

7th April, 2006

Kaupthing Bank hf.
Issue of ISK 300,000,000 Basket of Indices Linked Notes due 7th April, 2011
under the ₣ 12,000,000,000
Euro Medium Term Note Programme

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 2nd September, 2005. This Pricing Supplement is supplemental to and must be read in conjunction with such Offering Circular.

Important Notice to Prospective Purchasers

Prospective purchasers of the Notes should ensure that they understand the nature of the Notes and the extent of their exposure to risk and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial condition. Prospective purchasers should conduct their own investigations and, in deciding whether or not to purchase Notes, prospective purchasers should form their own views of the merits of an investment related to the Indices (as defined below) based upon such investigations, and in particular, the considerations set forth in Appendix 2. The Notes can be redeemed above par, at par or below par.

The Issuer makes no representation and gives no assurance that any publicly available information regarding the Indices is accurate or complete. Furthermore, there can be no assurance that all events occurring prior to the date of this Pricing Supplement that would affect the Indices have been publicly disclosed. Subsequent disclosure of any such events or the disclosure of or failure to disclose material future events concerning the Indices could affect the value of the Indices and consequently the value of the Notes.

Except as indicated in Appendix 2 to this Pricing Supplement, the Issuer accepts responsibility for the information contained in this Pricing Supplement. To the best of the knowledge and belief of the Issuer (having taken all reasonable care to ensure that such is the case), such information is in accordance with the facts and does not omit anything likely to affect the import of the information.

1.	Issuer:	Kaupthing Bank hf.
2.	(i) Series Number:	57
	(ii) Tranche Number:	1
3.	Specified Currency or Currencies:	Icelandic Krona (ISK)
4.	Aggregate Nominal Amount:	
	(i) Tranche:	ISK 300,000,000
	(ii) Series:	ISK 300,000,000
5.	(i) Issue Price:	100 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds	ISK 300,000,000

6.	Specified Denominations:	ISK 1,000,000
7.	Issue Date:	7th April, 2006
8.	Maturity Date:	7th April, 2011
9.	Interest Basis:	Not Applicable
10.	Redemption/Payment Basis:	Index Linked Redemption
11.	Change of Interest Basis or Redemption/ Payment Basis:	Not Applicable
12.	Put/Call Options:	Not Applicable
13.	Status of the Notes:	Senior
14.	Listing:	Luxembourg
15.	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16.	Fixed Rate Note Provisions	Not Applicable
17.	Floating Rate Note Provisions	Not Applicable
18.	Zero Coupon Note Provisions	Not Applicable
19.	Index Linked Interest Note Provisions	Not Applicable
20.	Dual Currency Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21.	Issuer Call	Not Applicable
22.	Investor Put	Not Applicable
23.	Final Redemption Amount of each Note	See Appendix 1

24.	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 7(e)):	An amount to be paid in ISK determined by the Calculation Agent in its sole and absolute discretion, which cannot be less than the Aggregate Nominal Amount of the Notes
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GENERAL PROVISIONS APPLICABLE TO THE NOTES

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

DISTRIBUTION

32. (i) If syndicated, names of Managers: Not Applicable
- (ii) Stabilising Manager (if any): Not Applicable
33. If non-syndicated, name of relevant Dealer: Kaupthing Bank hf.
34. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: TEFRA D
35. Additional selling restrictions: Not Applicable

OPERATIONAL INFORMATION

36. Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

37. Delivery: Delivery against payment
38. Additional Paying Agent(s) (if any): Not Applicable
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ISIN: XS0250804241
Common Code: 250804241

LISTING APPLICATION


This Pricing Supplement comprises the details required to list the issue of Notes described herein pursuant to the €12,000,000,000 Euro Medium Term Note Programme of Kaupthing Bank hf.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By:


Duly authorised

APPENDIX 1

I. REDEMPTION

Unless previously redeemed or purchased and cancelled, each Instrument (with a Specific Denomination of ISK 1,000,000) will be redeemed on the Maturity Date at an amount (the "**Final Redemption Amount**") calculated by the Calculation Agent on the Business Day immediately following the Final Observation Date pursuant to the following formula:

Final Redemption Amount = ISK 1,000,000 + Additional Amount

Additional Amount, which can be a negative number, means the amount calculated by the Calculation Agent pursuant to the following formula:

$$\text{USD } 13,681.76 \times \text{FX-Rate} \times (1.05 \times \text{Basket Performance})$$

FX-Rate shall be determined by the calculation agent as follows:

- First Currency:	United States Dollars ("USD")
- Second Currency:	Icelandic Krona ("ISK")
- Specific Columns:	
- Relevant Screen Page:	N/A As published by the Central Bank of Iceland on the Business Day immediately following the Final Observation Date
- Relevant Time:	N/A

Basket Performance shall be determined by the Calculation Agent as the higher of:

- (i) 0
- (ii) $(\text{Basket}_{(t)} - 1)$

Basket_(t) means

$$\sum_{n=1}^5 \frac{\text{Index}_n(t)}{\text{Index}_n(0)} \times W_n$$

Index_n(t) means the level of the relevant Index "n" at the Valuation Time on each Observation Date, as determined by the Calculation Agent;

Index_n(0) means with respect to each Index, the value specified in the column headed "**Initial Index Level**" in the Annex corresponding to such Index.

W_n means the Weighting of the relevant Index set out in Annex 3.

II. DEFINITIONS

"**Basket**" means the basket of Indices described in Annex 3.

"**Clearance System**" means the principal domestic clearance system customarily used for settling trades in the relevant shares at any relevant time, as determined by the Determination Agent.

