

ATLANTIC CAPITAL INTERNATIONAL LIMITED

JUPITER CAPITAL LIMITED

PACIFIC CAPITAL INTERNATIONAL LIMITED

PACIFIC COMPANY LIMITED

(each incorporated with limited liability in the Cayman Islands, being the “Cayman Issuers”)

CLOVERIE PUBLIC LIMITED COMPANY

LIBRETTO CAPITAL PUBLIC LIMITED COMPANY

STARLING FINANCE PUBLIC LIMITED COMPANY

*(each incorporated with limited liability in Ireland, being the “Irish Issuers”
and together with the Cayman Issuers, the “Issuers” and each an “Issuer”)*

Secured Note Issuance Programme

Under the Secured Note Issuance Programme (the “Programme”) described in this document, each Issuer may from time to time issue secured notes under the Programme (the “Notes”) and in conjunction therewith may from time to time buy, sell or enter into options and/or swaps subject to compliance with all relevant laws, regulations and directives.

This document, including the information within the annex hereto that relates solely to a particular Issuer (each an “Issuer Disclosure Annex”), comprises a base prospectus (the “Base Prospectus”) in respect of that Issuer for the purposes of Article 5(4) of the Prospectus Directive. When used in this Base Prospectus, “Prospectus Directive” means Directive 2003/71/EC (as amended), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

The Base Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under the Prospectus Directive. The Central Bank only approves the Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application will be made to The Irish Stock Exchange plc trading as Euronext Dublin (“Euronext Dublin”) for certain Notes issued under the Programme for the period of 12 months from the date of this Base Prospectus to be admitted to the Official List of Euronext Dublin (the “Official List”) and admitted to trading on the regulated market of Euronext Dublin (the “Main Securities Market”). The Main Securities Market is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments (as amended, “MiFID II”). Such approval relates only to the Notes which are to be admitted to trading on a regulated market for the purposes of MiFID II and/or which are to be offered to the public in any member state of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”).

This document, including the information within the Issuer Disclosure Annex relating solely to a particular Issuer, also constitutes base listing particulars (“Base Listing Particulars”) where Notes are to be admitted to the Official List and to trading on the Global Exchange Market of Euronext Dublin (the “GEM”). Application has been made to Euronext Dublin for the approval of this document as Base Listing Particulars. Application will be made to Euronext Dublin for certain Notes issued under the Programme for the period of 12 months from the date of this Base Listing Particulars to be admitted to the Official List and to trading on the GEM. References in this document to “Base Prospectus” should be taken to read “Base Listing Particulars” where Notes are to be admitted to trading on the GEM.

Notes may also be listed and admitted to trading on such other or further stock exchanges as may be agreed between the relevant Issuer and the relevant Dealer(s). Notes which are not intended to be listed or admitted to trading on any stock exchange (“Unlisted Notes”) may also be issued by an Issuer pursuant to the Programme.

Where Notes are to be admitted to trading on the Main Securities Market or another regulated market for the purposes of MiFID II and/or which are to be offered to the public in any Relevant Member State of the European Economic Area, final terms (“Final Terms”) or a prospectus (a “Series Prospectus”) will be prepared. Where Notes are to be admitted to trading on the GEM, a pricing supplement (the “Pricing Supplement”) or listing particulars (“Series Listing Particulars”) will be prepared. Where the Notes are Unlisted Notes, an Information Memorandum or other offering document will be prepared (the “Information Memorandum”). The Information Memorandum, together with Final Terms, a Series Prospectus, a Pricing Supplement and Series Listing Particulars are each referred to in this Base Prospectus as an “Authorised Offering Document”. Copies of each Authorised Offering Document relating to outstanding Notes admitted to the Official List and to trading on the Main Securities Market or the GEM (or listed and admitted to trading on the market of any other stock exchange) will be available at the office specified below of the Trustee (as defined herein) and each of the Paying Agents. References to applicable Final Terms in this Base Prospectus include only final terms pursuant to Article 5(4) of the Prospectus Directive.

Notes will be issued in Series in one or more tranches (each, a “Tranche”), on the terms set out in this Base Prospectus as completed and/or (where relevant) amended by the applicable Authorised Offering Document. In connection with its proposed issue of Notes each Issuer has entered into an amended and restated principal trust deed dated 7 August 2018 (the “Principal Trust Deed”) with, *inter alios*, Citicorp Trustee Company Limited as trustee (the “Trustee”).

References in this Base Prospectus to “Issuer” are references to the relevant Issuer in respect of (and only to the extent of) the issue of each Series of Notes created by it and such references specifically exclude any other Issuer. The liability of each Issuer is several and is separate in respect of each Series of Notes. No Issuer shall be responsible for the obligations of any other Issuer under any Series of Notes created by such other Issuer. No security created by an Issuer shall benefit investors in Notes issued or sold by (or any other creditors of) any other Issuer or the Noteholders in any other Series created by such Issuer. No payments owed by or to an Issuer in respect of one Series may be set-off or netted against payments owed to or by that Issuer in respect of another Series or by or to any other Issuer.

This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Relevant Member State will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly, any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of a placement contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State, such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

Series of Notes (as defined in “Overview of the Programme”) to be issued under the Programme will be rated or unrated. Where a Series of Notes is to be rated, such rating will not necessarily be the same as the rating assigned to any Notes already issued. Whether or not a rating in relation to any Series of Notes will be treated as having been issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 on credit rating agencies (the “CRA Regulation”) will be disclosed in the relevant Authorised Offering Document. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger and Dealer

Citigroup Global Markets Limited

The issue price and the principal amount of a Series of Notes will be determined before completion of the relevant Authorised Offering Document for such Series, based on then prevailing market conditions. The obligations of the relevant Issuer under each Series will be secured by a charge on, security interest in and/or assignment in respect of certain bonds, notes, warrants, loans or any other financial obligations assigned to or owned by the Issuer or any other agreed assets (comprising the Collateral, as defined in the Conditions) owned or entered into by the Issuer and a charge on all funds held from time to time by the Issuing and Paying Agent (as defined herein) for payments due under the relevant Series of Notes and may also be secured by an assignment by way of security of the relevant Issuer's rights under a Custody Agreement insofar as it applies to the Collateral, an Agency Agreement insofar as it applies to the Notes, a Swap Agreement, an Option Agreement or a Credit Support Document (each as defined in the Conditions) together with such additional security as may be described in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum (together, the "Mortgaged Property"). The obligations of the relevant Issuer to a counterparty to any relevant Swap Agreement and/or Option Agreement and/or Credit Support Document, as the case may be, and to the Custodian and the Issuing and Paying Agent may also be secured on certain assets comprised in the Mortgaged Property. Claims against an Issuer by holders of the Notes of a particular Series and, if applicable, the counterparty to the relevant Swap Agreement and/or Option Agreement and/or Credit Support Document, together with claims (if any) by the Custodian and/or the Issuing and Paying Agent in respect of payments made on behalf of the Issuer in respect of the relevant Series, will be limited to the Mortgaged Property applicable to that Series.

If the Available Proceeds of the enforcement of the Mortgaged Property for any Series are not sufficient to make all payments then due in respect of the Notes and coupons relating thereto (the "Coupons") (if any) and, if applicable, the claims of the relevant counterparty to the relevant Swap Agreement and/or Option Agreement and/or Credit Support Document, the Custodian and the Issuing and Paying Agent, the obligations of the Issuer will be limited to such Available Proceeds and the other assets of the Issuer will not be available to meet any shortfall. The Issuer will not be obliged to make any further payment in excess of such Available Proceeds and, following distribution of such Available Proceeds, any outstanding claims shall be extinguished and no debt shall be owed by the Issuer in respect of such shortfall.

The Notes will be obligations solely of the relevant Issuer and will not be guaranteed by, or be the responsibility of, any other entity. In particular, the Notes will not be obligations of, and will not be guaranteed by, Citi (as defined herein), the Trustee, the Issuing and Paying Agent or any of the Paying Agents (as defined herein).

The Notes will be issued to the Dealers specified below and any additional Dealer appointed under the Programme from time to time, which appointment may be for a specific issue or on an ongoing basis (each a "Dealer" and together the "Dealers"). Each Issuer may from time to time issue further Notes on the same terms as an existing Series of Notes and such further Notes shall be consolidated and form a single series with such existing Series of Notes, provided that, unless otherwise approved by Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders, the Issuer provides additional assets as security for such further Notes in accordance with Condition 16. The aggregate principal amount of, interest (if any) payable in respect of, the issue price of, the issue date and maturity date (if any) of, the Mortgaged Property in respect of, and any other terms and conditions not contained herein which are applicable to a Series of Notes, will be set forth in the relevant Authorised Offering Document.

Notes (A) will be sold in an "offshore transaction" (as such term is defined under Regulation S ("Regulation S") under the U.S. Securities Act of 1933, as amended (the "Securities Act")) and (B) may not at any time be offered, sold, pledged, otherwise transferred or, in the case of Bearer Notes (defined below), delivered within the United States or to, or for the account or benefit of, any person who is (i) a U.S. person (as such term is defined under Rule 902(k)(1) of Regulation S), (ii) not a Non-United States person (as such term is defined in Rule 4.7 of the rules of the Commodity Futures Trading Commission (the "CFTC Rules") under the U.S. Commodity Exchange Act of 1936, as amended (the "CEA"), but excluding, for the purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons) ("CFTC Rule 4.7"), (iii) an employee benefit plan or other plan, account or arrangement that is or the assets of which are subject to (a) Part 4, Subtitle B, Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended ("ERISA") or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the "Code"), or (b) any laws, rules or regulations substantially similar to such provisions of ERISA or the Code or (iv) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act 1934, as amended (the "Exchange Act")).

Notes of each Tranche (as defined in “Overview of the Programme”) of each Series to be issued in bearer form (“Bearer Notes” comprising a “Bearer Series”) or bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes” comprising an “Exchangeable Bearer Series”) will be represented on issue by interests in a temporary global note in bearer form (each a “Temporary Global Note”) or by interests in a permanent global note in bearer form (each a “Permanent Global Note”), without interest coupons, which (i) if the Global Note is not stated in the relevant Authorised Offering Document to be issued in new global note (“NGN”) form, may be deposited on the issue date of the relevant Bearer Series or Exchangeable Bearer Series with a common depository on behalf of Euroclear Bank S.A./N.V. (“Euroclear”) and Clearstream, Luxembourg, S.A. (“Clearstream, Luxembourg”) or such other clearing system as is approved by the Trustee; or (ii) if the Global Note is stated in the relevant Authorised Offering Document to be issued in NGN form, will be delivered on the issue date of the relevant Bearer Series or Exchangeable Bearer Series to a common safekeeper for Euroclear and Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Notes for definitive Notes are described in “Summary of Provisions Relating to the Notes while in Global Form”. Temporary Global Notes and Permanent Global Notes are together referred to herein as “Global Notes”.

