

**Annex [ 2 ]**

**CESR Proposals for the Banks Registration  
Document Building Block**

**based on**

**IOSCO International Disclosure Standards and  
European Directive 2001/34/EC**

CESR PROPOSAL		IDS ref
I.A	<b><u>Responsibility for the prospectus or certain parts of them</u></b>	I.A.
I.A.1	Provide the name <del>and function of natural persons and name</del> and registered office of legal persons responsible for the prospectus or, as the case may be, for certain parts of them, with, in the latter case, an indication of those parts.  <i>There should not be a prospectus liability for natural persons.</i>	
I.A.2	Provide a declaration by those persons that, having taken all reasonable care to ensure that such is the case, to the best of their knowledge, the information given in that part of the prospectus for which they are responsible is in accordance with the facts and does not omit anything likely to materially affect the import of such information.	
I.B	<b><u>Auditors.</u></b>	
I.B.1	Provide the names and addresses of the issuer's auditors for the preceding two years (together with their membership in a professional body).	I.B.
I.B.2	If auditors have resigned, been removed or not been re-appointed during the last two financial years, details must be disclosed if material.	I.C.
II.	<b><u>Risk Factors.</u></b>  <del>The document shall prominently disclose risk factors in a section headed "Risk Factors" that are:</del>  <del>(a) specific to the issuer and its industry; and</del>  <del>(b) any other factor that may affect the issuer's ability to fulfil its obligations under the debt securities to investors.</del>  <i>Due to the supervisory regime banks are subject to they carry a lower insolvency risk as compared to other companies. Risk factors therefore should not be required for banks.</i>	III.D.
III	<b><u>Information about the issuer</u></b>	IV
III.A.	<b><u>History and development of the Issuer:</u></b>  The following information shall be provided:	IV.A.
III.A.1	The legal and commercial name of the issuer.	IV.A1.

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III.A.2	The place of registration of the issuer and its registration number.	
III.A.3	The date of incorporation and the length of life of the issuer, except where indefinite.	IV.A2.
III.A.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, website address, and the address <del>and telephone number</del> of its registered office (or principal place of business if different from its registered office).	IV.A2.
III.A.5	Disclosure regarding any recent events relevant to the evaluation of the issuer's solvency, for example the nature and results of any bankruptcy, receivership or similar procedures with respect to the issuer or its significant subsidiaries.	IVA.4.
III.B	<b><u>Investments</u></b>	
III.B.	<p><b><u>Principal future investments</u></b></p> <p><del>Information concerning the issuer's principal future investments, with the exception of interests to be acquired in other undertakings, on which its management bodies have already made firm commitments.</del></p> <p><i>Please refer to our answer to question 47.</i></p>	IV.A6.
III.C	<b><u>Business Overview</u></b>	
III.C.1	<p><b><u>Principal activities:</u></b></p> <p>The following information shall be provided:</p>	IV.B.
III.C.1.a	A brief description of the issuer's principal activities and principal geographical markets in which the issuer competes.	IV.B.1.
III.C.1.b	The basis for any statements made by the issuer in the registration document regarding its competitive position shall be disclosed.	IV.B.7.