"**Clearance System Business Day**" means any day on which the Clearance System is (or, but for the occurrence of a Settlement Disruption Event, would have been) open for the acceptance and execution of settlement instructions.

"**Component Security**" means each component security of Index 1.

"**Disrupted Day**" means:

with respect to Index 1, Index 2, Index 3, Index 4, any Scheduled Trading Day on which any Exchange or Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

"**Early Closure**" means:

with respect to Index 1, Index 2, Index 3 or Index 4, the closure on any Exchange Business Day of any relevant Exchange relating to securities that comprise 20 per cent or more of the level of the Index or any Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.

"**Exchange**" means, in respect of an Index (and, in the case of Index 1, any Component Security), the exchange or quotation system specified in the column headed "**Exchange**" in Annex 3 corresponding to such Index, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares underlying the relevant Index (or, in the case of Index 1, the relevant Component Security) has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the Shares underlying such Index on such temporary substitute exchange or quotation system as on the original Exchange), as determined by the Calculation Agent.

"**Exchange Business Day**" means:

with respect to Index 1, Index 2 and Index 3, any Scheduled Trading Day on which each Exchange and each Related Exchange with respect to the relevant Index are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

"**Exchange Disruption**" means:

with respect to Index 1, Index 2, Index 3 or Index 4, any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values on any relevant Exchange(s) for securities that comprise 20 per cent or more of the level of the relevant Index, or (ii) to effect transactions in, or obtain market values for, futures or options contracts relating to the Index on any relevant Related Exchange.

"**Index Sponsor**" means, with respect to an Index, the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to such Index and (b) announces (directly or through an agent) the level of such Index on a regular basis during each Scheduled Trading Day, as determined by the Calculation Agent.

"**Indices**" means, the equity indices specified in Annex 3 below (each an "**Index**" and "**Index 1**", "**Index 2**", "**Index 3**" or "**Index 4**", as therein designated).

"**Last Possible Observation Date**" means the last Business Day which is at least two Business Days before the Maturity Date.

"**Market Disruption Event**" means,

with respect to Index 1, Index 2, Index 3 or Index 4, the occurrence or existence of (A) a Trading Disruption, (B) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time, or (C) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of an Index exists at any time, if a Market Disruption Event occurs in respect of a security included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

"**Observation Date**" means, subject to Market Disruption, each Scheduled Trading Day commencing on and including the Issue Date to and including 04 April 2011 (the "**Final Observation Date**"), or, if any such date is not a Scheduled Trading Day, the next following Scheduled Trading Day.

"**Related Exchange**" means, in respect of an Index, the exchange or quotation system specified in the column headed "**Related Exchange**" in Annex 3 corresponding to such Index, any successor to any such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to the relevant Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), as determined by the Calculation Agent.

"**Scheduled Closing Time**" means, in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

"**Scheduled Trading Day**" means:

- (a) with respect to Index 1, any day on which (i) the Index Sponsor in respect of Index 1 is scheduled to publish the level of Index 1; and (ii) the Related Exchange in respect of Index 1 is scheduled to be open for trading for its regular trading session; and
- (b) with respect to Index 2, Index 3 or Index 4, any day on which each relevant Exchange and Related Exchange are scheduled to be open for trading for their respective regular trading sessions.

"**Settlement Cycle**" means the period of Clearance System Business Days following a trade in the shares underlying an Index on the relevant Exchange in which settlement will customarily occur according to the rules of such Exchange (or, if there are multiple Exchanges, the longest such period).

"**Settlement Disruption Event**" means an event beyond the control of the Issuer as a result of which the relevant Clearance System cannot clear the transfer of any security comprised in an Index.

"**Shares**" means the shares underlying the Indices and "**Share**" means any one such share.

"**Trading Disruption**" means:

with respect to Index 1, Index 2, Index 3 or Index 4, any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (a) on any Exchange(s) relating to securities that comprise 20 percent or more of the level of the Index, or (b) in futures or options contracts relating to the Index on any Related Exchange.

"Valid Date" means a Scheduled Trading Day that is not a Disrupted Day and on which another Observation Date in respect of the relevant Observation Date does not or is not deemed to occur.

"Valuation Time" means

with respect to Index 1, Index 2, Index 3 and Index 4, the Scheduled Closing Time on the Exchange on the relevant Observation Date. If the relevant Exchange closes prior to its Scheduled Closing Time, then the Valuation Time shall be such actual closing time.

"Weighting" means, with respect to an Index, the percentage specified in the column headed **"Weighting"** in Annex 3, corresponding to such Index.

III. OTHERS

1. Adjustments to Index

- (i) If an Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor index sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for, and method of, calculation as used in the calculation of the Index, then that Index (the **"Successor Index"**) will be deemed to be the relevant index.
- (ii) If, in the determination of the Calculation Agent, (1) on or prior to an Observation Date, an Index Sponsor or (if applicable) Successor Index Sponsor announces that it will make a material change in the formula for, or the method of calculating, an Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities and capitalisation and other routine events) (an **"Index Modification"**) or permanently cancels the Index and no Successor Index exists (an **"Index Cancellation"**) or (2) on any Observation Date, the Index Sponsor fails to calculate and announce an Index (an **"Index Disruption"** and together with an Index Modification and an Index Cancellation, each an **"Index Adjustment Event"**), then the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Instruments and if so shall calculate any relevant amount using, in lieu of a published level for the Index, the level of that Index as at the Valuation Date as determined by the Calculation Agent in accordance with the formula for and method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised the Index immediately prior to the Index Adjustment Event. The Calculation Agent shall not be responsible in respect of any error or omission or subsequent correcting made in the calculation or publication of the Index, whether caused by negligence or otherwise.

