

356530/50

**BR1**

CHFP010.

This form should be completed in  
black.

## Return delivered for registration of a branch of an oversea company

(Pursuant to Schedule 21A, paragraph 1 of the Companies Act 1985)

(See note 5)

**Corporate Name**  
(name in parent state)

**Business Name**  
(if different to corporate name)

**Country of Incorporation**

**Identity of register**  
(if applicable)

**Legal form**  
(See note 3)

For office use only	CN	FC 26157	BN	BR 8339
MERRILL LYNCH CAPITAL MARKETS BANK LIMITED				
IRELAND				
COMPANIES REGISTRATION OFFICE, DUBLIN				
and registration no. 229165				
COMPANY LIMITED BY SHARES				

1 (See note 2)

## PART A - COMPANY DETAILS

1

\* State whether the company is a credit or  
financial institution

\* Is the company subject to Section 699A of the Companies Act 1985?

YES ☒

NO ☐

(1) These boxes need not be completed by companies formed in EC member states

**Governing law**  
(See note 4)

N/A

**Accounting  
requirements**

Period for which the company is required to prepare accounts by  
parent law, from \_\_\_\_\_ to \_\_\_\_\_

Period allowed for the preparation and public disclosure of accounts  
for the above period \_\_\_\_\_ months

**coform**



(2) This box need NOT be completed by companies from EC member states, OR where the constitutional documents of the company already show this information

**Address of principal  
place of business in  
home country**

THE TREASURY BUILDING, LOWER GRAND CANAL STREET, DUBLIN 2, IRELAND

**Objects of company**

**Issued share capital**

**Currency**

**Company Secretary(ies)**

(See note 10)

**Name**

**\*Style/Title**

**Forenames**

**Surname**

MERRILL LYNCH CORPORATE SERVICES LIMITED

**\* Honours etc**

**Previous**

**Forenames**

**Previous**

**surname**

MERRILL LYNCH FINANCIAL CENTRE

2 KING EDWARD STREET

**Post town**

LONDON

**County/Region**

**Postcode**

EC1A 1HQ

**Country** ENGLAND

**Address**

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

**Company Secretary(ies)**

(See note 10)

**Name**

**\*Style/Title**

**Forenames**

**Surname**

**\* Honours etc**

**Previous**

**Forenames**

**Previous**

**surname**

**Address**

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

(You may photocopy this page if required)

**Post town**

**County/Region**

**Postcode**

**Country**

## Directors

(See note 10)

### Name

\* Voluntary details

### Address

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

(You may photocopy this page if required)

*Style/Title			
Forenames	NASSER		
Surname	AZAM		
*Honours etc.			
Previous Forenames			
Previous surname			
	81 ST GABRIELS ROAD		
Post town			
County/Region	LONDON		
Postcode	NW2 4DU	Country	ENGLAND
Date of Birth	Day 1 5	Month 0 9	Year 1 9 6 3
Nationality	BRITISH		
Business Occupation	COMPANY EXECUTIVE		
Other Directorships	SEE ATTACHED SCHEDULE		
The extent of the authority to represent the company is:- (give details)			
AUTHORISED TO EXERCISE ALL THE POWERS OF THE COMPANY IN			
CONNECTION WITH GENERAL BANKING BUSINESS MATTERS.			
These powers:-			
#	<input checked="" type="checkbox"/>	May be exercised alone	
OR			
#	<input type="checkbox"/>	Must be exercised with:-	
(Give name(s) of co-authorised person(s))			

## Directors

(See note 10)

### Name

\* Voluntary details

### Address

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

(You may photocopy this page if required)

*Style/Title									
Forenames	ALLEN GEORGE								
Surname	BRAITHWAITE, III								
*Honours etc. Previous Forenames Previous surname									
	28 MORRIS DRIVE								
Post town	PRINCETON								
County/Region	NEW JERSEY								
Postcode	08540	Country	USA						
Date of Birth	<table><tr><td>Day</td><td>Month</td><td>Year</td></tr><tr><td>0 4</td><td>0 1</td><td>1 9 5 4</td></tr></table>	Day	Month	Year	0 4	0 1	1 9 5 4		
Day	Month	Year							
0 4	0 1	1 9 5 4							
Nationality	US CITIZEN								
Business Occupation Other Directorships	COMPANY EXECUTIVE								
	MERRILL LYNCH INTERNATIONAL BANK LIMITED								
The extent of the authority to represent the company is:- (give details)									
AUTHORISED TO EXERCISE ALL THE POWER OF THE COMPANY IN									
CONNECTION WITH GENERAL BANKING BUSINESS MATTERS.									
These powers:-									
#	<input checked="" type="checkbox"/>	May be exercised alone							
	OR								
#	<input type="checkbox"/>	Must be exercised with:-							
		(Give name(s) of co-authorised person(s))							

## Directors

(See note 10)

### Name

\* Voluntary details

### Address

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

*Style/Title			
Forenames	GAVIN		
Surname	CALDWELL		
*Honours etc.			
Previous Forenames			
Previous surname			
	CLOGHEREEN		
	BAILY		
Post town	HOWTH		
County/Region	CO. DUBLIN		
Postcode			Country IRELAND
Date of Birth	Day 2 8	Month 0 3	Year 1 9 4 7
Nationality	IRISH		
Business Occupation	COMPANY EXECUTIVE		
Other Directorships	N/A		
The extent of the authority to represent the company is:- (give details)			
LIMITED TO VOTING RIGHTS.			
These powers:-			
#	<input type="checkbox"/>	May be exercised alone	
OR			
#	<input checked="" type="checkbox"/>	Must be exercised with:-	
(Give name(s) of co-authorised person(s))			
TO BE EXECUTED AT MEETINGS OF THE BOARD, IN ACCORDANCE WITH			
THE COMPANY'S ARTICLES OF ASSOCIATION.			

(You may photocopy this page if required)

## Directors

(See note 10)

### Name

\* Voluntary details

### Address

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

(You may photocopy this page if required)

*Style/Title			
Forenames	MICHAEL		
Surname	D'SOUZA		
*Honours etc. Previous Forenames Previous surname			
	2 THE HYDONS		
	SALT LANE		
Post town	HYDESTILE		
County/Region	SURREY		
Postcode	GU8 4DD	Country	ENGLAND
Date of Birth	Day 3 0 0 7	Month 1 9 4 6	Year
Nationality	BRITISH		
Business Occupation Other	COMPANY EXECUTIVE		
Directorships	MERRILL LYNCH INTERNATIONAL BANK LIMITED		
The extent of the authority to represent the company is:- (give details)			
AUTHORISED TO EXERCISE ALL THE POWERS OF THE COMPANY IN CONNECTION			
WITH GENERAL BANKING BUSINESS MATTERS.			
These powers:-			
#	<input checked="" type="checkbox"/>	May be exercised alone	
	OR		
#	<input type="checkbox"/>	Must be exercised with:-	
		(Give name(s) of co-authorised person(s))	

## Directors

(See note 10)

### Name

\* Voluntary details

### Address

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

*Style/Title			
Forenames	ROBERT		
Surname	MURPHY		
*Honours etc.			
Previous Forenames			
Previous surname			
	11960 S.E. BIRDALE RUN		
Post town	TEQUESTA		
County/Region	FLORIDA		
Postcode	33469	Country	USA
Date of Birth	Day 2 7	Month 0 5	Year 1 9 4 2
Nationality	US CITIZEN		
Business Occupation	COMPANY EXECUTIVE		
Other Directorships	N/A		
The extent of the authority to represent the company is:- (give details)			
LIMITED TO VOTING RIGHTS.			
AUTHORISED TO EXERCISE ALL THE POWER OF THE COMPANY IN			
These powers:-			
#	<input type="checkbox"/>	May be exercised alone	
OR			
#	<input checked="" type="checkbox"/>	Must be exercised with:-	
(Give name(s) of co-authorised person(s))			
TO BE EXERCISED AT MEETINGS OF THE BOARD IN ACCORDANCE WITH			
THE COMPANY'S ARTICLES OF ASSOCIATION.			

(You may photocopy this page if required)

## Directors

(See note 10)

### Name

\* Voluntary details

### Address

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

(You may photocopy this page if required)

*Style/Title			
Forenames	MICHAEL		
Surname	RYAN		
*Honours etc. Previous Forenames Previous surname			
	22 SAVAL PARK GARDENS		
Post town	DALKEY		
County/Region	CO. DUBLIN		
Postcode			Country IRELAND
Date of Birth	Day 0 8	Month 0 2	Year 1 9 6 2
Nationality	IRISH		
Business Occupation Other	COMPANY EXECUTIVE		
Directorships	N/A		
The extent of the authority to represent the company is:- (give details)			
AUTHORISED TO EXERCISE THE POWERS OF THE COMPANY IN CONNECTION			
WITH GENERAL BANKING BUSINESS MATTERS.			
These powers:-			
#	<input checked="" type="checkbox"/>	May be exercised alone	
	OR		
#	<input type="checkbox"/>	Must be exercised with:-	
		(Give name(s) of co-authorised person(s))	



## Directors

(See note 10)

### Name

\* Voluntary details

### Address

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

(You may photocopy this page if required)

*Style/Title			
Forenames	PADDY		
Surname	TEAHON		
*Honours etc. Previous Forenames Previous surname			
	24 WELLINGTON ROAD		
Post town	BALLSBRIDGE		
County/Region	DUBLIN 4		
Postcode			Country IRELAND
Date of Birth	Day 2 4	Month 0 7	Year 1 9 4 5
Nationality	IRISH		
Business Occupation Other Directorships	COMPANY EXECUTIVE		
	N/A		
The extent of the authority to represent the company is:- (give details)			
LIMITED TO VOTING RIGHTS.			
These powers:-			
#	<input type="checkbox"/>	May be exercised alone	
	OR		
#	<input checked="" type="checkbox"/>	Must be exercised with:-	
	(Give name(s) of co-authorised person(s))		
TO BE EXERCISED AT MEETINGS OF THE BOARD, IN ACCORDANCE WITH			
THE COMPANY'S ARTICLES OF ASSOCIATION.			

## Directors

(See note 10)

### Name

\* Voluntary details

### Address

Usual residential address must be given. In the case of a corporation, give the registered or principal office address.

### SCOPE OF AUTHORITY

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

(You may photocopy this page if required)

*Style/Title									
Forenames	ROBERT								
Surname	WIGLEY								
*Honours etc.									
Previous Forenames									
Previous surname									
	20 EDWARDES SQUARE								
Post town	LONDON								
County/Region									
Postcode	W8 6HE	Country	ENGLAND						
Date of Birth	<table><tr><td>Day</td><td>Month</td><td>Year</td></tr><tr><td>04</td><td>02</td><td>1961</td></tr></table>	Day	Month	Year	04	02	1961		
Day	Month	Year							
04	02	1961							
Nationality	BRITISH								
Business Occupation	COMPANY EXECUTIVE								
Other Directorships	SEE ATTACHED SCHEDULE								
The extent of the authority to represent the company is:- (give details)									
AUTHORISED TO EXERCISE ALL THE POWERS OF THE COMPANY IN									
CONNECTION WITH GENERAL BANKING BUSINESS MATTERS.									
These powers:-									
#	<input checked="" type="checkbox"/>	May be exercised alone							
OR									
#	<input type="checkbox"/>	Must be exercised with:-							
(Give name(s) of co-authorised person(s))									

**Constitution of company**

(See note 6 to 9)

# Mark box(es) as appropriate

(See note 9)

\* Delete as applicable

**AND/OR**

A certified copy of the constitutional documents and latest accounts of the company, together with a certified translation of them if they are not in the English language, must accompany this form.