Notes of each Tranche of each Series to be issued in registered form (“Registered Notes” comprising a “Registered Series”) will be evidenced on issue by interests in a permanent global registered certificate (each a “Global Certificate”), without interest coupons, which (i) if the Global Certificate is not intended to be held under the New Safekeeping Structure (“NSS”), will be registered in the name of a nominee for, and shall be deposited on its issue date with a common depository on behalf of, Euroclear and Clearstream, Luxembourg, or (ii) if the Global Certificate is held under the NSS, will be delivered on or prior to the issue date of the relevant Registered Series to a common safekeeper for Euroclear and Clearstream, Luxembourg. Interests in a Global Certificate may not be held otherwise than through Euroclear or Clearstream, Luxembourg. The provisions governing the exchange of interests in Global Certificates for individual certificates (“Individual Certificates”) are described in “Summary of Provisions Relating to the Notes while in Global Form”. Interests in Certificates will be subject to certain restrictions on transfer. See “Subscription and Sale and Transfer Restrictions”. Global Certificates and Individual Certificates are together referred to herein as “Certificates”.

If the Global Notes are stated in the relevant Authorised Offering Document to be issued in NGN form they will be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “Common Safekeeper”) for Euroclear and Clearstream, Luxembourg. If a Global Certificate is held under the NSS the Global Certificate will be delivered on or prior to the original issue date of the relevant Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg.

Global Notes which are not issued in NGN form (“Classic Global Notes” or “CGNs”) and Global Certificates which are not held under the NSS will be deposited on the issue date of the relevant Tranche with a common depository on behalf of Euroclear and Clearstream, Luxembourg (the “Common Depository”).

Where so indicated in the relevant Authorised Offering Document, a Series of Notes may be rated by Moody’s Investors Service Ltd (“Moody’s”) and/or Standard & Poor’s Credit Market Services Europe Limited (“Standard & Poor’s”) and/or Fitch Ratings Ltd (“Fitch”) and/or any other Rating Agency specified in the relevant Authorised Offering Document. Any such rating will address the Issuer’s ability to perform its obligations under the terms of the relevant Series of Notes and, where the amount of those obligations is calculated by reference to a credit-dependent index, the likelihood that payments will be due under the Notes. Where the amount of the obligations is determined by reference to a market-dependent index, the ratings do not currently address the likelihood that payments will be due under the terms of the Notes.

The credit ratings included or referred to in the Base Prospectus have been either issued or endorsed by Moody’s, Standard & Poor’s or Fitch unless otherwise stated. Moody’s, Standard & Poor’s and Fitch are established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating agency. A suspension, reduction or withdrawal of the rating assigned to a Series of Notes may adversely affect the market price of such Notes.

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

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus and each Authorised Offering Document relating to the issue or sale of a Series of Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the relevant Issuer, the Dealers or the Arranger. Neither the delivery of this Base Prospectus or any Authorised Offering Document nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the relevant Issuer since the date hereof or the date upon which this Base Prospectus (or relevant Series Prospectus, as the case may be) has been most recently amended or supplemented or that there has been no adverse change in the financial position of the relevant Issuer since the date hereof or the date upon which this Base Prospectus (or relevant Series Prospectus, as the case may be) has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus, each Authorised Offering Document, and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus and any other Authorised Offering Document come are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

GENERAL NOTICE

EACH PURCHASER OF NOTES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN EACH JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH NOTES OR POSSESSES OR DISTRIBUTES THIS BASE PROSPECTUS AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED FOR THE PURCHASE, OFFER OR SALE BY IT OF SUCH NOTES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTIONS TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUER, THE ARRANGER OR THE DEALER(S) SPECIFIED HEREIN (INCLUDING THE DIRECTORS, OFFICERS OR EMPLOYEES THEREOF) SHALL HAVE ANY RESPONSIBILITY THEREFOR.

THE NOTES ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND RESALE. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE NOTES FOR AN INDEFINITE PERIOD OF TIME.

PROSPECTIVE INVESTORS SHOULD HAVE REGARD TO THE FACTORS DESCRIBED UNDER THE SECTION HEADED “RISK FACTORS” IN THIS BASE PROSPECTUS.

UNLESS OTHERWISE SPECIFIED IN THE AUTHORISED OFFERING DOCUMENT, THE NOTES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE AT ANY TIME TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY RETAIL INVESTOR (AND, FOR THE AVOIDANCE OF DOUBT, THIS MEANS ANY RETAIL INVESTOR WITHIN OR OUTSIDE THE EUROPEAN ECONOMIC AREA (“EEA”). FOR THESE PURPOSES, A RETAIL INVESTOR MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (“MIFID II”); (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE 2002/92/EC (AS AMENDED), WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN DIRECTIVE 2003/71/EC (AS AMENDED, THE “PROSPECTUS DIRECTIVE”). CONSEQUENTLY, UNLESS OTHERWISE SPECIFIED IN THE AUTHORISED OFFERING DOCUMENT, NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 (AS AMENDED, THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING SUCH NOTES OR OTHERWISE MAKING THEM AVAILABLE TO RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING SUCH NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION. THE ISSUER EXPRESSLY DISCLAIMS ANY RESPONSIBILITY FOR OFFERING OR SELLING SUCH NOTES OR OTHERWISE MAKING THEM AVAILABLE TO ANY RETAIL INVESTOR IN THE EEA.

THE NOTES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. NO PERSON HAS REGISTERED NOR WILL REGISTER AS A COMMODITY POOL OPERATOR OF THE ISSUER UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936 AS

AMENDED (THE "CEA") AND THE CFTC RULES. THE NOTES MAY NOT BE OFFERED, SOLD, PLEDGED, OTHERWISE TRANSFERRED OR, IN THE CASE OF BEARER NOTES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND REGULATIONS THEREUNDER).

CONSEQUENTLY, THE NOTES MAY NOT AT ANY TIME BE OFFERED, SOLD, PLEDGED, OR OTHERWISE TRANSFERRED EXCEPT (A) IN AN OFFSHORE TRANSACTION (AS SUCH TERM IS DEFINED UNDER REGULATION S UNDER THE SECURITIES ACT ("REGULATION S")) AND (B) TO PERSONS THAT ARE (1) NOT U.S. PERSONS (AS SUCH TERM IS DEFINED UNDER RULE 902(K)(1) OF REGULATION S), (2) NON-UNITED STATES PERSONS (AS SUCH TERM IS DEFINED UNDER CFTC RULE 4.7, BUT EXCLUDING, FOR THE PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS), (3) NOT AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN, ACCOUNT OR ARRANGEMENT THAT IS OR THE ASSETS OF WHICH ARE SUBJECT TO (I) PART 4, SUBTITLE B, TITLE I OF ERISA OR SECTION 4975 OF THE CODE, OR (II) ANY LAWS, RULES OR REGULATIONS SUBSTANTIALLY SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE AND (4) NOT U.S. PERSONS (AS DEFINED IN THE CREDIT RISK RETENTION REGULATIONS ISSUED UNDER SECTION 15G OF THE U.S. SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT")) (ANY SUCH PERSON SATISFYING (1), (2), (3) AND (4) IMMEDIATELY ABOVE, A "PERMITTED PURCHASER"). IF A PERMITTED PURCHASER ACQUIRING NOTES IS DOING SO FOR THE ACCOUNT OR BENEFIT OF ANOTHER PERSON, SUCH OTHER PERSON MUST ALSO BE A PERMITTED PURCHASER.

THIS BASE PROSPECTUS AND EACH AUTHORISED OFFERING DOCUMENT HAVE BEEN PREPARED BY THE RELEVANT ISSUER (A) FOR USE IN CONNECTION WITH THE OFFER AND SALE OF THE NOTES OUTSIDE OF THE UNITED STATES TO PERMITTED PURCHASERS IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S AND (B) FOR THE LISTING AND ADMISSION TO TRADING OF THE NOTES ON THE MAIN SECURITIES MARKET. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE NOTES AND DISTRIBUTION OF THIS BASE PROSPECTUS AND ANY OTHER AUTHORISED OFFERING DOCUMENT, SEE "SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS". EACH SUBSEQUENT PURCHASER AND TRANSFEREE OF NOTES WILL BE DEEMED TO HAVE MADE CERTAIN ACKNOWLEDGEMENTS, REPRESENTATIONS AND AGREEMENTS AS SET OUT UNDER THE SECTION OF THE BASE PROSPECTUS ENTITLED "SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS".

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED.

THE NOTES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER REGULATORY AUTHORITY IN THE UNITED STATES, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFERING OF ANY SECURITIES PURSUANT TO THIS PROGRAMME OR THE ACCURACY OR THE ADEQUACY OF THIS BASE PROSPECTUS OR ANY OTHER AUTHORISED OFFERING DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Forward-Looking Statements

Certain matters contained in this Base Prospectus are forward-looking statements. Such statements appear in a number of places in this Base Prospectus, including with respect to assumptions on prepayment and certain other characteristics of the Notes, and reflect significant assumptions and subjective judgments by the Issuer that may not prove to be correct. Such statements may be identified by reference to a future period or periods and the use of forward-looking terminology such as "may", "will", "could", "believes", "expects", "anticipates", "continues", "intends", "plans" or similar terms. Consequently, future results may differ from the Issuer's expectations due to a variety of factors, including (but not limited to) the economic environment and regulatory changes in the financial industry in the applicable jurisdiction. None of the Issuer or the Dealers has attempted to verify any forward-looking statements, nor does it make any representations, express or implied, with respect thereto. Prospective purchasers should therefore not place undue reliance on any of these forward-looking statements. None of the Issuer or the Dealers assumes any obligation to update these

forward-looking statements or to update the reasons for which actual results could differ materially from those anticipated in the forward-looking statements.

Each Bearer Note, Receipt (as defined herein), Coupon and Talon (as defined herein) will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”. For the avoidance of doubt, notwithstanding this legend, no United States person may hold such an obligation and the Notes may not be offered, sold, pledged, otherwise transferred or delivered at any time within the United States or to or for the account or benefit of a U.S. person as described in the section headed “Subscription and Sale and Transfer Restrictions – United States of America”.

Subject to the terms of an amended and restated dealer agreement dated 7 August 2018 (the “Dealer Agreement”) between, *inter alios*, the Issuer and Citigroup Global Markets Limited (“Citi”), the Notes will be offered by the Issuer to the Arranger or such other dealer(s) (each a “Dealer” and, together with the Arranger, the “Dealers”) as may be appointed from time to time in respect of any Series pursuant to the Dealer Agreement (subject to certain restrictions contained therein).

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of any Issuer or the Dealers to subscribe for, or purchase, any Notes.

