

SUPPLEMENT DATED 1 MARCH 2013 TO THE BASE PROSPECTUS DATED 21 SEPTEMBER 2012 AND THE FINAL TERMS DATED 8 JANUARY 2013 RELATING TO THE SERIES 95 INSTRUMENTS

PALLADIUM SECURITIES 1 S.A.

(a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg)

Up to EUR 50,000,000 Series 95 Fixed to Floating Rate Notes due 2022

(ISIN: XS0861815172)

(the “Series 95 Instruments”)

to be issued under the

Programme for the issuance of Secured Notes

This prospectus supplement (the “**Supplement**”) dated 1 March 2013 to the base prospectus dated 21 September 2012 as supplemented by the prospectus supplement dated 13 November 2012 (the “**First Supplement**”) and the prospectus supplement dated 13 December 2012 (the “**Second Supplement**”) (together, the “**Base Prospectus**”) for the issuance of secured notes (which comprises a base prospectus for the purposes of Directive 2003/71/EC (and amendments thereto, including Directive 2010/73/EU) (the “**Prospectus Directive**”) constitutes a prospectus supplement for the purposes of article 13 of Chapter 1 of Part II of the Luxembourg act dated 10 July 2005 on prospectuses for securities.

This Supplement and the Base Prospectus are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and the Final Terms dated 8 January 2013 relating to the Series 95 Instruments issued under the Base Prospectus (the “**Final Terms**”). Terms defined in the Base Prospectus and the Final Terms have the same meaning when used in this Supplement.

Those amendments to the Final Terms and the Base Prospectus mentioned in the Annex to this Supplement shall only apply to the Series 95 Instruments.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Further to its public offer of the Notes, the Issuer gives notice that:

- (i) the issue price shall be amended to read as a percentage;
- (ii) the Instruments are expected to be rated on or about the Issue Date by Moody’s Deutschland GmbH (“**Moody’s**”) and consequently, certain amendments to the Final Terms and the General Conditions of the Instruments set out in the Base Prospectus have been made in connection with the issuance of their rating; and
- (iii) the Collateral Obligor is rated by Moody’s (on a backed, senior unsecured basis) and Fitch only.

The purpose of this Supplement is to:

- (a) amend the Final Terms relating to the Series 95 Instruments to reflect the changes described in paragraphs (i) to (iii) above;
- (b) amend the General Conditions to reflect the changes described in paragraph (ii) above.

As a result of the above, with effect on and from 1 March 2013 the Final Terms and the Base Prospectus will be amended as set out in the Annex to this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in the Base Prospectus, the statements in (a) above will prevail.

Save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus relating to the Instruments since the publication of the Base Prospectus.

In accordance with article 13 paragraph 2 Luxembourg act dated 10 July 2005 on prospectuses for securities, as amended, investors who have already agreed to purchase or subscribe for Instruments offered by way of a public offer before this Supplement is published shall have the right, exercisable within a time limit of two working days after the publication of this Supplement, i.e. until 6 March 2013, to withdraw their acceptances. This withdrawal right will only apply to those investors who have agreed to purchase or subscribe for the Instruments in accordance with the relevant Final Terms issued under the Base Prospectus before the publication of this Supplement.

Annex

Amendment of the Final Terms

The Final Terms are amended as follows:

(i) on page 1, the words “Issue Price: EUR 1,000 per Instrument” shall be amended to read “Issue Price: 100 per cent.”;

(ii) paragraph 5 headed “Issue Price:” on page 2 in Part A of the Final Terms shall be amended to read as follows:

“Issue Price: 100 per cent. of the Aggregate Nominal Amount”;

(iii) the item entitled “- Rating of the Collateral Obligor (by specified Rating Agency(ies))” in paragraph 17 (i) headed “Collateral” on page 4 in Part A of the Final Terms under the heading “Provisions Relating to Series Assets”, shall be amended to read as follows:

“- Rating of the Collateral Obligor (by specified Rating Agency(ies))	Collateral Obligor: Baa2 (on a backed, senior unsecured basis) by Moody's BBB+ by Fitch Guarantor: Baa2 by Moody's BBB+ by S&P BBB+ by Fitch”;
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(iv) paragraph 18 (i) headed “Hedging Agreement:” on page 6 in Part A of the Final Terms shall be amended to read as follows:

“(i) Hedging Agreement: Applicable – the Issuer shall enter into a Hedging Agreement with the Hedging Counterparty in connection with the Instruments.