# ☒ A certified copy of the instrument constituting or defining the constitution of the company

AND

☐ \* A certified translation

\* is / are delivered for registration

**AND/OR**

The company may rely on constitutional and accounting documents previously filed in respect of another branch registered in the United Kingdom.

# ☒ A copy of the latest accounts of the company

AND

☐ \* A certified translation

\* is / are delivered for registration

# ☐ The Constitutional documents (\* and certified translations)

AND/OR

☐ The latest accounts (\* and certified translations)

of the company were previously delivered on the registration of the branch of the company at:-

Cardiff ☐ Edinburgh ☐ Belfast ☐

Registration no.

**AND/OR**

The company may rely on particulars about the company previously filed in respect of another branch in that part of Great Britain, provided that any alterations have been notified to the Registrar.

☐ the particulars about the company were previously delivered in respect of a branch of the company registered at THIS registry.

Registration no.

**AND/OR**

The company may also rely on constitutional documents and particulars about the company officers previously filed in respect of a former Place of Business of that company, provided that any alterations have been notified to the Registrar.

☐ The Constitutional documents (\* and certified translation)

AND/OR

☐ Particulars of the current directors and secretary(ies)

were previously delivered in respect of a place of business of the company registered at THIS registry.

Registration no.

NOTE:- In all cases, the registration number of the branch or place of business relied upon must be given.

## PART B - BRANCH DETAILS

**Persons authorised to represent the company or accept service of process**

Give details of all persons who are authorised to represent the company as permanent representatives of the company in respect of the business of the branch. Give details also of all persons resident in Great Britain, who are authorised to accept service or process on the company's behalf.

\* Delete as appropriate

**SCOPE OF AUTHORITY**

(This part does not apply to a person only authorised to accept service on behalf of the company)

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate

*Style/Title		
Forenames		
Surname	MERRILL LYNCH CORPORATE SERVICES LIMITED	
Address	MERRILL LYNCH FINANCIAL CENTRE	
	2 KING EDWARD STREET	
Post town	LONDON	
County/Region		Postcode EC1A 1HQ
<p>Is # <input checked="" type="checkbox"/> Authorised to accept service of process on the company's behalf</p> <p><b>*AND/OR</b></p> <p>Is # <input type="checkbox"/> Authorised to represent the company in relation to that business</p> <p>The extent of the authority to represent the company is:- (give details)</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>These powers:-</p> <p># <input type="checkbox"/> May be exercised alone</p> <p style="text-align: center;"><b>OR</b></p> <p># <input type="checkbox"/> Must be exercised with:-</p> <p style="text-align: center;">(Give name(s) of co-authorised person(s))</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>		

**Persons authorised to represent the company or accept service of process**

Give details of all persons who are authorised to represent the company as permanent representatives of the company in respect of the business of the branch. Give details also of all persons resident in Great Britain, who are authorised to accept service or process on the company's behalf.

\* Delete as appropriate

**SCOPE OF AUTHORITY**

(This part does not apply to a person only authorised to accept service on behalf of the company)

Give brief particulars of the extent of the powers exercised. (e.g. whether they are limited to powers expressly conferred by the instrument of appointment; or whether they are subject to express limitations.) Where the powers are exercised jointly give the name(s) of the person(s) concerned. You may cross refer to the details of person(s) disclosed elsewhere on the form.

# Mark box(es) as appropriate  
(You may photocopy this page as required)

*Style/Title		
Forenames	MICHAEL	
Surname	D'SOUZA	
Address	2 THE HYDONS	
	SALT LANE	
Post town	HYDESTILE	
County/Region	SURREY	Postcode GU8 4DD
Is # <input type="checkbox"/>	Authorised to accept service of process on the company's behalf	
<b>*AND/OR</b>		
Is # <input checked="" type="checkbox"/>	Authorised to represent the company in relation to that business	
The extent of the authority to represent the company is:- (give details)		
SEE ATTACHMENT A		
These powers:-		
# <input checked="" type="checkbox"/>	May be exercised alone	
OR		
# <input type="checkbox"/>	Must be exercised with:-	
	(Give name(s) of co-authorised person(s))	

**Address of branch**

(See note 11)

Address	<u>MERRILL LYNCH FINANCIAL CENTRE</u>	
	<u>2 KING EDWARD STREET</u>	
Post town	<u>LONDON</u>	
County/Region	<u></u>	Postcode <u>EC1A 1HQ</u>

**Branch Details**

(See note 12)

	Day	Month	Year								
Date branch opened	<table border="1"><tr><td>0</td><td>8</td></tr></table>	0	8	<table border="1"><tr><td>0</td><td>8</td></tr></table>	0	8	<table border="1"><tr><td>2</td><td>0</td><td>0</td><td>5</td></tr></table>	2	0	0	5
0	8										
0	8										
2	0	0	5								
Business carried on at branch <u>TRADING FOR THE BRANCH'S OWN ACCOUNT OR</u>											
<u>THE ACCOUNT OF CUSTOMERS IN INTEREST RATE AND FOREIGN EXCHANGE</u>											
<u>DERIVATIVES AND LENDING, INCLUDING COMMITMENTS, GUARANTEES AND</u>											
<u>LOAN TRADING.</u>											

**SIGNATURE**

Signed	<u>Debra A Searle</u>
	(*Director / Secretary / Permanent representative)
	<u>FOR MERRILL LYNCH CORPORATE SERVICES LIMITED</u>
Date	<u>8 August 2003</u>
This form contains <u>3</u> continuation sheets.	

To whom should  
Companies House direct  
any enquiries about the  
information on this form?

Name	<u>MRS DEBRA A. SEARLE</u>		
Address	<u>33 KING WILLIAM STREET</u>		
	<u>LONDON</u>		
		Postcode	<u>EC4R 9AS</u>
Telephone	<u>44 207 995 2127</u>	Extension	<u></u>

When completed, this form together with any enclosures should be delivered to the Registrar of Companies at

For branches established in England and Wales

For branches established in Scotland

Companies House  
Crown Way  
Cardiff  
CF14 3UZ

Companies House  
37 Castle Terrace  
Edinburgh  
EH1 2EB

# **List of other directorships** **Schedule to form BR1**

*Please complete in typescript,  
or in bold black capitals.*

CHFP010

**Company Number**

229165

**Company Name in full**

MERRILL LYNCH CAPITAL MARKETS BANK LIMITED

**Name**

NASSER AZAM

Company Name	Resignation
MERRILL LYNCH INTERNATIONAL	
MERRILL LYNCH INTERNATIONAL BANK LIMITED	
MERRILL LYNCH COMMODITIES (EUROPE) LIMITED	
MERRILL LYNCH COMMODITIES (EUROPE) TRADING LIMITED	
MERRILL LYNCH EQUITIES LIMITED	

*Please complete in typescript,  
or in bold black capitals.*

CHFP010

## List of other directorships Schedule to form BR1

**Company Number**

229165

**Company Name in full**

MERRILL LYNCH CAPITAL MARKETS BANK LIMITED

**Name**

ROBERT CHARLES MICHAEL WIGLEY

Company Name	Resignation
MERRILL LYNCH INTERNATIONAL BANK LIMITED	
MERRILL LYNCH INTERNATIONAL	
THE DESIGN MUSEUM	30-09-2000
BONANZA FLYING CLUB LTD	17-01-2005
THE MOVEMENT FOR NON-MOBILE CHILDREN	27-05-2005
ROYAL MAIL HOLDINGS PLC	



**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**

**ATTACHMENT A**

**RESPONSE TO PART B  
PERSONS AUTHORISED TO REPRESENT THE COMPANY  
SCOPE OF AUTHORITY**

AUTHORISED TO SIGN CONTRACTS, AGREEMENTS AND RELATED INSTRUMENTS WITH RESPECT OF THE FOLLOWING TRANSACTIONS AND BANKING SERVICES:

DERIVATIVE TRANSACTIONS, MARKETING/SALES FUNCTIONS, BROKERING AND AGENCY FUNCTIONS, LENDING/CREDIT FACILITATION, TRADING FUNCTIONS, INVESTMENT BANKING ("IBK") AND ADVISORY FUNCTIONS (INCLUDING IBK CASH CONFIRMATIONS), PORTFOLIO SERVICES AND BANK ADMINISTRATIVE FUNCTIONS, MASTER AGREEMENTS AND ANY DOCUMENTATION RELATED TO OR INCIDENTAL THERETO, TRADE CONFIRMATIONS AND ASSOCIATED TRADE NOVATION; CONTRACTS AND AGREEMENTS RELATED TO PERSONNEL, TECHNOLOGY, CORPORATE SERVICES AND FACILITIES.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**

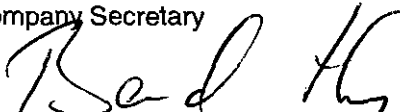
We, Merrill Lynch Corporate Services Limited, Company Secretary of Merrill Lynch Capital Markets Bank Limited (the "Company"), a company duly organised and existing under the laws of Ireland with its registered office at Treasury Building, Lower Grand Canal Street, Dublin 2, Ireland, hereby confirm that the documents attached hereto are true copies of the following:

- Memorandum and Articles of Association
- Certificate of Incorporation
- Certificate of Incorporation on Change of Name

For and on behalf of

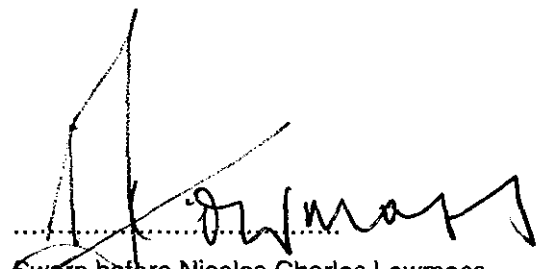
Merrill Lynch Corporate Services Limited

Company Secretary



Bernard Hoey

Duly Authorised Signatory

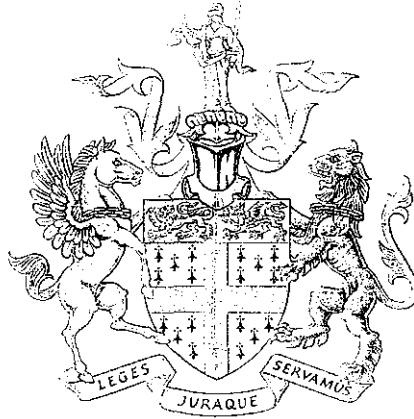


Sworn before Nicolas Charles Lowmass

Practising Solicitor, TREASURY BUILDING, LOWER GRAND  
CANAL STREET  
DUBLIN 2.  
IRELAND

Dated: 28 JULY 2005

# The Law Society



## ***PRACTISING CERTIFICATE FOR THE YEAR 2004-2005***

Under the Solicitors Act 1974

NICOLAS CHARLES LOWMASS

is entitled to practise as a solicitor

Commencement date 01/11/04

Replacement date 31/10/05

Law Society Reference No : 353168

A handwritten signature in black ink, which appears to read 'Janet Parasker'. The signature is fluid and cursive.

