either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets settle payments and are open for general business in London, in each case on the basis of the spot rate for the sale of U.S. dollars against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the relevant Issuer on the relevant day of calculation;

(b) the U.S. dollar equivalent of any Structured Notes (as defined below) shall be calculated in the manner specified above by reference to the original nominal amount on issue of such Structured Notes; and

(c) the U.S. dollar equivalent of Zero Coupon Notes and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the relevant Issuer for the relevant issue.

For the purposes of this section "*General Description of the Programme*" and for any applicable Product Prospectus, "**Structured Notes**" means any Notes for which the premium, interest and/or principal payable in relation to such Notes may, if so specified in the applicable Product Prospectus or Final Terms, be determined by reference to the price, value or performance of a currency, commodity (or related forward or futures contract), security, fund, index, basket of any of the aforementioned items, formula, or any other factor relating to assets or property and/or the creditworthiness of, or the performance of obligations by, or some other factor relating to, another entity or entities not affiliated with the relevant Issuer.

FORM OF THE NOTES

Each Tranche of Notes will be either issued in bearer form, with or without interest coupons attached ("**Bearer Notes**"), or in registered form, without interest coupons attached ("**Registered Notes**"). Bearer Notes will be issued outside the United States in reliance on Regulation S under the Securities Act ("**Regulation S**") and Registered Notes will be issued either outside the United States in reliance on the exemption from registration provided by Regulation S or within the United States in private transactions exempt from the registration requirements of the Securities Act.

Bearer Notes

Each Tranche of Bearer Notes will be initially issued in the form of a temporary bearer global note (a "**Temporary Bearer Global Note**") or, if so specified in the applicable Final Terms, a permanent bearer global note (a "**Permanent Bearer Global Note**", and a "**Bearer Global Note**" means a Temporary Bearer Global Note or a Permanent Bearer Global Note) which, in either case, will be delivered on or prior to the original issue date of the Tranche to a common depositary (the "**Common Depositary**") for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**"). Whilst any Bearer Note is represented by a Temporary Bearer Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made against presentation of the Temporary Bearer Global Note only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Bearer Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the "**Exchange Date**") which is 40 days after a Temporary Bearer Global Note is issued, interests in such Temporary Bearer Global Note will be exchangeable (free of charge) upon a request as described therein either for (i) interests in a Permanent Bearer Global Note of the same Series of Bearer Notes or (ii) for definitive Bearer Notes of the same Series with, where applicable, receipts, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Bearer Notes, to such notice period as is specified in the applicable Final Terms), in each case, against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Note for an interest in a Permanent Bearer Global Note or for definitive Bearer Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Note will be made through Euroclear and/or Clearstream, Luxembourg against presentation or surrender (as the case may be) of the Permanent Bearer Global Note without any requirement for certification. For the purpose of any payments made in respect of a Bearer Global Note, the relevant place of presentation shall be disregarded in the definition of "Payment Day" set out in Condition 5(f).

The applicable Final Terms will specify that a Permanent Bearer Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Bearer Notes with, where applicable, receipts, interest coupons and talons attached upon either (i) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) to the Agent as described therein or (ii) the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the Permanent Bearer Global Note in definitive bearer form. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an

Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent. If a Bearer Global Note is exchangeable for definitive Bearer Notes at the option of Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination.

Temporary Bearer Global Notes, Permanent Bearer Global Notes and definitive Bearer Notes will be issued pursuant to the Notes Agency Agreement.

The following legend will appear on all Bearer Notes in global and definitive form which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Notes:

"ANY UNITED STATES PERSON (AS DEFINED IN THE UNITED STATES INTERNAL REVENUE CODE) WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE."

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Notes which are represented by a Bearer Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Notes

As specified in the applicable Final Terms, the Registered Notes of each Tranche offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States ("**Regulation S Notes**"), will initially be represented by either:

(i) a permanent registered global certificate (a "**Regulation S Global Note**") representing Regulation S Notes of the same Series or Tranche issued by the relevant Issuer and registered in the name of a nominee for Euroclear, Clearstream, Luxembourg or other applicable clearing system; or

(ii) one or more individual registered certificates delivered outside any clearing system, each representing one or more Regulation S Notes of the same Series or Tranche issued by the relevant Issuer and, save as provided in the Conditions, comprising the entire holding by a Noteholder of his Registered Notes of that Series or Tranche (each a "**Regulation S Definitive Registered Note**").

Prior to expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Notes, beneficial interests in a Regulation S Global Note or Regulation S Definitive Registered Note may not be offered or sold to, or for the account or benefit of, a U.S. person save as otherwise provided in Condition 2 and (in respect of beneficial interests in Regulation S Global Notes) may not be held otherwise than through Euroclear or Clearstream, Luxembourg, and such Regulation S Global Note and Regulation S Definitive Registered Note will bear a legend regarding such restrictions on transfer.

The Registered Notes of each Tranche may only be offered and sold in the United States or to U.S. persons in private transactions to "qualified institutional buyers" within the meaning of Rule 144A under the Securities Act ("**QIBs**") ("**Rule 144A Notes**"). The Registered Notes of each Tranche sold to

QIBs will initially be represented by a permanent registered global certificate (a "**Rule 144A Global Note**" and, together with a Regulation S Global Note, the "**Registered Global Notes**").

Registered Global Notes will either (i) be deposited with a custodian for, and registered in the name of a nominee of, Depository Trust Company ("**DTC**") for the accounts of Euroclear and Clearstream, Luxembourg or (ii) be deposited with a common depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg, as specified in the applicable Final Terms. Persons holding beneficial interests in Registered Global Notes will be entitled or required, as the case may be, under the circumstances described below, to receive physical delivery of (in the case of Regulation S Global Notes) Regulation S Definitive Registered Notes or (in the case of Rule 144A Global Notes) one or more individual registered certificates delivered outside any clearing system, each representing one or more Rule 144A Notes of the same Series or Tranche issued by the relevant Issuer and, save as provided in the Conditions, comprising the entire holding by a Noteholder of his Registered Notes of that Series or Tranche of Definitive Registered Notes ("**Rule 144A Definitive Registered Notes**" and together with Regulation S Definitive Registered Notes, "**Definitive Registered Notes**").

The Rule 144A Notes will be subject to certain restrictions on transfer set forth in the Rule 144A Global Note and Rule 144A Definitive Registered Notes, which will each bear a legend regarding such restrictions. Payments of principal, interest and any other amount in respect of the Registered Notes will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5(d)) as the registered holder of the Registered Notes. Neither Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests. All payments in respect of Notes represented by a Registered Global Note will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

Payments of principal, interest or any other amount in respect of the Definitive Registered Notes will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5(d)) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Note will be exchangeable (free of charge), in whole but not in part, for Definitive Registered Notes without receipts, interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that (i) an Event of Default has occurred and is continuing, (ii) in the case of Notes registered in the name of a nominee for DTC, either DTC has notified the relevant Issuer that it is unwilling or unable to continue to act as depository for the Notes and no alternative clearing system is available or DTC has ceased to constitute a clearing agency registered under the Exchange Act and no alternative clearing system is available, (iii) in the case of Notes registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg, the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available or (iv) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by Definitive Registered Notes. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, DTC, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Note) may give notice to the Registrar requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iv) above, the relevant Issuer may also give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests

Interests in a Registered Global Note may, subject to compliance with all applicable restrictions, be transferred to a person who wishes to hold such interest in another Registered Global Note. No beneficial owner of an interest in a Registered Global Note will be able to transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case, to the extent applicable. **Registered Notes are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see "*Subscription and Sale and Transfer and Selling Restrictions*".**

General

Pursuant to the Notes Agency Agreement (as defined under "*General Terms and Conditions of the Notes*"), the Agent or the Registrar, as the case may be, shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes, the Notes of such further Tranche shall be assigned a common code and ISIN and, where applicable, a CUSIP and CINS number which are different from the common code, ISIN, CUSIP and CINS assigned to Notes of any other Tranche of the same Series until at least the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the relevant Issuer and its agents as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Bearer Global Note or the registered holder of the relevant Registered Global Note shall be treated by the relevant Issuer and its agents as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note, and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

So long as DTC or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Notes Agency Agreement and such Notes except to the extent that, in accordance with DTC's published rules and procedures, any ownership rights may be exercised by its participants or beneficial owners through participants.

Any reference herein to Euroclear and/or Clearstream, Luxembourg and/or DTC shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

A Note may be accelerated by the holder thereof in certain circumstances described in Condition 9. In such circumstances, where any Note is still represented by a Global Note and the Global Note (or any part thereof) has become due and repayable in accordance with the General Terms and Conditions of such Notes and payment in full of the amount due or delivery of any Asset Amount has not been made in accordance with the provisions of the Global Note, then holders of interests in such Global Note credited to their accounts with Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, will become entitled to proceed directly against the relevant Issuer on the basis of statements of account provided by Euroclear, Clearstream, Luxembourg and DTC on and subject to the terms of, in the case of SCB, a deed of covenant (the "**SCB Notes Deed of Covenant**") and, in the case of SCBHK, a deed of covenant (the "**SCBHK Notes Deed of Covenant**" and, together with the SCB Notes Deed of Covenant, the "**Notes Deeds of Covenant**") given by SCBHK, each dated 18 December, 2006. In addition, holders of interests in such Global Note credited to their accounts with DTC may require DTC to deliver Definitive Registered Notes in registered form in exchange for their interest in such Global Note in accordance with DTC's standard operating procedures.

Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes.

Regulation S Global Notes, Rule 144A Global Notes and Definitive Registered Notes will be issued pursuant to the Notes Agency Agreement.

FORM OF FINAL TERMS OF THE NOTES

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme.

Final Terms dated [*Date*]

[Standard Chartered Bank/Standard Chartered Bank (Hong Kong) Limited][1]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]
under the U.S.$10,000,000,000
Structured Product Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Notes set forth in the Notes Base Prospectus dated 27 June, 2012 (the "**Notes Base Prospectus**"), which comprises two base prospectuses in respect of the Notes, constituting one base prospectus for each of Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited, for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in the relevant Member State of the European Economic Area)[, as supplemented by [a] supplement[s] dated [ ]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Notes Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Notes Base Prospectus. The Notes Base Prospectus is available for viewing at [*address*] and [*website*] and copies may be obtained from [*address*].]

[*Include the next two paragraphs and delete the previous paragraph if the Final Terms are drafted for Notes that are not to be listed on an EEA regulated market and are not to be offered to the public in the EEA.*

[Terms used herein shall be deemed to be defined as such for the purposes of the General Terms and Conditions of the Notes set forth in the Notes Base Prospectus dated 27 June, 2012, as supplemented at the date hereof (the "**Notes Base Prospectus**").

These Final Terms do not constitute final terms for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**"), as amended (which includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**") to the extent such amendments have been implemented in the relevant Member State of the European Economic Area). The Issuer is not offering the Notes in any jurisdiction in circumstances which would require a prospectus pursuant to the Prospectus Directive. Nor is any person authorised to make such an offer of the Notes on behalf of the Issuer in any jurisdiction. In addition, no application has been made (nor is it proposed that any application will be made) for listing of the Notes on any stock exchange. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Notes Base Prospectus.]

The terms and conditions applicable to the Notes are the General Terms and Conditions of Notes set out in the Notes Base Prospectus, as completed by these Final Terms. [These Final Terms are available [on the web-site of the Luxembourg Stock Exchange (*www.bourse.lu*)/*specify other*]]

[*Include the next paragraph if the Final Terms are drafted for Notes that are intended to be "qualifying debt securities" under the Income Tax Act, Chapter 134 of Singapore.*]

[1] Delete as applicable

[Where interest, discount income, prepayment fee, redemption premium or break cost is derived from any Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available (subject to certain conditions) under the Income Tax Act, Chapter 134 of Singapore (the "**Income Tax Act**") shall not apply if such person acquires such Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Notes is not exempt from tax (including for the reasons described above) shall include such income in a return of income made under the Income Tax Act. For further details, please refer to the section entitled "*Taxation — Singapore Taxation*" in the Notes Base Prospectus.]

[*Include whichever of the following apply or specify as* "*Not Applicable*" *(N/A). Note that the numbering should remain as set out below, even if* "*Not Applicable*" *is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.*]

[*When adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Notes Base Prospectus under Article 16 of the Prospectus Directive.*]

1.	[(i)]	Issuer:	[Standard Chartered Bank, [acting through its principal office in London]/[acting through its Specified Branch]/ Standard Chartered Bank (Hong Kong) Limited][2]
	(ii)	[Specified Branch:	[ ]]
2.	(i)	Series Number:	[ ]
	(ii)	Tranche Number:	[ ] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*
3.	Specified Currency or Currencies:		[ ]
4.	Aggregate Nominal Amount:		[ ]
	–	Series:	[ ]
	–	Tranche:	[ ]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable*)]
6.	(i)	Specified Denominations:	[€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No notes in definitive form will be issued with a denomination above[€199,000].] / [ ] (*N.B. If an issue of Notes is: (i) not admitted to trading on a European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive, the €100,000 minimum denomination is not required.*)

[2] Delete as applicable.

	(ii)	Calculation Amount:	[ ] (*If only one Specified Denomination, insert the Specified Denomination.* *If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.*)
	(iii)	[Unit:	[ ]]
7.	[(i)]	Issue Date:	[ ]
	(ii)	[Interest Commencement Date:	[ ]]
8.		Maturity Date:	[*Fixed rate* — [*specify date*] *Floating rate* — Interest Payment Date falling in or nearest to [*specify month*]]
9.		Interest Basis:	[[ ] per cent. per annum Fixed Rate] [[LIBOR/EURIBOR] +/- [ ] per cent. per annum Floating Rate] [Zero Coupon] [Non-interest bearing] [specify other] (further particulars specified below)
10.		Redemption/Payment Basis:	[Redemption at par] [Instalment] [*specify other*]
11.		Change of Interest Basis or Redemption/Payment Basis:	[*Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis*]
12.		Put/Call Options:	[Investor Put] [Issuer Call] [*(further particulars specified below)*]
13.	[(i)]	Status of the Notes:	[Senior/[Perpetual]/Subordinated]
	(ii)	[Date [Board] approval for issuance of Notes obtained:	[ ] (*N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes*)]
14.		Method of distribution:	[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	**Fixed Rate Note Provisions:**	[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

	(i)	Rate(s) of Interest:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear] [subject as provided in (iv) below]
	(ii)	Specified Period(s):	[ ]
	(iii)	Specified Interest Payment Date(s):	[ ] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day*"]/not adjusted]
	(iv)	Interest Period Date(s):	[ ] (*N.B. Not applicable unless different from Interest Payment Dates*)
	(v)	Fixed Coupon Amount(s):	[[ ] per Calculation Amount / Not Applicable]
	(vi)	Broken Amount(s):	[[ ] per Calculation Amount payable on the Interest Payment Date falling on [ ]] [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)*]/[Not Applicable]
	(vii)	Day Count Fraction:	[30/360 / Actual/Actual (ICMA/ISDA) or [*specify other*]]
	(viii)	Determination Date(s):	[ ] in each year (*Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon (N.B.: This will need to be amended in the case of regular interest payment dates which are not of equal duration*) (*N.B.: Only relevant where Day Count Fraction is Actual/Actual (ICMA))*)
	(ix)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[None/*Give details*]
16.	**Floating Rate Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Specified Period(s):	[ ]
	(ii)	Specified Interest Payment Dates:	[ ]
	(iii)	First Interest Payment Date:	[ ]
	(iv)	Interest Period Date(s):	[ ] (*Not applicable unless different from Interest Payment Date*)

(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)]
(vi)	Manner in which the Rate(s) of Interest and Interest Amount(s) is to be determined:	[Screen Rate Determination/ISDA Determination/s*pecify other*]
(vii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Agent):	[ ]
(viii)	Screen Rate Determination:	
–	Reference Rate:	[ ] (*Either LIBOR, EURIBOR or other, although additional information is required if other — including fallback provisions in the Notes Agency Agreement*)
–	Interest Determination Date(s):	[ ] (*Second London Business Day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR*)
–	Relevant Screen Page:	[ ] (*In the case of EURIBOR, if not Reuters Page EURIBOR01, ensure it is a page which shows a composite rate or amend the fallback provisions appropriately*)
(ix)	ISDA Determination:	
–	Floating Rate Option:	[ ]
–	Designated Maturity:	[ ]
–	Reset Date:	[ ]
(x)	Margin(s):	[+/-] [ ] per cent. per annum
(xi)	Minimum Rate of Interest:	[ ] per cent. per annum
(xii)	Maximum Rate of Interest:	[ ] per cent. per annum
(xiii)	Day Count Fraction:	[Actual/Actual]/[Actual/Actual-ISDA] [Actual/365 (Fixed)] [Actual/360] [30/360]/[360/360]/[Bond Basis]

			[30E/360]/[Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual (ICMA)] [*Other*] (*See Condition 4 for alternatives*)
	(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	[ ]
17.	**Zero Coupon Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Accrual Yield:	[ ] per cent. per annum
	(ii)	Reference Price:	[ ]
	(iii)	Any other formula/basis of determining amount payable:	[ ] (*Consider applicable day count fraction if not U.S. dollar denominated*)
	(iv)	Day Count Fraction in relation to Early Redemption Amounts and late payment:	[Conditions 6(e)(iii) and 6(i) apply/[*specify other*]]

PROVISIONS RELATING TO REDEMPTION AND PRO RATA REDUCTION

18.	Issuer Call:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Optional Redemption Date(s):	[ ]
	(ii)	Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(iii)	If redeemable in part:	
		(a) Minimum Redemption Amount:	[ ] per Calculation Amount
		(b) Maximum Redemption Amount:	[ ] per Calculation Amount

(iv)	Notice period (if other than as set out in the Conditions):		[ ]
(v)	Pro Rata Reduction:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(a)	Optional Reduction Date(s):	[ ]
	(b)	Optional Reduction Amount of each Note and method, if any, of calculation of such amount(s):	[ ] per Calculation Amount
	(c)	Adjustments to calculation of Calculation Amount, Final Redemption Amount or other relevant provisions:	[ ]
19.	Investor Put:		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):		[ ]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):		[ ] per Calculation Amount
(iii)	Notice period (if other than as set out in the Conditions):		[ ]
(iv)	Adjustment for Hedging Costs:		[Applicable/Not Applicable]
20.	Final Redemption Amount of each Note:		[[ ] per Calculation Amount /specify other/Not Applicable]
21.	Early Redemption Amount:		
(i)	Early Redemption Amount of each Note payable on redemption for taxation reasons or on an event of default and/or any method of calculating the same (if required or if different from that set out in Condition 6(e)):		[ ] per Calculation Amount (*N.B. The Early Redemption Amount is generally the same as the Final Redemption Amount (less any Hedging Costs, if appropriate, in the case of a Tax Event)*)
(ii)	If Notes redeemed following a Tax Event (Condition 6(b))		[At any time/on an Interest Payment Date] (*N.B.: where interest is calculated on a variable basis,*

	whether redemption may occur at any time or on an Interest Payment Date:	*redemption should occur on an Interest Payment Date*)
(iii)	Adjustment for Hedging Costs:	[Applicable/Not Applicable]

PAYMENTS

22.	Financial Centre(s) (Condition 5) or other special provisions relating to payment dates:	[Not Applicable/*give details*] (*Note that this item relates to the place of payment and not Specified Interest Payment Dates to which Items 15(iii) and 16(ii) relate.*)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23.	Form of Notes:	[**Bearer Notes:** [Temporary Bearer Global Note exchangeable for a Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]*] [Permanent Bearer Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]*] [Temporary Bearer Global Note exchangeable for Definitive Bearer Notes on and after the Exchange Date]* *If a Bearer Global Note is exchangeable for Definitive Bearer Notes at the option of Noteholders, the Notes shall be tradeable only in principal amounts of at least the Specified Denomination. [**Registered Notes:** [[Regulation S Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] / [Rule 144A Global Note (U.S.$[ ] nominal amount) registered in the name of a nominee for [DTC/a common depositary for Euroclear and Clearstream, Luxembourg] exchangeable for Definitive Registered Notes upon an Exchange Event] [Regulation S Definitive Registered Notes. *Available for Regulation S purchasers only*.]
24.	Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):	[Applicable/Not Applicable. If Applicable, give details] (Talons should be specified if there will be more than 27 coupons or if the total interest payments may exceed the principal due on early redemption)
25.	Details relating to Instalment Notes:	
	Instalment Amount(s):	[Not Applicable/*give details*]
	Instalment Date(s):	[Not Applicable/*give details*]

26.	Calculation Agent:	[Standard Chartered Bank of 1 Aldermanbury Square, London EC2V 7SB, United Kingdom]
27.	Business Centre(s):	[ ]
28.	Redenomination:	[Applicable/Not Applicable] [(*If Applicable, specify the terms of Redenomination*)]
29.	Notices to the Issuer:	[*Insert notice details for delivery of notices to the Issuer if specific notice details are required and Condition 13(c) applies*]
30.	Other Final Terms or special conditions:	[Not Applicable/*give details*] (*When adding any other final terms, consideration should be given as to whether such terms constitute a "significant new factor" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive*)

DISTRIBUTION

31.	Names and addresses of any Managers:	[Not Applicable/*give names and addresses*]
32.	Date of Purchase Agreement:	[Not Applicable/*insert date*]
33.	Stabilising Manager (if any):	[Not Applicable/*give name*]
34.	Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable:	[[TEFRA D/TEFRA C] (or any successor U.S. Treasury regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010)/TEFRA rules not applicable]
35.	Additional selling restrictions:	[Not Applicable/give details, including any additional, supplemental or amended U.S. selling restrictions, transfer restrictions and certifications that may be required in light of specific terms of the Notes]

[**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue [and admission to trading on the [*specify relevant regulated market*]] of the Notes described herein pursuant to the U.S.$10,000,000,000 Structured Product Programme of Standard Chartered Bank and Standard Chartered Bank (Hong Kong) Limited.]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: .....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing and admission to trading:	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [ ]] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market*] with effect from [ ]] [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange with effect from [ ]] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of, and listed on the Official List of, the Luxembourg Stock Exchange with effect from [ ]] [Notes of the same class have been admitted to trading on [*specify relevant regulated market or equivalent*] from [●]] [Not Applicable.] (*Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.*)
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. RATINGS

	Ratings:	The Notes to be issued have been rated: [Fitch: [ ]] [S&P: [ ]] [Moody's: [ ]] [[Other]: [ ]] (*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.*) [[*Insert the legal name of the relevant credit rating agency entity*] is established in the

European Union and is registered under Regulation (EC) No. 1060/2009 (as amended). [As such [*insert the legal name of the relevant credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009 (as amended). [*Insert the legal name of the relevant non-EU credit rating agency entity*] is therefore not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). However, the application for registration under the CRA Regulation of [*insert the legal name of the relevant EU credit rating agency entity that applied for registration*], which is established in the European Union and is registered under the CRA Regulation (and, as such is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with such Regulation), disclosed the intention to endorse credit ratings of [*insert the legal name of the relevant non-EU credit rating agency entity*]. While notification of the corresponding final endorsement decision has not yet been provided by the relevant competent authority, the European Securities and Markets Authority has indicated that ratings issued in third countries may continue to be used in the EU by relevant market participants for a transitional period ending on 30 April 2012. Furthermore, on 15 March 2012, ESMA announced its intention that market participants may continue to use for regulatory purposes credit ratings issued in [the United States, Canada, Hong Kong, Singapore] after 30 April 2012.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"). The ratings [[have been]/[are expected to be]] endorsed by [*insert the legal name of the relevant EU-registered credit rating*

agency entity] in accordance with the CRA Regulation. [*Insert the legal name of the relevant EU-registered credit rating agency entity*] is established in the European Union and registered under the CRA Regulation. As such [*insert the legal name of the relevant EU credit rating agency entity*] is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation.]

[[*Insert the legal name of the relevant non-EU credit rating agency entity*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the "**CRA Regulation**"), but it [is]/[has applied to be] certified in accordance with the CRA Regulation [EITHER: and it is included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation] [OR: although notification of the corresponding certification decision has not yet been provided by the relevant competent authority and [*insert the legal name of the relevant non-EU credit rating agency entity*] is not included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation].]

3. ISSUE SPECIFIC RISK FACTORS

[*Only add issue specific risk factors here if applicable*][N/A]

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

[Save for any fees payable to the Manager, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer.] [*Amend as appropriate if there are other interests (When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)*]

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[(i) Reasons for the offer: [ ]

(*See* "*Use of Proceeds*" *wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here.*)]

[(ii)] Estimated net proceeds: [ ]

(*If proceeds are intended for more than one use, will need to split out and present in order of*

priority. If proceeds insufficient to fund all proposed uses, state amount and sources of other funding.)

[(iii)] Estimated total expenses: [ ]

(*Expenses are required to be broken down into each principal intended* "*use*" *and presented in order of priority of such* "*uses*".)

6. YIELD (Fixed Rate Notes only)

Indication of yield: [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

7. HISTORIC INTEREST RATES (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].

8. OPERATIONAL INFORMATION

(i)	ISIN Code:	[ ]
(ii)	Common Code:	[ ]
(iii)	Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(iv)	Delivery:	Delivery [against/free of] payment
(v)	Names and addresses of initial Paying Agent(s):	[ ]
(vi)	Names and addresses of additional Paying Agent(s) (if any):	[ ]

GENERAL TERMS AND CONDITIONS OF THE NOTES

The following is the text of the general terms and conditions that, subject to the provisions of the relevant Product Terms, the relevant Final Terms and, if applicable, the additional terms set out in any relevant supplement to this Base Prospectus, shall be applicable to the Notes. References in the Conditions to "Notes" are to the Notes of one series only, not to all Notes that may be issued under the Programme. Reference should be made to "Form of Final Terms of the Notes" for a description of the contents of the Final Terms, which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by (i) Standard Chartered Bank ("**SCB**"), acting through its principal office in London or, as the case may be, acting through the branch specified as being the Specified Branch in the applicable Final Terms (as defined below) or (ii) Standard Chartered Bank (Hong Kong) Limited ("**SCBHK**"), as specified in the applicable Final Terms, pursuant to the Notes Agency Agreement (as defined below). References to the "**Issuer**" are to SCB or SCBHK as applicable, as the relevant Issuer of the Notes specified in the applicable Final Terms.

