



ICICI BANK UK PLC

(incorporated with limited liability in England and Wales)

U.S.\$150,000,000

Perpetual Subordinated Notes Callable 2016

Issue price: 99.657 per cent.

The U.S.\$150,000,000 Perpetual Subordinated Notes Callable 2016 (the **Notes**) are issued by ICICI Bank UK PLC (the **Issuer** and the **Bank**).

Interest on the Notes will be payable semi-annually in arrear on 12 June and 12 December in each year up to and including 12 December 2016, at a rate of 6.375 per cent. per annum, and thereafter interest will be payable semi-annually in arrear on the Interest Payment Dates falling on or nearest to 12 June and 12 December in each year at a rate of interest equal to 2.52 per cent. per annum above the then prevailing London inter-bank offered rate for six-month U.S. dollar deposits, *provided that* interest on the Notes shall be payable only at the option of the Issuer, as more fully described herein.

The Notes have no final maturity date and are only redeemable or repayable in accordance with the Conditions and as set out below. Subject to the Issuer having given at least one month's prior written notice to, and receiving no objection from, the United Kingdom Financial Services Authority (or such shorter period of notice as the United Kingdom Financial Services Authority may accept and so long as there is a requirement to give such notice), the Issuer may, at its option, redeem all, but not some only, of the Notes on 12 December 2016 or on any Interest Payment Date thereafter at par. Also, the Issuer may, at its option, redeem all, but not some only, of the Notes at any time prior to 12 December 2016 at par plus accrued interest, in the event of certain tax changes as described under "*Conditions of the Notes — Redemption and Purchase*".

Approval has been granted to list the Notes on the Singapore Exchange Securities Trading Limited (the **SGX-ST**). The SGX-ST takes no responsibility for the correctness of any statements made or opinions or reports expressed herein. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer or the Notes.

For a description of certain matters that prospective investors should consider, see "*Investment Considerations*".

The Notes will initially be represented by a temporary global note (the **Temporary Global Note**), without interest coupons, which will be deposited on or about 12 December 2006 (the **Closing Date**) with a common depository for Euroclear Bank S.A./N.V. (**Euroclear**) and Clearstream Banking, société anonyme (**Clearstream, Luxembourg**). Interests in the Temporary Global Note will be exchangeable for interests in a permanent global note (the **Permanent Global Note** and, together with the Temporary Global Note, the **Global Notes**), without interest coupons, on or after 21 January 2007 (the **Exchange Date**), upon certification as to non-U.S. beneficial ownership. Interests in the Permanent Global Note will be exchangeable for definitive Notes only in certain limited circumstances — see "*Summary of Provisions relating to the Notes while represented by the Global Notes*".

The Notes have been assigned a rating of "Baa3" by Moody's Investors Service Limited. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.

Sole Bookrunner and Manager

Barclays Capital

The date of this Prospectus is 4 December 2006

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Subordination:

The Notes and the Coupons will be direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* without any preference among themselves. The obligations of the Issuer in respect of the Notes are subordinated in right of payment in the manner provided in the Trust Deed to the claims of all Creditors and accordingly payments of principal and interest by the Issuer in respect of the Notes are conditional upon the Issuer being considered solvent at the time of such payment and no principal or interest shall be payable by the Issuer in respect of the Notes except to the extent that the Issuer could make such payment and still be considered solvent immediately thereafter. For this purpose, the Issuer shall be considered solvent if both (a) it is able to pay its debts as they fall due and (b) its Assets exceed its Liabilities (other than its Liabilities to persons who are not Creditors).

Interest Deferral:

The Issuer shall have the option to defer interest payments on the Notes. No interest will accrue on any such Arrears of Interest, for so long as the Arrears of Interest remain unpaid. All Arrears of Interest in respect of the Notes outstanding shall (subject to the subordination provisions) become due in full on the earliest of (i) the date upon which a dividend or distribution is next declared or paid on any class of share capital of the Issuer or any other capital of the Issuer ranking junior to the Notes, (ii) the date set for any redemption pursuant to the Conditions or (iii) the commencement of the winding-up of the Issuer (except for the purposes of a reconstruction, amalgamation, reorganisation, merger or consolidation on terms previously approved in writing by the Trustee).