Purchasers of Notes should conduct such independent investigation and analysis regarding the Issuer, the security arrangements and the Notes as they deem appropriate to evaluate the merits and risks of an investment in the Notes. To the fullest extent permitted by law, none of the Dealers or the Arranger accepts any responsibility whatsoever for the Notes, the Transaction Documents (including the effectiveness thereof) or for the contents of, or make any representation, recommendation or warranty, express or implied, regarding the accuracy, adequacy, reasonableness or completeness of, the information contained herein or in any Authorised Offering Document, notice or other document which may at any time be supplied in connection with the Notes and none of them accepts any responsibility or liability therefor. None of the Dealers or the Arranger accepts any responsibility for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers. The Arranger and each Dealer accordingly disclaim all and any liability, whether arising in tort or contract or otherwise (save as referred to above), which it might otherwise have in respect of the Notes, the Transaction Documents or this Base Prospectus or any such statement.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or persons acting on behalf of any Stabilising Manager(s)) in the relevant Authorised Offering Document may over-allot Notes (provided that, in the case of any Tranche to be admitted to the Official List and admitted to trading on the Main Securities Market, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Base Prospectus and relevant Authorised Offering Document of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “dollars”, “U.S. dollars” and “U.S.\$” are to United States dollars and references to “euro”, “EUR” and “€” are to the single currency adopted and retained by certain member states of the European Community pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union.

SUPPLEMENTS TO THE BASE PROSPECTUS

With respect to Notes of any Series which are admitted to the Official List and admitted to trading on the Main Securities Market, each Issuer has agreed to comply with any undertakings given by it from time to time to Euronext Dublin and, without prejudice to the generality of the foregoing, shall furnish to Euronext Dublin all such information as the guidelines of Euronext Dublin may require in connection with the listing and admission to trading of such Notes.

Each Issuer shall:

- (i) with respect to any Notes admitted to the Official List and admitted to trading on the Main Securities Market, prepare a supplement (each a “Supplement”) to this Base Prospectus or any relevant Series Prospectus or publish a new base prospectus whenever required pursuant to Regulation 51 of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and/or Article 16 of the Prospectus Directive, if there is a significant change affecting any matter contained in this Base Prospectus or any relevant Series Prospectus or a significant new matter arises, the inclusion of information in respect of which would have been so required had it arisen when this Base Prospectus or any relevant Series Prospectus were prepared; and
- (ii) with respect to any Notes admitted to the Official List and admitted to trading on the GEM, prepare a supplementary listing particulars to these Base Listing Particulars or any relevant Series Listing Particulars or publish a new listing particulars whenever required by the guidelines of Euronext Dublin if there is a significant change affecting any matter contained in these Base Listing Particulars or any relevant Series Listing Particulars or a significant new matter arises, the inclusion of information in respect of which would have been so required had it arisen when these Base Listing Particulars or any relevant Series Listing Particulars were prepared.

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OVERVIEW OF THE PROGRAMME

The following overview is qualified in its entirety by the remainder of this Base Prospectus and, in relation to each Series, the Authorised Offering Document relating to such Series. Words and expressions defined or used in “Terms and Conditions of the Notes” and in the relevant Authorised Offering Document shall have the same meaning herein.

Issuer	<p>The Issuer that is stipulated in the relevant Authorised Offering Document. References herein to the “Issuer” are references to the relevant Issuer in respect of (and only to the extent of) each Series of Notes created by it and such references specifically exclude any other Issuer.</p> <p>Information relating to each Issuer is contained in the relevant Issuer Disclosure Annex hereto, comprising part of the Base Prospectus for such Issuer.</p>
Description	Secured Note Issuance Programme
Size	The aggregate principal amount of Notes outstanding in relation to each Issuer at any one time.
Arranger and Dealer	<p>Citigroup Global Markets Limited</p> <p>The Issuer may from time to time appoint additional dealers either in respect of one or more Tranches of Notes or in respect of the whole Programme or terminate the appointment of any dealer under the Programme. References in this Base Prospectus to “Permanent Dealers” are to Citigroup Global Markets Limited and to such additional persons as are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and references to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches of Notes. Other dealers may be appointed from time to time by the Issuer, either generally for the Programme or in relation to a particular Series of Notes.</p> <p>The name of the Dealers for each Series will be stated in the relevant Authorised Offering Document.</p>
Swap Counterparty	Citigroup Global Markets Limited, Citibank, N.A., London Branch or Citigroup Global Markets Japan Inc., as specified in the relevant Authorised Offering Document. If in respect of a Series none of Citigroup Global Markets Limited, Citibank, N.A., London Branch or Citigroup Global Markets Japan Inc. is the Swap Counterparty, the applicable Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, will specify the Swap Counterparty (if any).
Trustee	Citicorp Trustee Company Limited
Issuing and Paying Agent	Citibank, N.A., London Branch
Custodian	Citibank, N.A., London Branch, Citigroup Centre, 33 Canada Square, Canary Wharf, London E14 5LB, will act as custodian (the “Custodian”) for any Collateral comprising the Mortgaged Property and will collect and receive all income, interest, dividends and other payments and distributions thereon. Other custodians may be appointed from time to time by the Issuer, either generally or in relation to a particular Series of Notes.
Mortgaged Property	The Notes of each Series will be secured in the manner set out in Condition 4 of the Terms and Conditions of the Notes (the “Conditions”), including a fixed charge and/or assignment

and/or security interest in certain Collateral and a fixed charge and/or security interest over funds held under the Agency Agreement and the Custody Agreement of that Series. Each Series may also be secured by an assignment of the relevant Issuer's rights under a Swap Agreement and/or Option Agreement and/or Credit Support Document, together with such additional security as may be described in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable. Claims against the relevant Issuer by the holders of the Notes of a particular Series and any other relevant secured parties will be limited to the Mortgaged Property which is the subject of the security arrangements relevant to such Series of Notes.

Method of Issue

The Notes will be issued in series (each a "Series"), with the Notes of each Series being intended to be interchangeable with all other Notes of that Series unless otherwise provided in the relevant Authorised Offering Document. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, first payment of interest and principal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in the relevant Authorised Offering Document. Further Notes may only be issued as part of an existing Series subject to the terms and conditions of that Series.

Issue Price

Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly-Paid Notes may be issued, the issue price of which will be payable in two or more instalments.

Form of Notes

The Notes may be issued in bearer form only ("Bearer Notes"), in bearer form exchangeable for Registered Notes ("Exchangeable Bearer Notes") or in registered form only ("Registered Notes"). Each Tranche of Bearer Notes and Exchangeable Bearer Notes will be represented on issue by a Temporary Global Note, without interest coupons, if (i) Definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes have an initial maturity of more than one year and are being issued in compliance with the D Rules (as defined in "Transfer Restrictions" below), otherwise each Tranche will be represented on issue by a Permanent Global Note. Permanent Global Notes will be exchangeable for Definitive Notes in the circumstances set out thereon. See "Summary of Provisions Relating to the Notes while in Global Form".

The exchange upon notice/at any time options should not be expressed to be applicable if the Denomination of the Notes includes language substantially to the following effect: "€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000". Furthermore, such Denomination construction is not permitted in relation to any issuance of Notes which is to be represented on issue by Permanent Global Notes exchangeable for Definitive Notes.

Each Tranche of Registered Notes may be evidenced by (i) one or more Global Certificates in registered form without interest coupons, deposited on the Issue Date (as defined in the relevant

Authorised Offering Document) (a) with a common depository for Euroclear and Clearstream, Luxembourg, and registered in the name of Citivic Nominees Limited as nominee for, Euroclear and Clearstream, Luxembourg and/or (b) with a common safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee for the common safekeeper or (ii) Individual Certificates which are not eligible for trading in Euroclear or Clearstream, Luxembourg. Interests in a Global Certificate may not be held otherwise than through Euroclear or Clearstream, Luxembourg. Global Certificates will be exchangeable for Individual Certificates in the limited circumstances set out therein. See “Summary of Provisions Relating to the Notes while in Global Form”.

The Notes may not at any time be offered, sold, pledged, otherwise transferred or, in the case of Bearer Notes, delivered within the United States or to, or for the account or benefit of, any person who is (i) a U.S. person (as such term is defined under Rule 902(k)(1) of Regulation S), (ii) not a Non-United States person (as defined in Rule 4.7 under the CEA, but excluding, for the purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons), (iii) an employee benefit plan or other plan, account or arrangement that is or the assets of which are subject to (a) Part 4, Subtitle B, Title I of ERISA or Section 4975 of the Code, or (b) any laws, rules or regulations substantially similar to such provisions of ERISA or the Code or (iv) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act).

For Notes that are represented by definitive Bearer Notes or Individual Certificates, references in this Base Prospectus to “Noteholder” mean the bearer of any Bearer Note and the receipts (the “Receipts”) relating to it or the person in whose name a Registered Note is registered (as the case may be) and to “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be). For Notes that are in global form, references in this Base Prospectus to “Noteholder” mean the person who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg, as the case may be, as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg, respectively, as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes) and shall be treated by the Trustee and the Issuer and its agents as the holder of such principal amount of such Notes for all purposes other than with respect to the payment of principal or interest (if any) on such principal amount of such Notes, for which purpose the relevant depository shall be treated by the Trustee and the Issuer and its agents as the holder of such principal amount of such Notes in accordance with and subject to the terms of the relevant Temporary Global Note, Permanent Global Note or Global Certificate, as the case may be, and the expressions “Noteholder”, “holder of Notes” and related expressions shall be construed accordingly.

Swap Agreement:

In respect of any Series of Notes, the Issuer may enter into a Swap Agreement on the terms described in the section of this Base Prospectus headed "Description of the Swap Agreement". A Swap Agreement may, if so specified in the relevant Authorised Offering Document, provide for collateralisation by way of a Credit Support Annex (as defined in the Conditions) by either the Issuer or the Swap Counterparty or both of the Issuer and the Swap Counterparty of their respective obligations under the Swap Agreement. Where no Swap Agreement is entered into in relation to a Series of Notes, references in this Base Prospectus to Swap Agreement and Swap Counterparty shall not be applicable.

Option Agreement(s)

Any options bought or sold in connection with the Notes of any Series by the Issuer will be on the terms summarised in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable. Where no Option Agreement is entered into in relation to a Series of Notes, references in this Base Prospectus to Option Agreement shall not be applicable.

Currencies

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in such currency or currencies as the relevant Issuer and the relevant Dealer(s) so agree.

Maturities

Subject to compliance with all relevant laws, regulations and directives, any maturity between seven days and perpetuity.

Denominations

Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s), subject to compliance with all relevant legal and regulatory requirements specified in the relevant Authorised Offering Document, save that:

- (i) in the case of any Notes that are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require publication of a prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of the Notes) or higher in integral multiples of €1,000;
- (ii) unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in Sterling) which must be redeemed before the first anniversary of their date of issue and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the Financial Services and Markets Act 2000 will have a minimum denomination of £100,000 (or its equivalent in other currencies); and
- (iii) Notes issued by an Irish incorporated Issuer with a maturity of less than one year must be issued in full compliance with the notice issued by the Central Bank of exemptions granted under Section 8(2) of the Central Bank Act 1971, as amended.

For any Notes that are to be admitted to the Official List and admitted to trading on the GEM the Denominations of such Notes will be specified in the relevant Pricing Supplement or Series Listing Particulars, as applicable.