2. Correction of Index Level

- (i) In the event that any level of an Index published by an Index Sponsor and which is utilised by the Determination Agent for any determination (the **"Original Determination"**) is subsequently corrected and the correction (the **"Corrected Level"**) is published by such Index Sponsor prior to the Last Possible Observation Date and within one Settlement Cycle after the original publication, then the Calculation Agent shall notify the Issuer of the Corrected Level as soon as reasonably practicable and shall re-determine the relevant level (the **"Replacement Determination"**) using the Corrected Level.
- (ii) If the result of the Replacement Determination is different from the result of the Original Determination, to the extent that it determines to be necessary, the Determination Agent may adjust any relevant terms accordingly.

3. Market Disruption

The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer and the Holders through the Fiscal Agent of the occurrence of a Disrupted Day on any day that but for the occurrence of a Disrupted Day would have been an Observation Date.

Where the Calculation Agent determines that any Observation Date for an Index is a Disrupted Day, that Observation Date shall be the first succeeding Valid Date in relation to such Index. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Observation Date or Disrupted Day, would have been the Final Observation Date, then:

- (i) that eighth Scheduled Trading Day shall be deemed to be the relevant Observation Date (irrespective of whether that eighth Scheduled Trading Day is already an Observation Date); and
- (ii) the Calculation Agent shall determine the level of each Index affected by the event giving rise to a Disrupted Day as of the relevant Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to the provisions of Adjustments to Index and Corrections to Index Level above) the formula, for and method of, calculating such Index last in effect prior to such event using the Exchange traded or quoted price as of the relevant Valuation Time on that eighth Scheduled Trading Day of each security comprised in such Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

If any Observation Date for an Index has not occurred before the Last Possible Observation Date, then it shall be deemed to occur on the Last Possible Observation Date, even if it is not a Scheduled Trading Day which is not a Disrupted Day in respect of such Index.

IV. CERTIFICATES, ETC. TO BE FINAL

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the Instruments by the Calculation Agent shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer and the Noteholders and (in the absence as aforesaid) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

APPENDIX 2

Part I

1. DESCRIPTION OF THE HANG SENG CHINA ENTERPRISES INDEX

INFORMATION ON THE INDEX**

** Source: http://www.hsi.com.hk/intro/HSCEI_eng.pdf

HANG SENG CHINA ENTERPRISES INDEX

The Hang Seng China Enterprises Index ("HSCEI") was launched on 8 August 1994 to track the performance of all the Hong Kong listed H-shares of China enterprises, one year after the first H-share company was listed on the Stock Exchange of Hong Kong. The number of constituents in the HSCEI increased from 10 to 54 between 1994 and 2001. With the launch of the 200-stock Hang Seng Composite Index ("HSCI") on 3 October 2001, the HSCEI became part of the Hang Seng Composite Index Series ("HSCI Series"). Since then, constituents of the HSCEI comprise only the largest H-share companies which are included in the 200-stock HSCI.

SELECTION CRITERIA

The HSCEI is reviewed half-yearly together with the HSCI Series. H-share companies joining or leaving the HSCI are automatically included in or excluded from the HSCEI.

CALCULATION METHODOLOGY

Full market capitalisation weighting of the H-share portion of each constituent company is adopted for index calculation.

INDEX OVERVIEW

Index	HSCEI
Launch Date	8 August 1994
Backdated to	15 July 1993
Base Date	3 January 2000*
Base Index	2,000*
Review Frequency	Half-yearly

* The HSCEI had a base index of 1,000 at its launch on 8 August 1994. On 3 October 2001 with the launch of the HSCI Series, the HSCEI was rebased with a value of 2,000 as at 3 January 2000 to align with the HSCI Series. A conversion factor of 4.34235 was used to convert the historical index value.

HISTORICAL PERFORMANCE

The following table sets forth the value of the Index at the end of each month in the periods indicated. This historical data on the Index is not indicative of the future performance of the Index or what the value of the Instruments may be. Any historical upward or downward trend in the value of the Index during any period set forth below is not any indication that the Index is more or less likely to increase or decrease at any time during the term of the Instruments

2003	High	Low
June	2,775.84	2,478.06
July	3,022.48	2,713.363
August	3,364.62	2,978.17
September	3,416.15	2,930.86
October	3,905.48	3,228.87
November	3,937.90	3,471.56

December	5,048.71	3,832.65
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2004

High

Low

January	5,440.75	4,436.29
February	5,203.24	4,434.53
March	5,221.15	4,519.20
April	5,053.89	3,929.47
May	4,371.99	3,501.95
June	4,428.23	3,840.57
July	4,467.89	4,126.01
August	4,348.04	3,949.46
September	4,701.59	4,242.75
October	4,838.55	4,429.21
November	5,020.07	4,472.24
December	4,999.62	4,650.28

2005

High

Low

January	4,773.38	4,460.95
February	5,166.97	4,654.05
March	5,221.15	4,519.20
April	5,053.89	3,929.47
May	4,799.00	4,485.45
June	4,914.65	4,512.70
July	5,281.41	4,791.09
August	5,541.76	5,018.06
September	5,259.71	4,961.98
October	5,278.55	4,663.75
November	5,117.37	4,819.54
December	5,384.13	5,024.08

2006

High

Low

January	6,294.77	5,318.92
February	6,794.76	6,169.76
March	6,760.48	6,127.48

Source: Bloomberg

2. DESCRIPTION OF THE JP MORGAN FLEMING INDIA FUND

GENERAL DESCRIPTION

JP Morgan Funds – India Fund is an open end investment fund incorporated in Luxemburg. The Fund's objective is to provide long-term capital growth. The fund invests in Indian securities and companies deriving a significant proportion of their revenues from the Indian sub-continent.