Withholding Tax:

The Issuer will pay such additional amounts as may be necessary in order that the net payment received by each Noteholder in respect of the Notes, after withholding for any taxes imposed by tax authorities in the United Kingdom upon payments made by or on behalf of the Issuer in respect of the Notes, will equal the amount which would have been received in the absence of any such withholding taxes, subject to customary exceptions (see also "*Redemption*").

Listing:

Approval has been granted to list the Notes on the Singapore Exchange Securities Trading Limited.

Governing Law:

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

INVESTMENT CONSIDERATIONS

Investors should carefully consider the following investment considerations as well as the other information contained in this Prospectus prior to making an investment in the Notes. The risks described below are not the only ones that may affect the Notes. Additional risks not currently known to the Bank or that the Bank currently deems immaterial may also impair the Bank's business operations.

RISKS RELATING TO INDIA AND PARENT'S OPERATIONS

A slowdown in economic growth in India could cause the Bank's business to suffer

As a subsidiary of an Indian bank, the Bank is exposed to the possible risks affecting ICICI Bank Limited (the **Parent**) which could impair the ability of the Parent to support the Bank, if required. The Parent's assets and customers are predominantly located in India. Any slowdown in the Indian economy, volatility of global commodity prices or increase in interest rates could lead to a slowdown in demand for loans from corporate customers, retail customers and customers in the agricultural sector, which could adversely impact the Parent's business, including its ability to grow its asset portfolio, the quality of its assets and financial performance and its ability to implement its strategy.

Any downgrading of India's debt rating or the Parent's debt rating by an international credit rating agency could adversely affect the Bank's business, its liquidity and the price of the Notes

Any adverse revisions to India's or the Parent's credit ratings for domestic and international debt by international rating agencies may adversely affect the Bank's business and limit the Bank's access to capital markets and decrease its liquidity.

Regulatory changes and enforcement initiatives in India or other jurisdictions in which the Parent operates could adversely affect the business of the Bank

The laws and regulations or the regulatory or enforcement environment in any of those jurisdictions in which the Parent operates may change at any time and may have an adverse effect on the Bank or its business in general. In August 2006, the Reserve Bank of India revised its guidelines on investments by banks in other financial services entities and venture capital funds. These revisions may restrict the Parent's ability to make further investments in its international subsidiaries. Similar changes in the future could have an adverse impact on the ability of the Parent to support the Bank financially.

Financial difficulty and other problems in certain financial institutions in India, particularly the Parent, could adversely affect the Bank's business and the price of the Notes

The Bank is exposed to the possible risks of the Parent which may be affected by the financial difficulties faced by certain Indian financial institutions because the commercial soundness of many financial institutions may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with whom the Parent interacts on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect the Bank's business.

As the Indian financial system operates within an emerging market, it faces risks of a nature and extent not typically faced in more developed economies, including the risk of deposit runs notwithstanding the existence of a national deposit insurance scheme.

The Bank faces greater credit risks than other banks in developed economies due to its relatively higher loan exposure to India and other emerging markets

The credit risk of the Bank's borrowers is higher than borrowers in more developed economies due to the greater uncertainty in the regulatory, political, economic and industrial environment in India and other emerging markets as well as risks of civil unrest, imposition of exchange controls, expropriation, nationalisation, renegotiation or nullification of existing contracts and changes in law or tax policy. The above factors may result in non-performing and restructured assets and there could be an adverse impact on the Bank's business and future financial performance and the price of the Notes.

The Bank's funding is primarily short-term savings deposits and medium-term deposits and term borrowings. If depositors and/or lenders do not roll over invested funds upon maturity, its business could be adversely affected

Most of the Bank's incremental funding requirements are met through short-term funding sources, primarily in the form of deposits, inter-bank deposits and loans from institutions. The overnight demand deposits (current & savings) constituted nearly 27 per cent. of total liabilities as at 31 March 2006. "HiSAVE" deposits offered through the online banking internet platform constituted nearly 90 per cent. of the cumulative demand deposits as at 31 March 2006. The Bank's ability to raise incremental "HiSAVE" deposits primarily depends on its ability to persistently offer competitive rates as well as other general market conditions. See "*Funding*".