References herein to the "**Notes**" shall be references to the Notes of this Series and shall, as the context may require, mean:

(i) in relation to any Notes in bearer form represented by a global Note (a "**Bearer Global Note**"), units of the Calculation Amount in the Specified Currency;

(ii) any definitive Notes in bearer form ("**Definitive Bearer Notes**" and, together with the Bearer Global Notes, "**Bearer Notes**") issued in exchange for a Bearer Global Note;

(iii) any Notes in registered form ("**Registered Notes**") represented by a registered certificate held outside any clearing systems ("**Definitive Registered Note**" and, together with Definitive Bearer Notes, "**Definitive Notes**") or by a permanent global registered certificate held on behalf of one or more clearing systems ("**Global Registered Note**" and, together with the Definitive Registered Note, "**Note Certificates**"); and

(iv) any Bearer Global Note or Global Registered Note (together, "**Global Notes**").

The Notes, the Receipts (as defined below) and the Coupons (as defined below) have the benefit of an amended and restated Notes Agency Agreement (such Notes Agency Agreement as amended and/or supplemented and/or restated from time to time, the "**Notes Agency Agreement**") dated 11 October, 2011 and made between SCB, SCBHK, Deutsche Bank AG, London Branch as issuing and principal paying agent and agent bank (the "**Agent**", which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the "**Paying Agents**", which expression shall include any additional or successor paying agents), Deutsche Bank AG, London Branch as exchange agent (the "**Exchange Agent**", which expression shall include any successor exchange agent) and Deutsche Bank Luxembourg S.A. as registrar (the "**Registrar**", which expression shall include any successor registrar) and transfer agent and the other transfer agents named therein (together with the Registrar, the "**Transfer Agents**", which expression shall include any additional or successor transfer agents).

Interest bearing definitive Bearer Notes have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talons**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes and Global Notes do not have Receipts, Coupons or Talons attached on issue.

The Final Terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplements these General Terms and Conditions

and may specify other terms and conditions which shall, to the extent so specified, supplement these General Terms and Conditions for the purposes of this Note. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

Any reference to "**Noteholders**" or "**holders**" in relation to any Notes shall mean (in the case of Bearer Notes) the holders of the Notes and (in the case of Registered Notes) the persons in whose name the Notes are registered and shall, in relation to any Notes represented by a Global Note, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of the Receipts and any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Notes which are identical in all respects (including as to listing and admission to trading) and "**Series**" means a Tranche of Notes together with any further Tranche or Tranches of Notes which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing and admission to trading) except for their respective Issue Dates, Interest Commencement Dates and/or Issue Prices.

The Noteholders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant made by SCB in respect of Notes issued by SCB (the "**SCB Notes Deed of Covenant**") and the Deed of Covenant made by SCBHK in respect of Notes issued by SCBHK (the "**SCBHK Notes Deed of Covenant**", and together with the SCB Notes Deed of Covenant, the "**Notes Deeds of Covenant**"), each dated 18 December, 2006. The original of each Notes Deed of Covenant is held by the common depositary for Euroclear and Clearstream, Luxembourg (each as defined below).

Copies of the Notes Agency Agreement, a deed poll (the "**Deed Poll**") dated 18 December, 2006 and made by SCB and SCBHK, the SCB Notes Deed of Covenant and the SCBHK Notes Deed of Covenant are available for inspection during normal business hours at the specified office of each of the Paying Agents. Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of the Agent, the Registrar, in the case of Registered Notes, and the other Paying Agents, in the case of Bearer Notes, save that, if this Note is an unlisted Note of any Series, the applicable Final Terms will only be obtainable by a Noteholder holding one or more unlisted Notes of that Series and such Noteholder must produce evidence satisfactory to the Issuer and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Notes Agency Agreement, the Notes Deeds of Covenant and the applicable Final Terms which are applicable to them. The statements in these General Terms and Conditions include summaries of, and are subject to, the detailed provisions of the Notes Agency Agreement.

Words and expressions defined in the Notes Agency Agreement or used in the applicable Final Terms shall have the same meanings used in these General Terms and Conditions, unless the context otherwise requires or unless otherwise stated, and provided that, in the event of inconsistency between the Notes Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In these General Terms and Conditions:

(A) General Definitions

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

"**Asset Amount**" has the meaning given in the relevant Product Prospectus and/or applicable Final Terms.

"**Business Day**" means a day which is both:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and any Business Centre specified in the applicable Final Terms; and

(b) either:

(i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Business Centre and which if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); or

(ii) in relation to any sum payable in euro, a day on which the TARGET System is open.

"**Calculation Amount**" means the amount specified as the Calculation Amount in the applicable Final Terms.

"**Clearstream, Luxembourg**" means Clearstream Banking, société anonyme of 42 Avenue JF Kennedy, L-1855 Luxembourg, Luxembourg.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to (but excluding) the last) (whether or not constituting an Interest Period, the "**Calculation Period**"):

(a) if "**Actual/Actual**" or "**Actual/Actual-ISDA**" is specified hereon, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified hereon, the actual number of days in the Calculation Period divided by 365;

(c) if "**Actual/360**" is specified hereon, the actual number of days in the Calculation Period divided by 360;

(d) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"$\mathbf{Y_2}$" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(e) if "**30E/360**" or "**Eurobond Basis**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(f) if "**30E/360 (ISDA)**" is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y_1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(g) if "**Actual/Actual-ICMA**" is specified hereon:

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(1) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(2) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year,

where:

"**Determination Period**" means the period from and including a Determination Date in any year to (but excluding) the next Determination Date; and

"**Determination Date**" means the date specified as such in the applicable Final Terms or, if none is so specified, the Interest Payment Date.

"**Delivery Expenses**" means all costs, taxes, duties and/or expenses, including stamp duty, stamp duty reserve tax and/or other costs, duties or taxes arising from the delivery of the Asset Amount.

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Notes, as certified by the relevant Manager (in the case of a non-syndicated issue) or the relevant Lead Manager (in the case of a syndicated issue).

"**EURIBOR**" means the Euro-zone interbank offered rate.

"**Euroclear**" means Euroclear Bank S.A./N.V. of 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium.

"**Interest Period**" means the period from (and including) an Interest Period Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Period Date.

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the applicable Final Terms.

"**Investor Put**" shall have the meaning specified in the applicable Final Terms.

"**Issue Date**" shall have the meaning specified in the applicable Final Terms.

"**Issuer Business Day**" means a day on which commercial banks and foreign exchange markets are generally open to settle payments in the place of location of the Issuer.

"**Issuer Call**" shall have the meaning specified in the applicable Final Terms.

"**LIBOR**" means the London interbank offered rate.

"**Maturity Date**" shall have the meaning specified in the applicable Final Terms.

"**Long Maturity Note**" is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon, provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

"**Luxembourg Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in Luxembourg.

"**Payment Day**" means any day which (subject to Condition 5) is:

(a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:

(i) the relevant place of presentation, in relation to Definitive Registered Notes only; and

(ii) any Financial Centre specified in the applicable Final Terms;

(b) either (i) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation (in relation to Definitive Registered Notes only) or any Financial Centre and which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) or (ii) in relation to any sum payable in euro, a day on which the TARGET System is open; and

(c) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

"**QIB**" means a "qualified institutional buyer" within the meaning of Rule 144A.

"**Regulation S**" means Regulation S under the Securities Act.

"**Regulation S Definitive Registered Note**" means a Definitive Registered Note representing Regulation S Notes and bearing the Regulation S Legend.

"**Regulation S Global Note**" means a Registered Global Note representing Regulation S Notes.

"**Regulation S Legend**" means the legend setting forth restrictions on the transfer of Regulation S Notes.

"**Regulation S Notes**" means Registered Notes issued by the relevant Issuer outside the United States in reliance on Regulation S.

"**Relevant Date**" means the date on which the relevant payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 13.

"**Rule 144A**" means Rule 144A under the Securities Act.

"**Rule 144A Definitive Registered Note**" means a Definitive Registered Note representing Rule 144A Notes and bearing the Rule 144A Legend.

"**Rule 144A Global Note**" means a Registered Global Note representing Rule 144A Notes.

"**Rule 144A Legend**" means a legend setting forth restrictions on the transfer of Rule 144A Notes.

"**Rule 144A Notes**" means Registered Notes issued by the relevant Issuer and offered and sold within the United States only to qualified institutional buyers (as defined in Rule 144A) pursuant to Rule 144A.

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

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

"**TARGET System**" means the Trans-European Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November, 2007 or any successor thereto.

"**Tax Event**" means any change in, or amendment to, the laws or regulations of a Tax Jurisdiction, or any change in application or official interpretation of such laws or regulations, which results in any present or future taxes, duties or governmental charges of any nature whatsoever being imposed on payments in respect of the Notes.

"**Tax Jurisdiction**" means (i) (where SCB is the Issuer) the United Kingdom or, where a Specified Branch is specified in the applicable Final Terms, both the United Kingdom and the jurisdiction in which such Specified Branch is located and, in either case, any authority thereof or therein having power to tax and (ii) (where SCBHK is the Issuer) Hong Kong and any authority thereof or therein having power to tax.

1 FORM, DENOMINATION AND TITLE

The Notes are either in bearer form or in registered form, as specified in the applicable Final Terms, and in the Specified Currency and the Specified Denomination(s). Where specified in the applicable Final Terms, the Notes will trade and settle on a per Unit basis. Bearer Notes of one Specified Denomination may not be exchanged for Bearer Notes of another Specified Denomination and Bearer Notes may not be exchanged for Registered Notes and *vice versa*.

This Note may be a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note a Credit Linked Note, a Commodity Linked Note, a Currency Linked Note, an Equity Linked Note, an Index Linked Note or any type of Note that may be specified in the applicable Final Terms, or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

This Note may be an Instalment Note or any type of Note that may be specified in the applicable Final Terms, if so specified in the Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are serially numbered and are issued with Coupons and, if applicable, Receipts attached, unless they are Zero Coupon Notes or non-interest bearing Notes, in which case references to Coupons and Couponholders in these General Terms and Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by Note Certificates and, save as provided in Condition 2(c), each Note Certificate shall represent the entire holding of Registered Notes by the same holder.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery and title to the Registered Notes will pass upon registration of transfers in accordance with the provisions of the Notes Agency Agreement. The Issuer, the Registrar and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Note, Receipt or Coupon and the registered holder of any Registered Note as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Bearer Notes is represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Bearer Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Bearer Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer and the Paying Agents as the holder of such nominal amount of such Bearer Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Bearer Notes, for which purpose the bearer of the relevant Bearer Global Note shall be treated by the Issuer, the Registrar and any Paying Agent as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly.

For so long as the Depository Trust Company of 55 Water Street, New York, NY 10041 ("**DTC**") or its nominee is the registered owner or holder of a Registered Global Note, DTC or such nominee, as the case may be, will be considered the sole owner or holder of the Notes represented by such Registered Global Note for all purposes under the Notes Agency Agreement and the Notes, except to the extent that, in accordance with DTC's published rules and procedures, any ownership rights may be exercised by its participants or beneficial owners through participants.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of DTC, Euroclear and Clearstream, Luxembourg, as the case may be specified in the applicable Final Terms.

References to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2 TRANSFERS OF REGISTERED NOTES

(a) *Transfers of interests in Registered Global Notes*

Transfers of beneficial interests in Registered Global Notes will be effected by DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Note will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for an interest in Definitive Registered Notes or for a beneficial interest in another Registered Global Note only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Notes Agency Agreement. Transfers of a Registered Global Note registered in the name of a nominee for DTC shall be limited to transfers of such Registered Global Note, in whole but not in part, to another nominee of DTC or to a successor of DTC or such successor's nominee.

(b) *Transfers of interests in Definitive Registered Notes*

Subject as provided in paragraphs (e), (g) and (h) below, upon the terms and subject to the conditions set forth in the Notes Agency Agreement, Registered Notes represented by a Definitive Registered Note may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Definitive Registered Note for registration of the transfer of all or part of the Registered Notes represented by it at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in Schedule 10 (*Register and Transfer of Registered Notes*) to the Notes Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee, or (at the risk of the transferee) send by uninsured mail to such address as the transferee may request, a new Definitive Registered Note representing the aggregate nominal amount of the Registered Notes transferred. In the case of the transfer of only some of the Registered Notes represented by a Definitive Registered Note, a new Definitive Registered Note in respect of the balance of the Registered Notes not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) *Exercise of options or partial redemption in respect of Definitive Registered Notes*

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a Definitive Registered Note, a new Definitive Registered Note shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes

of the same holding having different terms, separate Definitive Registered Notes shall be issued in respect of those Notes of that holding that have the same terms. New Definitive Registered Notes shall only be issued against surrender of the existing Definitive Registered Notes to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Definitive Registered Note representing the enlarged holding shall only be issued against surrender of the Definitive Registered Note representing the existing holding.

(d) ***Costs of registration***

Noteholders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) ***Delivery of new Definitive Registered Notes***

Each new Definitive Registered Note to be issued pursuant to Conditions 2(b) or (c) shall be available for delivery within three business days of receipt of the form of transfer or Put Notice (as defined in Condition 6(d)) and surrender of the Definitive Registered Note for exchange. Delivery of the new Definitive Registered Note(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer, Put Notice or Definitive Registered Note 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, Put Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Definitive Registered Note to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Transfer Agent or the Registrar (as the case may be) the costs of such other method of delivery and/or such insurance as it may specify. 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 office of the relevant Transfer Agent or the Registrar (as the case may be).

(f) ***Closed periods***

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days before any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(c), (iii) after any such Note has been called for redemption or (iv) during the period of seven days ending on (and including) any Record Date.

(g) ***Transfers of interests in Regulation S Notes***

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Regulation S Note to a transferee in the United States or who is a U.S. person will only be made:

i. upon receipt by the Registrar of a written certification substantially in the form set out in the Notes Agency Agreement, amended as appropriate (a "**Transfer Certificate**"), copies of which are available from the specified office of the Registrar or any Transfer Agent, from the transferor of the Note or beneficial interest therein to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A; or

ii. otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

In the case of (i) above, such transferee may take delivery through a Rule 144A Global Note or Rule 144A Definitive Registered Notes. After expiry of the applicable Distribution Compliance Period (A) beneficial interests in Regulation S Global Notes registered in the name of a nominee for DTC may be held through DTC directly, by a participant in DTC, or indirectly through a participant in DTC and (B) such certification requirements will no longer apply to such transfers of beneficial interests in Regulation S Notes.

(h) ***Transfers of interests in Rule 144A Notes***

Transfers of Rule 144A Notes or beneficial interests therein may be made:

(i) to a transferee who takes delivery of such interest through a Regulation S Global Note, upon receipt by the Registrar of a duly completed Transfer Certificate from the transferor to the effect that such transfer is being made in accordance with Regulation S and that, in the case of a Rule 144A Global Note registered in the name of a nominee for DTC, if such transfer is being made prior to expiry of the applicable Distribution Compliance Period, the interests in the Notes being transferred will be held immediately thereafter through Euroclear and/or Clearstream, Luxembourg; or

(ii) to a transferee who takes delivery of such interest through a Rule 144A Note where the transferee is a person whom the transferor reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, without certification; or

(iii) otherwise pursuant to the Securities Act or an exemption therefrom, subject to receipt by the Issuer of such satisfactory evidence as the Issuer may reasonably require, which may include an opinion of U.S. counsel, that such transfer is in compliance with any applicable securities laws of any State of the United States,

and, in each case, in accordance with any applicable securities laws of any State of the United States or any other jurisdiction.

Upon the transfer, exchange or replacement of Note Certificates representing Rule 144A Notes, or upon specific request for removal of the Rule 144A Legend, the Registrar shall deliver only Note Certificates bearing the Rule 144A Legend or refuse to remove the Rule 144A Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Rule 144A Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

3 STATUS OF THE NOTES

The Notes and any related Receipts and Coupons are direct and unsecured obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The obligations of the Issuer under the Notes and the Receipts and Coupons relating to them shall, save for such exceptions as may be provided by applicable legislation, at all times rank

at least equally with all other unsecured and unsubordinated obligations of the Issuer, present and future.

4 INTEREST

(a) *General*

(i) *Interest Payment Dates*

Each Note (other than a Zero Coupon Note) bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

A. the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

B. if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date,

(each such date an "**Interest Payment Date**").

Such interest will be payable in respect of each Interest Period. The amount of interest payable shall be determined in accordance with Condition 4(b)(iii).

If any date that is specified in the applicable Final Terms to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(I) the Floating Rate Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Business Day and (B) each subsequent such date shall be the last Business Day in the month in which such date would have fallen had it not been subject to adjustment;

(II) the Following Business Day Convention, such date shall be postponed to the next day which is a Business Day;

(III) the Modified Following Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day; or

(IV) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(ii) *Minimum Rate of Interest and/or Maximum Rate of Interest*

If the applicable Final Terms specify a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition

4(b)(i) below is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specify a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of Condition 4(b)(i) below is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(b) ***Interest on Fixed Rate Notes and Floating Rate Notes***

(i) *Rate of Interest*

i. Fixed Rate Notes

The Rate of Interest payable from time to time in respect of Fixed Rate Notes will be specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, if the Rate of Interest for the relevant Interest Period is a negative number, it shall be deemed to be zero.

If specified in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of its related Interest Period will amount to the Fixed Coupon Amount.

Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified. Unless otherwise specified in the applicable Final Terms, if the Rate of Interest for the relevant Interest Period is a negative number, it shall be deemed to be zero.

ii. Floating Rate Notes

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms. Unless otherwise specified in the applicable Final Terms, if the Rate of Interest for the relevant Interest Period is a negative number, it shall be deemed to be zero.

(1) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this paragraph (1), "**ISDA Rate**" for an Interest Period means a rate (as determined by the Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, or, if specified in the applicable Final Terms, the Calculation Agent) equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent (as defined in the ISDA Definitions) for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the "**ISDA Definitions**"), and under which:

(I) the Floating Rate Option is as specified in the applicable Final Terms;

(II) the Designated Maturity is a period specified in the applicable Final Terms; and

(III) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on LIBOR or on EURIBOR, the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this paragraph (1), "**Floating Rate**", "**Floating Rate Option**", "**Designated Maturity**" and "**Reset Date**" have the meanings given to those terms in the ISDA Definitions.

(2) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, or, if specified in the applicable Final Terms, the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Notes Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (I) above, no such offered quotation appears or, in the case of (II) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the applicable Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(ii) *Determination of Rate of Interest*

The Agent or, as applicable the Registrar, in the case of Floating Rate Notes, and the Calculation Agent if specified in the applicable Final Terms, will, at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. If

the Rate of Interest for the relevant Interest Period is determined by the Calculation Agent, the Calculation Agent will notify the Agent of such Rate of Interest as soon as practicable after calculating the same.

(iii) *Calculation of Interest Amounts*

The Agent or, as applicable, the Registrar, in the case of Fixed Rate Notes (unless the applicable Final Terms specifies that either a Fixed Coupon Amount or a Broken Amount shall be payable on an Interest Payment Date) or Floating Rate Notes, and the Calculation Agent, if specified in the applicable Final Terms, will calculate the amount of interest (the "**Interest Amount**") payable on the Notes per Calculation Amount for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying such amount by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding. If the Interest Amount payable on the Notes per Calculation Amount for the relevant Interest Period or other applicable period is determined by the Calculation Agent, the Calculation Agent will notify the Agent of such Interest Amount as soon as practicable after calculating the same.

(iv) *Notification of Rate of Interest and Interest Amounts for Floating Rate Notes*

In respect of Floating Rate Notes or if so specified in the applicable Final Terms, the Agent, the Registrar or, if applicable, the Calculation Agent, will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Notes are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination, but in no event later than the fourth Luxembourg Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Notes are for the time being listed and to the Noteholders in accordance with Condition 13.

(v) *Certificates to be final*

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4, whether by the Agent, or the Registrar or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent (if applicable) in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) ***Accrual of interest***

Each Note (or, in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date of its redemption unless payment of principal and/or delivery of all assets deliverable is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Note have been paid and/or all assets deliverable in respect of such Note have been delivered; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Note has been received by the Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes, and/or all assets in respect of such Note have been received by any agent appointed by the Issuer to deliver such assets to Noteholders and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(d) ***References to interest***

References to interest (or other amounts payable in excess of the amount subscribed for Notes) in these General Terms and Conditions are to payments by the Issuer of amounts for the use of the sum subscribed for Notes and as compensation for the risk that, as the case may be, the amount repayable on Notes may be less than the sum subscribed or the amount payable as interest on Notes may be reduced to zero in certain circumstances. For the avoidance of doubt, where the amount of any interest payable on the Notes (or any other amount payable in excess of the amount subscribed for Notes) is calculated by reference to another asset, the interest (or other amount) payable represents a return on the Notes rather than on the referenced asset.

5 PAYMENTS

(a) ***Method of payment***

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively); and

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) ***Presentation of definitive Bearer Notes, Receipts and Coupons***

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due,

endorsement) of definitive Bearer Notes, and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Notes, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Long Maturity Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relevant missing Coupon at any time before the expiry of five years after the Relevant Date in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Long Maturity Note or any Note that is not a Fixed Rate Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Period Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

(c) ***Payments in respect of Bearer Global Notes***

Payments of principal and interest (if any) in respect of Bearer Notes represented by any Global Note in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant Global Note against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made against presentation or

surrender of any Global Note in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Note by the Paying Agent to which it was presented and such record shall be *prima facie* evidence that the payment in question has been made.

(d) ***Payments in respect of Registered Notes***

Payments of principal (other than instalments of principal prior to the final instalment) in respect of each Registered Note (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Note Certificate representing such Registered Note at the specified office of the Registrar or any of the Paying Agents. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Note appearing in the register of holders of the Registered Notes maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Notes held by a holder is less than U.S.$250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese yen to a non resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest and payments of instalments of principal (other than the final instalment) in respect of each Registered Note (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Note appearing in the Register at the close of business on (i) the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date, in the case of Definitive Registered Notes, or (ii) the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January, in the case of Registered Global Notes (each such date, the "**Record Date**"), at his address shown in the Register on the Record Date and at his risk. Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest or instalment of principal in respect of a Registered Note, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) and instalments of principal (other than the final instalment) in respect of the Registered Notes which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Note on redemption and the final instalment of principal will be made in the same manner as payment of the principal amount of such Registered Note.

Holders of Registered Notes will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Note as a result of a cheque posted in accordance with this Condition 5(d) arriving after the due date

for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Notes.

All amounts payable to DTC or its nominee as registered holder of a Registered Global Note in respect of Notes denominated in a Specified Currency other than U.S. dollars shall be paid by transfer by the Registrar to an account in the relevant Specified Currency of the Exchange Agent on behalf of DTC or its nominee for conversion into and payment in U.S. dollars in accordance with the provisions of the Notes Agency Agreement.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) ***General provisions applicable to payments***

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or DTC as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear, Clearstream, Luxembourg or DTC, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition 5(e), if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

(i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;

(ii) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and

(iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

(f) ***Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, then the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay.

(g) ***Interpretation of principal***

Any reference in these General Terms and Conditions to "**principal**" in respect of the Notes shall be deemed to include, as applicable:

(i) the Final Redemption Amount of the Notes;

(ii) the Early Redemption Amount of the Notes;

(iii) the Optional Redemption Amount(s) (if any) or Optional Reduction Amount(s) (if any) of the Notes;

(iv) in relation to Notes redeemable in instalments, the Instalment Amounts;

(v) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 6(e)); and

(vi) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

6 GENERAL PROVISIONS RELATING TO REDEMPTION AND PURCHASE

(a) *Redemption at maturity*

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) *Redemption for tax reasons*

In the event that, in the determination of the Calculation Agent (as specified in the applicable Final Terms), a Tax Event has occurred, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time or on any Interest Payment Date (as specified in the applicable Final Terms), on giving not less than 30 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable).

Notes redeemed pursuant to this Condition 6(b) will be redeemed at their Early Redemption Amount referred to in Condition 6(e) together (if appropriate) with interest accrued to (but excluding) the date of redemption.

(c) *Redemption or pro rata reduction of principal at the option of the Issuer (Issuer Call)*

(i) If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given not less than five days' notice (or any other notice period specified in the applicable Final Terms) to the Noteholders and to the Luxembourg Stock Exchange in accordance with Condition 13 and not less than two days before the giving of such notice to the Noteholders and to the Luxembourg Stock Exchange has given notice to the Agent and, in the case of a redemption of Registered Notes, the Registrar (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. The Optional Redemption Amount (after accounting for any interest accrued to (but excluding) the relevant Optional Redemption Date) shall be an amount that is (A) equal to or greater than the Minimum Redemption Amount and (B) equal to or less than the Maximum Redemption Amount.