HISTORICAL PERFORMANCE

The following table sets forth the value of the Index at the end of each month in the periods indicated. This historical data on the Index is not indicative of the future performance of the Index or what the value of the Instruments may be. Any historical upward or downward trend in the value of the Index during any period set forth below is not any indication that the Index is more or less likely to increase or decrease at any time during the term of the Instruments

End of Quarter	High
Q1 2006	55,71
Q4 2005	45,17
Q3 2005	41,91
Q2 2005	35,08
Q1 2005	31,46
Q4 2004	31,61
Q3 2004	25,89
Q2 2004	22,46
Q1 2004	26,38
Q4 2003	25,33
Q3 2003	18,56
Q2 2003	13,72
Q1 2003	11,41
Q4 2002	12,48
Q3 2002	11,10
Q2 2002	12,15
Q1 2002	12,99
Q4 2001	12,61
Q3 2001	10,22
Q2 2001	12,40
Q1 2001	12,94
Q4 2000	15,34
Q3 2000	16,48
Q2 2000	20,06
Q1 2000	24,90

Source: Bloomberg

3. DESCRIPTION OF THE KOSPI 200 INDEX

GENERAL DESCRIPTION

The KOSPI 200 Index is capitalization-weighted index of 200 Korean Stocks which make up 93% of the total market value of the Korea Stock Exchange. The index was developed with a base value of 100 as of January 3, 1990.

HISTORICAL DATA ON THE KOSPI 200 INDEX

The following table sets forth the value of the Kospi 200 index at the end of each month in the periods indicated. This historical data on the Kospi 200 index is not indicative of the future performance of the Kospi 200 index or what the value of the Warrants may be. Any historical upward or downward trend in the value of the Kospi 200 index during any period set forth below is not any indication that the Kospi 200 index is more or less likely

Quarter	High	Low
Q1 2006	183,02	166,62
Q4 2005	177,96	146,11
Q3 2005	159,97	128,56
Q2 2005	130,41	116,54
Q1 2005	132,22	112,07
Q4 2004	115,69	103,25
Q3 2004	111,26	92,49
Q2 2004	122,66	92,63
Q1 2004	119,64	105,63
Q4 2003	106,83	88,38
Q3 2003	100,06	84,56
Q2 2003	88,16	66,66
Q1 2003	86,6	65,25
Q4 2002	93,68	72,38
Q3 2002	101,82	80,43
Q2 2002	118,61	88,24
Q1 2002	114,33	86,47
Q4 2001	89,8	60,76
Q3 2001	73,97	57,02
Q2 2001	79,02	60,96
Q1 2001	79,47	62,97
Q4 2000	76,75	59,45
Q3 2000	109,4	68,24
Q2 2000	111,36	79,03
Q1 2000	134,76	100,75

Source: Bloomberg

4. DESCRIPTION OF THE MSCI TAIWAN

GENERAL DESCRIPTION

The MSCI Taiwan IndexSM is a free float-adjusted market capitalization index. The index represents Taiwanese companies that are available to investors worldwide.

The MSCI Taiwan Index has a base date of December 31, 1987. As of August 31, 2005 it contained 103 constituents with a total market capitalization of TWD 6,961,277 million.

The MSCI Taiwan Index is calculated in Taiwanese Dollars on a real time basis and disseminated every 15 seconds during market trading hours. It is also calculated in MSCI Local and US Dollars on an end of day basis.

HISTORICAL DATA ON THE MSCI TAIWAN INDEX

The following table sets forth the value of the MSCI Taiwan index at the end of each month in the periods indicated. This historical data on the MSCI Taiwan index is not indicative of the future performance of the MSCI Taiwan index or what the value of the Warrants may be. Any historical upward or downward trend in the value of the MSCI Taiwan index during any period set forth below is not any indication that the MSCI Taiwan index is more or less likely

The historical performance of the MSCI Taiwan should not be taken as an indication of future performance.

Quarter	High	Low
Q1 2006	288,01	266,99
Q4 2005	278,67	234,95
Q3 2005	272,91	246,03
Q2 2005	268,08	230,96
Q1 2005	261,46	239,04
Q4 2004	258,96	232,63
Q3 2004	250,75	222,23
Q2 2004	295,24	231,76
Q1 2004	304,74	254,83
Q4 2003	275,98	247,93
Q3 2003	261,63	210,97
Q2 2003	221,86	173,06
Q1 2003	218,99	180,44
Q4 2002	212,51	162,81
Q3 2002	242,99	173,97
Q2 2002	290,66	222,76
Q1 2002	283,57	244,76
Q4 2001	263	155
Q3 2001	230	153
Q2 2001	260	220
Q1 2001	287	219
Q4 2000	294	213
Q3 2000	383	285
Q2 2000	451	356
Q1 2000	460,76	366,12

Source: Bloomberg

5. DESCRIPTION OF THE MSCI SINGAPORE

GENERAL DESCRIPTION

The MSCI Singapore Free IndexSM is calculated in Singapore Dollars on a real time basis and disseminated every 15 seconds during market trading hours. The index has a base date of January 1, 1988 and uses "foreign" prices instead of local prices when available.

On September 7, 1998, futures contracts on the MSCI Singapore Free Index began trading on the Singapore Exchange.