The Bank's assets have medium-to long-term maturities creating potential liquidity mismatches in view of the funding sources primarily being of shorter end maturities. The Bank therefore faces liquidity risk in case of high volumes of deposit withdrawals, failure of a substantial number of the Bank's depositors to roll over deposited funds upon maturity or to replace deposited funds with fresh deposits and augment its deposit base which could have an adverse impact on the Bank's liquidity position, business, future financial performance and the price of the Notes.

The Bank is subject to legal and regulatory risk which may adversely affect its business and the price of the Notes

The Bank is subject to a wide variety of banking and financial services laws and regulations and a large number of regulatory and enforcement authorities in the jurisdictions in which it operates. The laws and regulations governing the banking and financial services industry have become increasingly complex governing a wide variety of issues, including interest rates, liquidity, capital adequacy, securitisation, investments, ethical issues, money laundering, privacy, record keeping, outsourcing and marketing and selling practices, with sometimes overlapping jurisdictional or enforcement authorities.

Failure to comply with applicable regulations in various jurisdictions, including unauthorised actions by employees, representatives, agents and third parties, suspected or perceived failures and media reports, and future inquiries or investigations by regulatory and enforcement authorities, may result in regulatory action including financial penalties and restrictions on or suspension of the related business operations.

In addition, failure to comply with the applicable regulations in various jurisdictions by the Bank's employees, representatives, agents and third party service providers, either in or outside the course of their services, or suspected or perceived failures by them, may result in inquiries or investigations by regulatory and enforcement authorities, in regulatory or enforcement action against either the Bank or such employees, representatives, agents and third party service providers or both. Such actions may, amongst other consequences, impact the Bank's reputation, result in adverse media reports, lead to increased or enhanced regulatory or supervisory concerns, lead to additional costs, penalties, claims and expenses being incurred by the Bank or impact adversely its ability to conduct business owing to implications on business continuity, possible distraction, lack of proper attention or time by such

The Bank has embarked on international expansion which has increased the complexity of the risks it faces

Until very recently, the Bank operated only in the UK. In 2005, the Bank started operations in Belgium, and has plans to start operations in other continental European countries. This increases the complexity of regulations applicable in different jurisdictions, and exposes the Bank to a variety of regulatory and business challenges, including cross cultural risk and has increased the complexity of the Banks risks in a number of areas including currency risks, interest rate risks, compliance risk, regulatory risk, reputation risk and operational risk.

The Bank is exposed to fluctuations in foreign exchange rates

As a financial intermediary, the Bank is exposed to exchange rate risk. Adverse movements and volatility in foreign exchange rates may adversely affect the Bank's borrowers and the quality of the Bank's exposure to its borrowers and its business.

The Bank's business is very competitive and its growth strategy depends on its ability to compete effectively

The Bank faces intense competition from the full range of competitors in the financial services industry, as well as non-banks. The Bank remains a small player in the international markets and many of its competitors have resources much greater than its own. Due to competitive pressures, the Bank may be unable to successfully execute the Bank's growth strategy and offer products and services at reasonable returns and this may adversely impact the Bank's business.

Fraud and significant security breaches in the Bank's computer system and network infrastructure could adversely impact its business

The Bank's business operations are based on a high volume of transactions. Although the Bank takes adequate measures to safeguard against system-related and other fraud, there can be no assurance that it would be able to prevent fraud. The Bank's reputation could be adversely affected by fraud committed by employees, customers or outsiders. Physical or electronic break-ins, security breaches, other disruptive problems caused by the Bank's increased use of the Internet or power disruptions could also affect the security of information stored in and transmitted through the Bank's computer systems and network infrastructure. Although the Bank has implemented security technology and operational procedures to prevent such occurrences, there can be no assurance that these security measures will be successful. A significant failure in security measures could have a material adverse effect on the Bank's business, future financial performance and the price of the Notes.

System failures could adversely impact the Bank's business

Given the share of retail products and services and transaction banking services in the Bank's total business, the importance of systems technology to the Bank's business has increased significantly. The Bank's principal delivery channels include the Internet, ATMs and call centres. Any failure in the Bank's systems, particularly for retail products and services and transaction banking, could significantly affect the Bank's operations and the quality of its customer service and could result in business and financial losses and adversely affect the price of the Notes.