(ii) In the case of a redemption of some but not all Notes, where such Notes are in the form of Definitive Bearer Notes or Definitive Registered Notes, the Notes to be redeemed ("**Redeemed Notes**") will be selected individually by lot (in such place as the Agent, in the case of Bearer Notes, or the Registrar,

in the case of Registered Notes, may approve and in such manner as the Agent or, as applicable, the Registrar, shall deem to be appropriate and fair) not more than 60 days prior to the date fixed for redemption and a list of the Notes called for redemption will be given in accordance with Condition 13 not less than 30 days prior to such date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of a redemption of some but not all Notes which are represented by a Global Note, the relevant Notes to be redeemed will be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg and/or DTC.

In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of all Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that, such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate nominal amount of Redeemed Notes represented by a Global Note shall be equal to the balance of the Redeemed Notes. No exchange of the relevant Global Note will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this Condition 6(c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

(iii) If Issuer Call and Pro Rata Reduction is specified in the applicable Final Terms, the Issuer may, having given not less than five days' notice (or any other notice period specified in the applicable Final Terms) to the Noteholders and to the Luxembourg Stock Exchange in accordance with Condition 13 and not less than two days before the giving of such notice to the Noteholders and to the Luxembourg Stock Exchange has given notice to the Agent and, in the case of a redemption of Registered Notes, the Registrar (which notices shall be irrevocable and shall specify the date fixed for redemption), redeem a stated principal amount of each Note then outstanding on any Optional Reduction Date by payment of the Optional Reduction Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Reduction Date. The manner by which the Calculation Amount, Final Redemption Amount or other relevant provisions in relation to the Notes will be adjusted following such Optional Reduction Date will be as specified in the applicable Final Terms.

(d) ***Redemption at the option of the Noteholders (Investor Put)***

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer and to the Luxembourg Stock Exchange in accordance with Condition 13 not less than 30 days' notice (or any other notice period specified in the applicable Final Terms), the Issuer will, upon the expiry of such notice, redeem, in accordance with the terms specified in the applicable Final Terms, such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. If Adjustment for Hedging Costs is specified in the applicable Final Terms, the Optional Redemption Amount will be adjusted to take account of any Hedging Costs. Registered Notes may be redeemed under this Condition 6(d) in any multiple of their Calculation Amount.

If this Note is in the form of a Definitive Note, to exercise the right to require redemption of this Note, the holder of this Note must deliver such Definitive Note at the specified office of any Paying Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar, falling within the notice period, accompanied by a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar, (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Notes, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Notes represented by the Definitive Registered Note so surrendered is to be redeemed, an address to which a new Definitive Registered Note in respect of the balance of such Registered Notes is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Note is in the form of a Definitive Note, the Put Notice must be accompanied by this Definitive Note or evidence satisfactory to the Paying Agent concerned that this Definitive Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Definitive Note pursuant to this Condition 6(d) shall be irrevocable except where, prior to the due date of redemption, an Event of Default shall have occurred and be continuing, in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this Condition 6(d) and instead to declare such Note forthwith due and payable pursuant to Condition 9.

(e) ***Early Redemption Amounts***

For the purpose of Condition 6(b) and Condition 9, each Note will be redeemed at its Early Redemption Amount calculated as follows:

(i) in the case of a Note with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof;

(ii) in the case of a Note (other than a Zero Coupon Note but including an Instalment Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Note is denominated, at the amount specified in, or determined in the manner specified in, the applicable Final Terms or, if no such amount or manner is so specified in the applicable Final Terms, at its nominal amount; or

(iii) in the case of a Zero Coupon Note, at an amount (the "**Amortised Face Amount**"*)* calculated in accordance with the following formula:

Early Redemption Amount = RP × (1 + AY)y

where:

"**RP**" means the Reference Price; and

"**AY**" means the Accrual Yield expressed as a decimal; and

"**y**" is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms; or

(iv) in the case of other types of Notes as may be specified in the Final Terms, the Early Redemption Amount in respect of each nominal amount of such Notes equal to the Calculation Amount will be set out in the applicable Final Terms,

provided that, in each case, if Adjustment for Hedging Costs is specified in the applicable Final Terms, the Early Redemption Amount will be adjusted to take account of any Hedging Costs.

(f) ***Instalments***

Instalment Notes will be redeemed in the Instalment Amounts and on the Instalment Dates. In the case of early redemption, the Early Redemption Amount will be determined pursuant to Condition 6(e).

(g) ***Purchases***

The Issuer or any subsidiary of the Issuer may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise. If purchases are made by tender, tenders must be available to all Noteholders alike. Such Notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent and/or the Registrar for cancellation.

(h) ***Cancellation***

All Notes which are redeemed will forthwith be cancelled (together with, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons attached thereto or surrendered therewith at the time of redemption). All Notes so cancelled and the Notes purchased and cancelled pursuant to Condition 6(g) (together with, in the case of definitive Bearer Notes, all unmatured Receipts, Coupons and Talons cancelled therewith) shall be forwarded to the Agent and cannot be reissued or resold.

(i) ***Late payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 6(a), Condition 6(b), Condition 6(c) or Condition 6(d) or upon its becoming due and repayable as provided in Condition 7 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the Amortised Face Amount calculated as provided in Condition 6(e)(iii) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent in the case of Bearer Notes or the Registrar in the case of Registered Notes and notice to that effect has been given to the Noteholders in accordance with Condition 13.

(j) ***Hedging Costs***

For the purposes of this Condition 6, "**Hedging Costs**" means, in respect of the Early Redemption Amount or Optional Redemption Amount (as the case may be and each a "**Relevant Redemption Amount**"), (A) the losses, expenses and costs (if any), including any loss of bargain or cost of funding (in which case the Relevant Redemption Amount will be adjusted downward to the extent of such losses, expenses and costs) or (B) the gain (in which case the Relevant Redemption Amount will be adjusted upward to the extent of such gain), as the case may be, to the Issuer and/or any of its Affiliate of unwinding, terminating, liquidating, adjusting, obtaining, replacing or re-establishing any underlying or related hedging arrangements (including, but not limited to, any options or selling or otherwise realising any instruments of any type whatsoever which the Issuer and/or any of its Affiliates may hold as part of such hedging arrangements), all as calculated by the Calculation Agent in its sole and absolute discretion.

7 TAXATION

The Issuer is not obliged to gross up or otherwise increase any payment in respect of any Notes and shall not be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Note, and all payments made by the Issuer shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. To the extent that the Final Redemption Amount exceeds the Issue Price, the excess represents a commercial rate of return in compensation for the use of the Issue Price in full recognition of the risks and specific features of the associated underlying assets.

8 PRESCRIPTION

The Notes (whether in bearer or registered form), Receipts and Coupons will become void unless presented for payment within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition 8 or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9 EVENTS OF DEFAULT

If any one or more of the following events (each, an "**Event of Default**") shall occur and be continuing:

(i) if default is made in the payment of any principal, premium (if any), interest or delivery of any Asset Amount due in respect of the Notes or any of them and the default continues for a period of 45 days after the due date;

(ii) if the Issuer fails to perform or observe any one or more of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by a Noteholder on the Issuer of written notice requiring the same to be remedied; or

(iii) if an order is made or an effective resolution passed for winding up the Issuer, except for the purpose of a reconstruction or amalgamation and the entity resulting from such reconstruction or amalgamation assumes all the rights and obligations, as the case may be, of the Issuer (including its obligations under the Notes),

then any holder of a Note may, by written notice to the Issuer at the specified office of the Agent or the Registrar, as the case may be, effective upon the date of receipt thereof by the Agent or the Registrar, as the case may be, declare any Notes held by the holder to be forthwith due and payable whereupon the same shall become forthwith due and payable at the Early Redemption Amount, together with accrued interest (if any) to the date of payment, without presentment, demand, protest or other notice of any kind.

10 REPLACEMENT OF NOTES, NOTE CERTIFICATES, RECEIPTS, COUPONS AND TALONS

Should any Note, Note Certificate, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent or, as the case may be, the Registrar, upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

11 AGENT, REGISTRAR, OTHER PAYING AGENTS AND CALCULATION AGENT

(a) The names of the initial Agent and the other initial Paying Agents and their initial specified offices are set out below if this is a Bearer Note or the name and initial specified office of the initial Registrar are set out below if this is a Registered Note.

The Issuer is entitled to vary or terminate the appointment of the Registrar or any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

(i) there will at all times be an Agent and a Paying Agent, which may be the Agent;

(ii) while the Notes are listed on the official list of the Luxembourg Stock Exchange or admitted to listing by any other relevant authority and are in definitive form, it will at all times maintain a Paying Agent having its specified office in Luxembourg (unless it obtains an exemption from the Luxembourg Stock Exchange);

(iii) there will at all times be a Registrar and Transfer Agent which, so long as Registered Notes are listed on any stock exchange or admitted to listing by any other relevant authority, will have a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority;

(iv) so long as any of the Registered Global Notes payable in a Specified Currency other than U.S. dollars are held through DTC or its nominee, there will at all times be an Exchange Agent with a specified office in New York City; and

(v) the Issuer undertakes that it will ensure that it maintains a Paying Agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with or introduced in order to conform to such Directive.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 5(e). Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 and not more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

In acting under the Notes Agency Agreement, the Paying Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Noteholders, Receiptholders or Couponholders. The Notes Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor Paying Agent.

(b) In relation to each issue of Notes where there is a Calculation Agent (whether it be the Issuer or a third party), it acts solely as agent of the Issuer and does not assume any obligation or duty to, or any relationship of agency or trust for or with the Noteholders.

All calculations and determinations made by the Calculation Agent shall (save in the case of manifest error) be made in its sole and absolute discretion and shall be final, conclusive and binding on the Issuer, the Paying Agents and the Noteholders. The Calculation Agent may, with the consent of the Issuer, delegate any of its obligations and functions to a third party as it deems appropriate.

12 EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Bearer Note to which it appertains) a further Talon, subject to the provisions of Condition 8.

13 NOTICES

(a) All notices regarding the Bearer Notes will be deemed to be validly given if published (i) in a leading English language daily newspaper of general circulation in London and (ii) if and for so long as the Notes are listed on the official list of the Luxembourg Stock Exchange, either on the website of the Luxembourg Stock Exchange (*www.bourse.lu*) or in a daily newspaper of general circulation in Luxembourg. It is expected that such publication will be made in the *Financial Times* in London and the *Luxemburger Wort* in Luxembourg. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange on which the Notes are for the time being listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

All notices to holders of Registered Notes will be deemed validly given if mailed to their registered addresses appearing on the Register. Any such notice shall be deemed to have been given on the third day after the day on which it was mailed. In addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, a copy of such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg and/or DTC, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or DTC for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange and the rules of that stock exchange so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on the day after the

day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg and/or DTC.

(b) Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relevant Note or Notes, with the Agent (in the case of Bearer Notes) or the Registrar (in the case of Registered Notes), as the case may be. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg and/or DTC, as the case may be, may approve for this purpose.

(c) If Notice to the Issuer is specified as applying in the applicable Final Terms, notices to be given by any Noteholder to the Issuer regarding the Notes will be validly given if delivered in writing to the Issuer as specified in the applicable Final Terms. Any such notice shall be deemed to have been given on the day when delivered or, if delivered after 5.00 p.m. in the location of the Issuer on an Issuer Business Day, will be deemed effective on the next following Issuer Business Day. In the case of Bearer Notes, the relevant Noteholder must provide satisfactory evidence to the Issuer of its holding of Bearer Notes which, so long as the Bearer Notes are represented by a Global Note held on behalf of Euroclear and/or Clearstream, Luxembourg, is expected to be in the form of certification from Euroclear and/or Clearstream, Luxembourg, as the case may be.

14 MEETINGS OF NOTEHOLDERS, MODIFICATION AND WAIVER

The Notes Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Receipts, the Coupons or any of the provisions of the Notes Agency Agreement. Such a meeting may be convened by the Issuer or Noteholders holding not less than 5 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes, the Receipts or the Coupons (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the Asset Amount or the Rate of Interest payable in respect of the Notes or altering the currency of payment of the Notes, the Receipts or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-third in nominal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders shall be binding on all the Noteholders, whether or not they are present at the meeting, and on all Receiptholders and Couponholders.

The Issuer and the Agent or the Registrar, as the case may be, may agree, without the consent of the Noteholders, Receiptholders or Couponholders, to:

(a) any modification (except as mentioned above) of the Notes, the Receipts, the Coupons or the Notes Agency Agreement which is not prejudicial to the interests of the Noteholders; or

(b) any modification of the Notes, the Receipts, the Coupons or the Notes Agency Agreement which is of a formal, minor or technical nature, or is made to correct a manifest error or to comply with mandatory provisions of law.

Any such modification shall be binding on the Noteholders, the Receiptholders and the Couponholders and shall be notified to the Noteholders in accordance with Condition 13 as soon as practicable thereafter.

15 FURTHER ISSUES

The Issuer shall be at liberty from time to time, without the consent of the Noteholders, the Receiptholders or the Couponholders, to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon, and so that the same shall be consolidated and form a single Series with the outstanding Notes.

16 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 this Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

17 GOVERNING LAW AND SUBMISSION TO JURISDICTION

(a) *Governing Law*

The Notes Agency Agreement, the SCB Notes Deed of Covenant, the SCBHK Notes Deed of Covenant, the Notes, the Receipts and the Coupons and any non-contractual obligations arising out or in connection with them are governed by, and shall be construed in accordance with, English law.

(b) *Submission to Jurisdiction*

Where the relevant Issuer is SCBHK, SCBHK agrees, for the exclusive benefit of the Noteholders, the Receiptholders and the Couponholders, that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts and/or the Coupons and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Notes, the Receipts and the Coupons may be brought in such courts.

Where the relevant Issuer is SCBHK, SCBHK hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the English courts shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition 17(b) 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.

(c) *Appointment of Process Agent*

Where the relevant Issuer is SCBHK, SCBHK appoints SCB's principal office in London at 1 Aldermanbury Square, London EC2V 7SB as its agent for service of process, and undertakes that, in the event of its principal office in London ceasing so to act or ceasing to be registered in England, it will appoint another person as its agent for service of process in England in respect of any Proceedings. Nothing herein shall affect the right to serve Proceedings in any other manner permitted by law.

(d) ***Other Documents***

Where the relevant Issuer is SCBHK, SCBHK has in the Notes Agency Agreement and the SCBHK Notes Deed of Covenant submitted to the jurisdiction of the English courts and appointed an agent for service of process in terms substantially similar to those set out above.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for general funding purposes.

BOOK-ENTRY CLEARANCE SYSTEMS

*The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC, Euroclear or Clearstream, Luxembourg (together, the "**Clearing Systems**") currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuers believe to be reliable, but none of the Issuers nor any Manager takes any responsibility for the accuracy thereof. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuers nor any other party to the Notes Agency Agreement will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Notes held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.*

Book-entry Systems

DTC

DTC has advised each Issuer that it is a limited purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve system, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to Section 17A of the Exchange Act. DTC holds securities that its participants ("**Direct Participants**") deposit with DTC. DTC also facilitates the settlement among Direct Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerised book-entry changes in Direct Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. DTC is a wholly-owned subsidiary of The Depositary Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulation subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("**Indirect Participants**"). The DTC rules applicable to its participants are on file with the Securities and Exchange Commission. More information about DTCC can be found at *www.dtcc.com* and *www.dtc.org*.

Under the rules, regulations and procedures creating and affecting DTC and its operations (the "**Rules**"), DTC makes book-entry transfers of Registered Notes among Direct Participants on whose behalf it acts with respect to Notes accepted into DTC's book-entry settlement system ("**DTC Notes**") as described below, and receives and transmits distributions of principal and interest on DTC Notes. The Rules are on file with the Securities and Exchange Commission. Direct Participants and Indirect Participants with which beneficial owners of DTC Notes ("**Owners**") have accounts with respect to the DTC Notes are similarly required to make book-entry transfers and receive and transmit such payments on behalf of their respective Owners. Accordingly, although Owners who hold DTC Notes through Direct Participants or Indirect Participants will not possess Registered Notes, the Rules, by virtue of the requirements described above, provide a mechanism by which Direct Participants will receive payments and will be able to transfer their interest in respect of DTC Notes.

Purchases of DTC Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the DTC Notes on DTC's records. The ownership interest of each actual purchaser of each DTC Note (a "**Beneficial Owner**") is in turn to be recorded on the Direct Participant or Indirect Participant's records. Beneficial Owners will not receive written confirmation from DTC of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct Participant or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in DTC Notes are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates

representing their ownership interests in DTC Notes, except in the event that use of the book-entry system for the DTC Notes is discontinued.

To facilitate subsequent transfers, all DTC Notes deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. The deposit of DTC Notes with DTC and their registration in the name of Cede & Co. effect no change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the DTC Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such DTC Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to Cede & Co. If less than all of the DTC Notes within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. will consent or vote with respect to DTC Notes. Under its usual procedures, DTC mails an Omnibus Proxy to the relevant Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts DTC Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on the DTC Notes will be made to DTC. DTC's practice is to credit Direct Participants' accounts on the due date for payment in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the due date. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC or the relevant Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the relevant Issuer, disbursement of such payments to Direct Participants is the responsibility of DTC, and disbursement of such payments to Beneficial Owners is the responsibility of Direct Participants and Indirect Participants.

Under certain circumstances, including if there is an Event of Default under the Notes, DTC will exchange the DTC Notes for definitive Registered Notes, which it will distribute to its Participants in accordance with their proportionate entitlements and which, if representing interests in a Rule 144A Global Note, will be legended as set forth under "*Subscription and Sale and Transfer and Selling Restrictions*".

Since DTC may only act on behalf of Direct Participants, who in turn act on behalf of Indirect Participants, any Owner desiring to pledge DTC Notes to persons or entities that do not participate in DTC, or otherwise take actions with respect to such DTC Notes, will be required to withdraw its Registered Notes from DTC as described below.

Euroclear and Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for its customers and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg customers are worldwide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Book-entry Ownership of and Payments in respect of DTC Notes

The relevant Issuer may apply to DTC in order to have any Tranche of Notes represented by a Registered Global Note accepted in its book-entry settlement system. Upon the issue of any such Registered Global Note, DTC or its custodian will credit, on its internal book-entry system, the respective nominal amounts of the individual beneficial interests represented by such Registered Global Note to the accounts of persons who have accounts with DTC. Such accounts initially will be designated by or on behalf of the relevant Manager. Ownership of beneficial interests in such a Registered Global Note will be limited to Direct Participants or Indirect Participants, including, in the case of any Regulation S Global Note, the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in a Registered Global Note accepted by DTC will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee (with respect to the interests of Direct Participants) and the records of Direct Participants (with respect to interests of Indirect Participants).

Payments in U.S. dollars of principal and interest in respect of a Registered Global Note accepted by DTC will be made to the order of DTC or its nominee as the registered holder of such Note. In the case of any payment in a currency other than U.S. dollars, payment will be made to the Exchange Agent on behalf of DTC or its nominee and the Exchange Agent will (in accordance with instructions received by it) remit all or a portion of such payment for credit directly to the beneficial holders of interests in the Registered Global Note in the currency in which such payment was made and/or cause all or a portion of such payment to be converted into U.S. dollars and credited to the applicable Participant's account.

Each Issuer expects DTC to credit accounts of Direct Participants on the applicable payment date in accordance with their respective holdings as shown in the records of DTC unless DTC has reason to believe that it will not receive payment on such payment date. Each Issuer also expects that payments by Participants to beneficial owners of Notes will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers, and will be the responsibility of such Participant and not the responsibility of DTC, the Principal Paying Agent, the Registrar or the relevant Issuer. Payment of principal, premium, if any, and interest, if any, on Notes to DTC is the responsibility of the relevant Issuer.

Transfers of Notes Represented by Registered Global Notes

Transfers of any interests in Notes represented by a Registered Global Note within DTC, Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system. The laws in some States within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, the ability to transfer Notes represented by a Registered Global Note to such persons may depend upon the ability to exchange such Notes for Notes in definitive form. Similarly, because DTC can only act on behalf of Direct Participants in the DTC system who in turn act on behalf of Indirect Participants, the ability of a person having an interest in Notes represented by a Registered Global Note accepted by DTC to pledge such Notes to persons or entities that do not participate in the DTC system or otherwise to take action in respect of such Notes may depend upon the ability to exchange such Notes for Notes in definitive form. The ability of any holder of Notes represented by a Registered Global Note accepted by DTC to resell, pledge or otherwise transfer such Notes may be impaired if the proposed transferee of such Notes is not eligible to hold such Notes through a Direct Participant or Indirect Participant in the DTC system.

Subject to compliance with the transfer restrictions applicable to the Registered Notes described under "*Subscription and Sale and Transfer and Selling Restrictions*", cross-market transfers between DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg or Euroclear accountholders, on the other, will be effected by the relevant clearing system in accordance with its

rules and through action taken by the Registrar, the Agent and any custodian ("**Custodian**") with whom the relevant Registered Global Notes have been deposited.

On or after the Issue Date for any Series, transfers of Notes of such Series between accountholders in Clearstream, Luxembourg and Euroclear and transfers of Notes of such Series between participants in DTC will generally have a settlement date three business days after the trade date (T+3). The customary arrangements for delivery versus payment will apply to such transfers.

Cross-market transfers between accountholders in Clearstream, Luxembourg or Euroclear and DTC participants will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Clearstream, Luxembourg and Euroclear, on the other, transfers of interests in the relevant Registered Global Notes will be effected through the Registrar, the Agent and the Custodian receiving instructions (and, where appropriate, certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately.

DTC, Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of beneficial interests in Registered Global Notes among participants and accountholders of DTC, Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued or changed at any time. None of the relevant Issuer, the Agents or any Manager will be responsible for any performance by DTC, Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations, and none of them will have any liability for any aspect of the records relating to or payments made on account of beneficial interests in the Notes represented by Registered Global Notes or for maintaining, supervising or reviewing any records relating to such beneficial interests.

TAXATION

General

The following comments are intended only as a general guide to certain limited United States, United Kingdom, Luxembourg, Hong Kong, Singapore, Philippines, United Arab Emirates ("UAE") and Dubai International Financial Centre ("DIFC") tax considerations and do not purport to be a complete analysis of all potential tax consequences relating to the Notes in those jurisdictions. Some aspects may not apply to certain classes of persons (such as managers, dealers or persons connected with the Issuer) to whom special rules may apply. The comments are based on current law and on what is understood to be current practice, both of which may change, possibly with retroactive effect. These comments are intended to be for information purposes only and are not intended to be, nor should they be regarded as, legal or tax advice. The precise tax treatment of Noteholders for each issue will depend on the terms of a particular Note, as specified in the Terms and Conditions of the Note as amended and supplemented by the applicable Final Terms. Further statements regarding the tax treatment of particular classes of Noteholder may be contained in the Final Terms. Prospective Noteholders should obtain their own professional tax advice in all relevant jurisdictions about their particular tax treatment in relation to such Notes.

Potential purchasers of Notes should carefully consider Condition 7 which provides that the Issuer of the relevant Notes shall not be required to gross up or otherwise increase any payment made on or in respect of the Notes which is required to be made subject to any tax, duty, deduction, withholding or other payment.

No obligation to gross-up payments

Potential purchasers of Notes should be aware that neither SCB nor SCBHK is obliged to gross up or otherwise increase any payment in respect of any Note which is subject to deduction or withholding in any jurisdiction. Accordingly, should any such deduction or withholding be or become applicable to any such payment by SCB or SCBHK in respect of any Note, then the actual amount received by the Noteholder may be less than it would have been in the absence of such deduction or withholding. Pursuant to the terms of any applicable double taxation treaty or domestic legislation, a Noteholder who receives a payment which has been subject to a deduction or withholding, may be able to claim repayment of or a credit in respect of the amount withheld or deducted.

Any provisions relating to payment of Delivery Expenses by the relevant Noteholder on physical delivery of the Asset Amount(s) set out in any Product Prospectus or prospectus supplement or set out in the applicable Final Terms should be considered carefully by all potential purchasers of Notes which may be redeemed by delivery of Asset Amount(s).

1. UNITED STATES TAXATION

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF FEDERAL TAX ISSUES IN THIS BASE PROSPECTUS IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE RELEVANT ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE RELEVANT ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following is a summary of certain material U.S. federal income tax consequences of the acquisition, ownership and disposition of Notes by: in the case of Part A, a U.S. Holder (as defined below); in the case of Part B, a Non-U.S. Holder (as defined below); and in the case of Part C, all holders. This summary does not address the material U.S. federal income tax consequences of every

type of Note which may be issued under the Programme, and the relevant Product Prospectus or Final Terms will contain an additional or modified disclosure concerning the material U.S. federal income tax consequences relevant to such type of Note as appropriate. This summary deals only with purchasers of Notes that will hold the Notes as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the acquisition, ownership or disposition of Notes by particular investors, and does not address state, local, foreign or other tax laws or alternative minimum tax considerations. This summary also does not discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that will hold the Notes as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar). Moreover, the summary deals only with Notes with a term of 30 years or less. The U.S. federal income tax consequences of owning Notes with a longer term will be discussed in the applicable Product Prospectus or Final Terms.

As used herein, the term "**U.S. Holder**" means a beneficial owner of Notes that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in a partnership that holds Notes will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are partnerships should consult their tax adviser concerning the U.S. federal income tax consequences to their partners of the acquisition, ownership and disposition of Notes by the partnership.

The summary is based on the tax laws of the United States including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

Bearer Notes are not being offered to U.S. Holders. A U.S. Holder who owns a Bearer Note may be subject to limitations under United States income tax laws, including the limitations provided in sections 165(j) and 1287(a) of the United States Internal Revenue Code.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Part A – U.S. Holders

U.S. Federal Income Tax Characterisation of the Notes

The characterisation of a Series or Tranche of Notes may be uncertain and will depend on the terms of those Notes. The determination of whether an obligation represents debt, equity, or some other instrument or interest is based on all the relevant facts and circumstances. There may be no statutory, judicial or administrative authority directly addressing the characterisation of some of the types of Notes that are anticipated to be issued under the Programme or of instruments similar to such Notes.