HISTORICAL DATA ON THE MSCI SINGAPORE INDEX

The following table sets forth the value of the MSCI Singapore index at the end of each month in the periods indicated. This historical data on the MSCI Singapore index is not indicative of the future performance of the MSCI Singapore index or what the value of the Warrants may be. Any historical upward or downward trend in the value of the MSCI Singapore index during any period set forth below is not any indication that the MSCI Singapore index is more or less likely

The historical performance of the MSCI Singapore should not be taken as an indication of future performance.

Quarter	High	Low
Q1 2006	302,13	278,14
Q4 2005	279,32	259,33
Q3 2005	285,35	263,42
Q2 2005	265,19	248,29
Q1 2005	260,09	245,95
Q4 2004	246,86	233,16
Q3 2004	242,6	222,85
Q2 2004	230,93	205,57
Q1 2004	233,67	216,54
Q4 2003	223,95	199,15
Q3 2003	203,07	178,06
Q2 2003	189,64	149,78
Q1 2003	173,88	146,57
Q4 2002	184,93	162,23
Q3 2002	208,45	163,59
Q2 2002	228,21	188,1
Q1 2002	233,44	199,16
Q4 2001	204,57	160,36
Q3 2001	209,94	143,87
Q2 2001	220,94	196,3
Q1 2001	258,62	205,54
Q4 2000	268,85	232,74
Q3 2000	294,97	246,71
Q2 2000	293,44	235,4
Q1 2000	349,45	260,23

Source: Bloomberg

APPENDIX 2

Part 2

1. DISCLAIMERS

1.1 The Hang Seng China Enterprise Index

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1.2 JP Morgan Fleming India Fund

PROVISIONS RELATING TO FUND SUBSTITUTION

Lock-in Events:

The following shall (if the Calculation Agent determines that its occurrence is material) each constitute a "Lock-in Event" in respect of the Funds (for the avoidance of doubt, the Calculation Agent has no obligation to actively monitor whether or not any of the following events as occurred):

- (i) A material change is made to the main investment objective or restrictions of such Fund in place as at the Trade Date or Substitution Date, as the case may be or the Management Company determines that the Fund has failed to comply with its investment objective and restrictions set out in its rules on the Trade Date;
- (ii) The currency denomination of such Fund or any class thereof is amended in accordance with its rules so that the net asset value of such Fund or class on any Basket Valuation Day is no longer calculated in the same currency as at the Trade Date or Substitution Date (as the case may be);
- (iii) The Issuer, its affiliates, or any hedging counterparty would be required to pay a subscription fee in respect of a purchase of units of such Fund or incur any redemption fee in respect of a sale of units or shares (as the case may be) of such Fund in relation to their hedging activities in respect of the Notes;
- (iv) The Management Company in respect of such Fund fails for reasons other than of technical or operational nature to calculate the net asset value of such Fund on five consecutive occasions within the timeframe specified in its rules or any changes are made to the frequency with which or the dates

- on which the net asset value of such Fund is calculated, as set out in its rules on the Trade Date or Substitution Date;
- (v) the activities of such Fund or its Management Company and/or any of their respective employees, directors, agents or service providers are placed under review or investigation by any regulatory authority and/or are subject to any charges or actions by any regulatory authority for reasons of wrongdoing or suspected wrongdoing, breach or suspected breach of any rule or regulation or other similar reason and/or have any of their respective registrations, authorisations, licences or memberships with any regulatory authority revoked, suspended, terminated, limited or qualified;
 - (vi) There is any change in the regulatory or tax treatment applicable with respect to such Fund which could have an economic impact for the Issuer, its affiliates or any hedging counterparty as a holder of an interest in such Fund;
 - (vii) Such Fund, its Management Company or any custodian or other service provider to such Fund becomes party to any litigation or dispute;
 - (viii) The Management Company of such Fund ceases to be the investment manager of such Fund;
 - (ix) If the Issuer, its affiliates or any hedging counterparty were to redeem any units or shares in such Fund, they would not receive full proceeds of such redemption in cash within the time frame specified in the prospectus in place on the Trade Date, as amended by any side letter; Any suspension of or limitation is imposed on trading of such Fund (by reason of liquidity restrictions or otherwise) or any dealing request made by any investor or prospective investor in such Fund is deferred in whole or in part; and
 - (xi) The Issuer, its affiliates or any hedging counterparty would be obliged (whether by the Management Company or otherwise) to redeem all or some of the units or shares (as the case may be) of such Fund that it is holding in relation to its hedging activities in respect of the Notes.
- (i) Upon the occurrence of a Merger Event, an Insolvency or a Lock-in Event in respect of a Fund or of an Insolvency in respect of the Management Company or any custodian or other service provider to the Fund (the "Affected Fund"), the Calculation Agent shall notify the Issuer and the paying agent appointed in respect of the Note issue (the "**Paying Agent**") who shall promptly notify the Noteholders, and the Calculation Agent shall either (i) (A) make such adjustments to any variable, calculation methodology, valuation, settlement, payment terms or any other terms and conditions of the Notes as the Calculation Agent determines appropriate to account for the effect on the Notes of such Merger Event, Lock-in Event or Insolvency; and (B) determine the effective date of the relevant adjustments, or (ii) if the Calculation Agent determines that no adjustment that it could make under (i) will produce a commercially reasonable result, the Calculation Agent shall notify the Issuer and the Paying Agent who shall promptly notify the Noteholders, and shall select, for the purposes of replacing the Affected Fund, (a) an alternative investment fund (the "**Replacement Fund**") to replace the Affected Fund and (b) the appropriate date (the "Substitution Date") for the replacement of the Affected Fund by the Replacement Fund, provided that such Replacement Fund shall be denominated in the same currency and have, in the reasonable opinion of the Calculation Agent, a similar investment objective as the Affected Fund.
- (ii) Following any such selection pursuant to (i) above the relevant Replacement Fund shall replace the relevant Affected Fund for the purposes of the Notes on the relevant Substitution Date, and the Calculation Agent shall make such adjustment(s) that it determines (in its sole and absolute discretion) to be appropriate to any variable, calculation methodology, valuation, settlement, payment terms or any other terms in respect of the Notes to account for such replacement.