There is operational risk associated with the banking industry which, when realised, may have an adverse impact on the Bank's business

Like all financial institutions, the Bank is exposed to many types of operational risks, including the risk of fraud or other misconduct by employees or outsiders, unauthorised transactions by employees and third parties (including violation of regulations for prevention of corrupt practices, and other regulations governing the business activities), or operational errors, including clerical or record keeping errors or errors resulting from faulty computer or telecommunications systems. The Bank also

The Bank depends on the accuracy and completeness of information about customers and counterparties

In deciding whether to extend credit to or enter into other transactions with customers and counterparties, the Bank may rely on information furnished to it by or on behalf of customers and counterparties, including financial statements and other financial information. The Bank may also rely on certain representations as to the accuracy and completeness of that information and, with respect to financial statements, on reports of independent auditors. For example, in deciding whether to extend credit, the Bank may assume that a customer's audited financial statements conform with generally accepted accounting principles and present fairly, in all material respects, the financial condition, results of operations and cash flows of the customer. The Bank's financial condition and results of operations could be negatively affected by relying on financial statements that do not comply with generally accepted accounting principles or other information that is materially misleading.

Any inability to attract and retain talented professionals may adversely impact the Bank's business

Attracting and retaining talented professionals is a key element of the Bank's strategy and the Bank believes it to be a significant source of competitive advantage. The Bank's inability to attract and retain talented professionals or the loss of key management personnel could have an adverse impact on its business.

If the Bank is required to change its accounting policies with respect to Financial Reporting Standard 26 guidelines, its earnings could be adversely affected

The Bank has prepared its management accounts for the half year ended 30 September 2006 based on the generally accepted accounting principles applicable for fiscal year 2006. The Bank has not considered the impact of financial reporting standard 26 on "Financial Instruments: Measurement" on the half yearly management accounts. The impact of this new standard as applied to the Bank in fiscal year 2007 could have an impact on the Bank's financial performance.

RISKS RELATING TO THE NOTES

Redemption

The Issuer may (subject to the Issuer having given at least one month's prior written notice to, and receiving no objection from, the FSA (or such shorter period of notice as the FSA may accept and so long as there is a requirement to give such notice)) redeem all (but not some only) of the Notes at their principal amount (i) on the Reset Date or on any Interest Payment Date thereafter or (ii) at any time prior to the Reset Date in the circumstances described in Condition 5 of the conditions of the Notes.

The Issuer may be expected to redeem the Notes under item (i) above 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.

No limitation on issuing senior or *pari passu* securities; subordination

There is no restriction on the amount of securities which the Issuer may issue and which rank senior to, or *pari passu* with, the Notes. The issue of any such securities may reduce the amount recoverable by Noteholders in case of a winding-up of the Issuer and/or may increase the likelihood of a deferral of payments under the Notes. The Notes are subordinated obligations of the Issuer. **Accordingly, in the winding-up of the Issuer, there may not be a sufficient amount to satisfy the amounts owing to the Noteholders.**

Modification, waivers and substitution

The 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 conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or Notification Event shall not be treated as such or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer, in the circumstances described in Condition 11 of the conditions of the Notes.

EU Savings Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required, from 1 July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If, following implementation of this Directive, 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, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Change of law

The Conditions of the Notes are based on English law in effect as at the date of this 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 Prospectus.

Risks related to the market generally

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. Illiquidity may have a severely adverse effect on the market value of Notes.

CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The U.S.\$150,000,000 Perpetual Subordinated Notes Callable 2016 (the **Notes**, which expression shall in these terms and conditions (**Conditions**), unless the context otherwise requires, include any further notes issued pursuant to Condition 15 and forming a single series with the Notes) of ICICI Bank UK PLC (the **Issuer**) are constituted by a Trust Deed dated 12 December 2006 (the **Trust Deed**) made between the Issuer and Deutsche Trustee Company Limited (the **Trustee**, which expression shall include its successor(s)) as trustee for the holders of the Notes (the **Noteholders**) and the holders of the interest coupons appertaining to the Notes (the **Couponholders** and the **Coupons** respectively, which expression shall, unless the context otherwise requires, include the talons for further interest coupons (the **Talons**) and the holders of the Talons).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Trust Deed. Copies of the Trust Deed and the Agency Agreement dated 12 December 2006 (the **Agency Agreement**) made between the Issuer, the Trustee and Deutsche Bank AG, London Branch (the **Principal Paying Agent** and together with any other paying agent (if any), appointed by the Issuer, the **Paying Agents**) are available for inspection during normal business hours by the Noteholders and the Couponholders at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them.