Depending on the terms of a particular Series or Tranche of Notes, such Notes may not be characterised as debt for U.S. federal income tax purposes despite the form of the Notes as debt instruments. For example, Notes of a Series or Tranche may be more properly characterised as collateralised put options, prepaid forward contracts or some other type of financial instrument.

Additional alternative characterisations may also be possible. Further possible characterisations, if applicable, may be discussed in the relevant Product Prospectus or Final Terms.

No rulings will be sought from the United States Internal Revenue Service ("**IRS**") regarding the characterisation of any of the Notes issued hereunder for U.S. federal income tax purposes. Each holder should consult its own tax adviser about the proper characterisation of the Notes for U.S. federal income tax purposes and consequences to such holder of acquiring, owning or disposing of the Notes.

U.S. Federal Income Tax Treatment of Notes Treated as Debt

The following summary applies to Notes that are properly treated as debt for U.S. federal income tax purposes.

1. Payments of Interest

Interest on a Note, whether payable in U.S. dollars or a currency, composite currency or basket of currencies other than U.S. dollars (a "**foreign currency**"), other than interest on a "Discount Note" that is not "qualified stated interest" (each as defined below under "*Original Issue Discount — General*"), will be taxable to a U.S. Holder as ordinary income at the time it is received or accrued, depending on the holder's method of accounting for tax purposes. Interest paid by the relevant Issuer on the Notes and OID, if any, accrued with respect to the Notes (as described below under "*Original Issue Discount*") will generally constitute income from sources outside the United States. Prospective purchasers should consult their tax advisers concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

2. Original Issue Discount

General

The following is a summary of the principal U.S. federal income tax consequences of the ownership of Notes issued with original issue discount ("**OID**").

A Note, other than a Note with a term of one year or less (a "**Short-Term Note**"), will be treated as issued with OID (a "**Discount Note**") if the excess of the Note's "stated redemption price at maturity" over its issue price is equal to or more than a de minimis amount (0.25 per cent. of the Note's stated redemption price at maturity multiplied by the number of complete years to its maturity). An obligation that provides for the payment of amounts other than qualified stated interest before maturity (an "**instalment obligation**") will be treated as a Discount Note if the excess of the Note's stated redemption price at maturity over its issue price is equal to or greater than 0.25 per cent. of the Note's stated redemption price at maturity multiplied by the weighted average maturity of the Note. A Note's weighted average maturity is the sum of the following amounts determined for each payment on a Note (other than a payment of qualified stated interest): (i) the number of complete years from the issue date until the payment is made multiplied by (ii) a fraction, the numerator of which is the amount of the payment and the denominator of which is the Note's stated redemption price at maturity. Generally, the issue price of a Note will be the first price at which a substantial amount of Notes included in the issue of which the Note is a part is sold to persons other than bond houses, brokers, or similar persons or organisations acting in the capacity of underwriters, placement agents, or wholesalers. The stated redemption price at maturity of a Note is the total of all payments provided by the Note that are not payments of "qualified stated interest". A "qualified stated interest" payment is generally any one of a series of stated interest payments on a Note that are unconditionally payable at least annually at a single fixed rate (with certain exceptions for lower rates paid during some periods), or a variable rate (in the circumstances described below under "*Variable Interest Rate Notes*"), applied to the outstanding principal amount of the Note. Solely for the purposes of determining whether a Note has OID, the relevant Issuer will be deemed to exercise any call option that has the effect of decreasing the yield on the Note and the U.S. Holder will be deemed to exercise any put option that has the effect of increasing the yield on the Note.

U.S. Holders of Discount Notes must include OID in income calculated on a constant-yield method before the receipt of cash attributable to the income, and will generally have to include in income increasingly greater amounts of OID over the life of the Discount Notes. The amount of OID includible in income by a U.S. Holder of a Discount Note is the sum of the daily portions of OID with respect to the Discount Note for each day during the taxable year or portion of the taxable year on which the U.S. Holder holds the Discount Note ("**accrued OID**"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. Accrual periods with respect to a Note may be of any length selected by the U.S. Holder and may vary in length over the term of the Note as long as (i) no accrual period is longer than one year and (ii) each scheduled payment of interest or principal on the Note occurs on either the final or first day of an accrual period. The amount of OID allocable to an accrual period equals the excess of (a) the product of the Discount Note's adjusted issue price at the beginning of the accrual period and the Discount Note's yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (b) the sum of the payments of qualified stated interest on the Note allocable to the accrual period. The "**adjusted issue price**" of a Discount Note at the beginning of any accrual period is the issue price of the Note increased by (x) the amount of accrued OID for each prior accrual period and decreased by (y) the amount of any payments previously made on the Note that were not qualified stated interest payments.

Acquisition Premium

A U.S. Holder that purchases a Discount Note for an amount less than or equal to the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, but in excess of its adjusted issue price (any such excess being "**acquisition premium**") and that does not make the election described below under "*Election to Treat All Interest as Original Issue Discount*", is permitted to reduce the daily portions of OID by a fraction, the numerator of which is the excess of the U.S. Holder's adjusted basis in the Note immediately after its purchase over the Note's adjusted issue price and the denominator of which is the excess of the sum of all amounts payable on the Note after the purchase date, other than payments of qualified stated interest, over the Note's adjusted issue price.

Short-Term Notes

In general, an individual or other cash basis U.S. Holder of a Short-Term Note is not required to accrue OID (as specially defined below for the purposes of this paragraph) for U.S. federal income tax purposes unless it elects to do so (but may be required to include any stated interest in income as the interest is received). Accrual basis U.S. Holders and certain other U.S. Holders are required to accrue OID on Short-Term Notes on a straight-line basis or, if the U.S. Holder so elects, under the constant-yield method (based on daily compounding). In the case of a U.S. Holder not required and not electing to include OID in income currently, any gain realised on the sale or retirement of the Short-Term Note will be ordinary income to the extent of the OID accrued on a straight-line basis (unless an election is made to accrue the OID under the constant-yield method) through the date of sale or retirement. U.S. Holders who are not required and do not elect to accrue OID on Short-Term Notes will be required to defer deductions for interest on borrowings allocable to Short-Term Notes in an amount not exceeding the deferred income until the deferred income is realised.

For the purposes of determining the amount of OID subject to these rules, all interest payments on a Short-Term Note are included in the Short-Term Note's stated redemption price at maturity. A U.S. Holder may elect to determine OID on a Short-Term Note as if the Short-Term Note had been originally issued to the U.S. Holder at the U.S. Holder's purchase price for the Short-Term Note. This election will apply to all obligations with a maturity of one year or less acquired by the U.S. Holder on or after the first day of the first taxable year to which the election applies and may not be revoked without the consent of the IRS.

Fungible Issue

The relevant Issuer may, without the consent of the holders of outstanding Notes, issue additional Notes with identical terms. These additional Notes, even if they are treated for non-tax purposes as part of the same series as the original Notes, may in some cases be treated as a separate series for

U.S. federal income tax purposes. In such a case, the additional Notes may be considered to have been issued with OID even if the original Notes had no OID, or the additional Notes may have a greater amount of OID than the original Notes. These differences may affect the market value of the original Notes if the additional Notes are not otherwise distinguishable from the original Notes.

Market Discount

A Note, other than a Short-Term Note, generally will be treated as purchased at a market discount (a "**Market Discount Note**") if the Note's stated redemption price at maturity or, in the case of a Discount Note, the Note's "revised issue price", exceeds the amount for which the U.S. Holder purchased the Note by at least 0.25 per cent. of the Note's stated redemption price at maturity or revised issue price, respectively, multiplied by the number of complete years to the Note's maturity (or, in the case of a Note that is an instalment obligation, the Note's weighted average maturity). If this excess is not sufficient to cause the Note to be a Market Discount Note, then the excess constitutes "**de minimis market discount**". For this purpose, the "**revised issue price**" of a Note generally equals its issue price, increased by the amount of any OID that has accrued on the Note and decreased by the amount of any payments previously made on the Note that were not qualified stated interest payments.

Under current law, any gain recognised on the maturity or disposition of a Market Discount Note (including any payment on a Note that is not qualified stated interest) will be treated as ordinary income to the extent that the gain does not exceed the accrued market discount on the Note. Alternatively, a U.S. Holder of a Market Discount Note may elect to include market discount in income currently over the life of the Note. This election will apply to all debt instruments with market discount acquired by the electing U.S. Holder on or after the first day of the first taxable year to which the election applies. This election may not be revoked without the consent of the Internal Revenue Service (the "**IRS**"). A U.S. Holder of a Market Discount Note that does not elect to include market discount in income currently will generally be required to defer deductions for interest on borrowings incurred to purchase or carry a Market Discount Note that is in excess of the interest and OID on the Note includible in the U.S. Holder's income, to the extent that this excess interest expense does not exceed the portion of the market discount allocable to the days on which the Market Discount Note was held by the U.S. Holder.

Under current law, market discount will accrue on a straight-line basis unless the U.S. Holder elects to accrue the market discount on a constant-yield method. This election applies only to the Market Discount Note with respect to which it is made and is irrevocable.

3. Variable Interest Rate Notes

Notes that provide for interest at variable rates ("**Variable Interest Rate Notes**") generally will bear interest at a "qualified floating rate" and thus will be treated as "variable rate debt instruments" under Treasury regulations governing accrual of OID. A Variable Interest Rate Note will qualify as a "**variable rate debt instrument**" if (a) its issue price does not exceed the total noncontingent principal payments due under the Variable Interest Rate Note by more than a specified de minimis amount, (b) it provides for stated interest, paid or compounded at least annually, at (i) one or more qualified floating rates, (ii) a single fixed rate and one or more qualified floating rates, (iii) a single objective rate or (iv) a single fixed rate and a single objective rate that is a qualified inverse floating rate and (c) it does not provide for any principal payments that are contingent (other than as described in (a) above).

A "**qualified floating rate**" is any variable rate where variations in the value of the rate can reasonably be expected to measure contemporaneous variations in the cost of newly borrowed funds in the currency in which the Variable Interest Rate Note is denominated. A fixed multiple of a qualified floating rate will constitute a qualified floating rate only if the multiple is greater than 0.65 but not more than 1.35. A variable rate equal to the product of a qualified floating rate and a fixed multiple that is greater than 0.65 but not more than 1.35, increased or decreased by a fixed rate, will also constitute a qualified floating rate. In addition, two or more qualified floating rates that can reasonably be expected to have approximately the same values throughout the term of the Variable Interest Rate Note (e.g., two or more qualified floating rates with values within 25 basis points of each other as determined on

the Variable Interest Rate Note's issue date) will be treated as a single qualified floating rate. Notwithstanding the foregoing, a variable rate that would otherwise constitute a qualified floating rate but which is subject to one or more restrictions such as a maximum numerical limitation (i.e., a cap) or a minimum numerical limitation (i.e., a floor) may, under certain circumstances, fail to be treated as a qualified floating rate.

An "**objective rate**" is a rate that is not itself a qualified floating rate but which is determined using a single fixed formula and which is based on objective financial or economic information (e.g., one or more qualified floating rates or the yield of actively traded personal property). A rate will not qualify as an objective rate if it is based on information that is within the control of the relevant Issuer (or a related party) or that is unique to the circumstances of the relevant Issuer (or a related party), such as dividends, profits or the value of the relevant Issuer's stock (although a rate does not fail to be an objective rate merely because it is based on the credit quality of the relevant Issuer). Other variable interest rates may be treated as objective rates if so designated by the IRS in the future. Despite the foregoing, a variable rate of interest on a Variable Interest Rate Note will not constitute an objective rate if it is reasonably expected that the average value of the rate during the first half of the Variable Interest Rate Note's term will be either significantly less than or significantly greater than the average value of the rate during the final half of the Variable Interest Rate Note's term. A "qualified inverse floating rate" is any objective rate where the rate is equal to a fixed rate minus a qualified floating rate, as long as variations in the rate can reasonably be expected to inversely reflect contemporaneous variations in the qualified floating rate. If a Variable Interest Rate Note provides for stated interest at a fixed rate for an initial period of one year or less followed by a variable rate that is either a qualified floating rate or an objective rate for a subsequent period and if the variable rate on the Variable Interest Rate Note's issue date is intended to approximate the fixed rate (e.g., the value of the variable rate on the issue date does not differ from the value of the fixed rate by more than 25 basis points), then the fixed rate and the variable rate together will constitute either a single qualified floating rate or objective rate, as the case may be.

A qualified floating rate or objective rate in effect at any time during the term of the instrument must be set at a "current value" of that rate. A "current value" of a rate is the value of the rate on any day that is no earlier than three months prior to the first day on which that value is in effect and no later than one year following that first day.

If a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof qualifies as a "variable rate debt instrument", then any stated interest on the Note which is unconditionally payable in cash or property (other than debt instruments of the relevant Issuer) at least annually will constitute qualified stated interest and will be taxed accordingly. Thus, a Variable Interest Rate Note that provides for stated interest at either a single qualified floating rate or a single objective rate throughout the term thereof and that qualifies as a "variable rate debt instrument" will generally not be treated as having been issued with OID unless the Variable Interest Rate Note is issued at a "true" discount (i.e., at a price below the Note's stated principal amount) in excess of a specified de minimis amount. OID on a Variable Interest Rate Note arising from "true" discount is allocated to an accrual period using the constant yield method described above by assuming that the variable rate is a fixed rate equal to (i) in the case of a qualified floating rate or qualified inverse floating rate, the value, as of the issue date, of the qualified floating rate or qualified inverse floating rate or (ii) in the case of an objective rate (other than a qualified inverse floating rate), a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note.

In general, any other Variable Interest Rate Note that qualifies as a "variable rate debt instrument" will be converted into an "equivalent" fixed rate debt instrument for purposes of determining the amount and accrual of OID and qualified stated interest on the Variable Interest Rate Note. Such a Variable Interest Rate Note must be converted into an "equivalent" fixed rate debt instrument by substituting any qualified floating rate or qualified inverse floating rate provided for under the terms of the Variable Interest Rate Note with a fixed rate equal to the value of the qualified floating rate or qualified inverse floating rate, as the case may be, as of the Variable Interest Rate Note's issue date. Any objective rate (other than a qualified inverse floating rate) provided for under the terms of the Variable Interest Rate Note is converted into a fixed rate that reflects the yield that is reasonably expected for the Variable Interest Rate Note. In the case of a Variable Interest Rate Note that qualifies as a "variable

rate debt instrument" and provides for stated interest at a fixed rate in addition to either one or more qualified floating rates or a qualified inverse floating rate, the fixed rate is initially converted into a qualified floating rate (or a qualified inverse floating rate, if the Variable Interest Rate Note provides for a qualified inverse floating rate). Under these circumstances, the qualified floating rate or qualified inverse floating rate that replaces the fixed rate must be such that the fair market value of the Variable Interest Rate Note as of the Variable Interest Rate Note's issue date is approximately the same as the fair market value of an otherwise identical debt instrument that provides for either the qualified floating rate or qualified inverse floating rate rather than the fixed rate. Subsequent to converting the fixed rate into either a qualified floating rate or a qualified inverse floating rate, the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument in the manner described above.

Once the Variable Interest Rate Note is converted into an "equivalent" fixed rate debt instrument pursuant to the foregoing rules, the amount of OID and qualified stated interest, if any, are determined for the "equivalent" fixed rate debt instrument by applying the general OID rules to the "equivalent" fixed rate debt instrument and a U.S. Holder of the Variable Interest Rate Note will account for the OID and qualified stated interest as if the U.S. Holder held the "equivalent" fixed rate debt instrument. In each accrual period, appropriate adjustments will be made to the amount of qualified stated interest or OID assumed to have been accrued or paid with respect to the "equivalent" fixed rate debt instrument in the event that these amounts differ from the actual amount of interest accrued or paid on the Variable Interest Rate Note during the accrual period.

If a Variable Interest Rate Note, such as a Note the payments on which are determined by reference to an index, does not qualify as a "variable rate debt instrument", then the Variable Interest Rate Note will be treated as a contingent payment debt obligation. See "*Contingent Payment Debt Instruments*" below for a discussion of the U.S. federal income tax treatment of such Notes.

4. Notes Purchased at a Premium

A U.S. Holder that purchases a Note for an amount in excess of its principal amount, or for a Discount Note, its stated redemption price at maturity, may elect to treat the excess as "amortisable bond premium", in which case the amount required to be included in the U.S. Holder's income each year with respect to interest on the Note will be reduced by the amount of amortisable bond premium allocable (based on the Note's yield to maturity) to that year. Any election to amortise bond premium will apply to all bonds (other than bonds the interest on which is excludable from gross income for U.S. federal income tax purposes) held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and is irrevocable without the consent of the IRS. See also "*Original Issue Discount — Election to Treat All Interest as Original Issue Discount*".

5. Election to Treat All Interest as Original Issue Discount

A U.S. Holder may elect to include in gross income all interest that accrues on a Note using the constant-yield method described above under "*Original Issue Discount — General*" with certain modifications. For purposes of this election, interest includes stated interest, OID, de minimis OID, market discount, de minimis market discount and unstated interest, as adjusted by any amortisable bond premium (described above under "*Notes Purchased at a Premium*") or acquisition premium. This election will generally apply only to the Note with respect to which it is made and may not be revoked without the consent of the IRS. If the election to apply the constant-yield method to all interest on a Note is made with respect to a Market Discount Note, the electing U.S. Holder will be treated as having made the election discussed above under "*Market Discount*" to include market discount in income currently over the life of all debt instruments with market discount held or thereafter acquired by the U.S. Holder. U.S. Holders should consult their tax advisers concerning the propriety and consequences of this election.

6. Contingent Payment Debt Instruments

Certain Series or Tranches of Notes may be treated as "contingent payment debt instruments" for U.S. federal income tax purposes ("**Contingent Notes**"). Under applicable U.S. Treasury regulations, interest on Contingent Notes will be treated as "original issue discount" ("**OID**"), and must be accrued

on a constant-yield basis based on a yield to maturity that reflects the rate at which the relevant Issuer would issue a comparable fixed-rate non-exchangeable instrument (the "**comparable yield**"), in accordance with a projected payment schedule. This projected payment schedule must include each non-contingent payment on the Contingent Notes and an estimated amount for each contingent payment, and must produce the comparable yield.

The relevant Issuer is required to provide to holders, solely for U.S. federal income tax purposes, a schedule of the projected amounts of payments on Contingent Notes. This schedule must produce the comparable yield. The comparable yield and projected payment schedule will be available from the relevant Issuer by submitting a written request for such information to: Manager, Transaction Management Group, 7th Floor, Standard Chartered Bank Building, 4-4A Des Voeux Road Central, Hong Kong.

THE COMPARABLE YIELD AND PROJECTED PAYMENT SCHEDULE WILL NOT BE DETERMINED FOR ANY PURPOSE OTHER THAN FOR THE DETERMINATION OF INTEREST ACCRUALS AND ADJUSTMENTS THEREOF IN RESPECT OF CONTINGENT NOTES FOR UNITED STATES FEDERAL INCOME TAX PURPOSES AND WILL NOT CONSTITUTE A PROJECTION OR REPRESENTATION REGARDING THE ACTUAL AMOUNTS PAYABLE TO THE HOLDERS OF THE NOTES.

The use of the comparable yield and the calculation of the projected payment schedule will be based upon a number of assumptions and estimates and will not be a prediction, representation or guarantee of the actual amounts of interest that may be paid to a U.S. Holder or the actual yield of the Contingent Notes. A U.S. Holder will generally be bound by the comparable yield and the projected payment schedule determined by the relevant Issuer, unless the U.S. Holder determines its own comparable yield and projected payment schedule and explicitly discloses such schedule to the IRS, and explains to the IRS the reason for preparing its own schedule. The relevant Issuer's determination, however, is not binding on the IRS and it is possible that the IRS could conclude that some other comparable yield or projected payment schedule should be used instead.

A U.S. Holder of a Contingent Note will generally be required to include OID in income pursuant to the rules discussed in the third paragraph under "*Original Issue Discount – General*", above, applied to the projected payment schedule. The "**adjusted issue price**" of a Contingent Note at the beginning of any accrual period is the issue price of the Note increased by the amount of accrued OID for each prior accrual period, and decreased by the projected amount of any payments on the Note. No additional income will be recognised upon the receipt of payments of stated interest in amounts equal to the annual payments included in the projected payment schedule described above. Any differences between actual payments received by the U.S. Holder on the Notes in a taxable year and the projected amount of those payments will be accounted for as additional interest (in the case of a positive adjustment) or as an offset to interest income in respect of the Note (in the case of a negative adjustment) for the taxable year in which the actual payment is made. If the negative adjustment for any taxable year exceeds the amount of OID on the Contingent Note for that year, the excess will be treated as an ordinary loss, but only to the extent the U.S. Holder's total OID inclusions on the Contingent Note exceed the total amount of any ordinary loss in respect of the Contingent Note claimed by the U.S. Holder under this rule in prior taxable years. Any negative adjustment that is not allowed as an ordinary loss for the taxable year is carried forward to the next taxable year and is taken into account in determining whether the U.S. Holder has a net positive or negative adjustment for that year. However, any negative adjustment that is carried forward to a taxable year in which the Contingent Note is sold, exchanged or retired, to the extent not applied to OID accrued for such year, reduces the U.S. Holder's amount realised on the sale, exchange or retirement.

7. Purchase, Sale and Retirement of Notes

Notes other than Contingent Notes

A U.S. Holder's tax basis in a Note will generally be its cost, increased by the amount of any OID or market discount included in the U.S. Holder's income with respect to the Note and the amount, if any, of income attributable to de minimis OID and de minimis market discount included in the U.S. Holder's income with respect to the Note, and reduced by (i) the amount of any payments that are not qualified

stated interest payments and (ii) the amount of any amortisable bond premium applied to reduce interest on the Note.

A U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and the tax basis of the Note. The amount realised does not include the amount attributable to accrued but unpaid interest, which will be taxable as interest income to the extent not previously included in income. Except to the extent described above under "*Original Issue Discount — Market Discount*" or "*Original Issue Discount — Short Term Notes*" or attributable to changes in exchange rates (as discussed below), gain or loss recognised on the sale or retirement of a Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Notes exceeds one year.

Gain or loss realised by a U.S. Holder on the sale or retirement of a Note generally will be U.S. source.

Contingent Notes

Gain from the sale or retirement of a Contingent Note will be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total interest inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Contingent Note will generally be foreign source.

A U.S. Holder's tax basis in a Contingent Note will generally be equal to its cost, increased by the amount of interest previously accrued with respect to the Note (determined without regard to any positive or negative adjustments reflecting the difference between actual payments and projected payments), increased or decreased by the amount of any positive or negative adjustment that the Holder is required to make to account for the difference between the holder's purchase price for the Note and the adjusted issue price of the Note at the time of the purchase, and decreased by the amount of any projected payments scheduled to be made on the Note to the U.S. Holder through such date (without regard to the actual amount paid).

8. Foreign Currency Notes

Interest

If an interest payment is denominated in, or determined by reference to, a foreign currency, the amount of income recognised by a cash basis U.S. Holder will be the U.S. dollar value of the interest payment, based on the exchange rate in effect on the date of receipt, regardless of whether the payment is in fact converted into U.S. dollars.

An accrual basis U.S. Holder may determine the amount of income recognised with respect to an interest payment denominated in, or determined by reference to, a foreign currency in accordance with either of two methods. Under the first method, the amount of income accrued will be based on the average exchange rate in effect during the interest accrual period (or, in the case of an accrual period that spans two taxable years of a U.S. Holder, the part of the period within the taxable year).

Under the second method, the U.S. Holder may elect to determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period (or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year). Additionally, if a payment of interest is actually received within five business days of the last day of the accrual period, an electing accrual basis U.S. Holder may instead translate the accrued interest into U.S. dollars at the exchange rate in effect on the day of actual receipt. Any such election will apply to all debt instruments held by the U.S. Holder at the beginning of the first taxable year to which the election applies or thereafter acquired by the U.S. Holder, and will be irrevocable without the consent of the IRS.

Upon receipt of an interest payment (including a payment attributable to accrued but unpaid interest upon the sale or retirement of a Note) denominated in, or determined by reference to, a foreign currency, the U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

OID

OID for each accrual period on a Discount Note that is denominated in, or determined by reference to, a foreign currency, will be determined in the foreign currency and then translated into U.S. dollars in the same manner as stated interest accrued by an accrual basis U.S. Holder, as described above. Upon receipt of an amount attributable to OID (whether in connection with a payment on the Note or a sale or disposition of the Note), a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the difference between the amount received (translated into U.S. dollars at the spot rate on the date of receipt) and the amount previously accrued, regardless of whether the payment is in fact converted into U.S. dollars.

Market Discount

Market discount on a Note that is denominated in, or determined by reference to, a foreign currency, will be accrued in the foreign currency. If the U.S. Holder elects to include market discount in income currently, the accrued market discount will be translated into U.S. dollars at the average exchange rate for the accrual period (or portion thereof within the U.S. Holder's taxable year). Upon the receipt of an amount attributable to accrued market discount, the U.S. Holder may recognise U.S. source exchange gain or loss (which will be taxable as ordinary income or loss) determined in the same manner as for accrued interest or OID. A U.S. Holder that does not elect to include market discount in income currently will recognise, upon the disposition or maturity of the Note, the U.S. dollar value of the amount accrued, calculated at the spot rate on that date, and no part of this accrued market discount will be treated as exchange gain or loss.