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III.D	<b><u>Organisational Structure</u></b>	
III.D.1	If the issuer belongs to a group of undertakings, a brief description of the group and of the issuer's position within it.	IV.C.
III.D.2	If the issuer is dependant upon other entities within the group for the purpose of fulfilling its obligations, this must be clearly stated together with an explanation of this dependence.	
IV.A	<b><u>Trend information &amp; profit forecasts</u></b>	
IV.A.1	The issuer should identify its most significant business developments since the close of the financial year to which its last published annual financial statements relate; in particular the most important recent trends in the developments of its main business areas, as well as its commitments or other events that are reasonably likely to have a material effect on its main business areas and the most recent trends for profitability, liquidity, solvency, expenses and revenues shall be disclosed	V.D.
IV.A2	Information on the issuer's prospects for at least the current financial year should be included.	V.D.
IV. A.3(a)	Where a profit forecast, profit estimate or any other kind of issuer's prospect appears in the prospectus, the principal assumptions upon which the issuer has based its forecast, estimate or prospect should be stated; the forecast or estimate should be examined and reported on by the reporting accountants or auditors and their report should be set out; the report should include confirmation from the auditors that the forecast has been made after due and careful enquiry by the directors.  <i><u>It should be made more clearly that this is voluntary.</u></i>	
IV. A.3(b)	Any profit forecast set out in the registration document should include a statement of the principal assumptions for each factor which could have a material effect on the achievement of the forecast. The assumptions should be clearly segregated between assumptions about factors which the directors can influence and assumptions about factors which are exclusively outside the influence of the directors; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast. A profit estimate may be subject to assumptions only in exceptional circumstances.	
IV. A.3(c)	Any profit forecast set out in the registration document shall be accompanied by a statement ensuring that said forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting policies of the issuer.	

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V	<p><b><u>Directors</u></b></p> <p>The following information shall be disclosed:</p>	VI
V.A	<p><del>Provide the names, business addresses and functions of the issuer's directors.</del></p> <p><i>Can be deleted as those are included in V. A. 1.</i></p>	I.A
V.A.1	<p>Names, addresses and functions in the issuing undertaking of the following persons, and an indication of the principal activities performed by them outside that undertaking where these are significant with respect to that undertaking:</p> <p>(a) members of the administrative, management or supervisory bodies;</p> <p><i>This should be clarified the fact that only members of the statutory bodies need to be mentioned.</i></p> <p>(b) partners with unlimited liability, in the case of a limited partnership with a share capital.</p>	VIA1
V.B	<p><b><u>Management and directors conflicts of interest</u></b></p> <p><del>Potential conflicts of interests between any of the directors duties to the issuing entity and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a negative statement to that effect should be made.</del></p> <p><i>This is of no interest for investors in debt securities. See also our answer to question 71.</i></p>	VIA5
V.C	<b><u>Board Practices</u></b>	
V.C.1	<p><del>Details relating to the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.</del></p>	VI.C.3.
V.C.2	<p><del>A statement as to whether or not the issuer complies with it's country's of incorporation corporate governance regime should also be included. In the event that the issuer does not comply with shue a reigeme a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.</del></p> <p><i>Please refer to our answer to question 51.</i></p>	
VI	<b><u>Major Shareholders</u></b>	
VI.A.1	<p><del>In so far as is known to the issuer, the name of any person other than a director who, directly or indirectly, has an interest notifiable under the issuer's national law in the issuer's capital or voting rights, together with the amount of each such person's interest or, if there are no such persons, an</del></p>	VII.A.1.a.

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<del>appropriate negative statement.</del>	
VI.A.2 <del>To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled by another corporations(s), by any government or by any other natural or legal person(s) severally or jointly, and, if so, give the name(s) of such controlling corporation(s), government or other person(s), and briefly describe the nature of such control, including the amount and proportion of capital held giving a right to vote.</del>	VII.A.3.
VI.A.3 <del>Describe any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.</del>  <del><i>Please refer to our answer to question 53.</i></del>	VII.A.4.
VI.B <b><u>Related Party Transactions</u></b>  <del>Provide the information required below for the period since the beginning of the issuer's preceding two financial years up to the date of the document, with respect to transactions or loans between the issuer and (a) enterprises that directly or indirectly through one or more intermediaries, control or are controlled by, or are under common control with, the issuer; (b) associates; (c) to the extent known to the issuer, individuals owning, directly or indirectly, an interest in the voting power of the issuer that gives them significant influence over the issuer, and close members of any such individual's family; (d) key management personnel, that is, those persons having authority and responsibility for planning, directing and controlling the activities of the issuer, including directors of companies and close members of such individuals families; and (e) enterprises in which a substantial interest in the voting power is owned, directly or indirectly, by any person described in (c) or (d) or over which such a person is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the issuer and enterprises that have a member of key management in common with the issuer. Close members of an individual's family are those that may be expected to influence, or be influenced by, that person in their dealings with the issuer. An associate is an unconsolidated enterprise in which the issuer has a significant influence or which has significant influence over the issuer. Significant influence over an enterprise is the power to participate in the financial and operating policy decisions of the enterprise but is less than control over those policies. Shareholders beneficially owning a 10% interest in the voting power of the issuer are presumed to have a significant influence on the issuer.</del>  <del>2. The nature and extent of any transactions during the preceding or current financial year or presently proposed transactions which are material to the issuer or the related party, or any transactions that are unusual in their nature or conditions, involving goods, services, or tangible or intangible assets, to which the issuer or any of its parent or subsidiaries was a party. Where such transactions were concluded in the course of previous financial years and have not been definitively</del>	VII.B