1. FORM, DENOMINATION AND TITLE

1.1 Form and Denomination

The Notes are in bearer form, serially numbered, in the denomination of U.S.\$100,000 each with Coupons and one Talon attached on issue.

For so long as the Notes are represented by the Temporary Global Note and/or the Permanent Global Note and the relevant clearing system(s) so permit, the Notes will be tradeable only in principal amounts of at least U.S.\$100,000 and integral multiples of U.S.\$1,000 in excess thereof. For the avoidance of doubt, in the case of a holding of Notes in an integral multiple of U.S.\$1,000 in excess of U.S.\$100,000, such holding will be redeemed at its nominal amount.

1.2 Title

Title to the Notes and to the Coupons will pass by delivery.

1.3 Holder Absolute Owner

The Issuer, any Paying Agent and the Trustee may (to the fullest extent permitted by applicable laws) deem and treat the bearer of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon or of any trust or interest therein) and shall not be required to obtain any proof thereof or as to the identity of such bearer.

Liabilities means the non-consolidated gross liabilities of the Issuer as shown and adjusted in like manner as for Assets.

The obligations of the Issuer in respect of the Notes are conditional on the Issuer being solvent, within the meaning described in Condition 2, at the time of, and immediately after, payment by the Issuer. If the Issuer would not be so solvent, any amounts which might otherwise have been allocated in or towards payment of principal and interest in respect of the Notes may be used to absorb losses. In the event of a winding-up of the Issuer each holder of a Note will be treated as a holder of one of a class of preference shares as described above.

The provisions of this Condition 2 apply only to the principal and interest in respect of the Notes and nothing in this Condition 2 shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

2.2 Set-off

Subject to applicable law, no Noteholder or Couponholder may exercise, claim or plead any right of set-off, counter-claim or retention in respect of any amount owned to it by the Issuer arising under or in connection with the Notes or the Coupons and each Noteholder and Couponholder shall, by virtue of being the holder of any Note or Coupon, be deemed to have waived all such rights of such set-off, counter-claim or retention.

3. INTEREST

3.1 Interest Payment Dates

The Notes bear interest from and including 12 December 2006 (the **Interest Commencement Date**), payable semi-annually in arrear on 12 June and 12 December in each year commencing on 12 June 2007 to (and including) 12 December 2016 (the **Reset Date**) (each a **Fixed Interest Payment Date**) and thereafter semi-annually in arrear on 12 June and 12 December in each year (together with each Fixed Interest Payment Date, an **Interest Payment Date**) *provided that* interest on the Notes shall (subject to Condition 2) be payable only at the option of the Issuer. If any Interest Payment Date (other than a Fixed Interest Payment Date) would otherwise fall on a day which is not a Business Day (as defined in paragraph 3.3) it shall be postponed to the next day which is a Business Day unless it would then fall into the next calendar month in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day. The period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and each successive period from (and including) an Interest Payment Date to (but excluding) the next succeeding Interest Payment Date is called an **Interest Period**.

Whenever it is necessary to compute an amount of interest in respect of the Notes for a period ending prior to the Reset Date (as defined above) or on (but excluding) the Reset Date, such interest shall be calculated on the basis of a 360-day year consisting of 12 months of 30 days each and rounding the resultant figure to the nearest cent, half a cent being rounded upwards.

Whenever it is necessary to calculate an amount of interest in respect of the Notes for a period other than an Interest Period and such period begins on or after the Reset Date, such interest shall be calculated on the basis of the actual number of days in the relevant period divided by 360 and otherwise in accordance with paragraph 3.4 below.

- (iv) **Reference Banks** means the principal London office of each of four major banks engaged in the London inter-bank market selected by the Agent Bank provided that, once a Reference Bank has been selected by the Agent Bank, that Reference Bank shall not be changed unless and until it ceases to be capable of acting as such;
- (v) **Representative Amount** means, in relation to any quotation of a rate for which a Representative Amount is relevant, an amount that is representative for a single transaction in the relevant market at the relevant time; and
- (vi) **Screen Rate** means the rate for six month deposits in United States dollars which appears on the Telerate page 3750 (or such replacement page on that service which displays the information).