Fixed Interest Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Authorised Offering Document.
Floating Rate Notes	Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Pricing Supplement, Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable) as adjusted for any applicable margin. Interest periods will be specified in the relevant Authorised Offering Document.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Variable Coupon Amount Notes	The relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, issued in respect of each issue of variable coupon amount Notes will specify the basis for calculating the amounts of interest payable, which may be by reference to an index or formula or as otherwise provided in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable. The Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, will also specify the Calculation Agent (as defined in the Conditions) in respect of such issue of variable coupon amount Notes.
Interest Periods and Interest Rates	The length of the interest periods for the Notes and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. Notes may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the Notes to bear interest at different rates in the same interest period. All such information will be set out in the relevant Authorised Offering Document.
Variable Redemption Amount Notes	The relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, issued in respect of each issue of variable redemption amount Notes will specify the basis for calculating the redemption amounts payable, which may be by reference to a stock index or formula or as otherwise provided in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable. The relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, will also specify the Calculation Agent in respect of such issue of variable redemption amount Notes.
Redemption by Instalments	The relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, issued in respect of each issue of Notes that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such Notes may be redeemed.
Other Notes	Terms applicable to high interest Notes, low interest Notes, step-up Notes, step-down Notes, dual currency Notes, reverse dual currency Notes, optional dual currency Notes, Partly-Paid Notes and any other type of Note that the relevant Issuer, the Trustee and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable.
Early Redemption	Notes will be redeemable at the option of the relevant Issuer

prior to maturity for tax reasons, any illegality or in the event of the termination of any Credit Support Document, Option Agreement or Swap Agreement.

Optional Redemption

The applicable Authorised Offering Document issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer or the Noteholders (either in whole or in part) and, if so, the terms applicable to such redemption.

Exchange under Condition 7.11

The Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, issued in respect of each issue of Notes will state whether such Notes may be exchanged, at the option of the Noteholders, for their Net Asset Amount in the manner described in Condition 7.

Mandatory Redemption

If all or some of the Initial Collateral (as defined in the Conditions) relating to a Series becomes repayable prior to its stated maturity or there is a payment default in respect of any such Initial Collateral, the Notes of that Series shall become repayable in whole or in part. See Condition 7.

Sanctions

Any obligations under the Transaction Documents will be suspended for the duration of a Sanctions Event. See Condition 8.9.

Status of Notes

The Notes of each Series will be secured, limited recourse obligations of the relevant Issuer, ranking *pari passu* without any preference among themselves and secured in the manner described in Condition 4, Condition 5 and Condition 13. Recourse in respect of any Series will be limited to the Mortgaged Property relating to that Series. Claims of Noteholders and, if applicable, any counterparty to a Swap Agreement and/or Option Agreement, the Custodian and the Issuing and Paying Agent shall rank in accordance with the priorities specified in the relevant Supplemental Trust Deed and in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable.

Restrictions

There will be no negative pledge. So long as any of the Notes remains outstanding, the relevant Issuer will not, without the consent of the Trustee and any Swap Counterparty and/or Option Counterparty (as defined in the Conditions), incur any other indebtedness for borrowed moneys or engage in any business (other than transactions contemplated by the relevant Authorised Offering Document), declare any dividends or have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property, consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person or issue any shares. See Condition 4.

Cross Default

None

Rating

The Programme is not rated but it is anticipated that Series of Notes to be issued under the Programme may be rated by Moody's and/or Standard & Poor's and/or Fitch and/or any other Rating Agency specified in the relevant Authorised Offering Document.

Where a Series of Notes is to be rated, such rating will be specified in the relevant Authorised Offering Document.

A rating is not a recommendation to buy, sell or hold securities

and may be subject to suspension, revision or withdrawal at any time by the assigning Rating Agency.

Withholding Tax

All payments of principal and interest by the relevant Issuer in respect of the Notes and Coupons will be made subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature that the Issuer, the Trustee or any Agent is required by applicable law to make (and any withholding required by an Information Reporting Regime shall be deemed to be required by law) or any fine or penalty pursuant to an Information Reporting Regime.

In the event of the imposition of any such taxes or other deductions, except in the circumstances set out in Condition 7, the relevant Issuer will redeem all of the Notes of that Series at their Early Redemption Amount.

Governing Law

English, except that any pledge and security agreement between the relevant Issuer and the Trustee (the “Pledge Agreement”) in respect of securities comprising Mortgaged Property which are physically located or maintained in book-entry form in a jurisdiction other than England may be governed by the law of that jurisdiction.

Listing

Application will be made to Euronext Dublin for certain Notes issued under the Programme for the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and admitted to trading on the Main Securities Market. In addition, application may be made for certain Series of Notes to be admitted to the Official List and admitted to trading on the GEM or listed and admitted to trading on the market of any other stock exchange as specified in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable. Series of Unlisted Notes may also be issued under the Programme.

Clearing Systems

Euroclear, Clearstream, Luxembourg and such other clearing system as may be specified in the relevant Authorised Offering Document.

Selling Restrictions

There are restrictions on the sale of Notes and the distribution of offering materials. See “Subscription and Sale and Transfer Restrictions”.

Transfer Restrictions

There are restrictions on the transfer of Notes. See “Subscription and Sale and Transfer Restrictions”.

Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “D Rules”) unless (i) the relevant Authorised Offering Document states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the Code) (the “C Rules”) or (ii) the Bearer Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute “registration required obligations” under the U.S. Tax Equity and Fiscal Responsibility Act of 1982 (“TEFRA”), which circumstances will be referred to in the relevant Authorised Offering Document as a transaction to which TEFRA is not applicable.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes issued under the Programme. The Issuer is not in a position to express a view on the likelihood of any contingency highlighted by a risk factor occurring.

Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

The Issuer believes that the factors described below (and those specified in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable) represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Notes are exhaustive. Additional risk factors relating to a particular Series may be set out in the applicable Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.

General

The Notes

The Notes are complex instruments that involve substantial risks and are suitable only for sophisticated investors who have sufficient knowledge and experience and access to such professional advisers as they shall consider necessary in order to make their own evaluation of the risks and the merits of such an investment (including without limitation the tax, accounting, credit, legal, regulatory and financial implications for them of such an investment) and who have considered the suitability of such Notes in light of their own circumstances and financial condition. Prospective investors should ensure that they understand the nature of the risks posed by an investment in the Notes, and the extent of their exposure as a result of such investment in the Notes and, before making their investment decision, should consider carefully all of the information set forth in this Base Prospectus and in the applicable Authorised Offering Document and, in particular, the considerations set forth below. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities.

Investors

Each prospective investor in the Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal and interest may reduce as a result of the occurrence of different events whether related to the creditworthiness of any entity or otherwise or changes in particular rates, prices or indices, or where the currency for principal or interest payments is different from the prospective investor's currency.

Investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each prospective investor should therefore consult its professional advisers to determine whether and to what extent (i) the Notes are legal investments for it, and/or (ii) other restrictions apply to its purchase or, if relevant, pledge of any Notes. Financial institutions should consult their professional advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

No fiduciary role

None of the Issuer, the Arranger, the Dealer, the Trustee, the Agents, the Swap Counterparty (if any), the Option Counterparty (if any) (excluding the Issuer, the "Transaction Parties") or any of their respective affiliates is acting as an investment adviser, and none of them (other than the Trustee) assumes any fiduciary obligation to any purchaser of Notes or any other party, including the Issuer.

None of the Issuer or the Transaction Parties or any of their respective affiliates assumes any responsibility for conducting or failing to conduct any investigation into the business, financial condition, prospects, creditworthiness, status and/or affairs of any issuer or obligor of any Collateral or the terms thereof or of any

Swap Counterparty or the terms of the relevant Swap Agreement or of any Option Counterparty or the terms of the relevant Option Agreement.

Investors may not rely on the views or advice of the Issuer or the Transaction Parties for any information in relation to any person other than such Issuer, Arranger, Dealer, Custodian, Trustee, Swap Counterparty (if any) or Option Counterparty (if any), respectively.

No reliance

A prospective purchaser may not rely on the Issuer or the Transaction Parties or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

No representations

None of the Issuer or the Transaction Parties or any of their respective affiliates in respect of any Series makes any representation or warranty, express or implied, in respect of any Collateral or any issuer or obligor of any Collateral or of any Swap Counterparty or in respect of the relevant Swap Agreement or of any Option Counterparty or in respect of the relevant Option Agreement or in respect of any information contained in any documents prepared, provided or filed by or on behalf of any such issuer or obligor or in respect of such Collateral or of any Swap Counterparty or in respect of the relevant Swap Agreement or of any Option Counterparty or in respect of the relevant Option Agreement or with any exchange, governmental, supervisory or self regulatory authority or any other person.

Risk Factors relating to the Issuer

The Issuer is a special purpose vehicle

The Issuer's sole business is the raising of money by issuing Notes for the purposes of purchasing assets and entering into related derivatives and other contracts. The Issuer has covenanted not to, as long as any of the Notes (if any) remain outstanding, without the consent of the Trustee and provided that Rating Agency Affirmation (as defined in the Conditions) has been received at the time of substitution from each Rating Agency (as defined in the Conditions) (if any) then rating the outstanding Notes, to have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person, declare any dividends or issue any shares (other than such shares as were in issue on the date of its incorporation). As such, the Issuer has, and will have, no assets other than its issued and paid-up share capital, such fees (as agreed) payable to it in connection with the issue of Notes or entry into other obligations from time to time and any Mortgaged Property and any other assets on which Notes or other obligations are secured. There is no day-to-day management of the business of the Issuer.

Regulation of the Issuer by any regulatory authority

The Issuer is not required to be licensed, registered or authorised under any current securities, commodities, insurance or banking laws or regulations of its jurisdiction of incorporation. There is no assurance, however, that in the future such regulatory authorities would not take a contrary view regarding the applicability of any such laws or regulations to the Issuer. There is also no assurance that the regulatory authorities in other jurisdictions would not require the Issuer to be licensed or authorised under any securities, commodities, insurance or banking laws or regulations of those jurisdictions. Any requirement to be licensed or authorised could have an adverse effect on the Issuer and on the holders of the Notes.

Preferred creditors under Irish law

Under Irish law, upon an insolvency of an Irish company such as the Issuer (where the Issuer is an Irish special purpose vehicle), when applying the proceeds of assets subject to fixed security that may have been realised in the course of a liquidation or receivership, the claims of a limited category of preferential creditors will take priority over the claims of creditors holding the relevant fixed security. These preferred claims include the remuneration, costs and expenses properly incurred by any examiner of the company (that may include any borrowings made by an examiner to fund the company's requirements for the duration of his appointment) that have been approved by the Irish courts (see "Examinership" below).

The holder of a fixed security over the book debts of an Irish tax resident company (that would include the Issuer) may be required by the Irish Revenue Commissioners, by notice in writing from the Irish Revenue

Commissioners, to pay to them sums equivalent to those that the holder received in payment of debts due to it by the company.

Where notice has been given to the Irish Revenue Commissioners of the creation of the security within 21 calendar days of its creation by the holder of the security, the holder's liability is limited to the amount of certain outstanding Irish tax liabilities of the company (including liabilities in respect of value added tax) arising after the issuance of the Irish Revenue Commissioners' notice to the holder of fixed security.