For the purposes hereof:

"Management Company" means the investment manager of such Fund on the Trade Date and any other successor entity acceptable to the Calculation Agent.

"Merger Event" means any (i) reclassification or change in such entity that results in a transfer of or an irrevocable commitment to transfer all of the units or shares of such Fund outstanding, (ii) consolidation, amalgamation or merger of such Fund with or into another entity (other than a consolidation, amalgamation or merger in which such Fund is the continuing entity and which does not result in any such reclassification or change of all of the units or shares of such Fund outstanding), (iii) other takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any person to purchase or otherwise obtain 100 per cent. of the outstanding units or shares that results in a transfer of or an irrevocable commitment to transfer all of the Fund Units (other than the units or shares owned or controlled by the offeror), or (iv) consolidation, amalgamation, merger or binding exchange of such Fund with or into another entity in which such Fund is the continuing entity and which does not result in a reclassification or change of all such units or shares outstanding but results in the outstanding units or shares (other than the units or shares owned or controlled by the offeror) immediately prior to such event collectively representing less than 50 per cent. of the outstanding units or shares immediately following such event, in each case if the Merger Date (as defined above) is on or before the Final Potential Rebalancing Date.

"Insolvency" means, in respect of the relevant entity, any winding-up, termination or any loss of regulatory approval or registration or other analogous event, as set out in the final terms issued in respect of the Notes.

RISK FACTORS

General

The Counterparty should be aware that the payout of the Transaction are linked to the value and/or performance of one or more unregulated collective investment schemes or "hedge funds", including "funds of funds" (together, "Funds"). Investment in such Funds can involve a high degree of risk and they may only be offered or sold to investors capable of understanding the risks which they entail. Movements in the value of the Funds may adversely affect the value of the Transaction. These risks include, but are not limited to, the matters set out below

Notwithstanding its capability to understand and make independent decisions regarding entry into the Transaction, by entering into the Transaction, the Counterparty implicitly represents and warrants to each of J.P. Morgan Securities Ltd. and JPMorgan Chase Bank (together, "**JPMorgan**") that the complexity and risks inherent in the Transaction are suitable for its objectives and the size, nature and condition of its business, regardless of whether the same have been disclosed to JPMorgan. This Confirmation cannot disclose all of the risks and other significant aspects of the Transaction. The Counterparty should not enter into the Transaction unless it understands the nature of the Transaction and the extent of its exposure to potential loss. The Counterparty should consider carefully whether the Transaction is suitable for it in the light of its circumstances and financial position. The Counterparty should consult its own legal, tax, accountancy, financial and other professional advisers to assist it in determining the suitability of the Transaction for it as an investment.

Transfer Restrictions and Illiquidity.

The Funds and the assets thereof may be subject to transfer restrictions arising by way of applicable securities laws or otherwise. Such restrictions may mean that the Counterparty entering into the Transaction is not entitled to acquire interests in the Funds directly. Fundholders may have the right to transfer or withdraw their investment in the Funds only at certain times and upon completion of certain documentary formalities and such rights may be subject to suspension or alteration. These

circumstances may affect the net asset value of the Fund or Funds in question. The Counterparty should familiarise itself with the features of the Funds in this regard.

Fund Valuation.

The valuation of a Fund is generally controlled by the Investment Manager or the Investment Adviser (as the case may be) of the Fund. Valuations are performed in accordance the terms and conditions governing the relevant Fund. Such valuations may be based upon the unaudited financial records of the Fund and any accounts pertaining thereto. Such valuations may be preliminary calculations of the net asset values of the Fund and accounts. The Fund may hold a significant number of investments which are illiquid or otherwise not actively traded and in respect of which reliable prices may be difficult to obtain. In consequence, the Investment Manager or the Investment Adviser may vary certain quotations for such investments held by the Fund in order to reflect its judgement as to the fair value thereof. Therefore, valuations may be subject to subsequent adjustment upward or downward. Uncertainties as to the valuation of Fund assets and/or accounts may have an adverse effect of the net asset value of the Fund where such judgements regarding valuations prove to be incorrect.

Trading Volumes.

The performance of a Fund will be affected by the charges incurred thereby relating to the investments of such Fund. The Funds may engage in short-term trading which may result in increased turnover and associated higher than normal brokerage commissions and other expenses.

Investment Manager or Investment Advisor Compensation.

The Investment Manager or the Investment Adviser (as the case may be) may receive management, advisory or performance fees even though a Fund has not realised any gains. The Investment Manager or the Investment Adviser (as the case may be) may receive compensation based upon investment performance. Performance fees may result in significantly higher payments than alternative arrangements and may create an incentive for riskier or more speculative investments and/or investment strategies than would otherwise be undertaken absent such fees.

Legal and Regulatory Change.

Future changes to applicable law or regulation may be adverse to the Funds or any of them.

Regulatory Variance and Absence of Publicly Available Information.

The Funds, the assets the property thereof and the markets upon which the Funds trade are subject to varying levels of regulation. Funds of the type in question are generally not required under applicable laws and regulations to make public disclosures regarding, *inter alia*, their investment strategies, operations and performance. There may be an absence of publicly available information relating to the Funds, the investments made by the Funds and the performance and operations of the Investment Managers and/or Investment Advisers of the Funds (as the case may be). The Funds may also be established in jurisdictions which exercise little or no supervision or regulatory oversight thereof and hence afford reduced or no investor protection.