3.4 Determination of Floating Rate of Interest and Interest Amount

The Agent Bank shall, as soon as practicable after 11.00 a.m. (London time) on each Interest Determination Date, but in no event later than the third Business Day thereafter, determine the U.S. dollar amount (the **Interest Amount**) payable in respect of interest on each U.S.\$100,000 principal amount of Notes for the relevant Interest Period. The Interest Amount shall be determined by applying the Floating Rate of Interest to such principal amount, multiplying the sum by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

3.5 Publication of Floating Rate of Interest and Interest Amount

The Agent Bank shall cause the Floating Rate of Interest and the Interest Amount for each Interest Period starting on or after the Reset Date and the relative Interest Payment Date to be notified to the Issuer, the Trustee, if the Notes are then listed on the Singapore Exchange Securities Trading Limited (the **SGX-ST**), the SGX-ST, and any other stock exchange or other relevant authority on which the Notes are at the relevant time listed and to be published in accordance with Condition 12 as soon as possible after their determination, and in no event later than the second Business Day thereafter. The Interest Amount and Interest Payment Date may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period.

3.6 Determination by the Trustee

The Trustee (or an agent appointed by the Trustee at the expense of the Issuer) shall, if the Agent Bank defaults at any time in its obligation to determine the Floating Rate of Interest and Interest Amount in accordance with the above provisions, determine the Floating Rate of Interest and Interest Amount, the former at such rate as, in its absolute discretion (having such regard as it shall think fit to the procedure described above), it shall deem fair and reasonable in all the circumstances and the latter in the manner provided in paragraph 3.4 and the determinations shall be deemed to be determinations by the Agent Bank.

3.7 Notifications, etc. to be Final

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition, whether by the Reference Banks (or any of them), the Agent Bank or the Trustee, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Trustee, the Agent Bank, the Paying Agents and all Noteholders and Couponholders and

The Issuer shall promptly give notice to the Noteholders in accordance with Condition 12 if any such change as is mentioned above occurs.

4. PAYMENTS AND EXCHANGES OF TALONS

4.1 Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States of any of the Paying Agents.

4.2 Method of Payment

Payments will be made by credit or transfer to an account in U.S. dollars maintained by the payee with or, at the option of the payee, by a cheque in U.S. dollars drawn on, a bank in London.

4.3 U.S. Paying Agents

Notwithstanding the foregoing, payments will be made at the specified office in the United States of any Paying Agent and (if no such appointment is then in effect) the Issuer shall, subject to the prior written approval of the Trustee, appoint and maintain a Paying Agent with a specified office in New York City at which payments will be made:

- (a) if (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that the Paying Agents would be able to make payment at the specified offices outside the United States of the full amount payable with respect to the Notes in the manner provided above when due, (ii) payment of the full amount due in U.S. dollars at all specified offices of the Paying Agents outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) the payment is then permitted under United States law; or
- (b) at the option of the relevant holder, if the payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences for the Issuer.

4.4 Missing Unmatured Coupons

Each Note should be presented for payment together with all relative unmatured Coupons (which expression shall, for the avoidance of doubt, include Coupons falling to be issued on exchange of matured Talons). Upon the date on which any Note becomes due and repayable, all unmatured Coupons appertaining to the Note (whether or not attached) shall become void and no payment shall be made in respect of such Coupons.

4.5 Payments subject to Applicable Laws

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 6.

4.6 Payment only on a Presentation Date

A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 3.2, be entitled to any further interest or other payment if a Presentation Date is after the due date.

5. REDEMPTION AND PURCHASE

5.1 No Maturity

The Notes have no final maturity date and are only redeemable or repayable in accordance with the following provisions of this Condition or Condition 8.

5.2 Redemption for Taxation Reasons

If the Issuer satisfies the Trustee immediately before the giving of the notice referred to below that:

- (a) as a result of any change in, or amendment to, the laws or regulations of the United Kingdom or any political subdivision or any authority thereof or therein, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective after 4 December 2006 on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 6; and
- (b) the requirement cannot be avoided by the Issuer taking reasonable measures available to it,

the Issuer may at its option, subject to the Issuer having given at least one month's prior written notice to, and receiving no objection from, the FSA (or such shorter period of notice as the FSA may accept and so long as there is a requirement to give such notice) and having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 12 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time prior to the Reset Date at their principal amount together with interest accrued to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be required to pay such additional amounts, were a payment in respect of the Notes then due.