The Irish Revenue Commissioners may also attach any debt due to an Irish tax resident company by another person in order to discharge any liabilities of the company in respect of outstanding tax, whether the liabilities are due on its own account or as an agent or trustee. The scope of this right of the Irish Revenue Commissioners has not yet been considered by the Irish courts and it may override the rights of holders of security (whether fixed or floating) over the debt in question.

In relation to the disposal of assets of any Irish tax resident company that are subject to security, a person entitled to the benefit of the security may be liable for tax in relation to any capital gains made by the company on a disposal of those assets on exercise of the security.

The essence of a fixed charge is that the chargor does not have liberty to deal with the assets that are the subject matter of the security in the sense of disposing of such assets or expending or appropriating the moneys or claims constituting such assets and accordingly, if and to the extent that such liberty is given to the Issuer, any charge constituted by the Trust Deed may operate as a floating, rather than a fixed charge.

In particular, the Irish courts have held that in order to create a fixed charge on receivables, it is necessary to oblige the chargor to pay the proceeds of collection of the receivables into a designated bank account and to prohibit the chargor from withdrawing or otherwise dealing with the moneys standing to the credit of such account without the consent of the chargee.

Depending upon the level of control actually exercised by the chargor, there is therefore a possibility that the fixed security purported to be created by the Trust Deed would be regarded by the Irish courts as a floating charge.

Floating charges have certain weaknesses, including the following:

- (a) they have weak priority against purchasers (who are not on notice of any negative pledge contained in the floating charge) and the chargees of the assets concerned and against lien holders, execution creditors and creditors with rights of set-off;
- (b) as discussed above, they rank after certain preferential creditors, such as claims of employees and certain taxes on winding-up;
- (c) they rank after certain insolvency remuneration expenses and liabilities;
- (d) the examiner of a company has certain rights to deal with the property covered by the floating charge; and
- (e) they rank after fixed charges.

Examinership

Examinership is a court procedure available under the Irish Companies Act 2014 to facilitate the survival of Irish companies in financial difficulties.

The Issuer (where the Issuer is an Irish Issuer), the directors of the Issuer, a contingent, prospective or actual creditor of the Issuer, or shareholders of the Issuer holding, at the date of presentation of the petition, not less than one-tenth of the voting share capital of the Issuer, are each entitled to petition the court for the appointment of an examiner. The examiner, once appointed, has the power to set aside contracts and arrangements entered into by the company after his appointment and, in certain circumstances, can avoid a negative pledge given by the company prior to his appointment. Furthermore, he may sell assets which are the subject of a fixed charge. However, if such power is exercised he must account to the holders of the fixed charge for the amount realised and discharge the amount due to them out of the proceeds of sale.

During the period of protection, the examiner will formulate proposals for a compromise or scheme of arrangement to assist the survival of the company or the whole or any part of its undertaking as a going concern. A scheme of arrangement may be approved by the appropriate Irish Circuit Court or the Irish High

Court (each, an “Irish Court”) when at least one class of creditors has voted in favour of the proposals and the relevant Irish Court is satisfied that such proposals are fair and equitable in relation to any class of members or creditors who have not accepted the proposals and whose interests would be impaired by the implementation of the scheme of arrangement.

In considering proposals by the examiner, it is likely that secured and unsecured creditors would form separate classes of creditors. In the case of the Issuer, if the Trustee represented the majority in number and value of claims within the secured creditor class (which would be likely given the restrictions agreed to by the Issuer in the Conditions), the Trustee would be in a position to reject any proposal not in favour of the Noteholders. The Trustee would also be entitled to argue at the relevant Irish Court hearing at which the proposed scheme of arrangement is considered that the proposals are unfair and inequitable in relation to the Noteholders, especially if such proposals include a writing down of the value of amounts due by the Issuer to the Noteholders. The primary risks to the holders of Notes if an examiner were to be appointed in respect of the Issuer are as follows:

- (a) the potential for a scheme of arrangement to be approved involving the writing down of the debt owed by the Issuer to the Noteholders as secured by the Trust Deed;
- (b) the potential for the examiner to seek to set aside any negative pledge in the Notes prohibiting the creation of security or the incurring of borrowings by the Issuer to enable the examiner to borrow to fund the Issuer during the protection period; and
- (c) in the event that a scheme of arrangement is not approved and the Issuer subsequently goes into liquidation, the examiner’s remuneration and expenses (including certain borrowings incurred by the examiner on behalf of the Issuer and approved by the relevant Irish Court) will take priority over the moneys and liabilities which from time to time are or may become due, owing or payable by the Issuer to each of the secured creditors under the Notes or under any other secured obligations.

Anti-money laundering

The Issuer may be subject to anti-money laundering legislation in its jurisdiction of incorporation. If the Issuer were determined by the relevant authorities to be in violation of any such legislation, it could become subject to substantial criminal penalties. Any such violation could materially and adversely affect the timing and amount of payments made by the Issuer to Noteholders in respect of the Issuer’s Notes.

The Cayman Issuers are subject to the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands (together with The Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands (or equivalent legislation and guidance, as applicable), and each as amended and revised from time to time, “Cayman AML Regulations”). If the Issuers were determined by the Cayman Islands authorities to be in violation of the Cayman AML Regulations, the Issuer could be subject to substantial criminal penalties and/or administrative fines which could materially and adversely affect the timing and amount of payments made by the Issuer to Noteholders in respect of the Issuer’s Notes.

Risk Factors relating to the Notes

Limited recourse obligations

The Notes are direct, secured, limited recourse obligations of the Issuer payable solely out of the Mortgaged Property by the Issuer in favour of the Trustee on behalf of the Noteholders and other secured parties. The Issuer will have no other assets or sources of revenue available for payment of any of its obligations under the Notes. No assurance can be made that the proceeds available for and allocated to the repayment of the Notes at any particular time will be sufficient to cover all amounts that would otherwise be due and payable in respect of the Notes. If the proceeds of the realisation of the Security (as defined in the Conditions) received by the Trustee for the benefit of the Noteholders prove insufficient to make payments on the Notes, no other assets will be available for payment of the deficiency, and, following distribution of the proceeds of such realisation, the Issuer will have no further obligation to pay any amounts in respect of such deficiency.

Further, none of the Noteholders nor any other secured party will be entitled at any time to proceed against the Issuer unless the Trustee having become bound to proceed fails or neglects to do so.

No person other than the Issuer will be obliged to make payments on the Notes.

Trustee indemnity

In certain circumstances, the Noteholders may be dependent on the Trustee to take certain actions in respect of a Series of Notes, in particular if the Security in respect of such Series becomes enforceable under the Conditions. Prior to taking such action, the Trustee may require to be indemnified to its satisfaction. If the Trustee is not satisfied with its indemnity it may decide not to take such action, without being in breach of its obligations under the Trust Deed. Consequently, the Noteholders may have to either arrange for such indemnity or accept the consequences of such inaction by the Trustee. Noteholders should be prepared to bear the costs associated with any such indemnity and/or the consequences of any such inaction by the Trustee. Such inaction by the Trustee will not entitle Noteholders to proceed themselves directly against the Issuer.

Priority of claims

During the term of the Notes and on an enforcement of the Security granted by the Issuer in favour of the Trustee, the rights of the Noteholders to be paid amounts due under the Notes will (subject to the provisions set out in the relevant Supplemental Trust Deed) be subordinated to (i) if, in relation to the Notes, the Issuer has entered into a Credit Support Annex as part of its Swap Agreement, amounts owing to the Swap Counterparty representing the return of its excess collateral transferred under such Credit Support Annex and/or manufactured distributions thereon, (ii) the fees, costs, charges, expenses and liabilities due and payable to the Trustee including costs incurred in the enforcement of the Security and the Trustee's remuneration, (iii) amounts owing to the Custodian and amounts owing to the Issuing and Paying Agents, (iv) if "Counterparty Priority A" has been specified as being applicable in the relevant Authorised Offering Document, amounts owing to any Swap Counterparty under the relevant Swap Agreement or to any Option Counterparty under the relevant Option Agreement and (v) the other claims as specified in the relevant Supplemental Trust Deed relating to the relevant Series that rank in priority to the Notes.

No gross-up on payments under Notes

In the event that any withholding tax or deduction for tax is imposed on payments on the Notes, the Noteholders will not be entitled to receive grossed-up amounts to compensate for such withholding tax nor be reimbursed for the amount of any shortfall and no Event of Default (as defined in the Conditions) shall occur as a result of any such withholding or deduction (but see "Early redemption for tax or other reasons" below).

Gross-up on certain payments under Swap Agreements

If one or more Swap Agreements are entered into by the Issuer in connection with the Notes, unless otherwise specified the Swap Counterparty may be required to pay additional amounts in respect of any Indemnifiable Tax (as defined in the ISDA 2002 Master Agreement) but will not be under any obligation to pay to the Issuer any amount in respect of any liability or on account of any tax that is not an Indemnifiable Tax.

Early redemption for tax or other reasons

Upon giving notice to the Trustee, the Issuer may redeem all Notes earlier than the Maturity Date for either (a) specified tax or other reasons, as detailed in Condition 7.3, or (b) any illegality, as detailed in Condition 7.12. If the Issuer redeems the Notes early, the Issuer will, if and to the extent permitted by applicable law, redeem the Notes at their Early Redemption Amount as specified in the Conditions. Such Early Redemption Amount is not principally protected and will be calculated in accordance with the Conditions. Unless otherwise specified in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, the Option Agreements and the Swap Agreements relating to such Series of Notes will be closed out in accordance with the terms thereof and the payments due to the Noteholders shall be the liquidation proceeds of the Collateral in respect of such Series of Notes less any amounts payable by the Issuer pursuant to such agreements.

Cash held by Custodian as banker not as trustee

Any cash held in an account with the Custodian (including any cash held in the Cash Account, as defined in the Custody Agreement) will be held by the Custodian as banker and not as trustee. Any such cash will therefore not be held as client money in accordance with any client money rules. As a result, if the Custodian becomes insolvent, the Issuer will only have an unsecured claim against the Custodian's estate in respect of any such cash. If the Issuer is unable to recover such cash in full from the Custodian's estate, it may not have sufficient proceeds to redeem the Notes in full and the amount paid to Noteholders may be significantly less than the Noteholders' original investment and may be zero.

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders of the relevant Series including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders, agree to (i) any modification of, any of the Conditions or any of the provisions of the Trust Deed, Option Agreement, Swap Agreement or any other agreement or document forming part of the Mortgaged Property that is, in its opinion, of a formal, minor or technical nature or is made to correct a manifest error, (ii) any other modification (except as mentioned in the Trust Deed) of, or to the waiver or authorisation of any breach or proposed breach of, any of the Conditions or any provisions of the Trust Deed, Option Agreement, Swap Agreement or any other agreement or document forming part of the Mortgaged Property that is not, in the opinion of the Trustee, materially prejudicial to the interest of the Noteholders (in certain circumstances subject to the consent of the Swap Counterparty or Option Counterparty) or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

In certain circumstances the Swap Counterparty or the Option Counterparty, as applicable, may, for the purposes of causing the transactions contemplated by the Transaction Documents to comply or to continue to comply with, or to take into account, any relevant Regulatory Consequences or a Sanctions Event, make amendment(s) to the Transaction Documents at any time, at its own expense, and without the need for the consent of any other party to such Transaction Documents (see “Amendments in connection with Regulatory Consequences or Sanctions Event” below). Any such amendments shall be deemed not to be materially prejudicial to the interests of the Noteholders for the purpose of the Trustee giving its consent.