Bond Premium

Bond premium (including acquisition premium) on a Note that is denominated in, or determined by reference to, a foreign currency, will be computed in units of the foreign currency, and any such bond premium that is taken into account currently will reduce interest income in units of the foreign currency. On the date bond premium offsets interest income, a U.S. Holder may recognise U.S. source exchange gain or loss (taxable as ordinary income or loss) equal to the amount offset multiplied by the difference between the spot rate in effect on the date of the offset and the spot rate in effect on the date the Notes were acquired by the U.S. Holder. A U.S. Holder that does not elect to take bond premium (other than acquisition premium) into account currently will recognise a market loss when the Note matures.

Foreign Currency Contingent Notes

Special rules apply to determine the accrual of OID and the amount, timing, source and character of any gain or loss on a Contingent Note that is denominated in, or determined by reference to, a foreign currency (a "**Foreign Currency Contingent Note**"). The rules applicable to Foreign Currency Contingent Notes are complex and U.S. Holders are urged to consult their tax advisers concerning the application of these rules.

Under these rules, a U.S. Holder of a Foreign Currency Contingent Note will generally be required to accrue OID in the foreign currency in which the Foreign Currency Contingent Note is denominated (i) at a yield at which the relevant Issuer would issue a fixed rate debt instrument denominated in the same foreign currency with terms and conditions similar to those of the Foreign Currency Contingent Note, and (ii) in accordance with a projected payment schedule determined by the relevant Issuer, under rules similar to those described above under "*Contingent Payment Debt Instruments*". The amount of OID on a Foreign Currency Contingent Note that accrues in any accrual period will be the product of the comparable yield of the Foreign Currency Contingent Note (adjusted to reflect the

length of the accrual period) and the adjusted issue price of the Foreign Currency Contingent Note. The adjusted issue price of a Foreign Currency Contingent Note will generally be determined under the rules described above and will be denominated in the foreign currency of the Foreign Currency Contingent Note.

OID on a Foreign Currency Contingent Note will be translated into U.S. dollars under translation rules similar to those described above under "Foreign Currency Notes — Interest". Any positive adjustment (i.e. the excess of actual payments over projected payments) in respect of a Foreign Currency Contingent Note for a taxable year will be translated into U.S. dollars at the spot rate on the last day of the taxable year in which the adjustment is taken into account, or if earlier, the date on which the Foreign Currency Contingent Note is disposed of. The amount of any negative adjustment on a Foreign Currency Contingent Note (i.e. the excess of projected payments over actual payments) that is offset against accrued but unpaid OID will be translated into U.S. dollars at the same rate at which the OID was accrued. To the extent a net negative adjustment exceeds the amount of accrued but unpaid OID, the negative adjustment will be treated as offsetting OID that has accrued and been paid on the Foreign Currency Contingent Note and will be translated into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was issued. Any net negative adjustment carry forward will be carried forward in the relevant foreign currency.

Sale or Retirement

Notes other than Foreign Currency Contingent Notes.

As discussed above under "*Purchase, Sale and Retirement of Notes*", a U.S. Holder will generally recognise gain or loss on the sale or retirement of a Note equal to the difference between the amount realised on the sale or retirement and its tax basis in the Note. A U.S. Holder's tax basis in a Note that is denominated in a foreign currency will be determined by reference to the U.S. dollar cost of the Note. The U.S. dollar cost of a Note purchased with foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase or the settlement date for the purchase, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, that are purchased by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects).

The amount realised on a sale or retirement for an amount in foreign currency will be the U.S. dollar value of this amount on the date of sale or retirement or the settlement date for the sale, in the case of Notes traded on an established securities market, as defined in the applicable Treasury Regulations, sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). Such an election by an accrual basis U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS.

A U.S. Holder will recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the sale or retirement of a Note equal to the difference, if any, between the U.S. dollar values of the U.S. Holder's purchase price for the Note (or, if less, the principal amount of the Note) (i) on the date of sale or retirement and (ii) the date on which the U.S. Holder acquired the Note. Any such exchange rate gain or loss will be realised only to the extent of total gain or loss realised on the sale or retirement (including any exchange gain or loss with respect to the receipt of accrued but unpaid interest).

Foreign Currency Contingent Notes.

Upon a sale, exchange or retirement of a Foreign Currency Contingent Note, a U.S. Holder will generally recognise taxable gain or loss equal to the difference between the amount realised on the sale, exchange or retirement and the U.S. Holder's tax basis in the Foreign Currency Contingent Note, both translated into U.S. dollars as described below. A U.S. Holder's tax basis in a Foreign Currency Contingent Note will equal (i) the cost thereof (translated into U.S. dollars at the spot rate on the issue date), (ii) increased by the amount of OID previously accrued on the Foreign Currency Contingent Note (disregarding any positive or negative adjustments and translated into U.S. dollars using the exchange rate applicable to such OID) and (iii) decreased by the projected amount of all prior payments in respect of the Foreign Currency Contingent Note. The U.S. dollar amount of the

projected payments described in clause (iii) of the preceding sentence is determined by (i) first allocating the payments to the most recently accrued OID to which prior amounts have not already been allocated and translating those amounts into U.S. dollars at the rate at which the OID was accrued and (ii) then allocating any remaining amount to principal and translating such amount into U.S. dollars at the spot rate on the date the Foreign Currency Contingent Note was acquired by the U.S. Holder. For this purpose, any accrued OID reduced by a negative adjustment carry forward will be treated as principal.

The amount realised by a U.S. Holder upon the sale, exchange or retirement of a Foreign Currency Contingent Note will equal the amount of cash and the fair market value (determined in foreign currency) of any property received. If a U.S. Holder holds a Foreign Currency Contingent Note until its scheduled maturity, the U.S. dollar equivalent of the amount realised will be determined by separating such amount realised into principal and one or more OID components, based on the principal and OID comprising the U.S. Holder's basis, with the amount realised allocated first to OID (and allocated to the most recently accrued amounts first) and any remaining amounts allocated to principal. The U.S. dollar equivalent of the amount realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be determined in a similar manner, but will first be allocated to principal and then any accrued OID (and will be allocated to the earliest accrued amounts first). Each component of the amount realised will be translated into U.S. dollars using the exchange rate used with respect to the corresponding principal or accrued OID. The amount of any gain realised upon a sale, exchange or unscheduled retirement of a Foreign Currency Contingent Note will be equal to the excess of the amount realised over the holder's tax basis, both expressed in foreign currency, and will be translated into U.S. dollars using the spot rate on the payment date. Gain from the sale or retirement of a Foreign Currency Contingent Note will generally be treated as interest income taxable at ordinary income (rather than capital gains) rates. Any loss will be ordinary loss to the extent that the U.S. Holder's total OID inclusions to the date of sale or retirement exceed the total net negative adjustments that the U.S. Holder took into account as ordinary loss, and any further loss will be capital loss. Gain or loss realised by a U.S. Holder on the sale or retirement of a Foreign Currency Contingent Note will generally be foreign source. Prospective purchasers should consult their tax advisers as to the foreign tax credit implications of the sale or retirement of Foreign Currency Contingent Notes.

A U.S. Holder will also recognise U.S. source exchange rate gain or loss (taxable as ordinary income or loss) on the receipt of foreign currency in respect of a Foreign Currency Contingent Note if the exchange rate in effect on the date the payment is received differs from the rate applicable to the principal or accrued OID to which such payment relates.

Disposition of Foreign Currency

Foreign currency received as interest on a Note or on the sale or retirement of a Note will have a tax basis equal to its U.S. dollar value at the time the foreign currency is received. Foreign currency that is purchased will generally have a tax basis equal to the U.S. dollar value of the foreign currency on the date of purchase. Any gain or loss recognised on a sale or other disposition of a foreign currency (including its use to purchase Notes or upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

U.S. Federal Income Tax Treatment of Certain Notes Not Treated as Debt

The following summary may apply to certain Notes that are not treated as debt for U.S. federal income tax purposes. This summary does not discuss all types of Notes that may not be treated as debt for U.S. federal income tax purposes. The applicable Product Prospectus or Final Terms will specify if the discussion below will apply to a particular Series or Tranche of Notes. The U.S. federal income tax consequences of owning Notes that are not treated as debt for U.S. federal income tax purposes and are not described below will be discussed, as appropriate, in the applicable Product Prospectus or Final Terms.

1. Forward Notes

General

A Note that provides for a payment in redemption at maturity that is based on the value of one or more commodities, currencies, equity securities, funds, indices, formulae or other factors relating to assets or property (each a "**Reference Item**") (whether physically settled by delivery of those Reference Items or settled in cash) and does not provide for a current coupon, may be identified as a "**Forward Note**" by the relevant Issuer in the applicable Product Prospectus or Final Terms. A U.S. Holder of a Forward Note would generally be subject to the U.S. federal income tax consequences discussed below.

In Notice 2008-2, the IRS and the U.S. Department of Treasury announced they were considering whether the holder of an instrument such as a Forward Note should be required to accrue ordinary income on a current basis, whether additional gain or loss from Forward Notes should be treated as ordinary or capital, whether non-U.S. holders of Forward Notes should be subject to withholding tax on any deemed income accruals, and whether the special "constructive ownership rules" of Section 1260 of the Internal Revenue Code might be applied to Forward Notes. Legislation has also been proposed in Congress that would require the holders of certain prepaid forward contracts to accrue income during the term of the transaction. It is not possible to predict the final form of legislative or regulatory changes that might affect holders of instruments such as the Forward Notes, if any, but it is possible that any such changes could be applied retroactively. U.S. Holders are urged to consult their tax advisers concerning the significance, and the potential impact, of the above considerations. The Issuers intend to continue treating the Forward Notes for U.S. federal income tax purposes in accordance with the treatment described below unless and until such time as Congress, the Treasury, and/or the IRS determine that some alternative treatment is more appropriate.

Characterisation

A Forward Note should constitute a prepaid forward contract for U.S. federal income tax purposes. Under current law, U.S. Holders should not be required to recognise income or loss upon the acquisition of a Note, and U.S. Holders should not be required to accrue income with respect to a Note over the life of the Note.

Purchase, Sale and Retirement

A U.S. Holder will recognise gain or loss on the sale or retirement for cash of a Forward Note equal to the difference between the amount of cash received upon sale or retirement and the U.S. Holder's tax basis in the Note. A U.S. Holder's tax basis in a Forward Note will generally be the Note's U.S. dollar cost. The U.S. dollar cost of a Forward Note purchased with a foreign currency will generally be the U.S. dollar value of the purchase price on the date of purchase increased by the nominal exercise price, if any, paid by the U.S. Holder. Except as provided under "*Constructive Ownership Transactions*" below, any gain or loss recognised on the sale or retirement of a Forward Note will be capital gain or loss and will be long-term capital gain or loss if the U.S. Holder's holding period in the Note exceeds one year.

Upon a retirement of a Forward Note by physical delivery of the Reference Items, a U.S. Holder will not be required to recognise gain or loss at that time. A U.S. Holder will have a basis in the Reference Items equal to the U.S. Holder's basis in the Forward Note. A U.S. Holder's holding period in the Reference Items will not include the U.S. Holder's holding period in the Forward Notes.

Constructive Ownership Transactions

To the extent that a Forward Note is treated as a "constructive ownership transaction", any gain on disposition may be treated as ordinary income and an interest charge may be imposed on a deemed underpayment of tax for each taxable year during which the Note was held. For purposes of determining the interest charge, gain treated as ordinary income is allocated to each such taxable year during which the Forward Note was held so that the amount of gain accrued from each year to

the next increases at a constant rate equal to the "**applicable federal rate**" (a rate published monthly by the IRS based on prevailing Treasury yields) in effect at the time the Note is sold or redeemed.

A Note could be treated in whole or in part as a constructive ownership transaction if the issuer of a Reference Item and, if the Reference Item is an index, possibly the issuer of any security included in that index is treated for U.S. federal income tax purposes as, among others, a passive foreign investment company, a partnership, a trust or a common trust fund.

The Issuers do not intend to determine whether the issuers of any Reference Item in fact fall in any of these categories. Prospective purchasers should consult their tax advisers regarding the status of the Reference Items and the application of the constructive ownership transaction rules to ownership of the Note.

2. Option Notes

A Note that provides for a payment in redemption at maturity that may under certain circumstances be based on the value of one or more Reference Items (whether physically settled by delivery of those Reference Items or settled in cash) and also provides for a current coupon, may be identified as an "**Option Note**" by the Issuers. The discussion below describes the U.S. federal income tax consequences to a U.S. Holder of holding Option Notes.

The treatment of Option Notes for U.S. federal income tax purposes is highly uncertain. It would be reasonable to treat the purchase of an Option Note by a U.S. Holder as a grant by the U.S. Holder to the relevant Issuer of an option contract (the "**Put Option**"), pursuant to which the U.S. Holder may be required to purchase from the relevant Issuer one or more of the Reference Items (or an amount equal to the value of the Reference Items in the case of a cash-settled Option Note), and under which option (a) at the time of the issuance of the Option Note the U.S. Holder deposits irrevocably with the relevant Issuer a fixed amount of cash to assure the fulfilment of the holder's purchase obligation described below (the "**Deposit**"), (b) until maturity the relevant Issuer will be obligated to pay interest to the U.S. Holder, as compensation for the use of the cash Deposit during the term of the Option Note, (c) the relevant Issuer will be obligated to pay an option premium to the holder in consideration for granting the option (the "**Put Premium**"), which premium will be payable as part of the coupon payments, (d) if pursuant to the terms of the Option Notes at maturity the holder is obligated to purchase the Reference Item(s), then the Deposit will be applied by the relevant Issuer in full satisfaction of the holder's purchase obligation under the Put Option, and the relevant Issuer will deliver to the holder the number of Reference Items that the holder is entitled to receive at that time pursuant to the terms of the Notes (or, if the Option Notes are cash settled, a cash amount equal to the value of the Reference Items), and (e) if pursuant to the terms of the Option Notes the holder is not obligated to purchase the Reference Items at maturity, the relevant Issuer will return the cash Deposit to the U.S. Holder at maturity. The discussion below assumes that an Option Note is so treated, except as explicitly provided.

Amounts paid to the relevant Issuer in respect of the original issue of the Option Notes will be treated as allocable in their entirety to the amount of the cash Deposit attributable to such Notes. A portion of the coupon on the Notes (which coupon may be denominated entirely as stated interest) will be characterised as interest payable on the amount of such Deposit, includible in the income of a U.S. Holder as interest in the manner described below. A portion of the coupon will be characterised as Put Premium, includible in the income of a U.S. Holder in the manner described below. There is no assurance that the IRS will agree with this treatment and alternative treatments of the Option Notes could result in less favourable U.S. federal income tax consequences to a holder, including a requirement to accrue income with respect to the Put Option on a current basis.

Interest Payments

Interest payments on the Deposit will generally be included in the income of a U.S. Holder as interest at the time that such interest is accrued or received in accordance with such U.S. Holder's method of accounting. If the Option Notes are issued at a discount or have a term of one year or less, U.S. Holders will be subject to the rules discussed above under "*U.S. Federal Income Tax Treatment of Notes Treated as Debt – Original Issue Discount*" with respect to interest or OID payable on the

Deposit. Interest paid by the relevant Issuer and OID, if any, accrued with respect to the Option Notes, generally constitute income from sources outside the United States.

Payments of Put Premium

Payments of the Put Premium will not be included in the income of a U.S. Holder until sale or other taxable disposition of Option Notes or retirement of Option Notes for cash; if the Option Note is settled by delivery of Reference Items, the payments of Put Premium will instead be incorporated into the U.S. Holder's basis in such Reference Items. Upon the sale or other taxable disposition of Option Notes or at maturity, as the case may be, the Put Premium payment will be treated in the manner described below.

Retirement of an Option Note for Cash

If the Put Option is deemed not to have been exercised at maturity, the cash payment of the full principal amount of the Option Note at maturity would likely be treated as (i) payment in full of the principal amount of the Deposit (which would likely not result in the recognition of gain or loss to an initial purchaser) and (ii) the lapse of the Put Option, which would likely result in a U.S. Holder's recognition of short-term capital gain in an amount equal to the Put Premium paid to the holder.

If the Put Option is deemed to be exercised at maturity and is cash-settled, the payment at maturity would likely be treated as (i) payment in full of the principal amount of the Deposit (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by the relevant Issuer of the Put Option. The exercise of the Put Option would result in short-term capital gain or loss to the U.S. Holder in an amount equal to the difference between (i) the sum of the cash received at maturity (other than amounts attributable to accrued but unpaid interest) and all previous payments of Put Premium and (ii) the holder's adjusted basis in the Deposit, as determined under "*U.S. Federal Income Tax Treatment of Notes Treated as Debt – Purchase, Sale and Retirement of Notes*".

Other Retirement of an Option Note

Delivery at maturity of Reference Items would likely be treated as (i) payment in full of the Deposit (resulting in neither gain nor loss for an initial purchaser) and (ii) the exercise by the relevant Issuer of the Put Option and the U.S. Holder's purchase of the Reference Items for an amount equal to the principal amount of the Option Note. The U.S. Holder will have a tax basis in the Reference Items equal to the principal amount of the Option Notes less an amount equal to the aggregate amount of the Put Premium payments and less the portion of the tax basis of the Option Notes allocable to any fractional Reference Item, as described in the next sentence. A U.S. Holder will recognise gain or loss (which will be treated as short-term capital gain or loss) with respect to cash received in lieu of fractional Reference Items, in an amount equal to the difference between the cash received and the portion of the basis of the Option Notes allocable to fractional Reference Items (based on the relative value of fractional Reference Items and full Reference Items delivered to the U.S. Holder). A U.S. Holder's holding period in the Reference Items received will not include the U.S. Holder's holding period in the Option Notes.

Sale or Other Taxable Disposition of an Option Note Prior to Maturity

Upon the sale or other taxable disposition of an Option Note, a U.S. Holder should allocate the amount received between the Deposit and the Put Option on the basis of their respective values on the date of sale or other disposition. The U.S. Holder should generally recognise gain or loss with respect to the Deposit in an amount equal to the difference between the amount of the sales proceeds allocable to the Deposit and the U.S. Holder's adjusted tax basis in the Deposit (which will generally equal the issue price of the Option Note for an initial purchaser (as may be adjusted for any accrued OID on the Deposit)). Except to the extent attributable to accrued but unpaid interest, which will be taxed as such, this gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Option Notes for more than one year. If the Put Option has a positive value on the date of a sale of the Option Note, the U.S. Holder should recognise short-term capital gain equal to the portion of the sale proceeds allocable to the Put Option plus any previously received Put Premium. If the put option has a negative value on the date of sale, the U.S. Holder should be treated as having paid the buyer

an amount equal to the negative value in order to assume the U.S. Holder's rights and obligations under the Put Option. In such a case, the U.S. Holder should recognise short-term capital gain or loss in an amount equal to the difference between the total Put Premium previously received and the amount of the payment deemed made by the U.S. Holder with respect to the assumption of the Put Option.

Foreign Currency Option Notes

Option Notes denominated in, or determined by reference to, a foreign currency ("**Foreign Currency Option Notes**") will be subject to special rules. Interest and OID denominated in, or determined by reference to, a foreign currency will generally be subject to the rules described in "*U.S. Federal Income Tax Treatment of Notes Treated as Debt – Foreign Currency Notes*" above.

The treatment upon the sale, retirement or disposition of the Deposit, as described above, should also be governed by the rules described under "*U.S. Federal Income Tax Treatment of Notes Treated as Debt – Foreign Currency Notes*" above, regardless of whether the Option Note is cash settled. A U.S. Holder will have a tax basis in any Reference Items received in an amount equal to the excess of the purchase price of the Option Note, translated into U.S. dollars at the exchange rate in effect on the date of retirement, over the total premium payments received, with each premium likely translated into U.S. dollars at the exchange rate in effect on the date that it is received. U.S. Holders should consult their tax advisers about the proper method for translating foreign currency with respect to an Option Note into U.S. dollars.

Possible Alternative Characterisations

Due to the absence of authority as to the proper characterisation of the Option Notes, no assurance can be given that the IRS will accept, or that a court will uphold, the characterisation and tax treatment described above. It is possible, for example, that the IRS could maintain that amounts denominated as Put Premium (i) should be includible in the U.S. Holder's income as interest in the manner described above regarding the interest payment, or (ii) should be included in a U.S. Holder's income even in a case where the Option Notes are retired for Reference Items. Such treatment might arise, for example, if the IRS were successfully to maintain that amounts denominated as Put Premium (i) should be characterised for federal income tax purposes as interest, or (ii) should be treated as a return on the U.S. Holder's investment in the Option Notes that constitutes income. Alternatively, the IRS could maintain that the Option Notes should be treated as contingent payment debt obligations, in which case the U.S. Holder would be treated as owning Contingent Notes (or Foreign Currency Contingent Notes), subject to the treatment discussed above under "*U.S. Federal Income Tax Treatment of Notes Treated as Debt*".

Backup Withholding and Information Reporting

In general, payments of interest and accruals of OID on, and the proceeds of a sale, redemption or other disposition of, the Notes payable to a U.S. Holder by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding will apply to these payments, including payments of OID, if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

Reportable Transactions

A U.S. taxpayer that participates in a "reportable transaction" will be required to disclose its participation to the IRS. Under the relevant rules, if the Notes are denominated in a foreign currency, a U.S. Holder may be required to treat a foreign currency exchange loss from the Notes as a reportable transaction if this loss exceeds the relevant threshold in the regulations (U.S.$50,000 in a single taxable year, if the U.S. Holder is an individual or trust, or higher amounts for other non-individual U.S. Holders), and to disclose its investment by filing Form 8886 with the IRS. A penalty in

the amount of U.S.$10,000 in the case of a natural person and U.S.$50,000 in all other cases is generally imposed on any taxpayer that fails to timely file an information return with the IRS with respect to a transaction resulting in a loss that is treated as a reportable transaction. Prospective purchasers are urged to consult their tax advisers regarding the application of these rules.

Foreign Financial Asset Reporting

Recently enacted legislation imposes new reporting requirements on the holding of certain foreign financial assets, including debt and other financial instruments or contracts issued by foreign entities, if the aggregate value of all of these assets exceeds U.S.$50,000. The Notes are expected to constitute foreign financial assets subject to these requirements unless the Notes are regularly traded on an established securities market and held in an account at a domestic financial institution. U.S. Holders should consult their tax advisers regarding the application of this legislation.

Part B – Non-U.S. Holders

For purposes of this discussion, a "**Non-U.S. Holder**" means a beneficial owner of the Notes that is not a U.S. Holder.

Withholding on Dividend Equivalent Payments

Recently enacted U.S. legislation imposes a 30% U.S. withholding tax on payments that are directly or indirectly contingent upon, or determined by reference to, the payment of a dividend from a U.S. entity (a "**Dividend Equivalent Payment**"). The type of payments that constitute Dividend Equivalent Payments subject to this withholding tax is not entirely clear. Payments on Notes with equity in U.S. entities, or indices that include equity in U.S. entities, or that reference dividend payments made by U.S. entities, could become subject to this withholding tax. Non-U.S. Holders may not be able to claim the benefits of a double tax treaty to reduce this withholding. The relevant Issuer will not pay any additional amounts to the Non-U.S. Holders in respect of any U.S. withholding tax imposed on any Dividend Equivalent Payment. The application and interpretation of the rules governing U.S. withholding tax on Dividend Equivalent Payments is subject to change. Non-U.S. Holders should consult their tax advisers about the possibility of U.S. withholding tax on payments made on Notes.

Part C – All Holders

FATCA Withholding

On 18 March, 2010, the Hiring Incentives to Restore Employment Act was enacted, containing provisions from the former Foreign Account Tax Compliance Act of 2009 ("**FATCA**"). FATCA imposes a withholding tax of 30% on certain U.S. source payments and proceeds from the sale of certain assets that give rise to U.S. source payments, as well as a portion of certain payments by non-U.S. entities, to persons that fail to meet requirements under FATCA. This withholding tax may be imposed on (i) payments to the relevant Issuer if it does not enter into and comply with an agreement with the IRS (an "**IRS Agreement**") to obtain and report information about the holders of certain Notes, or (ii) a portion of payments to holders or beneficial owners of certain Notes, if the relevant Issuer does enter into an IRS Agreement and (a) is unable to obtain the necessary information from such holders or beneficial owners or (b) certain holders fail to meet requirements under FATCA. Withholding would be imposed from (x) 1 January, 2014 in respect of certain U.S. source payments made on or after that date, and (y) 1 January, 2015 in respect of proceeds from the sale of certain assets that give rise to U.S. source payments, and (z) 1 January, 2017 in respect of payments to financial institutions that have not entered an agreement with the IRS regarding compliance with (or otherwise established an exemption from) FATCA. Withholding should not be required with respect to payments on the Notes that are issued before 1 January, 2013, unless such Notes are treated as equity for U.S. tax purposes, have a perpetual maturity, or are materially modified on or after 1 January, 2013.

The future application of FATCA to the Issuers and the holders of Notes is uncertain, and it is not clear at this time what actions, if any, will be required to minimise any adverse impact of FATCA on the Issuers and the holders of Notes. It is currently the intention of the Issuers to enter into IRS Agreements. However, if the Issuers do not enter into IRS Agreements or an Issuer fails to comply

with the relevant IRS Agreement, and is therefore subject to the 30% withholding tax, such Issuer may have less cash to make interest and principal payments on the Notes.

Each holder of Notes should consult its own tax adviser to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its particular circumstances.