Prior to giving any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Trustee a certificate signed by two Directors of the Issuer stating that the requirement referred to in (a) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and that it has given at least one month's prior written notice to, and received no objection from, the FSA (or such shorter period of notice as the FSA may accept and so long as there is a requirement to give such notice) and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

In these Conditions, **FSA** means the Financial Services Authority or such other governmental authority in the United Kingdom (or if the Issuer becomes domiciled in a jurisdiction other than the United Kingdom, in such other jurisdiction) responsible for the supervision of banks or other authorised institutions in the United Kingdom.

5.3 Redemption at the Option of the Issuer

The Issuer may, subject to the Issuer having given at least one month's prior written notice to, and receiving no objection from, the FSA (or such shorter period of notice as the FSA may accept and so long as there is a requirement to give such notice) and having given:

- (a) not less than 15 nor more than 30 days' notice to the Noteholders in accordance with Condition 12; and

- (c) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent, if any, in a Member State of the European Union; or
- (d) presented for payment more than 30 days after the Relevant Date except to the extent that a holder would have been entitled to additional amounts on presenting the same for payment on the last day of the period of 30 days assuming, whether or not such is in fact the case, that day to have been a Presentation Date (as defined in Condition 4.6).

As used in these Conditions, **Relevant Date** means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Principal Paying Agent or the Trustee on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 12.

6.2 Additional Amounts

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition or under any undertakings given in addition to, or in substitution for, this Condition pursuant to the Trust Deed.

7. PRESCRIPTION

Notes and Coupons (which for this purpose shall not include Talons) will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 4. There shall not be included in any Coupon sheet issued upon exchange of a Talon any Coupon which would be void upon issue under this condition or Condition 4.

8. EVENTS OF DEFAULT

If the Issuer shall not make payment in respect of the Notes for a period of ten days or more (in the case of payment of any principal) or 14 days or more (in the case of payment of any interest), in any case after the due date, the Trustee may, subject as provided below, at its discretion and without further notice, institute proceedings in England (but not elsewhere) for the winding-up of the Issuer provided that the Issuer shall not be in default, however, if, in the case of principal, during the ten days' grace period referred to above or, in the case of interest, during the 14 days' grace period referred to above, it satisfies the Trustee that such sums were not paid in order to comply with the order of any United Kingdom court of competent jurisdiction provided always that such grace periods shall automatically start to run again upon any such order being discharged or revoked. For the purpose of this Condition, a payment otherwise due (in the case of principal) or compulsory (in the case of interest) shall be deemed so due or compulsory notwithstanding that the conditions for payment set out in Condition 2 are not satisfied.

9. ENFORCEMENT

9.1 Without prejudice to Condition 8, if the Issuer fails to perform, observe or comply with any obligation, condition or provision relating to the Notes binding on it under these Conditions or the Trust Deed (other than any obligation of the Issuer for the payment of any principal or interest in respect of the Notes), the Trustee may, subject as provided below, at its discretion and without further notice, institute such proceedings against the Issuer as it may

12. NOTICES

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Trustee may approve. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or the relevant authority 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. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Trustee may approve. Couponholders will be deemed for all purposes to have notice of the contents of any notice given to the Noteholders in accordance with this condition.

13. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER, AUTHORISATION AND DETERMINATION

13.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation by Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-fourths of the votes cast thereon or a resolution in writing signed by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding) of any of these Conditions or any of the provisions of the Trust Deed. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that, at any meeting the business of which includes the modification or abrogation of certain of the provisions of these Conditions and certain of the provisions of the Trust Deed, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned such meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

13.2 Modification, Waiver, Authorisation and Determination

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or Notification Event (as defined in the Trust Deed) shall not be treated as such (provided that, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders) or may agree, without any such consent as aforesaid, to any modification which, in its opinion, is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven.

13.3 Trustee to have Regard to Interests of Noteholders as a Class

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation, determination or substitution), the Trustee shall have regard to the general interests of the Noteholders as a class but shall not have regard to any interests arising from circumstances particular to

16. GOVERNING LAW

The Trust Deed, the Notes and the Coupons are governed by, and will be construed in accordance with, English law.

17. RIGHTS OF THIRD PARTIES

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.