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<p><del>concluded, information on those transactions must also be given (in particular any special reports of the auditors on those transactions):</del></p> <p><del>2. The amount of outstanding loans (including guarantees of any kind) made by the issuer or any of its parent or subsidiaries to or for the benefit of any of the persons listed above. The information given should include the largest amount outstanding during the period covered, the amount outstanding as of the latest practicable date, the nature of the loan and the transaction in which it was incurred, and the interest rate on the loan.</del></p> <p><i>Please refer to our answer to question 55.</i></p>	
<p><b>VII</b></p>	<p><b>VIII</b></p>
<p><b><u>Financial Information concerning the issuer's assets and liabilities, financial position and profits and losses</u></b></p> <p><b>VII.A</b></p> <p><b><u>Consolidated Statements and Other Financial Information</u></b></p> <p>The document must contain consolidated financial statements (where consolidated statements are prepared). Any financial statements contained in the prospectus (whether consolidated or own accounts) must be audited by an independent auditor and accompanied by an auditor's report, comprised of:</p> <ul style="list-style-type: none"> <li>(a) balance sheet;</li> <li>(b) profit and loss account;</li> <li>(c) statement showing either (i) changes in equity other than those arising from capital transactions with owners and distributions to owners; or (ii) all changes in equity (including a subtotal of all non-owner items recognized directly in equity);</li> <li>(d) cash flow statement;</li> <li>(e) accounting policies;</li> <li>(f) related notes and schedules required by the comprehensive body of accounting standards pursuant to which the financial statements are prepared</li> </ul> <p><i><u>The term "audit report" could be misleading as it is normally understood as the long-term report on the audit work which is given only internally and confidentially to the client. Such report is not suitable for inclusion in the prospectus.</u></i></p>	<p>VIII.A.1.</p>

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VII.B	<p><b><u>Notes to the accounts</u></b></p> <p>The notes to the <del>accountant's report</del> <i>financial statements</i> and comparative table must, as a minimum cover:</p> <ul style="list-style-type: none"> <li>a) the last balance sheet; and</li> <li>b) the profit and loss accounts and cash flow statements (or source and application of funds statements) for <del>all periods</del> <i>the last period</i> included in the <del>accountants report</del> <i>financial statements</i> or comparative table.</li> </ul>	
VII.C	<p><b><u>Standard of account preparation</u></b></p> <p>The document should include <del>comparative</del> financial statements that cover the latest <del>two</del> financial years, audited in accordance with a comprehensive body of auditing standards.</p> <p><i>It should be sufficient to provide financial statements for the latest financial year which include a comparative presentation covering the latest two financial years of balance sheet, profit and low account and cash flow statement including the information given in the notes thereto.</i></p>	
VII.D	<p><b><u>Own versus consolidated accounts</u></b></p> <p>If the issuer prepares consolidated annual accounts only, it shall include those accounts in the prospectus.</p> <p>If the issuer prepares both own and consolidated annual accounts, it shall include both sets of accounts in the registration document. However, the issuer may include either the own or the consolidated annual accounts, on condition that the accounts which are not included do not provide any significant additional information.</p>	
VII.E	<p><b><u>True and fair view</u></b></p> <p>If the own or consolidated annual accounts do not comply with the Council Directives on undertakings' annual accounts and do not give a true and fair view of the issuer's assets and liabilities, financial position and profits and losses, more detailed and/or additional information must be given. In the case of issuers incorporated in a non-member state which are not obliged to draw up their accounts so as to give a true and fair view, but are required to draw them up to an equivalent standard, the latter may be sufficient.</p>	
VII.F	<b><u>Auditing of accounts</u></b>	
VII.F.1	<p>A statement that the annual accounts of the issuer for the last two financial years have been audited. If <del>auditors</del> reports on any of those accounts have been refused by the official auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers shall be reproduced in full and the reasons given.</p>	VIII.A.3.