2. UNITED KINGDOM TAXATION

The following provides certain limited information in relation to the anticipated United Kingdom tax treatment in relation to the payments on the Notes, is based on the taxation law and practice in force at the date of this Base Prospectus and does not constitute legal or tax advice, and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and the receipt of any payments of interest with respect to such Notes under the laws of the jurisdictions in which they may be liable to taxation.

Withholding Tax

1. Payment of Interest on Notes issued by SCB

It is expected that interest (or premium) paid on Notes issued by SCB will have a UK source. Consequently, unless one of the exemptions referred to below is applicable, SCB will generally be required to withhold an amount on account of UK income tax at the basic rate (currently 20 per cent.) from any interest paid on the Notes or from any premium that is paid on redemption of the Notes that constitutes interest for UK tax purposes (as opposed to capital). References to "interest" in the remainder of this section entitled "Withholding Tax" include reference to any such premium.

SCB may pay interest on the Notes without withholding or deduction for or on account of UK income tax provided that (i) SCB is and continues to be a bank within the meaning of section 991 of the Income Tax Act 2007 ("**ITA**") and (ii) the interest is paid in the ordinary course of SCB's business (within the meaning of section 878 ITA). According to the published statement of practice of HM Revenue & Customs ("**HMRC**"), interest will be regarded as paid in the ordinary course of business within the meaning of section 878 ITA unless the transaction giving rise to the interest is primarily attributable to an intention to avoid UK tax or the borrowing relates to the capital structure of the bank. For this purpose, borrowing relates to the capital structure of the bank if it is within the definitions of Tier 1, 2 or 3 capital adopted by the Bank of England, whether or not the borrowing counts towards Tier 1, 2 or 3 capital for regulatory purposes.

Payments of interest on Notes issued by SCB may also be made without withholding or deduction for or on account of UK income tax if such Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 ITA. The Luxembourg Stock Exchange is a recognised stock exchange for these purposes. Notes will be treated as listed on the Luxembourg Stock Exchange if they are both admitted to trading on the Luxembourg Stock Exchange and are officially listed in Luxembourg in accordance with provisions corresponding to those generally applicable in countries in the European Economic Area. Interest on Notes that are and remain so listed should therefore be payable without withholding or deduction for or on account of UK income tax.

Interest on Notes issued by SCB may also be paid without withholding or deduction for or on account of UK income tax where the maturity of such Notes is less than 365 days from the date of issue provided that such Notes are not issued under arrangements the effect of which is to render such Notes part of a borrowing with a total term of a year or more. HMRC issued a consultation document on 27 March 2012 entitled "Possible changes to income tax rules on interest", in which the United Kingdom Government has invited views on repealing this exemption from withholding or deducting for or on account of income tax.

Interest on Notes issued by SCB may also be paid without withholding or deduction for or on account of UK income tax where, at the time the payment is made, SCB reasonably believes (and any person by or through whom interest on such Notes is paid reasonably believes) that the person beneficially

entitled to the interest is a UK resident company or a non-UK resident company which carries on a trade in the UK through a permanent establishment and brings the interest into account in calculating the profits of that permanent establishment. This exemption may, however, be disapplied by HMRC giving a direction (in circumstances where it has reasonable grounds to believe that the above exemption is not available in respect of such payment of interest at the time the payment is made) that the interest should be paid under deduction of UK income tax.

Where none of the above exemptions apply such that SCB is prima facie required to withhold an amount on account of UK income tax from payments of interest on the Notes, the terms of an applicable double tax treaty may provide for a lower rate of withholding tax (or for no tax to be withheld) in relation to a particular Noteholder. In such circumstances, upon application to HMRC by the relevant Noteholder, HMRC may issue a notice to SCB permitting it to pay interest to that Noteholder without deduction of tax (or for interest to be paid with tax deducted at the lower rate provided for in the relevant double tax treaty).

2. Payment of Interest on Notes issued by SCBHK

For so long as SCBHK does not issue Notes out of or for the purpose of a permanent establishment in the UK, payments of interest on the Notes should not generally be regarded as having a UK source for UK tax purposes. Consequently, payments of interest (or any premium) on the Notes may generally be made without withholding or deduction for or on account of UK income tax.

3. No obligation to gross-up payments

Potential purchasers of Notes should be aware that neither SCB nor SCBHK is obliged to gross up or otherwise increase any payment in respect of any Notes which is subject to deduction or withholding, including any deduction or withholding for or on account of UK income tax. Accordingly, should any such deduction or withholding be or become applicable to any such payment by SCB or SCBHK in respect of any Notes, then the actual amount received by the Noteholder may be less than it would have been in the absence of such deduction or withholding. Pursuant to the terms of any applicable double taxation treaty or domestic legislation, a Noteholder who receives a payment which has been subject to a deduction or withholding, may be able to claim repayment of or a credit in respect of the amount withheld or deducted.

Information powers

Noteholders who are individuals may wish to note that HMRC has power to obtain information (including the name and address of the beneficial owner of the interest) from any person in the UK who either pays interest to or receives interest for the benefit of an individual. HMRC also has power to obtain information from any person in the UK who pays amounts payable on the redemption of Notes which are deeply discounted securities for the purposes of the Income Tax (Trading and Other Income) Act 2005 ("**ITTOIA**") to, or receives such amounts for the benefit of an individual, although HMRC published practice indicates that it would not exercise its power to require this information where such amounts were paid or received on or before 5 April, 2013. Such information may include the name and address of the beneficial owner of the amount payable on redemption. Any information obtained may, in certain circumstances, be exchanged by HMRC with the tax authorities of the jurisdiction in which the Noteholder is resident for tax purposes.

Taxation of Returns on the Notes (including on redemption or other disposal)

The summary contained in this section applies only to Noteholders who are resident and in the case of an individual, ordinarily resident and domiciled, for tax purposes in the UK and who are the absolute beneficial owners of the Notes and hold their notes as an investment. Certain categories of Noteholders, such as traders, broker-dealers, insurance companies, collective investment schemes, pension funds and Noteholders who have (or are deemed to have) acquired their shares by virtue of an office or employment, may be subject to special rules and this summary does not apply to such Noteholders.

1. Corporate Noteholders

The tax treatment of a Noteholder that is within the charge to UK corporation tax (including non-resident Noteholders whose Notes are used, held or acquired for the purposes of a trade carried on in the UK though a permanent establishment) in respect of Notes which are loan relationships for UK tax purposes will generally be dependent on the Noteholder's accounting treatment in respect of the Notes (including, in particular, as to whether the Notes are to be bifurcated into a host contract and an embedded derivative in the Noteholder's accounts).

Noteholders within the charge to corporation tax are therefore recommended to consult their own accounting and tax advisers on the tax implications of acquiring, holding and disposing of Notes in light of the particular terms of the Notes.

2. Individual Noteholders

Noteholders who are individuals and who are resident or ordinarily resident for tax purposes in the UK or who carry on a trade, profession or vocation in the UK through a branch or agency to which the Notes are attributable will generally be liable to UK income tax on the amount of any interest received in respect of the Notes.

Notes that are deeply discounted securities

Notes may fall to be treated as deeply discounted securities for the purposes of Chapter 8 of Part 4 of ITTOIA where the amount payable on maturity or any other possible occasion of redemption (including conversion) will or could exceed the Issue Price by a percentage greater than the percentage figure equal to one half the number of years between the issue date and the redemption date, where this is less than 30 years (subject to adjustment to take into account of incomplete years), or 15 per cent. in other cases.

Where a Note falls to be treated as a deeply discounted security, any profit made by an individual resident for tax purposes in the UK on the transfer (including redemption) of the Notes is generally taxed as income. In calculating any gain or loss on disposal of a Note, sterling values may be compared at acquisition and transfer. Accordingly, a taxable profit may arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for the Note.

Noteholders are advised to seek tax advice on whether Notes are deeply discounted securities in light of the terms of the relevant Notes.

Notes that are not deeply discounted securities

The following applies to Notes that do not fall to be treated as deeply discounted securities for the purposes of Chapter 8 of Part 4 of ITTOIA.

If the Notes are "qualifying corporate bonds" within the meaning of section 117 of the Taxation of Chargeable Gains Act 1992 ("**TCGA**") then, for the purposes of taxation of capital gains, a disposal of the Notes will not generally give rise to either a chargeable gain or an allowable loss. A Note will generally be a "qualifying corporate bond" if the debt it represents is a normal commercial loan (as defined in Section 117(1) TCGA) and the Note is expressed in sterling and does not contain any provision for conversion or redemption into a currency other than sterling.

If the Notes are not "qualifying corporate bonds" within the meaning of section 117 TCGA, then a disposal of a Note by a Noteholder resident or ordinarily resident for tax purposes in the UK or who carries on a trade, profession or vocation in the UK through a branch or agency to which the Note is attributable may give rise to a chargeable gain or allowable loss for the purposes of taxation of capital gains. In calculating any gain or loss on disposal of a Note, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for the Note.

A transfer of a Note by a Noteholder resident or ordinarily resident for tax purposes in the UK or who carries on a trade, profession or vocation in the UK through a branch or agency to which the Note is attributable may give rise to a charge to tax on income in respect of "accrued income profits" under the provisions of Chapter 2 of Part 12 of ITA. If the Notes are "variable rate securities" for the purposes of Chapter 2 of Part 12 of ITA, then the amount charged is such amount as is just and reasonable, and a transferee of such Notes will not be entitled to any corresponding allowance under Chapter 2 of Part 12 ITA (Accrued Income Profits and Losses).

Where Notes are to be, or may fall to be, redeemed at a premium as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest. Payments of interest are subject to UK withholding tax and reporting requirements as outlined above.

Convertibles/Exchangeables

The tax treatment of Notes which are convertible or exchangeable or otherwise contemplate physical settlement are complex and will depend upon the precise terms of the Notes. Prospective Noteholders should obtain their own professional advice in relation to the tax consequences to them of holding such Notes.

Stamp Duty/SDRT

Depending upon the terms and conditions of the relevant Notes (including whether the Notes are in bearer or registered form), UK stamp duty or SDRT may be payable on the issue, on the subsequent transfer or on the settlement by physical delivery of such Notes. Prospective investors should consult their own professional advisers in respect of the UK stamp duty or SDRT treatment of any such Notes.

EU Savings Directive

For further details see the paragraph entitled “EU Savings Directive” at the end of the “Taxation” section.

3. LUXEMBOURG TAXATION

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes, Receipts, Coupons and Talons should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*contribution au fonds pour l'emploi*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*impôt de solidarité*) as well as personal income tax (*impôt sur le revenu*) generally. Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

Withholding Tax

1. Non-resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June, 2005, as amended (the “**Laws**”), there is no Luxembourg withholding tax on payments of principal, premium or

interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or, repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the European Council Directive 2003/48/EC of 3 June, 2003 (the "**Directive**") on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent.

Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent (as defined in the Directive). Payments of interest under the Notes coming within the scope of the Laws will be subject to withholding tax at a rate of 35 per cent.

2. Resident Holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended, (the "**Law**"), there is no Luxembourg withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10%. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent.

Income Taxation

1. Non-resident Holders of Notes

A non-resident holder of Notes, not having a permanent establishment or permanent representative in Luxembourg to which such Notes are attributable, is not subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts under the Notes. A gain realised by such non-resident holder of Notes on the sale or disposal, in any form whatsoever, of the Notes is further not subject to Luxembourg income tax.

A non-resident corporate holder of Notes or an individual holder of Notes acting in the course of the management of a professional or business undertaking, who has a permanent establishment or permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg income tax on interest accrued or received, redemption premiums or issue discounts, under the Notes and on any gains realised upon the sale or disposal of the Notes, in any form whatsoever, as well as on a gain realised on the exercise, settlement or transfer of the Notes where redemption will be by Physical Delivery.

2. Resident Holders of Notes

Luxembourg resident corporate holder of Notes

A corporate holder of Notes must include any interest accrued or received, any redemption premium or issue discount, as well as any gain realised on the sale or disposal, in any form whatsoever, of the Notes, as well as on any gain realised on the exercise, settlement or transfer of the Notes where redemption will be by Physical Delivery, in its taxable income for Luxembourg income tax assessment purposes.

A corporate holder of Notes that is governed by the law of 11 May, 2007 on family estate management companies, or by the law of 17 December, 2010 on undertakings for collective investment, or by the law of 13 February, 2007 on specialised investment funds, as amended, is neither subject to Luxembourg income tax in respect of interest accrued or received, any redemption premium or issue discount, nor on gains realised on the sale or disposal, in any form whatsoever, of the Notes.

Luxembourg resident individual holder of Notes

An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Law, or (ii) the individual holder of the Notes has opted for the application of a 10% tax in full discharge of income tax in accordance with the Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), or in a state that has entered into a treaty with Luxembourg relating to the Savings Directive.

A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal of Notes, in any form whatsoever, as well as on a gain realised on the exercise, settlement or transfer of the Notes where redemption will be by Physical Delivery, is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Law.

An individual holder of Notes acting in the course of the management of a professional or business undertaking must include this interest in its taxable basis. If applicable, the tax levied in accordance with the Law will be credited against his/her final tax liability.

Net Wealth Taxation

A corporate holder of Notes, whether it is resident of Luxembourg for tax purposes or, if not, it maintains a permanent establishment or a permanent representative in Luxembourg to which such Notes are attributable, is subject to Luxembourg wealth tax on such Notes, except if the holder of Notes is governed by the laws of 11 May, 2007 on family estate management companies, or by the law of 17 December, 2010 on undertakings for collective investment, or by the law of 13 February, 2007 on specialised investment funds, as amended, or is a securitisation company governed by the law of 22 March, 2004 on securitisation, as amended, or is a capital company governed by the law of 15 June, 2004 on venture capital vehicles, as amended.

An individual holder of Notes, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg wealth tax on such Notes.

Other Taxes

In principle, neither the issuance nor the transfer, repurchase or redemption of Notes will give rise to any Luxembourg registration tax or similar taxes.

However, a nominal registration duty may be due upon the registration of the Notes in Luxembourg in the case of legal proceedings before Luxembourg courts or in case the Notes must be produced before an official Luxembourg authority, or in the case of a registration of the Notes on a voluntary basis.

Where a holder of Notes is a resident of Luxembourg for tax purposes at the time of his/her death, the Notes are included in his/her taxable estate for inheritance tax assessment purposes.

Gift tax may be due on a gift or donation of Notes if embodied in a Luxembourg deed passed in front of a Luxembourg notary or recorded in Luxembourg.

4. HONG KONG TAXATION

Withholding Tax

No withholding tax is payable in Hong Kong in respect of payments of principal or interest in respect of the Notes or in respect of any capital gains arising from the sale of the Notes.

Capital Gains Tax

No capital gains tax is payable in Hong Kong on any capital gains arising from resale of the Notes.

Profits Tax

Hong Kong profits tax is chargeable on every person carrying on a trade, profession or business in Hong Kong in respect of profits arising in or derived from Hong Kong from such trade, profession or business (excluding profits arising from the sale of capital assets).

Under the Inland Revenue Ordinance (Cap. 112 of the Laws of Hong Kong) (the "**Inland Revenue Ordinance**") as it is currently applied by the Inland Revenue Department of Hong Kong, interest on the Notes is not subject to Hong Kong profits tax except under the following circumstances:

(a) interest on the Notes is derived from Hong Kong and is received by or accrues to a company carrying on a trade, profession or business in Hong Kong;

(b) interest on the Notes is derived from Hong Kong and is received by or accrues to a person other than a company carrying on a trade, profession or business in Hong Kong and is in respect of the funds of that trade, profession or business; or

(c) interest on the Notes is received by or accrues to a financial institution (as defined in the Inland Revenue Ordinance) and arises through or from the carrying on by the financial institution of its business in Hong Kong.

Sums received by or accrued to a financial institution by way of gains or profits arising through or from the carrying on by the financial institution of its business in Hong Kong from the sale, disposal or redemption of Bearer Notes will be subject to profits tax.

Sums derived from the sale, disposal or redemption of Bearer Notes will be subject to Hong Kong profits tax where received by or accrued to a person, other than a financial institution, who carries on a trade, profession or business in Hong Kong and the sum has a Hong Kong source. Similarly, such sums in respect of Registered Notes received by or accrued to either the aforementioned person and/or a financial institution will be subject to Hong Kong profits tax if such sums have a Hong Kong source. The source of such sums will generally be determined by having regard to the manner in which the Notes are acquired and disposed.

Stamp Duty

Stamp duty will not be payable on the issue of Bearer Notes provided either:

(a) such Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) such Notes constitute loan capital (as defined in the Stamp Duty Ordinance (Cap. 117) of the Laws of Hong Kong) (the "**Stamp Duty Ordinance**").

If stamp duty is payable, it is payable by the relevant Issuer on issue of Bearer Notes at a rate of three per cent. of the market value of the Notes at the time of issue.

No stamp duty will be payable on any subsequent transfer of Bearer Notes.

No stamp duty is payable on the issue of Registered Notes. Stamp duty may be payable on any transfer of Registered Notes if the relevant transfer is required to be registered in Hong Kong. Stamp duty will, however, not be payable on any transfers of Registered Notes provided that either:

(a) the Registered Notes are denominated in a currency other than the currency of Hong Kong and are not repayable in any circumstances in the currency of Hong Kong; or

(b) the Registered Notes constitute loan capital (as defined in the Stamp Duty Ordinance).

If stamp duty is payable in respect of the transfer of Registered Notes, it will be payable at the rate of 0.2 per cent. (of which 0.1 per cent. is payable by the seller and 0.1 per cent. is payable by the purchaser) normally by reference to the value of the consideration. If, in the case of either the sale or purchase of such Registered Notes, stamp duty is not paid, both the seller and the purchaser may be liable jointly and severally to pay any unpaid stamp duty and also any penalties for late payment. If stamp duty is not paid on or before the due date (two days after the sale or purchase if effected in Hong Kong or 30 days if effected elsewhere) a penalty of up to 10 times the duty payable may be imposed. In addition, stamp duty is payable at the fixed rate of HK$5 on each instrument of transfer executed in relation to any transfer of the Registered Notes if the relevant transfer is required to be registered in Hong Kong.

Estate Duty

No estate duty will be payable in respect of Bearer Notes and Registered Notes.

5. SINGAPORE TAXATION

The statements made below are of a general nature and are based on certain aspects of current tax laws in Singapore and administrative guidelines issued by the Monetary Authority of Singapore ("**MAS**") in force as of the date of this Base Prospectus and are subject to any changes in such laws or administrative guidelines, or the interpretation of those laws or guidelines, occurring after such date, which changes could be made on a retroactive basis.

Neither these statements nor any other statements in this Base Prospectus are intended or are to be regarded as advice on the tax position of any Noteholder or of any person acquiring, selling or otherwise dealing in the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and there may be additional taxation issues arising from particular types of Notes which have not been addressed in the statements. The statements also do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive tax incentive(s)) may be subject to special rules or tax rates. The statements also does not consider any specific facts or circumstances that may apply to any particular purchaser. Prospective purchasers of Notes should consult their own professional advisers regarding their respective tax positions or any tax implications of the purchase, ownership or transfer of Notes.

General

A company is tax resident in Singapore if the control and management of its business is exercised in Singapore. An individual is tax resident in Singapore in a year of assessment if, in the preceding year, he was physically present in Singapore or exercised an employment in Singapore (other than as a director of a company) for 183 days or more, or if he resides in Singapore.

Corporate taxpayers who are Singapore tax residents are subject to Singapore income tax on income accrued in or derived from Singapore and, subject to certain exceptions, on foreign-sourced income received or deemed to be received in Singapore from outside Singapore.

However, foreign-sourced income in the form of, amongst certain other things, dividends received or deemed to be received in Singapore by Singapore tax residents on or after 1 June, 2003 will be exempt from income tax if certain prescribed conditions are met. The conditions for the exemption of foreign-sourced dividends include that the recipient must receive such income directly from a jurisdiction with a headline (or highest published) corporate rate of income tax on gains or profits from a trade or business of at least 15 per cent. and the foreign-sourced dividends (or the underlying income out of which the dividends were paid) must have been subject to tax in the foreign jurisdiction.

Certain concessions and clarifications have also been announced by the Inland Revenue Authority of Singapore ("**IRAS**") with respect to the above conditions.

Non-resident corporate taxpayers are subject to income tax on income accrued in or derived from Singapore, and on foreign-sourced income received in Singapore, subject to certain exceptions.

The corporate tax rate in Singapore is 17 per cent. with effect from the year of assessment 2010.

In addition, three-quarters of up to the first S$10,000 of a company's chargeable income, and one-half of up to the next S$290,000 is exempt from corporate tax with effect from the year of assessment 2008. The remaining chargeable income (after the tax exemption) will be taxed at the prevailing corporate tax rate. New and existing "start-up" companies will, subject to certain conditions, be eligible for full tax exemption on their normal chargeable income of up to S$100,000 and one-half of up to the next S$200,000 of chargeable income a year for each of the company's first three years of assessment. The remaining chargeable income (after the tax exemption) will be taxed at the applicable corporate tax rate. Individual taxpayers who are Singapore tax residents are subject to Singapore income tax on income accrued in or derived from Singapore except for certain specified investment income.

All foreign-sourced income received (except for income received through a partnership in Singapore) in Singapore on or after 1 January, 2004 by Singapore tax resident individuals will be exempt from income tax if the Comptroller is satisfied that the tax exemption would be beneficial to the individual.

Non-resident individuals, subject to certain exceptions, are subject to income tax on income accrued in or derived from Singapore.

The rate of tax for Singapore resident individuals is tiered, subject to a maximum rate of 20 per cent. with effect from the year of assessment 2007. Non-Singapore resident individuals are generally subject to tax at a rate equivalent to the top individual marginal tax rate, subject to certain exceptions.

Dividends paid by Singapore tax resident companies

With effect from 1 January, 2008, all Singapore-resident companies are under the one-tier corporate tax system. Under this system, the tax on corporate profits is final and dividends paid by a Singapore resident company will be tax exempt in Singapore in the hands of a shareholder, regardless of whether the shareholder is a company or an individual and whether or not the shareholder is a Singapore tax resident.

Interest and Other Payments on the Notes

Subject to the following paragraphs, under section 12(6) of the Income Tax Act, Chapter 134 of Singapore (the "**ITA**"), the following payments are deemed to be derived from Singapore:

(a) any interest, commissions, fees or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15% final withholding tax described below) to non-resident persons (other than non-resident individuals) is 17% with effect from the year of assessment 2010. The applicable rate for non-resident individuals is 20%. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15%. The rate of 15% may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January, 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February, 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February, 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

Exemption from Withholding Tax for payments made by Licensed Banks etc.

Payments falling within Section 12(6) of the ITA and made by certain specified financial institutions (including a bank licensed under the Banking Act, Chapter 19 of Singapore) to persons who are non-tax-residents (excluding permanent establishments in Singapore) and which are:

(a) liable to be made under a contract which takes effect between 1 April 2011 and 31 March 2021 (both dates inclusive);

(b) are liable to be made:

  (i) under a contract which is extended or renewed, where the extension or renewal takes effect between 1 April 2011 and 31 March 2021 (both dates inclusive); and

  (ii) on or after the date on which such extension or renewal takes effect; or

(c) liable to be made under a debt security issued between 1 April 2011 and 31 March 2021 (both dates inclusive).

are exempt from income tax, provided that the payments are:

(a) made for the purpose of the trade or business of the specified financial institutions; and

(b) do not arise from transactions to which the general anti-avoidance provision in Section 33 of the ITA applies.

With effect from 17 February 2012, the specified financial institutions are no longer required to withhold tax on payments falling within Section 12(6) of the ITA which they are liable to make to permanent establishments in Singapore of a non-resident person:

(a) between 17 February 2012 and 31 March 2021 on contracts that take effect before 17 February 2012; and

(b) on or after 17 February 2012 on contracts that take effect between 17 February 2012 to 31 March 2021.

Notwithstanding the preceding paragraph, permanent establishments in Singapore of a non-resident person are required to declare such payments in their annual income tax returns and will be assessed to tax on such payments (unless specifically exempt from tax).

Qualifying Debt Securities Scheme

In addition, if the dealers for more than half of the principal amount of a tranche of Notes issued as debt securities under the Programme during the period from the date of this Base Prospectus to 31 December, 2013 are:

(a) financial institutions who have been awarded "Financial Sector Incentive (Bond Market) Company" status by the Minister for Finance of Singapore or such person as he may appoint; or

(b) financial institutions in Singapore where their staff based in Singapore have a leading and substantial role in the distribution of such tranche of Notes,

such tranche of Notes ("**Relevant Notes**") would be "qualifying debt securities" for the purposes of the ITA, to which the following treatments shall apply:

(a) subject to certain conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the Comptroller of Income Tax in Singapore (the "**Comptroller**") may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and the MAS and the inclusion by the relevant Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption shall not apply if the non-resident person acquires the Relevant Notes using funds from that person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, derived by a Noteholder who is not resident in Singapore and (i) who does not have any permanent establishment in Singapore, or (ii) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from the operation of the Singapore permanent establishment, are exempt from Singapore tax;

(b) subject to certain conditions having been fulfilled (including the furnishing by the relevant Issuer, or such other person as the Comptroller may direct, of a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other

particulars in connection with the Relevant Notes as the Comptroller may require to the Comptroller and MAS), Qualifying Income from the Relevant Notes derived by any company in Singapore or body of persons (as defined in the ITA) (other than a person which holds the Financial Sector Incentive award and which is subject to different tax rates) in Singapore is subject to tax at a concessionary rate of 10%; and

(c) subject to:

(i) the relevant Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall declare and include such income in a return of income made under the ITA; and

(ii) the relevant Issuer, or such other person as the Comptroller may direct, furnishing to the Comptroller and the MAS a return on debt securities for the Relevant Notes within such period as the Comptroller may specify and such other particulars in connection with the Relevant Notes as the Comptroller may require,

Qualifying Income derived from the Relevant Notes is not subject to withholding of tax by the relevant Issuer.