Chief Executive

COMPANIES ACTS, 1963 TO 1990

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C O M P A N Y   L I M I T E D   B Y   S H A R E S

---

MEMORANDUM

AND

ARTICLES OF ASSOCIATION

OF MERRILL LYNCH CAPITAL MARKETS BANK LIMITED

(As amended by Special Resolution passed 6th April 1995 and 7 December 2000)

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Incorporated 21st February, 1995

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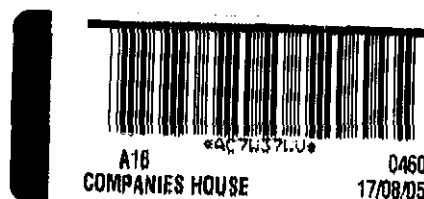
A&L Goodbody  
1 Earlsfort Centre  
Hatch Street  
Dublin 2  
EAMA1938

COMPANY LIMITED BY SHARES

MEMORANDUM OF ASSOCIATION

OF

MERRILL LYNCH CAPITAL MARKETS BANK LIMITED



1. The name of the company is Merrill Lynch Capital Markets Bank Limited.
2. The objects for which the company is established are:
  - 2.1 To carry on the business of banking in all its branches and departments in Ireland or elsewhere throughout the world including the borrowing, raising or taking up of money in the form of deposits or otherwise from members of the public; the lending or advancing, with or without security, of money, securities and properties; making, drawing, accepting, endorsing, issuing, discounting, buying, selling and generally dealing in bills of exchange, promissory notes, coupons, bank orders, drafts, bills of lading, warrants, bonds, debentures, certificates, scrip and other instruments and securities, whether transferable or negotiable or not; the granting and issuing of letters of credit and circular notes; buying, selling and dealing in bullion and specie; acquiring, holding, issuing on commission, underwriting and dealing with stocks, funds, shares, debentures, debenture stock, bonds, obligations, options, option certificates, securities, interest and currency hedging and swap agreements, forward rate agreements, interest and currency features or options, stocklending agreements, repurchase agreements, financial instruments and investments of all kinds; the negotiating of loans and advances; the granting or contracting for open general credits, with or without security; the receiving of money on deposit or current account at interest or otherwise, or for safe custody; the receiving of valuables on deposit, or for safe custody, or otherwise; the collection and transmitting of money and securities; the managing of property, and generally the transacting of all kinds of business commonly transacted by bankers.
  - 2.2 To acquire, dispose of, invest in and hold by any bonds, obligations, certificates of deposit, treasury bills, trade bills, bank acceptances, bills of exchange, acceptance credits, monetary instruments, shares, stock, warrants, debentures, debenture stock, loans, mortgages, debt register claims, securities, units of or participation in any unit trust scheme mutual fund or collective investment scheme, commodities and securities and financial instruments of all kinds created, issued or guaranteed by any government, sovereign, ruler, municipal, local, supranational or otherwise, in any part of the world, or by any company, bank, association or partnership, whether with limited or unlimited liability constituted or carrying on business or activities in any part of the world and to subscribe for the same either conditionally or otherwise, to enter into underwriting and similar contracts with respect thereto and to exercise and enforce all rights and powers conferred by or incidental to the ownership thereof and to do all the foregoing as principal agent or broker.

- 2.3 To carry out any transactions or operations whatsoever which may be lawfully undertaken and carried out by capitalists, promoters, merchants, underwriters, financiers or concessionaires and to carry on a general financial business and general financial operations for all kinds in any part of the world and to undertake or aid in any enterprise.
- 2.4 To carry on any other business, except the issuing of policies of insurance, which may seem to the Company capable of being conveniently carried on in connection with the above, or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.
- 2.5 To invest in any monies of the Company in such investments and in such manner as may from time to time be determined, and to hold, sell or deal with such investments and generally to purchase, take on lease or in exchange or otherwise acquire any real and personal property and rights or privileges.
- 2.6 To subscribe for, take, purchase or otherwise acquire and hold shares or other interests in, or securities of any other company having objects altogether or in part similar to those of this Company or carrying on any business capable of being carried on so as, directly or indirectly, to benefit this Company.
- 2.7 To develop and turn to account any land acquired by the Company or in which it is interested and in particular by laying out and preparing the same for building purposes, constructing, altering, pulling down, decorating, maintaining, fitting up and improving buildings and conveniences, and by planting, paving, draining, farming, cultivating, letting on building lease or building agreement and by advancing money to and entering into contracts and arrangements of all kinds with builders, tenants and others.
- 2.8 To acquire and undertake the whole or any part of the business, property, goodwill and assets of any person, firm or company carrying on or proposing to carry on any of the businesses which the Company is authorised to carry on, or which can be conveniently carried on in connection with the same, or may seem calculated directly or indirectly to benefit the Company.
- 2.9 To employ the funds of the Company in the development and expansion of the business of the Company and all or any of its subsidiary or associated companies and in any other company whether now existing or hereafter to be formed and engaged in any like business of the Company or any of its subsidiary or associated companies or of any other industry ancillary thereto or which can conveniently be carried on in connection therewith.
- 2.10 To lend money to such persons or companies either with or without security and upon such terms as may seem expedient.
- 2.11 To borrow or otherwise raise money or carry out any other means of financing, whether or not by the issue of stock or other securities, and to enter into or issue interest and currency hedging and swap agreements, forward rate agreements, interest and currency futures or options and other forms of financial instruments, and to purchase, redeem or pay off any of the foregoing.
- 2.12 To secure the payment of money or other performance of financial obligations in such manner as the company shall think fit, whether or not by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property, present or future, including its uncalled capital.

- 2.13 To adopt such means of making known the Company and its products and services as may seem expedient.
- 2.14 To sell, improve, manage, develop, exchange, lease, mortgage, enfranchise, dispose of, turn to account or otherwise deal with all or any part of the property, undertaking, rights or assets of the Company and for such consideration as the Company might think fit. Generally to purchase, take on lease or in exchange or otherwise acquire any real and personal property and rights or privileges.
- 2.15 To acquire and carry on any business carried on by a subsidiary or a holding company of the Company or another subsidiary of a holding company of the Company.
- 2.16 To provide services of any kind including the carrying on of advisory, constancy, brokerage and agency business of any kind.
- 2.17 To guarantee, grant indemnities in respect of, support or secure, whether by personal covenant or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company, or by both such methods, the performance of the contracts or obligations of and the repayment or payment of the principal amounts of and premiums, interest and dividends on any securities of any person, firm or company, including (without prejudice to the generality of the foregoing) any company which is for the time being the Company's holding company as defined by section 155 of the Companies Act, 1963, or another subsidiary as defined by the said section of the Company's holding company or otherwise associated with the Company in business notwithstanding the fact that the Company may not receive any consideration, advantage or benefit, direct or indirect from entering into such guarantee or other arrangement or transaction contemplated herein.
- 2.18 To amalgamate with any other company.
- 2.19 To apply for, purchase or otherwise acquire any patents, brevets d'invention, licences, trade marks, technology and know-how and the like conferring any exclusive or non-exclusive or limited right to use or any secret or other information as to any invention or technology which may seem capable of being used, for any of the purposes of the Company or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licences in respect of or otherwise turn to account the property rights or information so acquired.
- 2.20 To enter into partnership or into any arrangement for sharing profits, union of interests, co-operation, joint venture or otherwise with any person or company or engage in any business or transaction capable of being conducted so as directly or indirectly to benefit the Company.
- 2.21 To grant pensions or gratuities (to include death benefits) to any officers or employees or ex-officers or ex-employees of the Company, or its predecessors in business or the relations, families or dependants of any such persons, and to establish or support any non-contributory or contributory pension or superannuation funds, any associations, institutions, clubs, buildings and housing schemes, funds and trusts which may be considered calculated to benefit any such persons or otherwise advance the interest of the company or of its members.
- 2.22 To promote any company or companies for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this company.

- 2.23 To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures, debenture stock or other securities of the Company, or in or about the formation or promotion of the Company or the conduct of its business.
- 2.24 To draw, make, accept, endorse, discount, execute and issue promissory notes, bills of exchange, bills of lading, warrants, debentures, letters of credit and other negotiable or transferable instruments.
- 2.25 To undertake and execute any trusts and undertaking whereof may seem desirable, whether gratuitously or otherwise.
- 2.26 To procure the Company to be registered or recognised in any country or place.
- 2.27 To promote freedom of contract and to counteract and discourage interference therewith, to join any trade or business federation, union or association, with a view to promoting the company's business and safeguarding the same.
- 2.28 To do all or any of the above things in any part of the world as principal, agent contractor, trustee or otherwise, by or through trustees, agents or otherwise and either alone or in conduction with others.
- 2.29 To distribute any of the property of the Company in specie among the members.
- 2.30 To do all such other things as the Company may think incidental or conducive to the attainment of the above objects or any of them.

NOTE A: The objects specified in each paragraph of this clause shall, except where otherwise expressed in such paragraph, be in no wise limited or restricted by reference to, or inference from, the terms of any other paragraph.

NOTE B: It is hereby declared that the word "Company" in this clause (except where it refers to this Company) will be deemed to include any partnership or other body of persons, whether or not incorporated and whether formed in Ireland or elsewhere.

3. The liability of the members is limited.
4. The share capital of the Company is US\$10,000,000 divided into 10,000,000 shares of US\$1 each.



We, the several persons whose names and addresses are subscribed, wish to be formed into a company in pursuance of this memorandum of association, and we agree to take the number of shares in the capital of the Company set opposite our respective names.

NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS	Number of Shares taken by each Subscriber
Sara Birtwistle, 10 Glencairn Court, The Gallops, Sandyford, Dublin 18  Corporate Manager	One
Alan Fitzpatrick, 23 Watermeadow Park, Old Bawn, Tallaght, Dublin 24.  Company Secretary	One
Total Shares Taken	Two

DATED the 16th day of February, 1995

WITNESS to the above Signatures:-

Patrick Connolly,  
1 Earlsfort Centre,  
Hatch Street,  
Dublin 2.

COMPANIES ACT 1963 to 1990

COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

OF

MERRILL LYNCH CAPITAL MARKETS BANK LIMITED

PRELIMINARY

1. Table A: The regulations in Part II of Table A in the First Schedule to the Act (as amended by the Acts) will apply to the company subject to the alternations herein contained and will, so far as not inconsistent with these presents, being the Company and the shareholders.
2. Definitions: In these articles, unless the context otherwise requires:
  - "the 1983 Act" means the Companies (Amendment) Act, 1983;
  - "the 1990 Act" means the Companies Act, 1990;
  - "the Acts" means the Companies Acts, 1963 to 1990;
  - "the Auditors" means the auditors for auditor of the time being of the Company;
  - "Ireland" means Ireland excluding Northern Ireland and all references in Table A to "the State" will be construed as meaning references to Ireland;
  - "The Single-Member Company Regulations" means the European Communities (Single-Member Private Limited Companies) Regulations, 1994; and
  - "Table A" means Table A in the First Schedule to the Act.
3. Interpretation:
  - 3.1 All references in Table A to the Companies Acts, 1963 to 1983 will be construed as references to the Acts.
  - 3.2 Unless the contrary is clearly stated, reference to any section of any of the Acts is to such section as same may be amended, extended or re-enacted (whether before or after the date hereof) from time to time.
  - 3.3 Reference to any legislation or document includes that legislation or document as amended or supplemented from time to time.
  - 3.4 Unless the context otherwise requires, words importing the singular include the plural and vice versa, words importing the masculine include the feminine, words importing persons include corporations.
  - 3.5 Headings are inserted for convenience only and do not affect the construction of these articles.