The Hedging Agreement Termination Date is the Maturity Date of the Instruments.”;

- (v) paragraph 2 headed “Ratings” on pages 10 and 11 in Part B of the Final Terms shall be amended to read as follows:

“2 **Ratings**

Ratings

The Instruments are expected to be rated on or about the Issue Date by Moody’s Deutschland GmbH (“**Moody’s**”). The rating of the Instruments on or about the Issue Date will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website www.it.investmentprodukte.db.com on or about the Issue Date. No assurance is given that the Instruments will have a particular rating, or any rating at all, on or about the Issue Date.

Long-term ratings by Moody’s are divided into several categories ranging from 'Aaa', reflecting the highest quality over categories 'Aa', 'A', 'Baa', 'Ba', 'B', 'Caa', 'Ca' to category 'C', reflecting that an obligation is typically in default:

- ‘Aaa’ Obligations rated Aaa are judged to be of the highest quality, subject to the lowest level of credit risk.
- ‘Aa’ Obligations rated Aa are judged to be of high quality and are subject to very low credit risk.
- ‘A’ Obligations rated A are judged to be upper-medium grade and are subject to low credit risk.
- ‘Baa’ Obligations rated Baa are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.
- ‘Ba’ Obligations rated Ba are judged to be speculative and are subject to substantial credit risk.
- ‘B’ Obligations rated B are considered speculative and are subject to high credit risk.
- ‘Caa’ Obligations rated Caa are judged to be speculative of poor standing and are subject to very high credit risk.
- ‘Ca’ Obligations rated Ca are highly speculative and are likely in, or very near, default, with some

prospect of recovery of principal and interest.

‘C’ Obligations rated C are the lowest rated and are typically in default, with little prospect for recovery of principal or interest.

Moody’s appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Moody’s is established in the European Union and registered under Regulation (EC) No 1060/2009.”;

- (vi) in the Annex of the Final Terms which contains the Issue Specific Summary, the paragraph headed “**Credit Ratings**” in section B.17 on page 16 shall be amended to read as follows:

B.17	Credit ratings	<p>The Instruments are expected to be rated on or about the Issue Date by Moody’s Deutschland GmbH (“Moody’s”). The rating of the Instruments on or about the Issue Date will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website www.it.investmentprodukte.db.com on or about the Issue Date. No assurance is given that the Instruments will have a particular rating, or any rating at all, on or about the Issue Date.</p> <p>Moody’s is established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies.</p>
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Amendment of the General Conditions

The General Conditions set out at pages 51 to 95 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) are amended as follows:

- (i) General Condition 7.4.1 on page 74 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be amended to read as follows

“the Issuer, on the occasion of the next payment due in respect of the Instruments, would be required by law to withhold or account for tax or would suffer tax in respect of its income so that it would be unable to make payment of the full amount due, and the Issuer has so informed the Trustee, and has (subject, in the case of rated Instruments, to the Relevant Rating Agency having been notified in writing of such substitution or change of residence) used all reasonable endeavours to arrange (subject to and in accordance with General Condition 14.4 (*Substitutions*)) the substitution of a company incorporated in another jurisdiction as the principal obligor or (with the prior written consent of the Trustee and any Hedging Counterparty) to change its residence for taxation purposes or, to the extent permitted by law, change its domicile to another jurisdiction approved beforehand in writing by the Trustee and any Hedging Counterparty and has been unable to arrange such substitution or change, or is unable to do so in a tax efficient manner, before the next payment is due in respect of the Instrument; and/or”;

- (ii) General Condition 8.6 on page 79 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be amended to read as follows:

“The Collateral and the Hedging Collateral (in each case, to the extent constituting “liquid assets and securities” for the purposes of Article 22 of the Securitisation Act 2004, and subject to delivery thereof) will be held by the Custodian on behalf of the Issuer on and subject to the terms and conditions of the Agency Agreement and subject to the security referred to in General Condition 8.3 (*Security*). The Issuer reserves the right at any time with the prior written consent of the Trustee to change the Custodian, provided that in respect of Instruments which are rated by one or more Relevant Rating Agencies, each Relevant Rating Agency has been notified in writing of such change. Notice of such change shall be given to the Instrumentholders in accordance with General Condition 17 (*Notices and Provision of Information*). Under the terms of the Agency Agreement, the Custodian may appoint one or more sub-custodians in relation to the Collateral, but such appointment shall not relieve the Custodian of any of its duties under the Agency Agreement.”;