The Funds may employ Investment Managers and/or Investment Advisers (as the case may be) that are not subject to provisions or laws enacted by various jurisdictions that are designed to protect investors contracting with entities for the provision of investment management and/or investment advisory services.

Managers and Advisers.

The operation and management of the Funds may be reliant upon a small number of key personnel. The disability, death or departure of key personnel could adversely affect the ability to manage the effected Fund whilst suitable replacement personnel may not be retained.

If a management or advisory agreement is terminated by an Investment Manager or Investment Adviser (as the case may be) to a Fund, a new Investment Manager or Investment Adviser (as the case may be) may liquidate some or all of the investments of such Fund and reinvest the proceeds. This may generate increased turnover and corresponding brokerage commissions and fees.

Investment Risks pertaining to the Funds.

All investments risk the loss of capital and/or the diminution of investment returns. The Funds may utilise (*inter alia*) strategies such as short-selling, leverage, securities lending and borrowing, investment in sub-investment grade or non-readily realisable investments, uncovered options transactions, options and futures transactions and foreign exchange transactions and the use of concentrated portfolios, each of which could, in certain circumstances, magnify adverse market developments and losses.

The Funds may make investments in markets that are volatile and/or illiquid and it may be difficult or costly for positions therein to be opened or liquidated.

No assurance can be given relating to the present or future performance of the Funds. The performance of the Funds is dependent on the performance of the Investment Managers and/or the Investment Advisers thereof. Certain such Investment Managers or Investment Advisers (as the case may be) may utilise analytical models upon which investment decisions are based. No assurance can be given that these persons will succeed in meeting the investment objectives of any Fund, that any analytical model used thereby will prove to be correct or that any assessments of the short-term or long-term prospects, volatility and correlation of the types of investments in which the Funds have or will invest will prove accurate.

Interest Rate Risk.

The Funds may have exposure to interest rate risk. To the extent that prevailing interest rates change, the value of the Funds could be negatively affected.

Currency and Foreign Exchange Risks.

The Funds may invest on a global basis. Returns on the Funds may be subject to fluctuations in foreign exchange rates and may be affected by losses and other expenses incurred in converting between various currencies in order to purchase and sell interests in securities and by currency restrictions and exchange control regulation. Currency exposures may be hedged but such hedges may not be effective. The Counterparty may be subject to foreign exchange risk where an underlying Fund is denominated in a currency other than the currency of any payment under the Transaction. The assets of certain Funds may be managed in a currency or currencies other than the base currency in which the net asset value of the Fund is denominated.

Fixed Income Investments.

The Funds may invest in the debt securities (bonds, notes, debentures, asset-backed securities and similar investments) of companies, governments and other issuers. Such securities will not usually provide recourse against the issuer thereof. There may be no requirement that a Fund invest a particular amount of the net asset value in such securities. The Funds may invest in such securities

which are not rated or the subject of low ratings by rating agencies, which are unsecured, unlisted, long dated or which are securities of companies in reorganisation or financial restructuring and in respect of which the risks are greater than fixed income securities of other issuers.

Investment Schemes and Funds of Funds.

Some Funds may invest in other collective investment schemes. Investment in schemes of this type may afford the investor less transparency in respect of the ultimate assets of the scheme.

Subscriptions and Redemptions.

Large subscriptions and redemptions may result in the liquidation or dilution of Fund assets that may affect the net asset value of such Fund.

Derivative Strategies.

The Funds may use various derivative instruments, including forward, futures, options and swap contracts, which may be volatile, speculative and subject to sudden and wide fluctuations in market value, with a resultant fluctuation in the value of the Fund. In particular, the use of derivative instruments can result in significant leverage, which will magnify gains and losses and could cause the net asset value of a Fund to be subject to wider fluctuations than would arise absent the use of derivatives. Derivative instruments may not be liquid in all circumstances and in volatile markets it may be difficult to close a position in certain derivative contracts. Tracking risk may arise where an imperfect or variable degree of correlation arises between a derivative and the underlying asset sought to be hedged, preventing the full realisation of the hedging effect or exposing the relevant Fund to risk of loss. Derivative contracts may be traded over-the-counter (i.e., not on an exchange). Such contracts are not subject to the same degree of regulation as exchange-traded contracts, can entail a higher degree of risk of non-performance by the obligor and may be less liquid than an exchange contract.

Emerging Markets.

The Funds may invest in securities of governments of, or companies domiciled in, less-developed or emerging countries. This involves additional considerations including: political and economic considerations, such as greater risks of expropriation, nationalisation and general social, political and economic instability; potential lack of liquidity and price volatility; fluctuations in the rate of exchange between currencies and possible currency exchange controls; government policies that may restrict investment opportunities and difficulties that may arise in connection with the clearance and settlement of trades. Accounting and financial reporting standards in such countries may not be equivalent to standards in more developed countries and less information may be available to investors in companies located in these countries than is available to investors in more developed countries. Custody arrangements in such countries may also present enhanced risk.

Leverage.

The Funds may borrow and may use repurchase agreements, margin loan arrangements, off-balance sheet derivative transactions and other forms of leverage to finance the purchase of securities and investments. Whilst leverage presents opportunities for increasing returns, it may also increase losses. The cumulative effect of the use of leverage in a market that moves adversely to a leveraged investment may result in immediate and substantial losses which would be greater than if leverage were not used. The costs incurred in connection with such borrowing may not be recovered by appreciation in the value of investments purchased.