## SHARE CAPITAL

4. Capital Structure: The capital of the Company is US\$10,000,000 divided into 10,000,000 ordinary Shares of US\$1 each.
5. Directors' Authority to Allot Shares: The directors are generally and unconditionally authorised to exercise all powers of the Company to allot relevant securities (as defined for the purposes of section 20 of the 1983 Act) up to an amount equal to the authorised but as yet unissued share capital of the Company, and such authority will expire five years from the date of incorporation of the Company save that the Company may before such expiry make an offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired. Section 23(1) of the 1983 Act is hereby excluded in its application in relation to all allotments by the Company of equity securities as defined for the purposes of that section.
6. Purchase of Own Shares: Subject to and in accordance with the provisions of the Acts, the Company may purchase its own shares (including any redeemable shares).
7. Financial Assistance: The Company may give any form of financial assistance which is permitted by the Acts for the purpose of or in connection with a purchase or subscription made or to be made by any person of or for any shares in the Company or in the Company's holding company and Regulation 10 of Part I of Table A will be modified accordingly.

## TRANSFER OF SHARES

8. The instrument of transfer of a fully paid up share need not be signed by or on behalf of the transferee and Regulation 22 of Part I to Table A will be modified accordingly.

## GENERAL MEETINGS

9. General Meetings outside Ireland: Annual general meetings shall be held in Ireland unless in respect of any particular meeting either all the members entitled to attend and vote at such meeting consent in writing to its being held elsewhere or a resolution providing that it be held elsewhere has been passed at the preceding annual general meeting. Extraordinary general meetings may be held in or outside Ireland. Regulation 47 of Part I of Table A will not apply and regulation 50 will be construed as if the words "within the State" were deleted therefrom.
10. Auditors' Requisition: An extraordinary general meeting shall be convened upon the requisition of the Auditors under the circumstances described in section 186 of the 1990 Act, as well as upon the requisition described in Regulation 50 of Part I of Table A.

## PROCEEDINGS AT GENERAL MEETINGS

11. Proxies: In Regulation 70 of Part I of Table A the words "not less than 48 hours before the time for holding" and "not less than 48 hours before the time appointed for" will be deleted and there shall be substituted therefor the words "before the commencement of" on both occasions.

- 12 Poll: A poll may be demanded at any general meeting by any member present in person or by proxy who is entitled to vote thereat and Regulation 59 of Part I to Table A will be modified accordingly.

#### VOTES OF MEMBERS

13. For so long as:

- 13.1 the Company holds shares as treasury shares; or  
13.2 any subsidiary of the Company holds shares in the company

the Company or the subsidiary as the case may be shall not exercise any voting rights in respect of the shares and Regulations 63 to 73 of Part I of Table A will be modified accordingly.

#### RESOLUTIONS IN WRITING BY MEMBERS

14. A resolution in writing made pursuant to Regulation 6 of Part II of Table A may consist of one document or two or more documents to the same effect each signed by one or more members.

#### SINGLE-MEMBER COMPANY

15. If at any time the Company has only one member, that is to say that all the issued shares of the Company are registered in the name of a sole person whether a natural person or a body corporate), it will be a single-member company within the meaning of the Single-Member Company Regulations. If and so long as the Company is a single-member company, the following provisions will apply notwithstanding anything to the contrary in these Articles or Table A:

15.1 Annual General Meetings: The sole member may decide to dispense with the holding of annual general meetings. Such decision will be effective for the year in which it is made and subsequent years, but nevertheless the sole member or the Auditors may require the holding of an annual general meeting in any such year in accordance with the procedure laid down in the Single-Member Company Regulations.

15.2 Where a decision to dispense with the holding of annual general meetings is in force, the accounts and directors' and Auditors' reports that would otherwise be laid before an annual general meeting shall be sent to the sole member as provided in the Single-Member Company regulations, and the provisions of the Acts with regard to the annual return and the accounts which apply by reference to the date of the annual general meeting will be construed as provided in the Single-Member Company Regulations.

15.3 Quorum at General Meetings: The sole member, present in person or by proxy, is a sufficient quorum at a general meeting.

15.4 Resolutions of Shareholders: All matters requiring a resolution of the Company in general meeting (except the removal of the Auditors from office) may be validly dealt with by a decision of the sole member. The sole member must provide the Company with a written record of any such decision or, if it is dealt with by a written resolution under Regulation 6 of Part II of Table A, with a copy of that resolution, and the decision or resolution shall be recorded and retained by the Company.

15.5 Contracts with Sole Member: Where the Company enters into a contract with the sole member which is not in the ordinary course of business and which is not in writing, and the sole member also represents the Company in the transaction (whether as a director or otherwise), the

directors shall ensure that the terms of the contract are forthwith set out in a written memorandum or are recorded in the minutes of the next directors' meeting.

16. If and whenever the Company becomes a single-member company or ceases to be a single-member company it shall notify the Registrar of Companies as provided in the Single-Member Company Regulations.

#### DIRECTORS

17. No Share Qualification: A director or alternate director will not be required to hold any shares in the Company by way of qualification, and Regulation 77 of Part I of Table A will not apply.
18. Directors' Right to Attend Meeting: A director who is not a member of the company will nevertheless be entitled to receive notice of, attend and speak at any general meeting or separate meeting of the holders of any class of shares, and Regulation 136 of Part I of Table A will be modified accordingly.

#### POWERS AND DUTIES OF DIRECTORS

19. Powers to Borrow and Grant Security: The directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital or any part thereof and, subject to section 20 of the 1983 Act, to issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the company or of any third party. Regulation 79 of Part I of Table A will not apply.
20. Non-Disqualification of Director: No director shall be disqualified by his position as director from entering into any contract or arrangement with the Company, and a director may vote and be taken into account for the purpose of constituting a quorum in respect of any contract or arrangement in which he may be in any way interested, and may retain for his own absolute use and benefit all profits and advantages accruing to him therefrom. A director may hold any other office or place of profit under the Company other than that of auditor on such terms as to remuneration and otherwise as the directors may determine.
21. Interest in Contracts: The obligations of a director to disclose the nature of his interest in any contract or proposed contract with the Company will apply equally to any shadow director who shall declare his interest in the manner prescribed by section 27(3) of the 1990 Act.
22. Directors' Contracts: No contract will be entered into by the Company for the employment of, or the provision of services by, a director or a director of a holding company of the Company containing a terms to which section 28 of the 1990 Act applied without obtaining the approval provided for in that section, and Regulation 85 of part I of Table A will be modified accordingly.

#### DISQUALIFICATION OF DIRECTORS

23. The office of director will be ipso facto vacated if the director:
  - 23.1 becomes prohibited from being a director of the Company by reason of any declaration or order made under section 150 or 160 of the 1990 Act; or
  - 23.2 is removed from office by notice in writing served upon him signed by all his co-directors

as well as under the circumstances described in Regulation 91 of Part I of Table A.

#### ROTATION AND RE-ELECTION

24. The directors will not retire by rotation, or require to be re-elected in general meeting following appointment by the directors. Regulations 92 to 100 inclusive of Part I of Table A will be modified accordingly.

#### PROCEEDINGS OF DIRECTORS

25. Quorum for Directors' Meetings: The quorum necessary for the transaction of the business of the directors may be fixed by the directors and unless so fixed shall be 2.
26. Participation in Board Meetings by Telephone: Any director (including an alternate) or any member of a committee of directors may participate in a meeting of the directors or a committee of directors of which he is a member by means of a conference telephone or similar communicating equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in this manner will be deemed to constitute presence in person (or, as the case may be, by alternate) at such meeting but, for the purposes of determining whether the quorum for the transaction of business exists, any director or committee member in telephonic communication with a meeting of directors or of a committee as the case may be will not be counted in the quorum, and Regulation 102 of Part I of Table A will be modified accordingly.
27. Committees of Directors: The Directors may delegate any of their powers to committees consisting of such member or members of the Board of Directors or co-opt one or more individuals who are not Directors, as they think fit provided that such committees include at least one Director; any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Directors. The meetings and proceedings of any committee formed by the Directors will be governed by the provisions of these articles regulating the meetings and proceedings of Directors so far as the same are applicable and are not superseded by any regulation imposed on such committee by the Directors. Clause 105 of Table A shall be modified accordingly.\*

#### RESOLUTIONS IN WRITING BY DIRECTORS

28. A resolution in writing signed by each director (or his alternate director) will be as valid as if it had been passed at a meeting of the directors duly convened and held, and may consist of one document or two or more documents to the same effect each signed by one or more directors (or their alternates or substitutes), and Regulation 109 of Part I to Table A will be modified accordingly.

#### EXECUTIVE DIRECTORS

29. The directors may from time to time appoint one or more of themselves to be managing director or any other category of executive director for such period and on such terms as to remuneration or otherwise as they think fit, and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment. Regulations 110 and 111 of Part I of Table A will not apply and Regulation 112 will apply to all executive directors as it applied to a managing director.

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\* Pursuant to Special Resolution passed on 7 December 2000

#### ALTERNATE DIRECTORS

30. Any director may from time to time appoint any person to be his alternate. The appointee, while he holds office as an alternate, will be entitled to notice of meetings of the directors and to attend and vote thereat as a director, but will not be entitled to be remunerated otherwise than out of the fees of the director appointing him. Any appointment under this Article shall be effected by notice in writing given by the appointer to the Secretary. Any appointment so made may be revoked at any time by the appointer by notice in writing given by the appointer to the Secretary, and an alternate's appointment will ipso facto come to an end if for any reason the director appointing him ceases to be a director.
31. An alternate may exercise all the powers, rights, duties and authorities of the director appointing him (other than the right to appoint an alternate hereunder).
32. Regulation 9 to Part II of Table A will not apply.

#### ASSOCIATE DIRECTORS, FIRST VICE PRESIDENTS, SENIOR VICE PRESIDENTS, VICE PRESIDENTS AND ASSISTANT VICE-PRESIDENTS

33. The expression "Associate Director", "First Vice President", "Senior Vice President", "Vice President" or "Assistant Vice President" shall mean a person appointed to hold that office pursuant to this Article and shall not imply that the holder thereof is a director of the Company for any purpose of these presents. An Associate Director, First Vice President, Senior Vice President, Vice President or Assistant Vice President shall not (unless he shall be a director of the Company and shall not be entitled to participate in the exercise of any of the collective powers or rights of a director of the Company individually, and if, at the invitation or by the order of the directors of the Company, any Associate Director, First Vice President, Vice President or Assistant Vice President shall attend and take part in the proceedings at any meeting of the board he shall be deemed to do so in an advisory capacity only.
34. Titles including the word "Director" with further description: The directors may from time to time appoint any person to an office or employment having a designation or title including the word "director" or attach to any existing office or employment with the Company such as designation or title provided that such designation shall contain a further word or word describing the office or employment. The inclusion of the word "director" in the designation or title of any office or employment with the company (other than the office of Managing or Joint Managing or Deputy or Senior or Assistant Managing Director) shall not imply that the holder thereof is a director of the Company nor shall such holder thereby be empowered in any respect to act as a director of the Company or be deemed to be a director for any of the purposes of these presents:
  - 34.1 the appointment, continuance in office, removal and duties of such "directors" shall be determined by the directors of the Company with full power to make such arrangements as the directors of the Company may think fit; and
  - 34.2 the expression "Managing Director", "Executive Director" or "Director" containing a further word or words describing the office or employment shall mean a person appointed to hold that office pursuant to this Article and shall not imply that the holder thereof is a director of the Company, thereby empowered in any respect to act as director of the Company, or be deemed to be a director of the

Company entitled to participate in the exercise of any of the collective powers or rights of a director of the Company individually, and if, at the invitation or by the order of the directors of the Company any such holder thereof shall attend and take part in the proceedings at any meeting of the board, he shall be deemed to do so in an advisory capacity only and not empowered to act in any respect as a director of the Company or deemed to be a director for any other purpose of these presents.