However, notwithstanding the foregoing:

(a) if during the primary launch of any tranche of Relevant Notes, such Relevant Notes are issued to fewer than four persons and 50% or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the relevant Issuer, such Relevant Notes would not qualify as "qualifying debt securities"; and

(b) even though a particular tranche of Relevant Notes may qualify as "qualifying debt securities", if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Qualifying Income derived by:

(i) any related party of the relevant Issuer; or

(ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption or the concessionary rate of tax described in the immediately preceding paragraphs.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "break cost", "prepayment fee" and "redemption premium" are defined in the ITA as follows:

"**break cost**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption;

"**prepayment fee**", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities; and

"**redemption premium**", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity.

References to "break cost", "prepayment fee" and "redemption premium" in this Singapore tax disclosure have their same meaning as in the ITA.

Notwithstanding that the relevant Issuer is permitted to make payments of interest, discount income, prepayment fee, redemption premium and break cost in respect of the Relevant Notes without deduction or withholding of tax under Sections 45 and 45A of the ITA, any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax is required to declare and include such income in a return of income made under the ITA.

The Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**") has also been introduced as an enhancement of the Qualifying Debt Securities Scheme. Under the QDS Plus Scheme, subject to certain conditions having been fulfilled (including the submission by the relevant Issuer or such other person as the Comptroller may direct, of a return on debt securities in respect of the qualifying debt securities within such period as the Comptroller may specify and such other particulars in connection with the qualifying debt securities as the Comptroller may require to the Comptroller and MAS), income tax exemption is granted on Qualifying Income derived by any investor from qualifying debt securities (excluding Singapore Government Securities) which:

(a) are issued during the period from 16 February, 2008 to 31 December, 2013;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of Relevant Notes are "qualifying debt securities" which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50% or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the relevant Issuer, Qualifying Income from such Relevant Notes derived by:

(a) any related party of the relevant Issuer; or

(b) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the relevant Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

Capital Gains

There is no capital gains tax in Singapore. Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains from the sale of Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who are adopting Singapore Financial Reporting Standard 39 - Financial Instruments: Recognition and Measurement ("**FRS 39**") for Singapore income tax purposes may be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "*Adoption of FRS 39 treatment for Singapore income tax purposes*".

Adoption of FRS 39 treatment for Singapore income tax purposes

The IRAS has issued a circular entitled "Income Tax Implications arising from the adoption of FRS 39 - Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The ITA has been amended to give legislative effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

Special tax rules for Notes which constitute negotiable certificates of deposit

Notwithstanding the paragraphs above, under Section 10(12) of the ITA, where a person derives interest from a negotiable certificate of deposit or derives gains or profits from the sale thereof, his income shall be treated as follows:

(a) in the case of a financial institution, the interest and the gains or profits shall be deemed to be income from a trade or business under Section 10(1)(a) of the ITA;

(b) in any other case, the interest and the gains or profits shall be deemed to be income from interest under Section 10(1)(d) of the ITA subject to the following provisions:

  (i) if the interest is received by a subsequent holder of a certificate of deposit the income derived from such interest shall exclude the amount by which the purchase price exceeds the issued price of the certificate, except where that amount has been excluded in the computation of any previous interest derived by him in respect of that certificate; and

  (ii) where a subsequent holder sells a certificate after receiving interest therefrom the gains or profits shall be deemed to be the amount by which the sale price exceeds the issued price or the purchase price, whichever is the lower; and

(c) for the purposes of paragraph (b) above, where a subsequent holder purchases a certificate at a price which is less than the issued price and holds the certificate until its maturity, the amount by which the issued price exceeds the purchase price shall be deemed to be interest derived by him.

Holders should consult their own professional tax advisers regarding the application of Section 10(12) of the ITA to the Singapore income tax consequences of their acquisition, holding or disposal of any negotiable certificates of deposit.

Goods and Services Tax

Under the Goods and Services Tax Act, Chapter 117A of Singapore ("**GST Act**"), the following are examples of exempt supplies not subject to Goods and Services Tax ("**GST**") under the Fourth Schedule to the GST Act:-

(a) The exchange or grant of an option for the exchange of currency (whether effected by exchange of bank notes, currency notes or coin, by crediting or debiting accounts, or otherwise) other than the supply of a note or a coin as a collector's item, investment article or item of numismatic interest;

(b) the issue, allotment or transfer of ownership of an equity security (i.e. any interest in or right to a share in the capital of a body corporate or any option to acquire any such interest or right);

(c) the issue, allotment, transfer of ownership, drawing, acceptance or endorsements of a debt security (i.e. any interest in or right to be paid money that is, or is to be, owing by any person or any option to acquire any such interest or right but excludes a contract of insurance and an estate or interest in land, other than an estate or interest as mortgagee or chargeholder); or

(d) the renewal or variation of an equity security or debt security.

Holders of the Notes should, however, consult their own professional tax advisers regarding the Singapore GST consequences of their acquisition, holding, conversion or disposal of the Notes.

Stamp Duty

Stamp duty is generally not imposed on the issue or redemption for cash of Notes. Where an instrument of transfer of stocks or shares (including funded debt) is executed in Singapore, or is executed outside Singapore but is brought into Singapore, the transfer instrument would be subject to stamp duty of up to 0.2% of the amount or value of the consideration, or the value of the stocks or shares transferred, whichever is higher. Transfers of securities on a scripless basis through the Central Depository (Pte) Limited are not subject to stamp duty. Transfers of stocks or shares by way of sale or gift of any stock issued by a company, corporation or body of persons incorporated, formed or established outside Singapore (other than stock registered in register kept in Singapore) are also exempt from stamp duty.

Any stamp duty payable on the issuance of a series of Notes will be specified in the applicable Final Terms.

Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February, 2008.

6. UNITED ARAB EMIRATES AND DUBAI INTERNATIONAL FINANCIAL CENTRE TAXATION

The following summary of the anticipated tax treatment in the UAE and the DIFC in relation to the payments on the Notes is based on the taxation law and practice in force at the date of this Base Prospectus and does not constitute legal or tax advice, and prospective investors should be aware that the relevant fiscal rules and practice and their interpretation may change. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Notes and the receipt of any payments of interest with respect to such Notes under the laws of the jurisdictions in which they may be liable to taxation.

There is currently in force in the Emirates of Abu Dhabi and Dubai legislation establishing a general corporate taxation regime (the Abu Dhabi Income Tax Decree 1965 (as amended) and the Dubai Income Tax Decree 1969 (as amended)). The regime is, however, not enforced save in respect of companies active in the hydrocarbon industry, some related service industries and branches of foreign banks operating in the UAE. It is not known whether the legislation will or will not be enforced more generally or within other industry sectors in the future. Under current legislation, there is no requirement for withholding or deduction for or on account of UAE, DIFC or Dubai taxation in respect of payments of interest or principal on debt securities (including the Notes).

The Constitution of the UAE specifically reserves to the Federal Government of the UAE the right to raise taxes on a Federal basis for purposes of funding its budget. It is not known whether this right will be exercised in the future.

The United Arab Emirates has entered into “Double Taxation Arrangements” with certain other countries, but these are not extensive in number.

7. PHILIPPINES TAXATION

This discussion presumes that (a) none of the Philippine Holders (as defined below) is entitled to exemption from Philippine tax or subject to special Philippine tax rates, (b) none of the Philippine Holders is an offshore banking unit in the Philippines of a foreign corporation or a foreign currency deposit unit of a domestic or resident foreign corporation, (c) SCB Manila Branch is acting through its foreign currency deposit unit, and (d) the Final Terms of the Notes will not cause the Notes to be considered as "deposit substitutes"[3] under Section 22(Y) of the National Internal Revenue Code of 1997, as amended ("**Tax Code**"), as "long-term deposit or investment certificates"[4] under Section 22(FF) of the Tax Code, or to have a maturity period of more than five years so as to qualify the Notes as long-term bonds under Section 32(B)(7)(g) of the Tax Code. This discussion is limited to documentary stamp tax ("**DST**") and income tax in relation to the holding of Notes by Philippine Holders. Creditable withholding tax on income is excluded from this discussion.

Issuance of Notes by SCB to Philippine residents either in the Philippines or Abroad

Philippine residents ("**Philippine Holders**") may be domestic corporations, resident foreign corporations, resident citizens or resident aliens.

If the Notes are issued by SCB Manila Branch, such issuance is subject to DST imposed on debt instruments at the rate of one Peso (P1.00) on each two hundred Pesos (P200), or fractional part thereof, of the issue price of any such Notes under Section 179 of the Tax Code).

However, the issuance of Notes outside the Philippines by SCB or SCBHK, without the participation of SCB Manila Branch, shall not be subject to DST, as the Issuer is a non-resident foreign corporation. Nonetheless, if such Notes are sold or transferred within the Philippines, the DST imposed under Section 176 of the Tax Code, will apply even if the Notes were issued abroad, and the DST shall be collected from the person selling or transferring the Notes within the Philippines.

Interest paid either in the Philippines or Abroad to Philippine residents

A domestic corporation and a resident citizen are subject to income tax in the Philippines on income from sources within and without the Philippines (Sections 23(A) and 23(E), Tax Code). On the other hand, resident foreign corporations and resident aliens are subject to income tax in the Philippines only on income from Philippine sources (Sections 23(D) and 23(F), Tax Code).

Interest income is considered derived from sources within the Philippines if it is from bonds, notes or other interest-bearing obligations of Philippine residents (Section 42(A)(1), Tax Code).

Corporations

Interest income from Notes issued by SCB Manila Branch obtained by a Philippine Holder that is a domestic corporation or a resident foreign corporation forms part of such Philippine Holder's gross

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[3] Tax Code, Section 22(Y). The term "'deposit substitutes" shall mean "an alternative form of obtaining funds from the public (the term 'public' means borrowing from twenty (20) or more individual or corporate lenders at any one time), other than deposits, through the issuance, endorsement, or acceptance of debt instruments for the borrower's own account, for the purpose of relending or purchasing of receivables and other obligations, or financing their own needs or the needs of their agent or dealer. These instruments may include, but need not be limited to, bankers' acceptances, promissory notes, repurchase agreements, including reverse repurchase agreements entered into by and between the Bangko Sentral ng Pilipinas (BSP) and any authorized agent bank, certificates of assignment or participation and similar instruments with recourse: Provided, however, That debt instruments issued for inter-bank call loans with maturity of not more than five (5) days to cover deficiency in reserves against deposit liabilities, including those between or among banks and quasi-banks, shall not be considered as deposit substitute debt instruments.

[4] Tax Code, Section 22(FF). The term "long-term deposit or investment certificate" shall refer to "certificate of time deposit or investment in the form of savings, common or individual trust funds, deposit substitutes, investment management accounts and other investments with a maturity period of not less than five (5) years, the form of which shall be prescribed by the Bangko Sentral ng Pilipinas (BSP) and issued by banks only (not by nonbank financial intermediaries and finance companies) to individuals in denominations of ten thousand pesos (P10,000) and other denominations as may be prescribed by the BSP.

taxable income that is subject to the corporate income tax of 30% on net taxable income (Sections 27(A) and 28(A)(1), Tax Code).

Interest income earned by a Philippine Holder that is a domestic corporation from Notes issued abroad without the participation of SCB Manila Branch will form part of its gross taxable income subject to the 30% corporate income tax. Foreign income tax paid on said interest income may be credited against Philippine income tax, subject to certain conditions.

On the other hand, interest income derived by a Philippine Holder that is a resident foreign corporations may not be subject to Philippine income tax since the same may be considered income from non-Philippine sources (Section 23(F), Tax Code).

Individuals

Interest income from Notes issued by SCB Manila Branch obtained by a resident citizen and a resident alien forms part of his gross taxable income that is subject to graduated rates, the highest of which is one hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000) (Section 24(A)(2) Tax Code).

Interest income earned by a resident citizen from Notes issued abroad without the participation of SCB Manila Branch also forms part of his gross taxable income subject to graduated rates (Section 24(A)(2), Tax Code).

Interest income of resident aliens from Notes issued abroad without the participation of SCB Manila Branch is not subject to Philippine income tax for being income derived from a non-Philippine source.

Sale of Notes by resident Philippine Holders either in the Philippines or Abroad

Gains, profits and income from the sale of personal property (such as Notes) are considered to be from Philippines sources if the personal property is sold within the Philippines (Section 42(E), par. 2, Tax Code).

Corporations

The gain realised by a Philippine Holder that is a domestic corporation on the subsequent sale of Notes shall form part of its gross taxable income subject to the 30% corporate income tax whether the sale was consummated in the Philippines or abroad (Section 27(A), Tax Code).

The gain realised by a Philippine Holder that is, a resident foreign corporation shall form part of its gross taxable income in the Philippines that is subject to the 30% corporate income tax only when Notes are sold within the Philippines (Section 28(A), Tax Code).

Individuals

The gain realised by a Philippine Holder that is a resident citizen on the subsequent sale of Notes forms part of his gross taxable income that is subject to graduated rates, the highest of which is one Hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000) regardless of the place of consummation of the sale (Philippines or abroad) (Section 24(A), Tax Code).

The gain realised by a Philippine Holder that is a resident alien forms part of his gross taxable income that is subject to graduated rates, the highest of which is one hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000) when the Notes are sold within the Philippines (Section 24(A), Tax Code).

When taxable, Philippine Holders of Notes (whether corporate or individual) should include the gain realised on the sale in their income tax returns.

The subsequent sale of Notes shall be exempt from DST pursuant to Section 199(f) of the Tax Code if there is no change in the maturity date or remaining period of coverage of the Notes from that of the original instrument, or to Section 199(g) of the Tax Code if, the relevant Notes, depending on their terms, qualify as fixed income securities or other securities traded in the secondary market or through an exchange.

Redemption/Retirement of Notes either in the Philippines or Abroad

Corporations

The gain realised on redemption/retirement of Notes by a Philippine Holder that is a domestic corporation shall form part of its gross taxable income subject to the 30% corporate income tax (Section 27(A), Tax Code). The gain realised by a Philippine Holder that is a resident foreign corporation is subject to the 30% corporate income tax when the Notes are redeemed/retired within the Philippines.

Individuals

The gain realised by a Philippine Holder that is a resident citizen from the redemption or retirement of Notes shall form part of his gross taxable income that is subject to graduated rates of tax, the highest of which is one hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000), regardless of the place of redemption or retirement (Philippines or abroad) of the Notes (Section 24(A)(2), Tax Code).

The gain realised by a Philippine Holder that is a resident alien from the redemption or retirement of Notes within the Philippines forms part of his gross taxable income that is subject to graduated rates of tax, the highest of which is one hundred twenty-five thousand Pesos (P125,000) plus 32% of the amount in excess of five hundred thousand Pesos (P500,000) for net annual taxable income that is over five hundred thousand Pesos (P500,000) (Section 24(A), Tax Code).

Section 39(E) of the Tax Code, reads as follows:

(E) Retirement of bonds, etc. — For purposes of this Title, amounts received by a holder upon retirement of bonds, debentures or certificates of indebtedness by a corporation (including those issued by a government or political subdivision thereof) with interest coupons or in registered from, shall be considered as amounts received in exchange therefor.

In interpreting this provision, the Bureau of Internal Revenue ("**BIR**") ruled that the amount paid by the issuer to the holder of notes shall be considered payments in exchange of such notes (BIR Ruling No. 052-01 dated 16 November, 2001). Thus, Section 42 of the Tax Code, will apply in determining sources of gross income in relation to retirement/redemption of notes.

Moreover, the same BIR ruling held that "the gain, if any, shall be taxed at the regular income tax rates depending on the status of the investor (that is, whether individual, corporation, resident, or non-resident) x x x. This is because the gain on the principal is not interest, but rather gain realised from the redemption of the Notes by the Issuer upon the Maturity Date."

When taxable, Philippine Holders of Notes (whether corporate or individual) should include the gain realised on the redemption or retirement of Notes in its income tax return.

No DST is imposed under the Tax Code on the redemption/retirement of Notes as debt instruments.

8. EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the "**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 (further defined in the Directive as a "**Paying Agent**") to an individual resident or to certain other persons established in that other Member State. However, for a transitional period, Austria and Luxembourg are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to any law implementing or complying with, or introduced in order to conform to, the Directive, neither the relevant Issuer, nor any Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Notes as a result of the imposition of such withholding tax. However, the relevant Issuer is required, save as provided in Condition 11(a) of the Notes, to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to any such law.

Potential purchasers of Notes should note that the European Commission has announced proposals to amend the Directive which, if implemented, may amend or broaden the scope of the requirements described above.

Potential purchasers of Notes are advised to consult their own tax advisers as to the tax consequences of transactions involving any Notes.

ERISA MATTERS

A fiduciary of a pension, profit-sharing or other employee benefit plan governed by the Employee Retirement Income Security Act of 1974, as amended (ERISA), should consider the fiduciary standards of ERISA in the context of the ERISA plan's particular circumstances before authorizing an investment in the offered Notes of an Issuer. Among other factors, the fiduciary should consider whether such an investment is in accordance with the documents governing the ERISA plan and whether the investment is appropriate for the ERISA plan in view of its overall investment policy and diversification of its portfolio.

Certain provisions of ERISA and the Internal Revenue Code of 1986, as amended (the Code), prohibit employee benefit plans (as defined in Section 3(3) of ERISA) that are subject to Title I of ERISA, plans described in and subject to Section 4975 of the Code (including, without limitation, retirement accounts and Keogh Plans), and entities whose underlying assets include plan assets by reason of a plan's investment in such entities (including, without limitation, as applicable, insurance company general accounts) (collectively, plans), from engaging in certain transactions involving "plan assets" with parties that are "parties in interest" under ERISA or "disqualified persons" under the Code with respect to the plan or entity. Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) and other plans that are not subject to ERISA or to the Code may be subject to similar restrictions under state, federal, local or non-U.S. law. Any employee benefit plan or other entity, to which such provisions of ERISA, the Code or similar law apply, proposing to acquire the offered Notes should consult with its legal counsel.

The Issuers have affiliates, including insurance company affiliates and broker-dealer affiliates, that provide services to many employee benefit plans. The Issuers and any of their such affiliates may each be considered a "party in interest" and a "disqualified person" to a large number of plans. A purchase of offered Notes of an Issuer by any such plan would be likely to result in a prohibited transaction between the plan and the relevant Issuer.

Accordingly, unless otherwise provided in connection with a particular offering of Notes, offered Notes may not be purchased, held or disposed of by any plan or any other person investing "plan assets" of any plan that is subject to the prohibited transaction rules of ERISA or Section 4975 of the Code or other similar law, unless one of the following exemptions (or a similar exemption or exception) applies to such purchase, holding and disposition:

- Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for transactions with certain service providers (the Service Provider Exemption);
- Prohibited Transaction Class Exemption (PTCE) 96-23 for transactions determined by in-house asset managers;
- PTCE 95-60 for transactions involving insurance company general accounts;
- PTCE 91-38 for transactions involving bank collective investment funds;
- PTCE 90-1 for transactions involving insurance company separate accounts; or
- PTCE 84-14 for transactions determined by independent qualified professional asset managers.

The U.S. Department of Labor has promulgated a regulation, 29 C.F.R. section 2510.3-101, as modified by Section 3(42) of ERISA (the Plan Asset Regulation) describing what constitutes the plan assets of a plan with respect to the plan's investment in an entity. Under the Plan Asset Regulation, if a plan invests in an equity interest of an entity that is neither a publicly-offered security nor a security issued by an investment company registered under the Investment Company Act, the plan's assets include both the equity interest and an undivided interest in each of the entity's underlying assets, unless one of the exceptions to such treatment described in the Plan Asset Regulation applies. Under

the Plan Asset Regulation, a security which is in debt form may be considered an equity interest if it has substantial equity features. If the relevant Issuer were deemed under the Plan Asset Regulation to hold plan assets by reason of a plan's investment in any of the Notes, such plan assets would include an undivided interest in the assets held by the relevant Issuer and transactions by the relevant Issuer would result in, among other things, (i) the application of the prudence and other fiduciary responsibility standards of ERISA to investments made by the relevant Issuer, and (ii) the possibility that certain transactions that the relevant Issuer might enter into, or may have entered into, in the ordinary course of business might constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code. The Issuers believe that Notes should not be treated as equity interests for the purposes of the Plan Asset Regulation.

Unless otherwise provided in connection with a particular offering of Notes, any purchaser of the offered Notes or any interest therein will be deemed to have represented and warranted to the Issuer on each day from the date of its purchase of the offered Notes through and including the date of disposition of such offered Notes that either:

(a) it is not a plan subject to Title I of ERISA or Section 4975 of the Code and is not purchasing such Notes or interest therein on behalf of, or with "plan assets" of, any such plan;

(b) its purchase, holding and disposition of such Notes are not and will not be prohibited because they are exempted by a statutory exemption or one or more of the following prohibited transaction exemptions: PTCE 96-23, 95-60, 91-38, 90-1 or 84-14; or

(c) it is a governmental, church, non-U.S. or other plan that is not subject to the provisions of Title I of ERISA or Section 4975 of the Code and its purchase, holding and disposition of such Notes are not otherwise prohibited.

Due to the complexity of these rules and the penalties imposed upon persons involved in prohibited transactions, it is important that any person considering the purchase of the offered Notes with plan assets consult with its counsel regarding the consequences under ERISA and the Code, or other similar law, of the acquisition and ownership of offered Notes and the availability of exemptive relief under the class exemptions listed above.

SUBSCRIPTION AND SALE AND TRANSFER AND SELLING RESTRICTIONS

In respect of each Tranche of Notes issued under the Programme, the Notes may be distributed by the relevant Issuer, or a Manager may, by entering into a purchase agreement, agree with the relevant Issuer the basis upon which it agrees to purchase Notes. Any such agreement will extend to those matters stated under "*Form of the Notes*" and "*General Terms and Conditions of the Notes*".

In order to facilitate the offering of any Tranche of the Notes, certain persons participating in the offering of the Tranche may engage in transactions that stabilise, maintain or otherwise affect the market price of the relevant Notes during and after the offering of the Tranche. Specifically, such persons may over-allot or create a short position in the Notes for their own account by selling more Notes than have been sold to them by the relevant Issuer. Such persons may also elect to cover any such short position by purchasing Notes in the open market. In addition, such persons may stabilise or maintain the price of the Notes by bidding for or purchasing Notes in the open market and may impose penalty bids, under which selling concessions allowed to syndicate members or other broker-dealers participating in the offering of the Notes are reclaimed if Notes previously distributed in the offering are repurchased in connection with stabilisation transactions or otherwise. The effect of these transactions may be to stabilise or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. The imposition of a penalty bid may also affect the price of the Notes to the extent that it discourages resales thereof. No representation is made as to the magnitude or effect of any such stabilising or other transactions. Such transactions, if commenced, may be discontinued at any time. Under U.K. laws and regulations, stabilising activities may only be carried on by the Stabilising Manager named in the applicable Final Terms and only for a period of 30 days following the Issue Date of the relevant Tranche of Notes.

Each issuance of Notes shall be subject to the selling restrictions set out in this section and to such additional U.S. or other selling restrictions as the relevant Issuer or, as the case may be, each Manager may agree as a term of the issuance and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Final Terms. The Issuer or, as the case may be, each Manager of an issue of such Notes will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. or other selling restrictions. In addition, each issuance of Notes will be subject to the transfer restrictions set forth in this section in addition to or as supplemented or amended by any other transfer restrictions and restrictions on offering, selling, transferring, pledging, delivering, redeeming or exercising the Notes (including any required certifications, including as to non-U.S. beneficial ownership and being located outside the United States, in respect thereof as determined by the relevant Issuer) as set forth in the applicable Final Terms. By its purchase of Notes, any such purchaser will be deemed to have acknowledged, represented and agreed with such restrictions.

No action has been or will be taken by any Manager that would permit a public offering of the Notes or possession or distribution of any offering material in relation to the Notes in any jurisdiction where action for that purpose is required save as specified in the relevant Final Terms. No offers, sales or deliveries of any Notes, or distribution of any offering material relating to the Notes, may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws and regulations and will not impose any obligations on the relevant Issuer.

Transfer Restrictions

As a result of the following restrictions, purchasers of Notes in the United States are advised to consult legal counsel prior to making any purchase, offer, sale, resale or other transfer of such Notes.