Where leveraged trading applies, 'margin calls' are possible, pursuant to which a Fund must either deposit additional funds with its broker or suffer mandatory liquidation of the pledged securities to compensate for the decline in value. In the event of a sudden drop in the value of assets managed by a Fund, such Fund may not be able to liquidate assets quickly enough to pay a margin call. Such an event would adversely affect the net asset value of such Fund.

Repurchase agreements.

The Funds may use repurchase agreements. Under a repurchase agreement, a security is sold to a buyer and at the same time the seller of the security agrees to buy back the security at a later date at a higher price. In the event of a bankruptcy or other default of the transferor of securities in a repurchase agreement, a Fund could experience delays in liquidating the underlying securities and losses, including possible declines in the value of the collateral during the period while it seeks to enforce its rights thereto; possible subnormal levels of income and lack of access to income during this period and the expenses of enforcing its rights. In the case of a default by the transferee of securities in a repurchase agreement, the Investment Manager and/or Investment Advisor (as the case may be) bears the risk that the transferee may not deliver the securities when required.

Short sales.

The Funds may engage in short sales which involves agreeing to sell securities for delivery at a future date although at the time of the agreement the Fund may not own the securities to be delivered. This strategy permits a Fund to profit from the decline in the price of the securities sold. However, uncovered short selling is subject to an unlimited risk of loss because there is no limit on how much the price of a security may appreciate before the short position is closed. Short sales normally require the borrowing of the underlying security. The supply of securities borrowed to effect short sales can fluctuate from time to time and a Fund may be subject to losses if a security lender demands return of the borrowed security, an alternative lending source is unavailable and a Fund is forced to close out its short position regardless of the market conditions. In some markets there are rules restricting the prices at which short sales may be undertaken which may prevent the execution of short sales at the most desirable time.

Concentration Risk.

A Fund may invest a significant proportion of its assets in securities of a single issuer or country. Where this is the case, such Fund will be more susceptible to fluctuations in value resulting from adverse conditions affecting the performance of the business of such issuer or government or in respect of the currency in which such securities are denominated. The possibility exists that a particular Fund may invest or have invested in assets already held by another Fund thereby increasing concentration risk.

Counterparty risk.

The Funds will be exposed to the credit risk of the counterparties with which (or the dealers, brokers and exchanges through which) they deal in relation to both exchange-traded and over-the-counter transactions. The Funds may be subject to risk of loss of assets on deposit with a counterparty in the event of the counterparty's insolvency or the insolvency of any clearing broker, clearing and settlement system or clearing house. In the case of any such insolvency, a Fund might recover only a pro-rata share of all property available for distribution to all creditors. Such an amount may be less than the amounts owed to such Fund. Such events would have an adverse effect on the Securities.

With respect to the trading of securities, derivatives and other principal transactions, the Funds incur the risk of the inability or refusal of counterparties to perform with respect to such transactions. Any

such failure could subject the assets managed by a Fund to substantial losses. The Funds will not be excused from performance on any such transactions due to the default of third parties in respect of other trades which were effected to offset such contracts.

Prime brokers, brokers or other custodians, may have general custody of assets managed by the Funds and these assets may not be segregated from their own assets and may, as a result, be available to their creditors on insolvency. The insolvency of such prime broker, broker or other custodian may result in adverse consequences to the assets managed by a Fund and may, in turn, have an adverse effect on the net asset value.

Conflicts of Interest.

A number of conflicts of interest may exist in the context of the management and/or operation of any of the Funds.

Generally, the more profitable a Fund is the more remuneration the Investment Manager and/or Investment Adviser (as the case may be) will receive by way of their association with it. Such remuneration may include incentive or performance fees, which may give rise to a conflict of interest on the part of such Investment Manager and/or Investment Adviser (as the case may be) between their interest in managing the Fund for the benefit of the investors therein and their interest in managing, trading or advising at a high level of risk in order to earn incentive or performance fees. In addition, conflicts of interest may exist with respect to arrangements such as (but not limited to) soft commission agreements and fee rebate arrangements.

In addition, such Investment Manager and/or Investment Adviser (as the case may be) may manage or advise other Funds and/or accounts and may have financial and other incentives to favour such Funds and/or accounts over a Fund.

The Investment Manager and/or Investment Adviser (as the case may be) may manage or advise for their own accounts and the accounts of their clients and may make recommendations or take positions similar or dissimilar to those of a Fund or which may compete with a Fund.

Common Management.

Certain Funds are managed and/or advised by the same Investment Manager and/or Investment Adviser. This factor may magnify or exacerbate any adverse effect arising should any of the events set out above as relate to the status, capacity, actions, performance or other factor relevant to such Investment Manager and/or Investment Adviser arise.

1.3 The Korea Kospi 200 Index

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ANNEX 3

INFORMATION RELATING TO THE BASKET

The Basket is comprised of the following Indices:

Index	Bloomberg Code	Exchange	Related Exchange	Initial Index Level	Weighting
Hang Seng China Enterprises Index ("Index 1")	HSCEI Index		Hong Kong Stock Exchange	6,854.80	25%
Kospi 200 Index ("Index 2")	KOSPI2 Index		Korean Stock Exchange	179.77	20%
JPMorgan Fleming India Fund ("Index 3")	FLEINDI LX Equity			53.38	25%
MSCI Taiwan ("Index 4")	TWY Index		Taiwan Stock Exchange	281.90	15%
MSCI Singapore ("Index 5")	SGY Index		Singapore Stock Exchange	299.89	15%