#### ASSISTANT SECRETARY

35. The directors may appoint one or more Assistant Secretaries in addition to the Secretary of the Company. Any provisions in the Companies Acts, 1963 to 1990 required or authorised to be done by or to the Secretary may be done by or to any Assistant Secretary duly appointed by the directors. The provisions of Regulations 113 and 114 of Part I of Table A shall apply to any such Assistant Secretary appointed by the directors as in references therein to "Secretary" were to "Assistant Secretary".

#### THE SEAL

36. The seal shall be used only by the authority of the Directors or of a committee authorised by the Directors in that behalf, pursuant to Clause 27 of the Articles, and every instrument to which the seal shall be affixed shall be signed by a Director or by some other person appointed by the Directors for that purpose and shall be countersigned by the Secretary or an Assistant Secretary. Clause 115 of Table A shall be modified accordingly.\*\*

#### ACCOUNTS

37. The company will comply with the provisions of the Acts and all other relevant legislation with regard to accounts, and Regulations 125 to 129 of Part I of Table A will be modified accordingly.

#### CAPITALISATION OF PROFITS

38. The reference in Regulation 130 to section 64 of the Act will be construed as a reference to section 207 of the 1990 act.

#### AUDITORS

39. The Auditors will be appointed and removed and their rights and duties regulated in accordance with the Acts. The Auditors will be entitled to attend any general meeting and to receive all notices of, and other communications relating to, any general meeting which any member is entitled to receive, and to be heard on any part of the business which concerns them as auditors. Regulation 132 of Part I of Table A will not apply.

#### INDEMNITY

40. Subject to the Acts, every director, managing director, agent, auditor, secretary and other officer for the time being of the company shall be indemnified out of the assets of the company against any liability incurred by him in defending any proceedings, whether civil or criminal,

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\*\* Pursuant to Special Resolution passed on 7 December 2000



in relation to his acts while acting in such office, in which judgement is given in his favour or in which he is acquitted or in connection with any application under section 391 of the Act in which relief is granted to him by the court. Regulation 138 of Part I of Table A will not apply.

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NAMES, ADDRESSES AND DESCRIPTIONS OF SUBSCRIBERS

---

Sara Birtwistle,  
10 Glencairn Court,  
The Gallops,  
Sandyford,  
Dublin 18.

Corporate Manager

Alan Fitzpatrick,  
23 Watermeadow Park,  
Old Bawn,  
Tallaght,  
Dublin 24.

Company Secretary

---

DATED the 16th day of February, 1985

WITNESS to the above signatures:-

Patrick Connolly,  
1 Earlsfort Centre,  
Hatch Street,  
Dublin 2.

NUMBER

229165


# Certificate of Incorporation

I hereby certify that

MERRILL LYNCH BANK LIMITED

is this day incorporated under  
the Companies Acts 1963 to 1990  
and that the company is limited.

Given under my hand at Dublin, this  
Tuesday, the 21st day of February, 1995



For Registrar of Companies

Fees and Deed Stamps	165.00
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Stamp Duty on Capital	1.00
-----------------------	------

NUMBER

229165

# Certificate of Incorporation

ON CHANGE OF NAME

I hereby certify that

MERRILL LYNCH BANK LIMITED

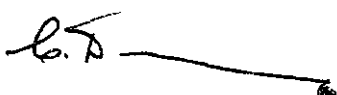
having, by a Special Resolution of the Company,  
and with the approval of the Minister for  
Enterprise and Employment, changed its name, is now  
incorporated as a limited company under the name

MERRILL LYNCH CAPITAL MARKETS

BANK LIMITED

and I have entered such name on the Register accordingly.

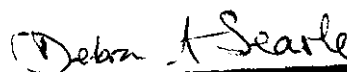
Given under my hand at Dublin, this  
Thursday, the 2nd day of March, 1995



For Registrar of Companies

**REPORTS AND FINANCIAL STATEMENTS**  
**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

Certified a true copy:

  
Debra A. Searle

For and on behalf of  
Merrill Lynch Corporate Services Limited  
Company Secretary

29.7.05

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED  
REPORTS AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2004**

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**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**DIRECTORS AND OTHER INFORMATION**

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**DIRECTORS**

Michael J D'Souza – Chairman  
Michael G Ryan - Managing Director  
Allen G Braithwaite III  
Robert G Murphy  
Chris Vogelgesang  
Gavin Caldwell  
Paddy Teahon  
Nasser Azam

**REGISTERED OFFICE**

Treasury Building  
Lower Grand Canal Street  
Dublin 2

**SECRETARY**

Debra A Searle

**ASSISTANT SECRETARIES**

Bernard P Hoey  
Bernadette Lewis

**AUDITORS**

Deloitte & Touche  
Chartered Accountants  
Deloitte & Touche House  
Earlsfort Terrace  
Dublin 2

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**REPORT OF THE DIRECTORS**

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The directors have pleasure in submitting their report along with the audited financial statements for the year ended 31 December 2004.

**PRINCIPAL ACTIVITIES**

The principal activity of Merrill Lynch Capital Markets Bank Limited (the "Bank") is to carry on general capital markets banking business. The Bank has its head office in Ireland and branches in Germany and Italy.

Through its head office in Ireland, the Bank trades debt derivatives and other financial instruments, provides loan facilities on a selective basis to corporate clients and sells global debt products to local institutional clients.

Through its German branch, the Bank sells global debt and equity products to local institutional and corporate clients and provides investment banking and advisory services to corporate clients.

Through its Italian branch, the Bank sells global debt and equity products to local institutional and corporate clients and provides loan facilities to local corporate clients.

The Bank is regulated by the Irish Financial Services Regulatory Authority and by the State of New York Banking Department.

**RESULTS AND DIVIDENDS**

The Bank's profit after taxation for the year amounted to US\$342,849,000 as set out in the profit and loss account. The directors have recommended that no dividends be declared.

**DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES**

On 10 March 2004, Gavin Caldwell was appointed as a director. On 4 November 2004, John T McGowan resigned from the Board and Paddy Teahon and Nasser Azam were appointed as directors.

The directors and the secretary had no beneficial interest in the shares of the company at any time during the year.

The following shares, options and other rights to shares in group companies were held by the directors who held office at 31 December 2004:

	Merrill Lynch & Co., Inc. \$1.33 Common Stock			
	31 December 2004		26 December 2003 *	
	Shares	Options & Other rights	Shares	Options & Other rights
Allen G Braithwaite III	31,070	38,715	28,755	42,559
Michael J D'Souza	6,026	39,703	5,361	36,215
Robert G Murphy	7,792	-	7,792	33,310
Michael G Ryan	5,786	4,658	5,216	3,934
Chris Vogelgesang	-	252,029	-	208,601
Nasser Azam	570	39,208	570	39,208

\*Holding as at 26 December 2003 or date of appointment if later.



**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**REPORT OF THE DIRECTORS (CONTINUED)**

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**CORPORATE GOVERNANCE**

The Board of Directors governs the Bank, and meets on a quarterly basis to review the Bank's activities. The Board is responsible for setting the corporate strategy of the Bank, monitoring and reviewing performance and providing oversight of major initiatives. The Board includes directors with significant banking and capital markets experience gained in a broad range of international financial institutions.

The Board has delegated day-to-day control and management of the Bank's activities to Management and various Board approved Management Committees to oversee and review various aspects of the Bank's business. The Managing Director and other appropriate members of management report quarterly to the Board or sub-committees of the Board on all significant matters affecting the Bank and on all relevant issues arising from the work of the various Committees. The charters and composition of the various Committees are reviewed annually by the Board.

The Board approved Management Committees include the Risk Policy and Oversight Committee, the Audit Committee, the Operating Committee, the Credit Committee, the Asset and Liability Committee, the New Product Committee and the Operational Risk Committee.

**SAFETY, HEALTH AND WELFARE AT WORK ACT, 1989**

The Bank complies with the requirements of the Safety, Health and Welfare at Work Act, 1989. A safety statement has been prepared and has been made available to all employees.



**BOOKS OF ACCOUNT**

To comply with the requirement that proper books and accounting records are kept in accordance with Section 202 of the Companies Act, 1990 the directors have ensured that appropriately qualified accounting personnel have been employed and that appropriate computerised accounting systems are maintained. The books of account are located at the Bank's registered office.

**AUDITORS**

The auditors, Deloitte & Touche, Chartered Accountants, continue in office in accordance with Section 160(2) of the Companies Act 1963.

Signed on behalf of the Board:

} DIRECTORS

10 March 2005

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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Irish company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Bank and of the profit or loss of the Bank for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Bank and to enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and comply with Irish statute comprising the Companies Acts, 1963 to 2003 and the European Communities (Credit Institutions: Accounts) Regulations, 1992. They are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**

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We have audited the financial statements of Merrill Lynch Capital Markets Bank Limited for the year ended 31 December 2004 which comprise the Statement of Accounting Policies, the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses and the related notes 1 to 24. These financial statements have been prepared under the accounting policies set out in the Statement of Accounting Policies.

This report is made solely to the Bank's members, as a body, in accordance with Section 193 of the Companies Act 1990. Our audit work has been undertaken so that we might state to the Bank's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank and the Bank's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as set out in the Statement of Directors' Responsibilities, the preparation of the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established in Ireland by statute, auditing standards as promulgated by the Auditing Practices Board in Ireland and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with Irish statute comprising the Companies Acts, 1963 to 2003 and the European Communities (Credit Institutions: Accounts) Regulations, 1992. We also report to you whether in our opinion: proper books of account have been kept by the Bank; whether, at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Bank; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all information and explanations necessary for the purposes of our audit and whether the Bank's balance sheet and profit and loss account are in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law regarding directors' remuneration and directors' transactions is not given and, where practicable, include such information in our report.

We read the other information contained in the Annual Report and considered whether it is consistent with the audited financial statements. The other information comprises the Report of the Directors. We consider the implications for our report if we become aware of any apparent misstatement or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

**INDEPENDENT AUDITORS REPORT  
TO THE MEMBERS OF MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**

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**Basis of audit opinion**

We conducted our audit in accordance with the auditing standards issued by the Auditing Practices Board and generally accepted in Ireland. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the Bank's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the affairs of the Bank as at 31 December 2004 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2003 and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

We have obtained all the information and explanations we considered necessary for the purpose of our audit. In our opinion proper books of account have been kept by the Bank. The Bank's balance sheet and its profit and loss account are in agreement with the books of account.

In our opinion the information given in the Report of the Directors is consistent with the financial statements.

The net assets of the Bank, as stated in the balance sheet are more than half the amount of its called-up share capital and, in our opinion, on that basis there did not exist at 31 December 2004 a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Bank.



Deloitte & Touche

Chartered Accountants and Registered Auditors

Dublin

10 March 2005

## **MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**

### **STATEMENT OF ACCOUNTING POLICIES**

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The significant accounting policies adopted by the Bank are set out below.

#### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with accounting standards generally accepted in Ireland and Irish statute comprising the Companies Acts, 1963 to 2003 and the European Communities (Credit Institutions: Accounts) Regulations, 1992.

#### **ACCOUNTING CONVENTION**

The financial statements are prepared under the historical cost convention, as modified by the revaluation of trading instruments, and are denominated in US Dollars (US\$).