Initial Collateral replacement

Subject to the provisions set out in the relevant Authorised Offering Document, the Issuer may agree to substitute the Initial Collateral with Replacement Initial Collateral (as defined in the Conditions) on the instruction of Noteholders holding more than 50 per cent. in principal amount of the outstanding Notes. The Issuer may only substitute the Initial Collateral pursuant to a Noteholder Substitution Notice (as defined in the Conditions) from any Noteholder and following solicitation of consent from the other Noteholders. Noteholders holding less than 50 per cent. in principal amount of the outstanding Notes should be aware that they will be bound by the majority decision of the Noteholders.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. Certain Series of Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features. Potential purchasers of Notes should be aware that the range of Notes that may be issued under the Programme is such that the following statements are not exhaustive with respect to the types of Notes that may be issued under the Programme and any particular Series of Notes may have additional risks associated with it that are not described below.

(i) Variable coupon amount Notes

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “Relevant Factor”). If the Relevant Factor is a designated benchmark used to determine the coupon payable under the Notes, investors should have regard to the risk factors below entitled “Benchmark Risks”. In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (a) the market price of such Notes may be volatile;
- (b) they may receive no interest;
- (c) payment of principal or interest may occur at a different time or in a different currency than expected;
- (d) the amount of principal payable at redemption may be less than the nominal amount of such Notes and may be zero;

- (e) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (f) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- (g) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

(ii) **Notes issued at a substantial discount or premium**

The Issuer may issue Notes at either a substantial discount or premium. The market values of securities issued at a substantial discount or premium to their nominal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

(iii) **Partly-paid Notes**

If the Notes are partly paid, the issue price for the Notes is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

(iv) **Zero Coupon Notes**

If the Notes are Zero Coupon Notes, unless otherwise specified in the relevant Authorised Offering Document, the amount payable to Noteholders on an early redemption of such Notes shall be the scheduled Final Redemption Amount on the date that the Notes become due and payable, discounted in accordance with Condition 7.5 below. Investors should note that depending on the Amortisation Yield specified in the relevant Authorised Offering Document, the amount payable to the Noteholders following an early redemption of such Zero Coupon Notes may be less than the principal amount of the Notes.

(v) **Credit Linked Notes**

(a) General

The amount of principal and/or interest payable is dependent upon whether certain default events ("Credit Events") have occurred in respect of the Reference Entity and, if a Credit Event has occurred, on the value of certain specified obligations of the Reference Entity. Following a Credit Event which is a Governmental Intervention or certain Restructuring Credit Events, an Asset Package Credit Event (as defined in the 2014 ISDA Credit Derivatives Definitions published by ISDA (the "2014 Credit Derivatives Definitions")) may occur and the amount of principal payable may be determined based on the value of a package of assets which a relevant obligation of the Reference Entity has been converted into or exchanged for (which may be worth significantly less than the principal amount of such original obligation of the Reference Entity or, where such original obligation has been expropriated for no compensation, may be zero). Prospective investors in such credit-linked Notes ("CLNs") should be aware that depending on the terms thereof (i) they may receive no or a limited amount of interest, (ii) payment of principal or interest or delivery of any specified assets may occur at a different time than expected and (iii) they may lose all or a substantial portion of their investment.

The market price of such CLNs may be volatile and will be affected by, amongst other things, the time remaining to the maturity date and the creditworthiness of the Reference Entity(ies) which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

Where the CLNs provide for physical delivery, the Issuer may determine that the specified assets to be delivered are either (a) assets which for any reason (including, without limitation, failure of the relevant clearance system or due to any law, regulation, court order or market conditions or the non-receipt of any requisite consents with respect to the delivery of assets which are loans) it is impossible or illegal to deliver on the specified settlement date or (b) assets which the Issuer has not received under the terms of any transaction entered into by the Issuer to hedge the Issuer's obligations in respect of the CLNs. Any such determination may delay settlement in

respect of the CLNs and/or cause the obligation to deliver such specified assets to be replaced by an obligation to pay a cash amount which, in either case, may affect the value of the CLNs and, in the case of payment of a cash amount, will affect the timing of the valuation of such CLNs and as a result, the amount of principal payable on redemption.

The Issuer's obligations in respect of CLNs are irrespective of the existence or amount of the Issuer's credit exposure to any Reference Entity, and the Issuer need not suffer any loss nor provide evidence of any loss as a result of the occurrence of a Credit Event.

(b) Credit Risk of the Reference Entity

The holders of CLNs will be exposed to the credit of one or more Reference Entities, which exposure shall be, unless otherwise stated in the applicable Series Prospectus, Series Listing Particulars or Information Memorandum, to the full extent of their investment in such CLNs. Upon the occurrence of any specified Credit Event with respect to any Reference Entity, the Noteholders may suffer significant losses at a time when losses may be suffered by a direct investor in obligations of such Reference Entity. However, the holding of a CLN may not reflect the impact of investing in an obligation of a Reference Entity, and losses in relation to the CLNs could be considerably greater than would be suffered by a direct investor in the obligations of a Reference Entity and/or could arise for reasons unrelated to such Reference Entity. Noteholders should also note that a Credit Event may occur even if the obligations of a Reference Entity are unenforceable or their performance is prohibited by any applicable law or exchange controls.

Where cash settlement or auction settlement applies, the occurrence of a Credit Event in relation to any Reference Entity from time to time may result in a redemption of the CLNs in a reduced principal amount or at zero, and/or in a reduction in the amount of interest payable. Where physical settlement applies, the occurrence of a Credit Event may result in the redemption of the CLNs based on the delivery of certain direct or indirect obligations of the affected Reference Entity which may have a market value which is substantially less than their nominal amount.

(c) Exposure to Credit Events prior to the Trade Date

The CLNs may be exposed to the occurrence of Credit Events or Successor determinations based on events which occur prior to the trade date for the relevant transaction (the "Trade Date"). Under the 2014 Credit Derivatives Definitions, the relevant period for Credit Events that may trigger settlement of a Swap Agreement begins on the "Credit Event Backstop Date" (as defined in the 2014 Credit Derivatives Definitions), which may be prior to the Trade Date. A similar look-back period of 90 calendar days prior to the date of a request to convene the relevant ISDA Credit Derivatives Determinations Committee (or, if applicable, the effective date of a notice to the other party and the Calculation Agent that describes the relevant succession) is applicable for purposes of any Successor determination. Under the 2014 Credit Derivatives Definitions, where on or after January 1, 2014, an entity assumes all of the obligations (including at least one relevant obligation) of a Reference Entity which is not a sovereign, in circumstances where a Reference Entity has ceased to exist, or is in the process of being dissolved and has not issued or incurred any borrowed money obligation at any time since the legally effective date of the assumption (such entity, a "Universal Successor"), the look-back period of 90 calendar days will not apply. Noteholders should conduct their own review of any recent developments with respect to the Reference Entity or Reference Entities by consulting publicly available information. If a request to convene an ISDA Credit Derivatives Determinations Committee to determine whether a Credit Event or Successor determination has occurred with respect to a Reference Entity has been delivered prior to the Trade Date, details of such request may be found on the website of the International Swaps and Derivatives Association, Inc. ("ISDA"). If an ISDA Credit Derivatives Determinations Committee has not been convened to determine such matter as of the Trade Date, one may still be convened after the Trade Date in respect of an event that has occurred before the date of a request to convene such ISDA Credit Derivatives Determinations Committee.

(d) Requirement for Publicly Available Information

The Swap Agreement may specify that only publicly available information regarding a relevant event may be used to trigger or modify the transaction. The credit default swap shall contain

standards as to what constitutes publicly available information. If a Credit Event or a succession occurs but the requisite public information about the event is not available within the applicable time periods, then the event will not take effect under the credit default swap.

(e) Reference Obligations under the Swap Agreement

Under the credit default swap between the Issuer and the Swap Counterparty, where “Standard Reference Obligation” is “Applicable”, the reference obligation will be the obligation specified as the market standard reference obligation for the relevant Reference Entity for the relevant seniority level (the “Standard Reference Obligation” or “SRO”) when such SRO is published on the relevant SRO list and from the date of such publication any non standard reference obligation set out in the credit default swap (if any) will no longer be the reference obligation. Noteholders should be aware that the rules outlining the selection and replacement of the Standard Reference Obligation are contained within the Standard Reference Obligation Rules, as published by ISDA and as amended and/or supplemented from time to time in accordance with the terms thereof (the “SRO Rules”). The SRO for a relevant seniority level will only be replaced by the relevant ISDA Credit Derivatives Determinations Committee in certain circumstances set out in the SRO Rules (for example, if the Standard Reference Obligation matures, is redeemed or is no longer an obligation of the Reference Entity, amongst others) after performing the necessary legal review and the Calculation Agent or the Swap Counterparty is not under an obligation to replace the SRO if a substitution event occurs.

(f) Asset Package Delivery

Under the Credit Default Swap, asset package delivery provisions may apply in respect of a Financial Reference Entity in certain circumstances if either (i) a governmental intervention has occurred or (ii) if “Restructuring” is an applicable Credit Event, a restructuring has occurred in respect of the reference obligation of a Financial Reference Entity, and such restructuring does not constitute a governmental intervention. Asset package delivery options may also apply in respect of certain Sovereigns subject to restructuring. Following a governmental intervention or a restructuring of a reference obligation, in each case in respect of a Financial Reference Entity, or in the case of certain sovereigns subject to restructuring, provided that there was an existing obligation of the Reference Entity which, immediately prior to the relevant governmental intervention to which such obligation is subject, constituted a deliverable obligation (a “Prior Deliverable Obligation” in the case of a Financial Reference Entity and “Package Observable Bond” in the case of certain sovereigns), the assets which result from such Prior Deliverable Obligation or Package Observable Bond can be used for purposes of settling the Credit Default Swap (such settlement “Asset Package Delivery”). Asset Package Delivery may apply if an Asset Package Credit Event occurs unless (i) such Asset Package Credit Event occurs prior to the Credit Event Backstop Date determined in respect of the Credit Event that triggered settlement. Asset Package Delivery may apply in circumstances where the deliverable obligation has either been converted into something that does not constitute a deliverable obligation (e.g. equity), written-down in part (such that it becomes uneconomic to deliver) or written-down in full (such that it is uneconomic to deliver, but in any event, there is no obligation that can actually be delivered). If no assets are received by the protection buyer, the asset package is deemed to have a value of zero. For purposes of Asset Package Delivery, the asset package for any holder of the relevant Prior Deliverable Obligation or Package Observable Bond will consist of all of the assets in the proportion received or retained by such holder in connection with the Asset Package Credit Event. If the asset package is not capable of being transferred (excluding due to market conditions) to institutional investors or is not of the type typically traded in, or suitable for being traded in, financial markets, the asset shall be deemed to be an amount of cash equal to the market value thereof.