- (iii) sub-paragraph (b) of General Condition 9.1.6 on page 86 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be amended to read as follows:

“(b) in respect of rated Instruments, the Relevant Rating Agency having been notified in writing of any such transfer and/or guarantee as is referred to above; and”;

- (iv) General Condition 10.4 on page 87 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be amended to read as follows:

“issue or create any other Series of Instruments unless either (a) the trustee thereof is the same person as the Trustee for the Instruments or (b) the Trustee has received legal advice satisfactory to it from reputable legal advisers in England and the jurisdiction of incorporation of the Issuer to the effect that the appointment of a person other than the Trustee as trustee of such Series of Instruments will not adversely affect the ability, where applicable, of the Trustee to appoint an administrative receiver over the assets of the Issuer pursuant to the floating charge contained in the Series Instrument and provided that in the case of rated Instruments, each Relevant Rating Agency has been notified in writing of such issue or creation;”;

- (v) General Condition 10.5 on page 87 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be amended to read as follows:

“purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), provided that in the case of rated Instruments, each Relevant Rating Agency has been notified in writing of such purchase, ownership, letting or acquisition by other means;”;

- (vi) the first paragraph of General Condition 14.2 on page 90 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be amended to read as follows:

“Without prejudice to the need to obtain the consent of each other party to the relevant agreement or deed, the Trustee may, without the consent of the Instrumentholders but only with the prior written consent of any Hedging Counterparty, agree to (i) any modification to the Series Instrument, any Hedging Agreement or any other agreement or document entered into in relation to the Instruments which is of a formal, minor or technical nature or is made to correct a manifest error or an error which is, in the opinion of the Trustee, proven, (ii) any modification of any of the provisions of the Series Instrument, any Hedging Agreement or any other agreement or document entered into in relation to the Instruments which in the opinion of the Trustee is not materially prejudicial to the interests of the Instrumentholders and provided that in the case of rated Instruments, each Relevant Rating Agency has been notified in writing of such modification and (iii) any modification of the provisions of the Series Instrument, any Hedging Agreement or any other agreement or document entered into in relation to the Instruments which is made to satisfy any requirement of (in the case of rated Instruments) any Relevant Rating Agency or any stock exchange on which the Instruments are or are proposed to be listed and which, in each case, is not in the opinion of the Trustee materially prejudicial to the interests of the Instrumentholders. The Series Instrument provides that the Issuer shall not agree to any amendment or modification of the Series Instrument without first obtaining the consent in writing of the Hedging Counterparty, which consent shall not be unreasonably withheld or delayed.”;

- (vii) the third paragraph of General Condition 14.2 on page 91 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be deemed to be deleted;

- (viii) General Condition 14.4 on page 91 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be amended to read as follows:

“The Series Instrument contains provisions permitting the Trustee to agree, subject to such amendment of the Series Instrument and such other conditions as the Trustee may require but without the consent of the Instrumentholders but subject to the prior written consent of any Hedging Counterparty, to the substitution of any other company (a “**Substitute Company**”) in place of the Issuer or of any previous substituted company, as principal obligor under the Series Instrument and all of the Instruments then outstanding (subject, in the case of rated Instruments, to each Relevant Rating Agency having been notified in writing of such substitution) provided that such substitution would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Instrumentholders and subject to the other Conditions in the Series Instrument being complied with. In the case of such a substitution the Trustee may agree, without the consent of the Instrumentholders but subject to the prior written consent of any Hedging Counterparty (and to the extent permitted under applicable laws and international conventions), to a change of the law governing the Instruments and/or the Series Instrument provided that (i) such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Instrumentholders and (ii) in the case of rated Instruments, each Relevant Rating Agency has been notified in writing of such change.”; and

- (ix) General Condition 16 on page 92 of the Base Prospectus (as amended by the First Supplement and the Second Supplement) shall be amended to read as follows:

“The Issuer may, from time to time without the consent of the Instrumentholders, create and issue further securities so as to be consolidated and form a single series with the existing Instruments subject to General Condition 10 (*Restrictions*) and subject, (1) in the case of rated Instruments, to each Relevant Rating Agency having been notified in writing of such issue and (2) in the case of unrated Instruments, the Trustee being satisfied that the value of the Series Assets relating to the relevant Series is correspondingly increased.”.

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