#### **INCOME AND EXPENSE RECOGNITION**

Dealing profits include net realised and unrealised gains and losses from marking to market all trading instruments on a trade date basis.

Other income and expenses are recognised on an accruals basis.

#### **TRADING INSTRUMENTS**

Long and short inventory positions held for trading purposes are recorded on a trade date basis and are valued at market price at the close of business on the balance sheet date. The net changes in fair values are reflected in the profit and loss account for the current year.

These can be classified into derivative and cash instruments.

Cash instruments include loans, debt and equity securities or instruments held for resale or to hedge inventory positions.

A derivative is typically defined as an instrument whose value is derived from an underlying instrument or index, such as a future, forward, swap, or option contract, or other financial instrument with similar characteristics.

Derivatives are often referred to as off-balance-sheet instruments since their notional amounts or underlying instruments are not reflected on the balance sheet; however, the market values of trading derivatives are recorded on the balance sheet.

Fair values for cash instruments and certain exchange-traded derivatives, principally futures and certain options, are based on quoted market prices. Fair values for over-the-counter (OTC) derivative financial instruments, principally forwards, options and swaps represent amounts that would be received from or paid to a third party in settlement of the instruments. These amounts are determined using pricing models based on the present value of future cash flows using mid-market valuations with appropriate adjustments. These adjustments are integral components of the mark-to-market process and relate to credit quality, market liquidity and exposure close-out costs associated with unmatched positions.

Derivatives are reported separately as assets and liabilities unless a legal right of set off exists under a master netting agreement enforceable in law.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**STATEMENT OF ACCOUNTING POLICIES (CONTINUED)**

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**LOANS AND ADVANCES**

Loans and advances are stated net of specific and general provisions. Specific provisions are made for advances whose recoveries are recognised as doubtful as a result of continuous appraisal of the loans and advances portfolio.

**FOREIGN CURRENCIES**

Revenues and expenses arising from transactions to be settled in foreign currencies are translated into US Dollar at average monthly market rates of exchange. Monetary assets and liabilities are translated into US Dollar at the market rates of exchange ruling at the balance sheet date. Exchange differences arising from the translation of foreign currencies are reflected in the profit and loss account.

The financial statements of branches whose functional currency is not US Dollar are translated into US Dollar at the closing rate for the balance sheet and at the average rate of exchange for the year for the profit and loss account. Translation differences arising on the profit and loss for the current year and on opening net assets of the branches are taken directly as a movement in reserves.

**TAXATION**

Provision is made for taxation at current enacted rates on the taxable profits taking into account overseas taxation where appropriate. Timing differences arise where gains and losses are accounted for in different periods for financial reporting purposes and for taxation purposes. Deferred taxation is accounted for in full for all such timing differences. Deferred tax assets are only recognised to the extent that it is regarded that it is more likely than not that they will be recovered. Deferred tax amounts are not discounted.

**PENSIONS**

Contributions to the Bank's defined benefit scheme are charged to the profit and loss account in order to spread the expected cost of pensions, calculated in accordance with the advice of qualified actuaries, on a systematic basis over employees' working lives.

The costs of the Bank's defined contribution schemes are charged to the profit and loss account for the year in which they are incurred.

**DEPRECIATION**

All tangible fixed assets are stated at historical cost, net of accumulated depreciation.

Depreciation is provided in equal annual instalments over the estimated useful lives of the assets as follows:

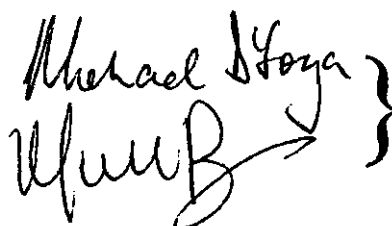
Leasehold improvements	4 to 9 years
Communications equipment	3 to 5 years
Furniture and fittings	4 to 8 years
Computer equipment	3 years

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 US\$'000	2003 US\$'000
Interest receivable:			
- Debt securities and other fixed income securities		-	36
- Other interest receivable and similar income		175,443	109,068
Interest payable and similar charges		(154,411)	(101,450)
Dividend income		-	18
Fees and commissions:			
- receivable		107,139	110,922
- payable		(69,861)	(88,704)
Dealing profits		428,739	398,207
Other operating income		67	412
<b>TOTAL OPERATING INCOME</b>		<b>487,116</b>	<b>428,509</b>
Administrative expenses	1	77,894	76,425
Depreciation		1,692	4,639
Other operating charges		2,246	2,263
Provisions for bad and doubtful debts		2,657	2,040
<b>TOTAL OPERATING EXPENSES</b>		<b>84,489</b>	<b>85,367</b>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	2	<b>402,627</b>	<b>343,142</b>
Tax on profit on ordinary activities	3	59,778	43,323
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>342,849</b>	<b>299,819</b>

All gains and losses arise from continuing activities.

The financial statements were approved by the Board of Directors on 10 March 2005 and signed on its behalf by:


 } DIRECTORS

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**OTHER PRIMARY STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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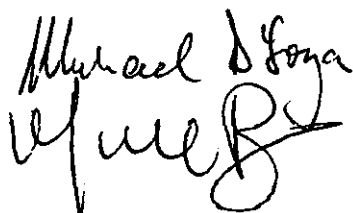
	2004 US\$'000	2003 US\$'000
<b>STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES</b>		
Profit attributable to ordinary shareholders	342,849	299,819
Exchange differences on translation of foreign branch assets and liabilities	1,196	3,939
Total recognised gains relating to the year	<u>344,045</u>	<u>303,758</u>



**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**BALANCE SHEET AS AT 31 DECEMBER 2004**

	Notes	2004 US\$'000	2003 US\$'000
<b>ASSETS</b>			
Cash and balances at Central Banks		2,950	799
Loans and advances to banks	4	146,814	76,031
Loans and advances to customers	5	1,913,828	2,431,395
Market and client receivables	6	120,498	22
Debt securities and other fixed income securities	7	374,589	29,192
Over-the-counter derivatives		6,787,468	5,336,934
Equity derivatives		42	8,529
Tangible fixed assets		4,393	5,731
Other assets	8	1,007,856	1,054,326
<b>TOTAL ASSETS</b>		<b>10,358,438</b>	<b>8,942,959</b>
<b>LIABILITIES</b>			
Deposits by banks	9	61,804	1,751
Market and client payables	10	-	4,253
Over-the-counter derivatives		3,279,029	3,336,082
Equity derivatives		127,061	211,047
Other liabilities	11	4,029,873	3,352,655
Accruals		92,106	79,287
Provisions for liabilities and charges	12	141,422	94,786
Subordinated debt	13	580,000	160,000
<u>Equity Shareholder's funds</u>			
Called up share capital	14	9,125	9,125
Reserves	15	2,038,018	1,693,973
		2,047,143	1,703,098
<b>TOTAL LIABILITIES</b>		<b>10,358,438</b>	<b>8,942,959</b>
<b>MEMORANDUM ITEMS</b>			
Guarantees and assets pledged as collateral security		4,843,565	1,858,603

The financial statements were approved by the Board of Directors on 10 March 2005 and signed on its behalf by:


} DIRECTORS

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

	Notes	2004 US\$'000	2003 US\$'000
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	16	(384,731)	(58,810)
<b>TAXATION PAID</b>		(22,034)	(53,094)
<b>CAPITAL EXPENDITURE</b>			
Acquisition of tangible fixed assets		(354)	(1,439)
<b>FINANCING</b>			
Repayment of Subordinated Debt		(100,000)	(200,000)
Drawdown of Subordinated Debt		520,000	160,000
<b>NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES</b>		420,000	(40,000)
<b>INCREASE/(DECREASE) IN CASH</b>	17	12,881	(153,343)

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

<b>1. ADMINISTRATIVE EXPENSES</b>	<b>2004</b> <b>US\$'000</b>	<b>2003</b> <b>US\$'000</b>
Wages and salaries	51,495	50,633
Social welfare	6,829	5,606
Pension (Note 18)	1,657	779
Other administrative expenses	<u>17,913</u>	<u>19,407</u>
	<u>77,894</u>	<u>76,425</u>
 <b>2. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	 <b>2004</b> <b>US\$'000</b>	 <b>2003</b> <b>US\$'000</b>
Profit on ordinary activities before taxation is stated after charging:		
Directors' remuneration:		
Fees paid by the bank	131	70
Other emoluments, paid by other group companies (Included in 2004: US\$10,000 (2003: US\$8,000) in respect of pension contributions)	214	169
Operating lease rentals	1,799	4,843
Auditors' remuneration	<u>249</u>	<u>221</u>
 <b>3. TAX ON PROFIT FROM ORDINARY ACTIVITIES</b>	 <b>2004</b> <b>US\$'000</b>	 <b>2003</b> <b>US\$'000</b>
Taxation on profit from ordinary activities		
Corporation tax charge	41,411	38,633
Deferred tax charge/(credit)	<u>5,144</u>	<u>(1,165)</u>
	46,555	37,468
Adjustments in respect of prior years	<u>13,223</u>	<u>5,855</u>
	<u>59,778</u>	<u>43,323</u>
Split as follows:		
Ireland	39,691	34,280
Overseas	<u>20,087</u>	<u>9,043</u>
	<u>59,778</u>	<u>43,323</u>
The Bank's effective tax rate is 14.85% (2003: 12.63%).		

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**3. TAX ON PROFIT FROM ORDINARY ACTIVITIES (CONTINUED)**

Factors affecting tax charge for the period:

The tax assessed for the period is higher than the standard rate of corporation tax in Ireland for International Financial Services Companies (10%). The differences are explained below:

	2004 US\$'000	2003 US\$'000
Profit on ordinary activities before tax	<u>402,627</u>	<u>343,142</u>
Tax charge at the standard rate of corporation tax	40,263	34,314
Effects of:		
Foreign taxes payable	1,838	1,309
Timing differences regarding the valuation of employee shares and share options	1	2,335
Other	<u>(691)</u>	<u>675</u>
Corporation tax charge	<u>41,411</u>	<u>38,633</u>

**4. LOANS AND ADVANCES TO BANKS**

	2004 US\$'000	2003 US\$'000
Analysed by remaining maturity:		
3 months or less	<u>146,814</u>	<u>76,031</u>

There were no loan provisions at the end of either year.

**5. LOANS AND ADVANCES TO CUSTOMERS**

	2004 US\$'000	2003 US\$'000
Analysed by remaining maturity:		
3 months or less	15,044	154,870
3 months to 1 year	22,190	729,564
1 to 5 years	1,195,594	279,825
Greater than 5 years	<u>681,000</u>	<u>1,267,136</u>
	<u>1,913,828</u>	<u>2,431,395</u>

There were loan provisions of US\$6,486,000 as at 31 December 2004 (2003: US\$3,926,000).