(g) Successors

Investors should note that, from time to time, the Reference Entity may be subject to change following the movement of its debt obligations and in the case of non-sovereign Reference Entities an event such as a consolidation, reconstitution or other corporate activity is no longer a pre-condition to a Successor determination although for a Sovereign Reference Entity, unification partition remains a pre-condition for the determination of a Successor to the Reference Entity. The

Credit Default Swap provides that if a Reference Entity has more than one successor entity, then the notional amount will be split evenly among the successor entities. The Calculation Agent will be responsible for determining, as soon as reasonably practicable after it becomes aware of the relevant succession date the sovereign and/or entity, if any, that qualifies as the Successor. Investors should note that a Successor may be riskier than the Reference Entity it replaces, and consequently the occurrence of a succession date may be detrimental to the Noteholders. Noteholders should also be aware that the relevant event will not necessarily result in the assumption of an obligation intended to be hedged by the Credit Default Swap (if any) by the successor Reference Entities either at all or in the same proportion as the allocation of the notional amount of the original Credit Default Swap.

(h) Outstanding Principal Balance

The calculation of the outstanding principal balance of a deliverable obligation under the credit default swap is determined by (i) firstly ascertaining all principal payment obligations of a Reference Entity (ii) then determining all or any portion of such principal payment obligations that are subject to a contingency (other than a permitted contingency) or prohibited action which need to be disregarded, leaving an amount equal to the non-contingent amount and (iii) finally, determining the claim that could be validly asserted against a Reference Entity in respect of such non-contingent amount if the obligation was redeemed or accelerated which would be the outstanding principal balance. If payments of principal are subject to a contingency, the outstanding principal balance could be less than the principal balance (and depending upon the type of contingency, could be zero).

(i) Concentrated Credit Risk where Reference Entities are concentrated in the same sectors or regions

The credit risk to investors in the CLNs which are credit-linked to multiple Reference Entities may be increased, amongst other things, as a result of the concentration of Reference Entities in a particular industry sector or geographic area, or the exposure of the Reference Entities to similar financial or other risks as other Reference Entities.

(j) Redemption Amount may be subject to a fixed recovery price

Where the Redemption Amount of the CLNs is calculated by reference to a fixed recovery price of the obligations of a Reference Entity(ies), the occurrence of a Credit Event may result in the recovery being materially lower than the prevailing price of the relevant obligations of the relevant Reference Entity.

(k) Swap Counterparty and/or Calculation Agent will act in their sole discretion

The Swap Counterparty and/or the Calculation Agent will exercise its rights under the terms of the CLNs, including in particular the right to designate a Credit Event and the right to select obligations of the Reference Entity for valuation, in its sole discretion, and not in the interests of Noteholders. The exercise of such rights in such manner, for example by the selection of the eligible obligations of the Reference Entity having the lowest possible market value for valuation may result in an increased credit loss for Noteholders.

The determination by the Swap Counterparty and/or the Calculation Agent of any amount or of any state of affairs, circumstance, event or other matter, or the formation of any opinion or the exercise of any discretion required or permitted to be determined, formed or exercised by the Swap Counterparty and/or the Calculation Agent shall (in the absence of manifest error) be final and binding on the Noteholders. In performing its duties pursuant to the CLNs and making any determinations expressed to be made by it, the Swap Counterparty and/or the Calculation Agent shall act in its sole and absolute discretion and is under no obligation to act in the interests of the Noteholders, nor will it be liable to account for any profit or other benefit which may accrue to it as a result of such determinations.

(l) Corporate Actions of Reference Entities may affect the value of the CLNs

Corporate actions of Reference Entities may adversely affect the value of the CLNs. Noteholders should also be aware that the Reference Entities to which the value of the CLNs is exposed, and the terms of such exposure, may change over the term of the CLNs.

- (m) Payments in the CLNs may be deferred or suspended

In certain circumstances, for example where (i) a Credit Event has occurred and the related credit loss has not been determined as at the relevant date for payment, (ii) where a potential Credit Event exists as at the scheduled maturity of the CLNs, or (iii) pending a resolution of an ISDA Credit Derivatives Determinations Committee, payment of the redemption amount of the CLNs and/or interest on the CLNs may be deferred for a material period in whole or part without compensation to Noteholders.

- (n) Auction Settlement of CLNs

ISDA Credit Derivatives Determinations Committees

ISDA Credit Derivatives Determinations Committees were originally established pursuant to the March 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA to make determinations that are relevant to the majority of the credit derivatives market and to promote transparency and consistency. The ISDA Credit Derivatives Determinations Committees continue to perform this role under the 2014 Credit Derivatives Definitions. Further information about the ISDA Credit Derivatives Determinations Committees may be found at <http://dc.isda.org> (or any successor website). Noteholders should carefully monitor the matters under consideration by such committees and their determinations.

In making any determination with respect to a Credit Event or a succession date, the Calculation Agent may have regard to announcements, determinations and resolutions made by ISDA and/or the ISDA Credit Derivatives Determinations Committees. In certain circumstances (including, without limitation, the determination of the occurrence of an “Event Determination Date”), the CLNs will be subject to the announcements, determinations and resolutions made by ISDA and/or the ISDA Credit Derivatives Determinations Committees. Such announcements, determinations and resolutions could affect the quantum and timing of payments of interest and principal on the CLNs. For the avoidance of doubt, none of the Issuer, the Swap Counterparty or the Calculation Agent will be liable to any person for any determination, redemption, calculation and/or delay or suspension of payments and/or redemption of the CLNs resulting from or relating to any announcements, publications, determinations and resolutions made by ISDA and/or any ISDA Credit Derivatives Determinations Committee.

Risks associated with Auction Settlement following a Credit Event

If “Auction Settlement” is applicable with respect to the CLNs, then the amounts payable under the CLNs will be determined on the basis of the final price determined pursuant to the auction held in respect of specified obligations of the relevant Reference Entity, provided that the ISDA Credit Derivatives Determinations Committee determines that an applicable auction will be held. Noteholders are subject to the risk that where a final price is determined in accordance with an auction, this may result in a lower recovery value than an obligation of the Reference Entity would have had if such final price had been determined pursuant to alternative methods. If “Auction Settlement” is applicable with respect to the CLNs but the ISDA Credit Derivatives Determinations Committee does not decide to hold an auction with respect to obligations of the relevant Reference Entity, then the cash settlement method will apply if specified as a “Fallback Settlement Method” unless Physical Settlement is specified as the “Fallback Settlement Method” instead. In such circumstances of cash settlement, the final price will be determined pursuant to the valuation method specified in the Swap Agreement.

Potential conflicts of interest

The Calculation Agent is a leading dealer in the credit derivatives market. If “Auction Settlement” is applicable under the CLNs and an auction is held in respect of a Reference Entity for which a Credit Event has occurred, there is a high probability that the Calculation Agent or one of its affiliates would act as a participating bidder in any such auction. In such capacity, it may take certain actions which may influence the final price determined pursuant to the auction, including, without limitation, (i) providing rates of conversion to determine the applicable currency conversion rates to be used to convert any obligations that are not denominated in the auction currency into

such currency for the purposes of the auction and (ii) submitting bids, offers and physical settlement requests with respect to the relevant deliverable obligations. In deciding whether to take any such action, or whether to act as a participating bidder in any auction, the Calculation Agent and its affiliates shall be under no obligation to consider the interests of any Noteholder.

The Calculation Agent (or, as the case may be, one of its affiliates) may also be a voting member on one or more of the ISDA Credit Derivatives Determinations Committees and is a party to transactions that incorporate, or are deemed to incorporate, either (a) the July 2009 Supplement to the 2003 ISDA Credit Derivatives Definitions published by ISDA (the "July 2009 Supplement") or (b) the 2014 Credit Derivatives Definitions and may take certain actions that may influence the process and outcome of decisions of the ISDA Credit Derivatives Determinations Committees. Such actions may be adverse to the interests of the Noteholders and may result in an economic benefit accruing to the Calculation Agent or its affiliates. In taking any action relating to the ISDA Credit Derivatives Determinations Committees or performing any duty under the rules that govern the ISDA Credit Derivatives Determinations Committees, the Calculation Agent (or, as the case may be, one of its affiliates) shall have no obligation to consider the interests of the Noteholders and may ignore any conflict of interest arising in respect of the CLNs.

Questions to the ISDA Credit Derivatives Determinations Committees

The ISDA Credit Derivatives Determinations Committees Rules provides that eligible market participants may raise questions to the ISDA Credit Derivatives Determinations Committee which have the power to make binding decisions on critical issues such as, without limitation, whether a Credit Event has occurred, whether there is a Successor to a Reference Entity or which obligations of a Reference Entity are deliverable. The Calculation Agent has no duty to the Noteholders to refer specific questions to the ISDA Credit Derivatives Determinations Committees. Noteholders should understand the role of the ISDA Credit Derivatives Determinations Committees and how their determinations could affect the Issuer's obligations under the Swap Agreement and consequently have effect on the CLNs.

Noteholders will have no role in the composition of the ISDA Credit Derivatives Determinations Committees

Separate criteria will apply to the selection of dealer and non-dealer institutions to serve on the ISDA Credit Derivatives Determinations Committees, and Noteholders will have no role in establishing such criteria. In addition, the composition of the ISDA Credit Derivatives Determinations Committees will change from time to time as the term of a member institution may expire or a member institution may be required to be replaced. Noteholders will have no control over the process for selecting institutions to participate on the ISDA Credit Derivatives Determinations Committees and, to the extent provided for in the CLNs, will be subject to the determinations made by such selected institutions.

Noteholders will have no recourse against either the institutions serving on the ISDA Credit Derivatives Determinations Committees or the external reviewers

Institutions serving on the ISDA Credit Derivatives Determinations Committees and the external reviewers, among others, disclaim any duty of care or liability arising in connection with the performance of duties or the provision of advice, except in the case of gross negligence, fraud or wilful misconduct. Furthermore, the member institutions of the ISDA Credit Derivatives Determinations Committees from time to time will not owe any duty to the Noteholders, and the Noteholders will be prevented from pursuing legal claims with respect to actions taken by such member institutions. Noteholders should also be aware that member institutions of the ISDA Credit Derivatives Determinations Committees have no duty to research or verify the veracity of information on which a specific determination is based. In addition, the ISDA Credit Derivatives Determinations Committees are not obligated to follow previous determinations and, therefore, could reach a conflicting determination for a similar set of facts.

Noteholders will be responsible for obtaining information relating to deliberations of the ISDA Credit Derivatives Determinations Committees

Notices of questions referred to the ISDA Credit Derivatives Determinations Committees, meetings convened to deliberate such questions and the results of binding votes of the ISDA

Credit Derivatives Determinations Committees will be published on the website of ISDA and none of the Issuer, the Swap Counterparty, or the Calculation Agent or any of their respective affiliates shall be obliged to inform Noteholders of such information. Any failure by Noteholders to be aware of information relating to determinations of an ISDA Credit Derivatives Determinations Committee will have no effect under the CLNs and Noteholders are solely responsible for obtaining any such information.