Each purchaser of Registered Notes (other than a person purchasing an interest in a Registered Global Note with a view to holding it in the form of an interest in the same Registered Global Note) or person wishing to transfer an interest from one Registered Global Note to another, or from global to definitive form or vice versa, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Rule 144A or in Regulation S are used herein as defined

therein) and shall be deemed to make any additional or supplemental acknowledgements, representations and agreements as set forth in the applicable Final Terms:

(i) that either: (a) it is a QIB, purchasing (or holding) the Notes for its own account or for the account of one or more QIBs and it, and each beneficial owner of such Notes, is aware that any sale to it is or may be made in reliance on Rule 144A or (b) it is outside the United States and is not a U.S. person;

(ii) that the Notes are being offered and sold in a transaction not involving a public offering in the United States within the meaning of the Securities Act, and that the Notes have not been and will not be registered under the Securities Act or any other applicable securities regulatory authority of any State or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except as set forth below;

(iii) that, unless it holds an interest in a Regulation S Global Note or a Regulation S Definitive Registered Note and either is a person located outside the United States or is not a U.S. person, if in the future it decides to resell, pledge or otherwise transfer the Notes or any beneficial interests in the Notes, it will do so, prior to the date which is one year after the later of the last Issue Date for the Series and the last date on which the relevant Issuer or an affiliate of the relevant Issuer was the owner of such Notes, only (a) to the relevant Issuer or any affiliate thereof, (b) inside the United States to a person whom the seller and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB in a transaction meeting the requirements of Rule 144A or (c) outside the United States in compliance with Rule 903 or Rule 904 of Regulation S under the Securities Act, in each case in accordance with all applicable U.S. State laws of the securities regulatory authority of any other State or other jurisdiction of the United States;

(iv) it will, and will require each subsequent holder to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (iii) above, if then applicable;

(v) that Notes initially offered in the United States to QIBs will be represented by one or more Rule 144A Global Notes, and that Notes offered outside the United States in reliance on Regulation S will be represented by either one or more Regulation S Global Notes or one or more Regulation S Definitive Registered Notes, as specified in the applicable Final Terms;

(vi) that at the time of its purchase and throughout the period in which it holds such Notes or any interest therein (a) it is not an employee benefit plan as described in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended (''**ERISA**''), subject to the provisions of Title I of ERISA, a plan described in Section 4975(e)(1) of the Code to which Section 4975 of the Code applies, or an entity whose underlying assets include plan assets by reason of a plan's investment in the entity, (b) it is not any other plan subject to any federal, state, local or foreign law that is substantially similar to the provisions of Section 406 of ERISA or Section 4975 of the Code, and (c) it will not sell or otherwise transfer any such Note or interest to any person without first obtaining the same foregoing representations and warranties from that person;

(vii) that the Notes, other than the Regulation S Notes, will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer in compliance with applicable law:

"THE NOTES IN RESPECT OF WHICH THIS NOTE CERTIFICATE IS ISSUED AND, IN THE CASE OF NOTES TO BE REDEEMED BY PHYSICAL DELIVERY OF SECURITIES, ANY SUCH SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT AS SET FORTH IN THE FOLLOWING SENTENCE. BY ITS ACQUISITION OF THE INTEREST REPRESENTED BY THIS NOTE CERTIFICATE,

THE HOLDER (A) REPRESENTS THAT IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) PURCHASING THE NOTES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ONE OR MORE QUALIFIED INSTITUTIONAL BUYERS; (B) AGREES THAT IT WILL NOT RESELL OR OTHERWISE TRANSFER THE NOTES EXCEPT IN ACCORDANCE WITH THE NOTES AGENCY AGREEMENT AND, PRIOR TO THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE LAST ISSUE DATE FOR THE SERIES AND THE LAST DATE ON WHICH THE ISSUER OR AN AFFILIATE OF THE ISSUER WAS THE OWNER OF SUCH NOTES OTHER THAN (1) TO THE ISSUER OR ANY AFFILIATE THEREOF, (2) INSIDE THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A OR (3) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND ANY OTHER JURISDICTION; AND (C) IT AGREES THAT IT WILL DELIVER TO EACH PERSON TO WHOM THIS INTEREST IN ALL OR PART OF THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND.

BY ITS PURCHASE AND HOLDING OF A NOTE OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN, THAT (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DESCRIBED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, A PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE TO WHICH SECTION 4975 OF THE CODE APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY, (B) IT IS NOT ANY OTHER PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (C) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUCH NOTE OR INTEREST TO ANY PERSON WITHOUT FIRST OBTAINING THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES FROM THAT PERSON.";

(viii) if it is outside the United States and is not a U.S. person, that if it should resell or otherwise transfer the Notes prior to the expiration of the distribution compliance period (defined as 40 days after the later of the commencement of the offering and the closing date with respect to the original issuance of the Notes), it will do so only (a)(i) outside the United States in compliance with Rule 903 or 904 of Regulation S under the Securities Act or (ii), if permitted by the Final Terms, to a QIB in compliance with Rule 144A and (b) in accordance with all applicable U.S. State securities laws; and it acknowledges that the Regulation S Global Notes or the Regulation S Definitive Notes will bear a legend to the following effect unless otherwise agreed to by the relevant Issuer:

"THE NOTES IN RESPECT OF WHICH THIS NOTE CERTIFICATE IS ISSUED AND, IN THE CASE OF NOTES TO BE REDEEMED BY PHYSICAL DELIVERY OF SECURITIES, ANY SUCH SECURITIES HAVE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR ANY OTHER APPLICABLE SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS EXCEPT IN ACCORDANCE WITH THE NOTES AGENCY AGREEMENT AND PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT. THIS LEGEND SHALL CEASE TO APPLY UPON THE EXPIRY OF THE PERIOD OF 40 DAYS AFTER THE COMPLETION OF THE

DISTRIBUTION OF ALL THE NOTES OF THE TRANCHE OF WHICH THE NOTES REPRESENTED BY THIS NOTE CERTIFICATE FORMS PART.

BY ITS PURCHASE AND HOLDING OF A NOTE OR ANY INTEREST THEREIN, THE PURCHASER AND/OR HOLDER THEREOF AND EACH TRANSFEREE WILL BE DEEMED TO HAVE REPRESENTED AND WARRANTED AT THE TIME OF ITS PURCHASE AND THROUGHOUT THE PERIOD THAT IT HOLDS SUCH NOTE OR INTEREST THEREIN, THAT (A) IT IS NOT AN EMPLOYEE BENEFIT PLAN AS DESCRIBED IN SECTION 3(3) OF THE UNITED STATES EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("**ERISA**"), SUBJECT TO THE PROVISIONS OF TITLE I OF ERISA, A PLAN DESCRIBED IN SECTION 4975(E)(1) OF THE CODE TO WHICH SECTION 4975 OF THE CODE APPLIES, OR AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN THE ENTITY, (B) IT IS NOT ANY OTHER PLAN SUBJECT TO ANY FEDERAL, STATE, LOCAL OR FOREIGN LAW THAT IS SUBSTANTIALLY SIMILAR TO THE PROVISIONS OF SECTION 406 OF ERISA OR SECTION 4975 OF THE CODE, AND (C) IT WILL NOT SELL OR OTHERWISE TRANSFER ANY SUCH NOTE OR INTEREST TO ANY PERSON WITHOUT FIRST OBTAINING THE SAME FOREGOING REPRESENTATIONS AND WARRANTIES FROM THAT PERSON."; and

(ix) that the relevant Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representations or agreements made by it are no longer accurate, it shall promptly notify the relevant Issuer and if it is acquiring any Notes as a fiduciary or agent for one or more qualified institutional buyer, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

No sale of Rule 144A Notes in the United States to any one purchaser will be for less than U.S.$100,000 (or its foreign currency equivalent) principal amount and no Rule 144A Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.$100,000 (or its foreign currency equivalent) of Registered Notes.

Selling Restrictions

United States

The Notes and, in the case of Notes to be redeemed by physical delivery of securities, any such securities have not been and will not be registered under the Securities Act or any state securities law and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act and applicable state securities laws. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Notes do not constitute, and have not been marketed as, contracts of sale of a commodity for future delivery (or options thereon) subject to the Commodity Exchange Act and trading in the Notes has not been approved by the United States Commodity Futures Commission under the Commodity Exchange Act.

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

In connection with any Notes which are offered or sold outside the United States in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S ("**Regulation S Notes**"), each Manager will be required to represent and agree, that it will not offer, sell or deliver such Regulation S Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Manager or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of

the Tranche of which such Regulation S Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Accordingly, neither the Manager, its affiliates nor any persons acting on its or their behalf have engaged or will engage in any directed selling efforts with respect to the Notes, and it and they have complied and will comply with the offering restrictions requirement of Regulation S. Each Manager appointed under the Programme will be required to agree that, at or prior to confirmation of sale of the Notes, it will send to each dealer to which it sells any Regulation S Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Regulation S Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any Manager that is not participating in the offering may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

This Base Prospectus has been prepared by the relevant Issuer for use in connection with the offer and sale of the Notes outside the United States and for the resale of the Notes in the United States. The relevant Issuer and the Managers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any U.S. person, other than any QIB within the meaning of Rule 144A to whom an offer has been made directly by one of the Managers or its U.S. broker-dealer affiliate. Distribution of this Base Prospectus by any non-U.S. person outside the United States or by any QIB in the United States to any U.S. person or to any other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB with respect thereto, is unauthorised and any disclosure without the prior written consent of the relevant Issuer of any of its contents to any such U.S. person or other person within the United States, other than any QIB and those persons, if any, retained to advise such non-U.S. person or QIB, is prohibited.

Managers may arrange for the resale of Notes to QIBs pursuant to Rule 144A and each such purchaser of Notes is hereby notified that the Managers may be relying on the exemption from the registration requirements of the Securities Act provided by Rule 144A and one or more exemptions and/or exclusions from regulation under the Commodity Exchange Act. The minimum aggregate principal amount of Notes which may be purchased by a QIB pursuant to Rule 144A is U.S.$100,000 (or the approximate equivalent thereof in any other currency). To the extent that the relevant Issuer is not subject to or does not comply with the reporting requirements of Section 13 or 15(d) of the Exchange Act or the information furnishing requirements of Rule 12g3-2(b) thereunder, the relevant Issuer has agreed to furnish to holders of Notes and to prospective purchasers designated by such holders, upon request, such information as may be required by Rule 144A(d)(4).

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Manager will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the relevant Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

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

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

United Kingdom

Each Manager will be required to represent and agree that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(b) 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 FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA, in the case of SCB, would not, if it was not an authorised person or, in the case of SCBHK, does not apply to the relevant Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Hong Kong

In relation to each Tranche of Notes issued by the relevant Issuer, each Manager will be required to represent and agree that:

(a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes (except for Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap.571) of Hong Kong) other than (i) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes

which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Law No.25 of 1948, as amended, the "**FIEA**"). Accordingly, each Manager will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No.228 of 1949, as amended)), or to others for reoffering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

Singapore

This Base Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Manager will be required to represent, warrant and agree that this Base Prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of Notes may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA; or

(2) where no consideration is or will be given for the transfer; or

(3) where the transfer is by operation of law; or

(4) pursuant to Section 276(7) of the SFA.

Malaysia

Each Manager will be required to:

(a) acknowledge that the making available of, offer for subscription or purchase, or issuance of an invitation to subscribe for or purchase the Notes may only be made outside Malaysia, except as otherwise permitted under applicable Malaysian laws and regulations or with the approval of any relevant Malaysian regulatory authority; and

(b) represent and agree that it has not made available, offered for subscription or purchase, or issued an invitation to subscribe for or purchase and will not make available, offer for subscription or purchase, or issue an invitation to subscribe for or purchase, the Notes, and that it has not circulated or distributed and will not circulate and distribute this Base Prospectus or any other offering document or material relating to the Notes, directly or indirectly, to any persons in Malaysia, except as otherwise permitted under applicable Malaysian laws and regulations or with the approval of any relevant Malaysian regulatory authority.

Korea

The number of certificates of the Notes shall be less than 50 and shall not be subdivided within one (1) year from the date of issuance of the Notes and therefore any securities registration statement as specified under Article 119 of the Financial Investment Services and Capital Markets Act of Korea has not been and will not be filed with the Financial Services Commission of Korea. Each Manager will be required to represent and agree, that the Notes have not been and will not be offered, sold or delivered directly or indirectly, or offered, sold or delivered to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea (as such term is defined in the Foreign Exchange Transaction Law of Korea), except as otherwise permitted under applicable Korean laws and regulations, including the Financial Investment Services and Capital Markets Act and the Foreign Exchange Transaction Law and the decrees and regulations thereunder. By the purchase of the Notes, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the Notes pursuant to the applicable laws and regulations of Korea. Each Manager will be required to undertake to ensure that any securities dealer to which it sells Notes confirms that it is purchasing such Notes as principal and agrees with such Manager that it will comply with the restrictions described above.

United Arab Emirates

Each Manager will be required to represent and agree that the Notes have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates other than in compliance with any laws applicable in the United Arab Emirates governing the issue, offering and the sale of securities.

Dubai International Financial Centre

Each Manager will be required to represent and agree that it has not offered and will not offer the Notes to any person in the Dubai International Financial Centre unless such offer is:

(a) an "Exempt Offer" in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (the "**DFSA**"); and

(b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.2 of the DFSA Conduct of Business Module.

Indonesia

The Notes offered under the Base Prospectus are not and will not be registered with the Capital Market and Financial Institutions Supervisory Agency in Indonesia and therefore are not authorised by the Capital Market and Financial Institutions Supervisory Agency for sale in a public offering manner in the Indonesian territory and/or to Indonesian citizens wherever they are domiciled or to Indonesian entities or residents (including distribution and dissemination of the Base Prospectus, other written materials either through advertisements or other media in Indonesia or otherwise offer to more than

100 persons or resulting in sales to more than 50 persons) in circumstances which constitute a public offering of securities under the Indonesian Law No. 8/1995 regarding Capital Markets.

Switzerland

This Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in Notes. Subject as provided below, Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX Swiss Exchange or on any other exchange or regulated trading facility in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations or a listing prospectus within the meaning of the listing rules of the SIX Swiss Exchange or any other regulated trading facility in Switzerland or a simplified prospectus or a prospectus as such term is defined in the Swiss Collective Investment Scheme Act (the "**CISA**"), and neither this Base Prospectus nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Notes which are "structured products" as such term is understood within the meaning of the CISA (the "**Structured Securities**") may only be offered, sold or advertised, and this Base Prospectus and any other offering or marketing material relating to such Structured Securities may only be distributed in Switzerland by way of private placement to qualified investors within the meaning of the CISA. The Structured Securities do not constitute participations in a collective investment scheme in the meaning of the CISA. Neither this Base Prospectus nor any other offering or marketing material relating to any offering, the Issuers or Structured Securities have been or will be filed with or approved by any Swiss regulatory authority. Structured Securities are not subject to the supervision of any Swiss regulatory authority, such as, the Swiss Financial Markets Supervisory Authority FINMA, and investors in Structured Securities will not benefit from protection or supervision by such authority.

Should any Series of Notes be publicly offered, admitted to trading or listed in Switzerland, this will be set out in the applicable Final Terms and the relevant Issuer will prepare supplemental documents to the extent required by Swiss law and the rules and regulations of the SIX Swiss Exchange. Investors should in such case also consult any such document before making any investment decision.

South Africa

Each Manager agrees that it has not offered and will not offer for sale or subscription or sell any Notes, directly or indirectly, within the Republic of South Africa or to any person or corporate or other entity resident in the Republic of South Africa except (a) in accordance with the exchange control regulations of the Republic of South Africa and (b) to any entity resident or within the Republic of South Africa in accordance with the Commercial Paper regulations, the Companies Act 2008, the Financial Advisory and Intermediary Services Act 2002 and the Collective Instrument Schemes Control Act, 2002.

Jersey

No consent under Article 8(2) of the Control of Borrowing (Jersey) Order 1958 has been obtained in relation to the circulation in Jersey of any offer of Notes described in this Base Prospectus and any such offer must be addressed exclusively to a restricted circle of persons in Jersey. For these purposes an offer is not addressed exclusively to a restricted circle of persons unless (i) the offer is addressed to an identifiable category of persons to whom it is directly communicated by the offeror or the offeror's appointed agent, (ii) the members of that category are the only persons who may accept the offer and they are in possession of sufficient information to be able to make a reasonable evaluation of the offer and (iii) the number of persons in Jersey to whom the offer is so communicated does not exceed fifty.

Guernsey

The Notes may only be offered or sold in, or from within the Bailiwick of Guernsey either (i) to or by persons licensed under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended or

(ii) to persons licensed under the Banking Supervision (Bailiwick of Guernsey) Law, 1994 as amended, or (iii) to persons licensed under the Insurance Business (Bailiwick of Guernsey) Law, 2002 as amended or (iv) to licensees under the Regulation of Fiduciaries, Administration Businesses and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000 as amended.

Kingdom of Saudi Arabia

Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires Notes pursuant to any offering should note that the offer of Notes is a private placement under Article 10 and/or Article 11 of the "Offer of Securities Regulations" as issued by the Board of the Capital Market Authority resolution number 2-11-2004 dated 4 October, 2004 and amended by the Board of the Capital Market Authority resolution number 1-28-2008 dated 18 August, 2008 (the "**KSA Regulations**"). Each Manager will be required to represent and agree, that any offer of Notes will not be directed at more than 60 Saudi Investors (excluding "Sophisticated Investors" (as defined in Article 10 of the KSA Regulations)) and the minimum amount payable per Saudi Investor (excluding Sophisticated Investors) will be not less than Saudi Riyal ("**SR**") 1 million or an equivalent amount. Each offer of Notes shall not therefore constitute a "public offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 17 of the KSA Regulations. Any Saudi Investor who has acquired Notes as a Sophisticated Investor may not offer or sell those Notes to any person unless the offer or sale is made through an authorised person appropriately licensed by the Saudi Arabian Capital Market Authority and (a) the Notes are offered or sold to a Sophisticated Investor; (b) the price to be paid for the Notes in any one transaction is equal to or exceeds SR 1 million or an equivalent amount; or (c) the offer or sale is otherwise in compliance with Article 17 of the KSA Regulations.

Kingdom of Bahrain

The Notes are issued by SCB and SCHK incorporated in England & Wales and Hong Kong, respectively, and are only marketed to SCB and SCBHK existing account holders accredited investors in the Kingdom of Bahrain. They will not be subject to the Article 81 of CBB law.

Any offer of Securities does not constitute an offer of securities in the Kingdom of Bahrain in terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). The offering documents have not been and will not be registered as a prospectus with the Central Bank of Bahrain ("**CBB**"). Accordingly, no Securities may be offered, sold or made the subject of an invitation for subscription or purchase nor will this prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Securities, whether directly or indirectly, to persons in the Kingdom of Bahrain.

The CBB has not reviewed or approved the offering documents and it has not in any way considered the merits of the Securities to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this document and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this document.

For investors in the Kingdom of Bahrain the Notes may only be offered in registered form and only to SCB and SCBHK existing account holder's accredited investors in a minimum investment of at least U.S.$100,000.

Philippines

THE NOTES BEING OFFERED OR SOLD UNDER THE BASE PROSPECTUS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE OF THE PHILIPPINES. ANY OFFER OR SALE OF THE NOTES WITHIN THE PHILIPPINES IS SUBJECT TO THE REGISTRATION REQUIREMENT UNDER THE SAID CODE, UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION THEREUNDER.

General

The offer and sale of the Notes will also be subject to such other restrictions on distribution and transfer as may be set out in the Product Prospectus and the relevant Final Terms.

These selling restrictions may be modified by the agreement of the relevant Issuer and the Manager(s) following a change in a relevant law, regulation or directive. Any such modification will be set out in the relevant Product Prospectus and/or the relevant Final Terms issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Base Prospectus or any other offering material or any Product Prospectus or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Manager will be required to agree that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Product Prospectus or any Final Terms and neither the relevant Issuer nor any other Manager shall have responsibility therefore.

GENERAL INFORMATION

Authorisation

The establishment, amendment and restatement of the Programme and the issue of Notes by SCB have been duly authorised by (i) a resolution of the Court of Directors of SCB dated 9 November, 2001 and (ii) resolutions of a duly appointed Committee of the Court of Directors of SCB dated 14 December, 2001, 25 November, 2002, 5 May, 2004, 18 December, 2006, 20 May, 2009, 28 July, 2010, 16 September, 2011 and 25 June, 2012. Increase in the Programme size in relation to the Notes was authorised by a resolution of the Court of Directors of SCB dated 17 May, 2010.

The addition of SCBHK as an issuer under the Programme and the issue of Notes by SCBHK have been duly authorised by (i) a resolution of SCBHK's Board of Directors dated 13 September, 2006 and (ii) resolutions of a duly appointed committee of the Board of Directors of SCBHK dated 8 December, 2006, 27 February, 2008, 29 May, 2009, 7 September, 2010, 27 September, 2011 and 26 June, 2012. The issue of Warrants and Certificates by SCBHK have been duly authorised by a resolution of a duly appointed committee of the Board of Directors of SCBHK dated 29 May, 2009, 7 September, 2010, 27 September, 2011 and 26 June, 2012. Increase in the Programme size in relation to the Notes and the Listing of Warrants and Certificates was authorised by a resolution of the Board of Directors of SCBHK dated 26 May, 2010.

Approval, Listing and Admission to Trading

Application has been made to the CSSF to approve this document as a base prospectus. The CSSF's approval does not confirm, and the CSSF assumes no responsibility as to, the economic and financial soundness of the transaction and the quality or solvency of the Issuers. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be listed on the Official List and admitted to 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 Directive 2004/39/EC of the European Parliament and of the Council on Markets in financial instruments.

Documents Available

So long as Notes are capable of being issued under the Programme, copies of the following documents will, when published from time to time, be available from the principal place of business of SCB, from the registered office of SCBHK and from the specified office of the Paying Agents for the time being in London:

(i) the constitutional documents of SCB and SCBHK;

(ii) the Directors' Report and Financial Statements of SCB in respect of the financial years ended 31 December, 2011 and 31 December, 2010;

(iii) the Directors' Report and Consolidated Financial Statements of SCBHK in respect of the financial years ended 31 December, 2011 and 31 December, 2010;

(iv) the Notes Agency Agreement, the SCB Notes Deed of Covenant, the SCBHK Notes Deed of Covenant, the Deed Poll and the forms of the Global Notes, the Notes in definitive form, the Receipts, the Coupons and the Talons;

(v) a copy of this Base Prospectus;

(vi) a copy of the SCB Registration Document;

(vii) a copy of the SCBHK Registration Document;

(viii) any future offering circulars, prospectuses, information memoranda, supplements to the Base Prospectus, Product Prospectuses and Final Terms documents (save that a Final Terms document relating to an unlisted Note will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the relevant Issuer and the Paying Agent as to its holding of Notes and identity) and any other documents incorporated herein or therein by reference;

(ix) the form of transfer in respect of Registered Notes; and

(x) in the case of each issue of listed Notes subscribed pursuant to a Purchase Agreement, the Purchase Agreement (or equivalent document).

In addition, copies of this Base Prospectus, each Final Terms relating to Notes that are admitted to trading on the Luxembourg Stock Exchange's regulated market and the documents incorporated by reference herein are available for viewing on the website of the Luxembourg Stock Exchange (*www.bourse.lu*).

Clearing Systems

Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate Common Code and ISIN for each Tranche of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. In addition, the relevant Issuer may make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and (if applicable) common code, will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system, the appropriate information will be specified in the applicable Final Terms.

Conditions for determining price

The price and amount of the Notes to be issued under the Programme will be determined by the Issuers and the Manager at the time of issue in accordance with prevailing market conditions.

No significant change

As far as SCB is aware and as at the date of this Base Prospectus, there has been no significant change in the financial or trading position of SCB or any of its subsidiaries (the "**SCB Group**") since 31 December, 2011.

As far as SCBHK is aware and as at the date of this Base Prospectus, there has been no significant change in the financial or trading position of SCBHK or any of its subsidiaries (the "**SCBHK Group**") since 31 December, 2011.

No material adverse change

As far as SCB is aware and as at the date of this Base Prospectus, there has been no material adverse change in the prospects of SCB or the SCB Group since 31 December, 2011.

As far as SCBHK is aware and as at the date of this Base Prospectus, there has been no material adverse change in the prospects of SCBHK or the SCBHK Group since 31 December, 2011.

Litigation

As discussed in the "Risk Review" section of Standard Chartered PLC's Annual Report for 2011 (which is incorporated by reference herein) SCB is conducting a review of its historical US sanctions compliance and is discussing that review with US enforcement agencies and regulators. SCB cannot predict when this review and these discussions will be completed or what the outcome will be. Save in relation to the matters described above (in the "Risk Review" section), as far as SCB is aware, SCB (whether as defendant or otherwise) is not engaged in any governmental, legal, arbitration,

administrative or other proceedings, including any such proceedings which are pending or threatened of which it is aware, the results of which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or the operations of SCB or the SCB Group.

As discussed in the "Risk Review" section of Standard Chartered PLC's Annual Report for 2011 (which is incorporated by reference herein) SCBHK is conducting a review of its historical US sanctions compliance and is discussing that review with US enforcement agencies and regulators. SCBHK cannot predict when this review and these discussions will be completed or what the outcome will be. Save in relation to the matters described above (in the "Risk Review " section), as far as SCBHK is aware, SCBHK (whether as defendant or otherwise) is not engaged in any governmental, legal, arbitration, administrative or other proceedings, including any such proceedings which are pending or threatened of which it is aware, the results of which may have, or have had during the 12 months preceding the date of this document, a significant effect on the financial position or the operations of SCBHK or the SCBHK Group.

Auditors

The financial information relating to SCB contained in this Base Prospectus does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006, but constitutes non-statutory accounts within the meaning of section 435 of the Companies Act 2006. The auditors of SCB are KPMG Audit Plc, Chartered Accountants and member of the Institute of Chartered Accountants in England and Wales, of 15 Canada Square, London E14 5GL, which have audited, and rendered unqualified auditors' reports on, the accounts of SCB for the three years ended years ended 31 December, 2009, 31 December, 2010 and 31 December, 2011, which have been delivered to the Registrar of Companies.

The auditors of SCBHK are KPMG and member of the Hong Kong Institute of Certified Public Accountants, of 8/F Prince's Building, 10 Chater Road, Central, Hong Kong, which have audited, and rendered unqualified auditors' reports on, the accounts of SCBHK for the two years ended 31 December, 2011 and 31 December, 2010.

Post-issuance information

Neither SCB nor SCBHK intends to provide any post-issuance information, unless required by applicable laws and regulations.

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