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

<b>6. MARKET AND CLIENT RECEIVABLES</b>	2004 US\$'000	2003 US\$'000
Amounts awaiting settlement		
Analysed by remaining maturity:		
3 months or less	<u>120,498</u>	<u>22</u>
<b>7. DEBT SECURITIES AND OTHER FIXED INCOME SECURITIES</b>	2004 US\$'000	2003 US\$'000
Listed securities	<u>374,589</u>	<u>29,192</u>
Listed securities		
Analysed by remaining maturity:		
1 to 5 years	17,763	4,417
Greater than 5 years	<u>356,826</u>	<u>24,775</u>
	<u>374,589</u>	<u>29,192</u>
<b>8. OTHER ASSETS</b>	2004 US\$'000	2003 US\$'000
Amounts due from affiliate companies	941,103	985,261
Deferred taxation	5,254	2,829
Prepayments and accrued income	<u>61,499</u>	<u>66,236</u>
	<u>1,007,856</u>	<u>1,054,326</u>

Deferred taxation relates to short term timing differences.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

<b>9. DEPOSITS BY BANKS</b>	2004 US\$'000	2003 US\$'000
Analysed by remaining maturity:		
3 months or less	<u>61,804</u>	<u>1,751</u>
<b>10. MARKET AND CLIENT PAYABLES</b>	2004 US\$'000	2003 US\$'000
Amounts awaiting settlement		
Analysed by remaining maturity:		
3 months or less	<u>-</u>	<u>4,253</u>
<b>11. OTHER LIABILITIES</b>	2004 US\$'000	2003 US\$'000
Amounts owed to affiliate companies	3,912,207	2,838,679
Loans and advances from customers	<u>117,666</u>	<u>513,976</u>
	<u>4,029,873</u>	<u>3,352,655</u>

Amounts owed to affiliate companies at 31 December 2004 includes an amount of US\$1,824,000 (2003: US\$2,302,000) due to the Bank's holding company, Merrill Lynch Group Holdings Limited.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

12. PROVISIONS FOR LIABILITIES AND CHARGES	2004 US\$'000	2003 US\$'000
Provision for pension (Note 18)	10,876	9,007
Corporation taxation payable	118,477	81,525
Provision for deferred taxation	<u>12,069</u>	<u>4,254</u>
	<u>141,422</u>	<u>94,786</u>

Deferred taxation relates to short term timing differences.

13. SUBORDINATED DEBT	2004 US\$'000	2003 US\$'000
US\$ 200m Subordinated Debt repayable 30 September 2011, Libor + 100bps ("Tier 2")	160,000	160,000
US\$ 500m Revolving Subordinated Debt Facility repayable 7 October 2006, Libor + 100bps ("Tier 3")	420,000	-
	<u>580,000</u>	<u>160,000</u>

On 24 September 2004, the Bank drew Tier 3 Subordinated Debt of US\$100m. On 8 October 2004, the Bank repaid and cancelled its Tier 3 Subordinated Debt of US\$100m and entered into a new Tier 3 Subordinated Debt agreement with Merrill Lynch & Co., Inc. for US\$500m. On 8 October 2004 the Bank drew Tier 3 Subordinated Debt of US\$300m. On 23 December 2004 the Bank drew Tier 3 Subordinated Debt of US\$120m.

14. SHARE CAPITAL	2004 Ordinary shares US\$1 each	2003 Ordinary shares US\$1 each
<u>Authorised:</u>		
Value	<u>10,000,000</u>	<u>10,000,000</u>
Number of shares	<u>10,000,000</u>	<u>10,000,000</u>
<u>Allotted, called up and fully paid:</u>		
Value	<u>9,125,000</u>	<u>9,125,000</u>
Number of shares	<u>9,125,000</u>	<u>9,125,000</u>

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

15. RESERVES	Profit and Loss Account US\$'000	Capital Contribution US\$'000	Total US\$'000
At 26 December 2003	1,503,098	190,875	1,693,973
Profit for the year	342,849	-	342,849
Exchange translation	<u>1,196</u>	<u>-</u>	<u>1,196</u>
At 31 December 2004	<u>1,847,143</u>	<u>190,875</u>	<u>2,038,018</u>

**RECONCILIATION OF MOVEMENT IN  
SHAREHOLDER'S FUNDS**

	2004 US\$'000	2003 US\$'000
Profit attributable to ordinary shareholders	342,849	299,819
Exchange differences on translation of foreign branch assets and liabilities	<u>1,196</u>	<u>3,939</u>
Net addition to shareholder's funds	344,045	303,758
Opening shareholder's funds	<u>1,703,098</u>	<u>1,399,340</u>
Closing shareholder's funds	<u>2,047,143</u>	<u>1,703,098</u>



**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

<b>16.</b>	<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>2004</b> <b>US\$'000</b>	<b>2003</b> <b>US\$'000</b>
	<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	402,627	343,142
	Depreciation	<u>1,692</u>	<u>4,639</u>
	<b>NET CASH INFLOW FROM TRADING ACTIVITIES</b>	404,319	347,781
	Decrease/(Increase) in loans and advances to customers and market and client receivables	392,838	(1,015,065)
	(Increase) in debt securities	(345,397)	(27,595)
	(Increase) in over-the-counter derivatives	(1,507,587)	(1,678,213)
	(Increase) in equity derivatives	(75,499)	(68,295)
	Increase in provision for liabilities and charges	1,869	1,659
	Decrease/(Increase) in other assets	9,335	(3,087)
	Increase in amounts owed to affiliate companies	1,073,528	2,685,121
	Decrease/(Increase) in amounts owing from affiliate companies	44,158	(270,760)
	(Decrease) in accruals and other liabilities	(383,491)	(34,295)
	Effect of exchange translation	1,196	3,939
		<u>(789,050)</u>	<u>(406,591)</u>
	<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<u>(384,731)</u>	<u>(58,810)</u>
<b>17.</b>	<b>CHANGES IN CASH</b>	<b>2004</b> <b>US\$'000</b>	<b>2003</b> <b>US\$'000</b>  <b>Change</b> <b>in Year</b> <b>US\$'000</b>
	Cash and balances at Central Banks	2,950	799
	Loans and advances to banks	146,814	76,031
	Deposits by banks	<u>(61,804)</u>	<u>(1,751)</u>
		<u>87,960</u>	<u>12,881</u>

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
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**18. PENSION COMMITMENTS**

The Bank operates pension plans in Ireland and Germany. The pension charge for the year is as follows:

	2004 US\$'000	2003 US\$'000
Defined contribution scheme	282	220
Defined benefit scheme	<u>1,375</u>	<u>559</u>
	<u>1,657</u>	<u>779</u>

The assets of the defined contribution scheme are held separately in an independently administered fund. The charge in respect of the scheme is calculated on the basis of contributions due in the financial year.

The defined benefit scheme is operated in Germany and the main economic assumptions employed for determining the costs are as follows:

Date of latest valuation	1 October 2004
Investment return	N/A
Salary growth	5.00%
Pension increases	2.00%
Discount rate	5.25%
Inflation assumption	2.00%

The scheme liabilities as at 31 December 2004 were US\$10,876,000 and are provided in the accounts.

In line with German business practices, the defined benefit pension scheme is not funded. The scheme liabilities represent the net present value of future pension obligations to eligible past and current employees. These pension obligations are partially covered by an independent insurance provider.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
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**19. SEGMENTAL ANALYSIS**

Geographical segmental reporting is disclosed on the basis of the location of the office at which the transaction is recorded.

<b>Geographical segments:</b>	2004 US\$'000	2003 US\$'000
<b>Interest receivable:</b>		
Ireland	134,449	80,499
Rest of Europe	100,535	39,985
Rest of World	4	16
	<u>234,988</u>	<u>120,500</u>
<b>Dividend income:</b>		
Rest of Europe	-	18
	<u>-</u>	<u>18</u>
<b>Fees and commission receivable:</b>		
Ireland	10,448	11,222
Rest of Europe	96,763	100,486
	<u>107,211</u>	<u>111,708</u>
<b>Dealing profits:</b>		
Ireland	428,739	398,207
	<u>428,739</u>	<u>398,207</u>
<b>Other operating income:</b>		
Ireland	-	310
Rest of Europe	67	102
	<u>67</u>	<u>412</u>

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
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19. SEGMENTAL ANALYSIS (CONTINUED)	2004 US\$'000	2003 US\$'000
Profit before taxation:		
Ireland	386,168	339,017
Rest of Europe	16,455	4,109
Rest of World	4	16
	<u>402,627</u>	<u>343,142</u>
Net assets:		
Ireland	1,846,939	1,517,944
Rest of Europe	200,201	185,002
Rest of World	3	152
	<u>2,047,143</u>	<u>1,703,098</u>
Total assets:		
Ireland	8,347,415	6,956,723
Rest of Europe	2,011,020	1,985,998
Rest of World	3	238
	<u>10,358,438</u>	<u>8,942,959</u>

**Business class:**

The Bank engages only in capital markets banking and derivative dealing.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
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**20. FINANCIAL INSTRUMENTS EXPOSURE**

Financial instruments are dealt with in both the trading book and non-trading book of the Bank. Trading book activities are described in Note 21 and non-trading book activities are described in Note 22. Both trading book and non-trading book activities may expose the Bank to various categories of risk. These risks are continually monitored through a comprehensive risk management process. The proper execution of this process leads to effective management of these risks, helping to reduce the likelihood of earnings volatility over time.

The Bank approves and monitors risk tolerance levels (i.e. credit, market and operational risks) through the Risk Policy and Oversight Committee, chaired by a non-executive director. This Committee reviews reports from the Bank's existing Credit, Asset & Liability, New Product and Operational Risk Committees. These Committees identify and monitor risk limits based on recommendations and analysis provided by independent risk management groups who work with the business units in establishing suitable risk profiles for each of the business units.

The initial responsibility in the risk management process rests with the individual business units in managing the risks that arise on individual transactions or portfolios of similar transactions. Business units manage these risks by adhering to established risk policies and procedures.

In addition to risk management at the business unit level, the Bank has developed corporate governance policies and procedures that require corporate personnel, who are independent of business units, to participate in the risk management process. The primary independent groups responsible for the maintenance of risk policies and procedures and for establishing, controlling and monitoring risk are Market Risk Management and Credit Risk Management. To ensure a proper system of checks and balances, these units are independent of business units and report to senior management in the Bank.

**Market Risk**

Market risk is the potential change in an instrument's value caused by fluctuations in interest and currency exchange rates, equity prices, credit spreads or other risks. The level of market risk is influenced by the volatility and liquidity in the markets in which financial instruments are traded. The Bank seeks to mitigate market risk by employing hedging strategies that correlate rate, price and spread movements of trading inventories and related financing and hedging activities using a combination of cash instruments and derivatives.

**Interest Rate Risk**

Interest rate risk is the potential for loss due to adverse changes in interest rates. Interest rate swap agreements, futures and securities are common interest rate risk management tools.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**20. FINANCIAL INSTRUMENTS EXPOSURE (CONTINUED)**

**Currency Risk**

Currency risk is the potential for loss due to fluctuations in foreign exchange rates. Trading assets and liabilities include both cash instruments in and derivatives linked to over 30 currencies, including Japanese Yen, the Euro, Swiss Franc and British Pound. Currency forwards, swaps and options are commonly used to manage currency risk associated with these instruments.

**Equity Risk**

Equity risk is the potential for loss due to adverse changes in equity security prices. Instruments typically used by the Bank to manage equity price risk include equity options, warrants and equity securities.

**Credit Spread Risk**

Credit spread risk is the potential for loss due to changes in credit spreads. Credit spreads represent the credit risk premiums required by market participants for a given credit quality. The Bank's trading book activities and related hedging strategies do not largely expose the Bank to credit spread risk.

**Credit Risk**

Credit risk is the potential loss that may be incurred if a counterparty fails to perform its obligations under contractual terms. The Bank has established policies and procedures for mitigating credit risk on principal transactions, including reviewing and establishing limits for credit exposure, maintaining collateral and continually assessing the creditworthiness of counterparties. In respect of derivative transactions, the Bank enters into Master Agreements with counterparties which permit the netting of all transactional exposures on a multi-currency, multi-location basis and, in certain circumstances, across product types.