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VII.F.2	Indication of other information in the prospectus which has been audited by the auditors.	
VII.F.3	Where financial data in the prospectus is extracted with material adjustment from the issuer's audited accounts the issuer must state the source of the data and state that the data is unaudited.	
VII.G	<b><u>Age of latest annual accounts</u></b>	
VII.G.1	The last year of audited financial statements may not be older than <del>15</del> <u>18</u> months from the date of the prospectus.  <i>The period is too short.</i>	VIII.A.4.
VII.H	<b><u>Interim financial statements</u></b>	
VII.H.1	If the document is dated more than nine months after the end of the last audited financial year, and the issuer has published own or consolidated interim financial statements it should contain own or consolidated interim financial statements, which may be unaudited (in which case that fact should be stated), covering at least the first six months of the financial year.	VIII.A.5.
VII.I	<b><u>Legal and arbitration proceedings – change as per derivatives</u></b>  Provide information on any legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), including those relating to bankruptcy, receivership or similar proceedings and those involving any third party, which may have, a significant effect on the issuer's ability to meet its obligations under the proposed issue of securities. Or provide an appropriate negative statement.	VIII.A.7.
VII.J	<b><u>Significant change in the issuer's financial or trading position</u></b>  A description of any significant change in the financial or trading position of the issuer which has occurred since the end of the last financial period for which either audited financial statements or interim financial statements have been published in accordance with VIID, or an appropriate negative statement.  <i>Please provide a definition for "trading position".</i>	VIII.B.
VIII	<b><u>Additional information</u></b>	

VIII.A	<p><b><u>Material contracts</u></b></p> <p><del>Provide a brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the class of securities being issued.</del></p> <p><i><u>It should be sufficient if any risk resulting from such contract is described in the prospectus.</u></i></p>	X.C.
VIII.B	<p><b><u>Statement by Experts</u></b></p> <p>Where a statement or report attributed to a person as an expert is included in the document, provide such person's name, business address and qualifications and a statement to the effect that such statement or report is included, in the form and context in which it is included, <del>with the consent of that person, who has authorised the contents of that part of the document.</del></p> <p><i><u>Such statements or reports are often taken from publicly available documents.</u></i></p>	X.G.
V.III.C	<p><b><u>Documents on display</u></b></p> <p>A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:</p> <ul style="list-style-type: none"> <li>(e) the memorandum and articles of association of the issuer;</li> <li><del>(f) any trust deed of the issuer;</del></li> <li><del>(g) each document mentioned in paragraphs VIII.C (material contracts)</del></li> <li>(d) all <u>publicly available</u> reports, letters, and other documents, balance sheets, valuations and statements by any expert any part of which is included or referred to in the registration document;</li> <li>(h) the audited accounts of the issuer or, in the case of a group, the consolidated audited accounts of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.</li> </ul> <p>The issuer shall provide an indication of where the documents concerning the issuer which are referred to in the document may be inspected, by physical or electronic means.</p> <p><i><u>Please refer to our answer to question 59.</u></i></p>	X.H.