**Liquidity Risk**

Liquidity risk is the risk that an entity may encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments.

The Bank has established liquidity procedures for measuring funding requirements and identifying liquidity mismatches. The Bank's funds are sourced from its own business activities and from Merrill Lynch affiliate companies.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
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**21. TRADING BOOK ACTIVITIES**

The trading book comprises all the assets and liabilities held or issued as part of the Bank's trading in financial assets or financial liabilities. The assets or liabilities that are not held in the trading book are non-trading book assets and liabilities.

The trading book activities of the Bank include:

- Providing financial instruments to clients through brokerage, facilitation and intermediation activities;
- Providing financing and underwriting services; and
- Taking proprietary positions in financial instruments.

**Trading Book Risk**

The Bank maintains trading positions in a variety of financial instruments, including derivatives and cash instruments. The financial instruments include bonds, corporate debt, futures, forwards, options and swaps including swap options, caps, collars and floors. These positions result from business activity with sovereign, corporate and institutional clients.

For much of its trading book activity in debt derivatives, the Bank hedges its exposure to market risk with third parties and Merrill Lynch affiliate companies. The Bank seeks to limit market risk exposure associated with potentially unfavourable changes in underlying interest rates, currency exchange rates and other market rates. This is evident from the modest value-at-risk exposures disclosed below. The Bank manages its market risk exposures on other derivative transactions by use of a combination of securities and derivative financial instruments including forwards, futures, swaps and options.

The Bank is exposed to the credit risk associated with the above transactions, which is managed through the use of master swap agreements incorporating appropriate collateral provisions.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
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**21. TRADING BOOK ACTIVITIES (CONTINUED)**

**Risk Models**

The Bank uses mathematical risk models, including value-at-risk and sensitivity analysis, to help estimate its exposure to market risk. The Bank is satisfied that the various analytical tools utilised to manage market risk are an effective means of monitoring and thus controlling that risk. The information based on risk models is supplemented with the judgement and experience of the Bank's risk management professionals.

Value at risk is a statistical measure of the potential loss in the fair value of a portfolio due to adverse movements in underlying risk factors. For these disclosures, the Bank uses a historical simulation approach to estimate value at risk using a 99% confidence level and a two-week holding period. The value-at-risk is calculated on a daily basis and sensitivities to market risk factors are aggregated and combined with a database of fortnightly changes in market factors to simulate a series of profits and losses. The level of loss that is exceeded in that series 1% of the time is used as the estimate for the 99% confidence level value-at-risk.

Assuming a 99% confidence level and a two-week holding period, the value-at-risk for the Bank's trading book at 31 December 2004 was US\$5.5 million (2003: US\$9.0 million). The average, highest and lowest value-at-risk for the trading book during 2004 were US\$5.2 million (2003: US\$8.4 million), US\$21.6 million (2003: US\$23.5 million) and US\$1.4 million (2003: US\$1.6 million) respectively.

**Trading Profit and Loss**

The net trading book results include debt derivative trading profits of US\$373 million (2003: US\$397 million).



**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
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**21. TRADING BOOK ACTIVITIES (CONTINUED)**

**Fair Value of Trading Book Assets and Liabilities**

All trading book financial instruments are reported in the balance sheet and in the notes to the financial statements at fair value. Fair value disclosures in respect of trading book activities are set out below. Fair value disclosures in respect of non-trading book activities are reported in note 22.

The Bank maintains trading positions in a variety of financial instruments including derivatives and cash instruments. The financial instruments include bonds, corporate debt, futures, forwards, options and swaps, swap options, caps, collars and floors. These positions are a result of business activity with sovereign, corporate and institutional clients.

The Bank enters into a large number of derivative contracts with third parties through its intermediation business. The market risk on these third party contracts is hedged with affiliated companies. The disclosures below do not include details of these affiliate hedge transactions. Derivative contracts from other businesses are included in the disclosure below whether contracted with affiliated companies or not.

	2004		2003	
	Notional Amount US\$ M	Fair Value US\$ M	Notional Amount US\$ M	Fair Value US\$ M
<b>Interest Rate Contracts</b>				
Swaps and Swap Options:				
In a favourable position	2,361,206	77,893	1,225,959	49,918
In an unfavourable position	2,382,231	75,342	1,158,527	47,178
 OTC & Exchange Traded Options & Warrants:				
In a favourable position	88,492	1,094	37,320	827
In an unfavourable position	88,771	1,336	87,230	1,402

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. TRADING BOOK ACTIVITIES (CONTINUED)**

	2004		2003	
	Notional Amount US\$ M	Fair Value US\$ M	Notional Amount US\$ M	Fair Value US\$ M
<b>Foreign Exchange Contracts</b>				
Swaps and Swap Options:				
In a favourable position	119,594	10,242	75,873	6,361
In an unfavourable position	110,683	9,561	70,585	5,188
Forwards:				
In a favourable position	8,005	485	5,025	189
In an unfavourable position	7,808	739	7,895	541
OTC & Exchange Traded Options & Warrants:				
In a favourable position	41,231	1,197	12,563	533
In an unfavourable position	62,049	2,267	22,526	1,092
<b>Equities</b>				
OTC & Exchange Traded Options & Warrants:				
In a favourable position	216	17	133	9
In an unfavourable position	685	420	440	436

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. TRADING BOOK ACTIVITIES (CONTINUED)**

The net replacement cost of derivative asset transactions is as follows:

	2004		2003	
	Financial Institutions US\$ M	Non Financial Institutions US\$ M	Financial Institutions US\$ M	Non Financial Institutions US\$ M
<b>Interest Rate Contracts</b>				
Swaps and Swap Options	76,657	1,237	48,014	1,903
OTC & Exchange Traded Options & Warrants	989	105	748	79
<b>Foreign Exchange Contracts</b>				
Swaps and Swap Options	7,215	3,027	3,846	2,515
Forwards	452	33	189	-
OTC & Exchange Traded Options & Warrants	1,165	32	380	153
<b>Equities</b>				
OTC & Exchange Traded Options & Warrants	17	-	9	-

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. TRADING BOOK ACTIVITIES (CONTINUED)**

The residual maturities of derivative asset transactions are as follows:

	2004		2003	
	Notional Amount US\$ M	Net Replacement Cost US\$ M	Notional Amount US\$ M	Net Replacement Cost US\$ M
<b>Interest Rate Contracts</b>				
0 to 1 year	719,899	4,566	272,998	3,574
1 to 5 years	990,826	26,419	575,205	20,246
Over 5 years	738,973	48,003	415,076	26,925
<b>Foreign Exchange Contracts</b>				
0 to 1 year	53,961	2,191	24,723	1,820
1 to 5 years	58,556	4,781	33,049	2,600
Over 5 years	56,313	4,952	35,688	2,662
<b>Equities</b>				
0 to 1 year	140	7	125	8
1 to 5 years	42	2	-	-
Over 5 years	34	8	8	-

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

**22. NON TRADING BOOK ACTIVITIES**

The non-trading book activities of the Bank include lending and investment activity.

**Interest rate sensitivity gap analysis**

Part of the Bank's return on financial instruments is obtained from controlled mismatching of the dates on which interest receivable on assets and interest payable on liabilities are next reset to market rates or, if earlier, the dates on which the instruments mature. The table below summarises these repricing mismatches on the Bank's non-trading book as at 31 December 2004. Items are allocated to time bands by reference to the earlier of the next contractual interest rate repricing date and the maturity date.

	Not more than three months	More than three months but not more than six months	More than six months but not more than one year US\$ M	More than one year but not more than five years	More than five years	Non- interest bearing	Total
	US\$ M	US\$ M		US\$ M	US\$ M	US\$ M	US\$ M
<b><u>Assets</u></b>							
Loans and advances to banks	150	-	-	-	-	-	150
Loans and advances to customers	1,832	68	14	-	-	-	1,914
Other assets	(44)	-	-	-	-	77	33
<b>Total assets</b>	<b>1,938</b>	<b>68</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>77</b>	<b>2,097</b>
<b><u>Liabilities</u></b>							
Loans and advances from customers	118	-	-	-	-	-	118
Other liabilities	1,924	-	-	-	-	259	2,183
Shareholder's funds	-	-	-	-	-	2,038	2,038
<b>Total liabilities</b>	<b>2,042</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,297</b>	<b>4,339</b>
Off balance sheet items	-	-	-	-	-	-	-
Interest rate sensitivity gap	(104)	68	14	-	-	(2,220)	(2,242)
Cumulative gap	(104)	(36)	(22)	(22)	(22)	(2,242)	-

The above amounts represent the fair value of non-trading book financial instruments as at 31 December 2004.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2004**

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**22. NON TRADING BOOK ACTIVITIES (CONTINUED)**

**Currency risk disclosures**

The Bank's overseas operations are in the European Union, although many of its transactions are executed in US Dollars. The head office's operating (or "functional") currency is the US Dollar and the branch's functional currencies are determined by the jurisdiction in which they operate. As the currency in which the Bank prepares its financial statements is US Dollars, it follows that the Bank's balance sheet is affected by movements in the exchange rates between branch functional currencies and the US Dollar. These currency exposures are referred to as structural currency exposures. Translation gains and losses arising from these exposures are recognised in reserves.

The Bank mitigates the effect of these exposures by financing a significant proportion of its net investment in its overseas operations with borrowings in the same currencies as the functional currencies involved. Currency swaps are also used to mitigate these exposures.

There are short term timing differences between the date that structural exposures arise and the date that they are hedged. As at 31 December 2004 the exposure amounted to US\$8 million (2003: US\$3 million) and this was hedged subsequent to the year-end.

Branches which have functional currencies other than US Dollars have no significant net exposure in currencies other than their functional currencies.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**23. EMPLOYEE INFORMATION**

2004

2003

Average number of persons employed:

Sales and trading	111	121
Finance, operations, risk, research and systems	65	57
Management and administration	<u>6</u>	<u>6</u>
	<u>182</u>	<u>184</u>

**24. PARENT COMPANY AND RELATED PARTY TRANSACTIONS**

The immediate parent company is Merrill Lynch Group Holdings Limited, a company incorporated in Ireland. The financial statements are available at the Companies Registration Office, Parnell House, 14 Parnell Square, Dublin 1.

The ultimate parent company is Merrill Lynch & Co., Inc., a company incorporated in the State of Delaware, USA. Copies of the group financial statements of Merrill Lynch & Co., Inc. are available from the Investor Relations website at [www.ir.ml.com](http://www.ir.ml.com) or by contacting the Corporate Secretary by mail at 222 Broadway, 17th Floor, New York, NY 10038, USA or by email at [corporate\\_secretary@ml.com](mailto:corporate_secretary@ml.com).

The Bank has availed of an exemption, contained in Financial Reporting Standard No. 8 on related party transactions, from detailing transactions and balances with group companies.

**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**  
**HEAD OFFICE AND BRANCH NETWORK**

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**CERTIFICATE OF REGISTRATION  
OF AN OVERSEA COMPANY**

(Establishment of a branch)

Company No. FC026157

Branch No. BR008339

The Registrar of Companies for England and Wales hereby certifies that  
**MERRILL LYNCH CAPITAL MARKETS BANK LIMITED**

has this day been registered under Schedule 21A to the Companies  
Act 1985 as having established a branch in England and Wales

Given at Companies House, Cardiff, the 17th August 2005



THE OFFICIAL SEAL OF THE  
REGISTRAR OF COMPANIES



*Companies House*

— for the record —