(o) Cash Settlement may adversely affect returns to Noteholders

If the CLNs are cash settled, then, following the occurrence of a Credit Event, the Calculation Agent will be required to seek quotations in respect of selected obligations of the affected Reference Entity. Quotations obtained will be “bid-side” — that is, they will be reduced to take account of a bid-offer spread charged by the relevant dealer. Noteholders should be aware of the possibility that such obligations may no longer exist and no qualifying substitute obligations may have been identified, such quotations may not be available, or the level of such quotations may be substantially reduced as a result of illiquidity in the relevant markets or as a result of factors other than the credit risk of the affected Reference Entity (for example, liquidity constraints affecting market dealers). Moreover, the market value of a Reference Entity’s obligations may be highly volatile in the period following a Credit Event. Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation which would be determined by reference to (for example) the present value of related cash flows. Quotations will be deemed to be zero in the event that no such quotations are available. Further, where quotations are sought on an asset package, such asset package may contain assets which are hard to value and for which a valuation methodology may not be readily available or suitable, which may reduce the value of quotations or the availability of quotations that may otherwise have been obtained. Accordingly, any quotations so obtained may be significantly lower than the value of the relevant obligation (or asset package) which would be determined by reference to (for example) the present value of related cash flows. Quotations will be deemed to be zero in the event that no such quotations are available.

(p) “Cheapest-to-Deliver” risk

Since the Swap Counterparty, as the buyer of protection, has discretion to choose the portfolio of obligations to be valued following a Credit Event in respect of a Reference Entity, it is likely that the portfolio of obligations selected will be obligations of the Reference Entity with the lowest anticipated market value that are permitted to be selected pursuant to the terms of the CLNs. This could result in a lower recovery value and hence greater losses for Noteholders.

(q) Sale of Collateral and termination of Swaps Agreement(s)

Following the occurrence of a Credit Event: (a) the Collateral will be sold and, if denominated in a different currency to the currency of the CLNs, will be converted into the currency of the CLNs at the then prevailing exchange rates; (b) under the credit default swap between the Issuer and the Swap Counterparty, unless otherwise specified the Issuer will pay the Swap Counterparty an amount equal to the product of (x) the notional amount thereof and (y) 100 per cent. minus the final price applicable to the Reference Entity; and (c) any other Swap Transactions, most likely an interest rate swap, between the Issuer and the Swap Counterparty will be terminated (along with any other transactions that may be involved in the CLN) and a termination payment based on their mark-to-market values may be payable by the Issuer to the Swap Counterparty or by the Swap Counterparty to the Issuer. Because the sale proceeds of the Collateral may be less than the principal amount thereof, the exchange rate for converting the sale proceeds of the Collateral into the currency of the CLNs may be less favourable than the exchange rate on issue of the CLNs and/or payments may be due from the Issuer to the Swap Counterparty under Swap Transactions other than the credit default swap, the Redemption Amount received by the Noteholders in respect of a CLN may be less than the principal amount of the CLN multiplied by the final price of the Reference Entity.

(r) The Swap Counterparty and/or the Calculation Agent may have dealings with Reference Entities

The Swap Counterparty and/or the Calculation Agent and/or their respective affiliates may (i) deal in obligations of Reference Entities, (ii) accept deposits from, make loans or otherwise extend credit to, and generally engage in any kind of commercial or investment banking or other business with, any Reference Entity, or its affiliates or any other person or entity having obligations relating to any Reference Entity and (iii) act with respect to such business freely and without accountability to Noteholders in the same manner as if the CLNs did not exist, regardless of whether any such action might have an adverse effect on Noteholders (including, without limitation, any action that might give rise to a Credit Event).

The Swap Counterparty and/or the Calculation Agent and/or their respective affiliates may be, whether by virtue of the types of relationships described above or otherwise, at any time, in possession of information in relation to any Reference Entity (or any obligations thereof) which is or may be material in the context of the CLNs and which is or may not be known to the general public or Noteholders. The CLNs do not create any obligation to disclose to Noteholders any such relationship or information (whether or not confidential) and no person shall be liable to Noteholders by reason of such non-disclosure.

- (s) The Swap Counterparty is not obliged to suffer any loss as a result of a Credit Event

Credit losses on CLNs will be calculated irrespective of whether the Issuer has suffered an actual loss in relation to a Reference Entity or any obligations thereof. The Issuer is not obliged to account for any recovery which it may subsequently make in relation to such Reference Entity or its obligations.

- (t) The CLNs do not represent an interest in obligations of Reference Entities

The CLNs do not represent or convey any interest in any obligations of Reference Entities or any direct or indirect obligation of any Relevant Entity to the Noteholders. The Issuer is not an agent of Noteholders for any purpose and Noteholders will not have any voting or other rights in relation to such obligations. The Issuer does not grant any security interest over any such obligations.

- (u) The value of the CLNs may be adversely affected by illiquidity or cessation of indices

In determining the value of the CLNs, dealers may take into account the level of a related credit index in addition to or as an alternative to other sources of pricing data. If any relevant index ceases to be liquid, or ceases to be published in its entirety, then the value of the CLNs may be adversely affected.

- (v) Historical performance may not predict future performance

Individual Reference Entities may not perform as indicated by the historical performance of similar entities and no assurance can be given with respect to the future performance of any Reference Entities. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the CLNs.

- (w) Limited provision of information about the Reference Entities and the Obligations thereof

Investors should conduct their own investigation and analysis with respect to the creditworthiness of Reference Entities and the likelihood of the occurrence of Credit Events.

Investors in the Notes will be exposed to the credit risk of the Reference Entity and its Obligations thereof (each as defined herein) as that affects the amount that the Issuer will pay the Swap Counterparty under the Credit Default Swap. None of the Issuer, CGML, the Trustee or any other person on their behalf makes any representation or warranty, express or implied, as to the credit quality of the Reference Entity or the Obligations thereof. CGML may have acquired, or during the term of the Notes may acquire, confidential information with respect to the Reference Entity or the Obligations thereof and is not required to disclose this information to the Issuer or any other party.

Reference Entities may not be subject to regular reporting requirements and may report information in accordance with disclosure and accounting standards with which Noteholders are not familiar. None of the Issuer or the Calculation Agent or any of their respective affiliates make any representation as to the accuracy or completeness of any information available with respect to the Reference Entities.

None of the Issuer, the Arranger, the Dealers, the Swap Counterparty or the Calculation Agent will have any obligation to keep investors informed as to any matters with respect to the Reference Entities or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event.

- (x) Cash settlement may be less advantageous than physical delivery of assets

Payments on CLNs following the occurrence of a Credit Event may be in cash and will reflect the value of relevant obligations of the affected Reference Entity at a given date. Such payments may be less than the recovery which would ultimately be realised by a holder of debt obligations of the affected Reference Entity, whether by means of enforcement of rights following a default or receipt of distributions following an insolvency or otherwise.

(vi) **Index linked Notes**

The Issuer may issue Notes linked to one or more indexes (each an “Index”), which has been licensed by the relevant sponsor (the “Index Sponsor”) for use in connection with the Notes. Any such Index referenced in an Authorised Offering Document (or elsewhere in relation to a Series of Notes) is the property of the Index Sponsor and will have been licensed for use in connection with the Notes and any relevant Swap Transaction. Neither the relevant Series of Notes nor the Swap Transaction will be sponsored, endorsed or promoted by the Index Sponsor or any participants under the Index Sponsor’s rules governing the Index (the Index Sponsor, together with such participants, the “Index Parties”).

The Index Parties will have made no representation whatsoever, whether express or implied, and will have expressly disclaimed all warranties (including, without limitation, those of merchantability or fitness for a particular purpose or use) with respect to the Index or any data included therein or relating thereto, and in particular will have disclaimed any warranty either as to the quality, accuracy and/or completeness of the Index or any data included therein, the results obtained from the use of the Index, the composition of the Index at any particular time on any particular date or otherwise, and/or the creditworthiness of, or likelihood of the occurrence of a Credit Event with respect to, any entity in the Index at any particular time on any particular date or otherwise.

The Index Parties shall not be liable (whether in negligence or otherwise) to the Issuer, the Swap Counterparty, the Noteholders or any other person for any error in the Index, and the Index Parties will be under no obligation to advise the Issuer, the Swap Counterparty, the Noteholders or any other person of any error therein. The Index Parties will have made no representation whatsoever, whether express or implied, as to the advisability of purchasing Notes linked to an Index, the ability of the Index to track relevant markets’ performances, or otherwise relating to the Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. The Index Parties have no obligation to take the needs of any person into consideration in determining, composing or calculating the Index. None of the Issuer, the Swap Counterparty or any Index Party shall have any liability to any person for any act or failure to act by the Index Parties in connection with the determination, adjustment, calculation or maintenance of the Index.

Although the Calculation Agent will obtain information concerning the Index from sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made, and no responsibility is accepted by the Issuer, the Swap Counterparty or any of the Issuer’s or the Swap Counterparty’s affiliates or the Calculation Agent, as to the accuracy, completeness or timeliness of information concerning the Index. The Swap Counterparty or one of its affiliates may be, or may be affiliated with, an Index Party and, as such, may be able to affect or influence the determination, adjustment or maintenance of the Index.

Market value of Notes

The market value of the Notes will be affected by a number of factors, including, but not limited to (i) the value and volatility of the Initial Collateral and the creditworthiness of the issuers and obligors of any Initial Collateral, (ii) the value and volatility of any index, securities or commodities to which payments on the Notes may be linked, directly or indirectly, and the creditworthiness of the issuers or obligors in respect of any securities or other obligations to which payments on the Notes may be linked, directly or indirectly, (iii) market perception, interest rates, yields and foreign exchange rates, (iv) the time remaining to the maturity date and (v) the nature and liquidity of any Swap Agreement or any other derivative transaction entered into by the Issuer or embedded in the Notes or the Initial Collateral. Any price at which Notes may be sold prior to the

maturity date may be at a discount, which could be substantial, to the value at which the Notes were acquired on the issue date.

Prospective purchasers should be aware that not all market participants would determine prices in respect of the Notes in the same manner, and the variation between such prices may be substantial. Accordingly, any prices provided by a Dealer may not be representative of prices that may be provided by other market participants. For this reason, any price provided or quoted by a Dealer should not be viewed or relied upon by prospective purchasers as establishing, or constituting advice by that Dealer concerning, a mark-to-market value of the Notes. The price (if any) provided by a Dealer is at the absolute discretion of that Dealer and may be determined by reference to such factors as it sees fit. Any such price may take into account fees, commissions or arrangements entered into by that Dealer with a third party in respect of the Notes and that Dealer shall have no obligation to any Noteholder to disclose such arrangements. Any price given would be prepared as of a particular date and time and would not therefore reflect subsequent changes in market values or any other factors relevant to the determination of the price.

Change of law

The Conditions of the Notes, and any non-contractual obligations arising out of or in connection with them, are governed by and construed in accordance with English law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of issue of the relevant Notes.

Denominations may involve integral multiples

Notes may have Denominations of a certain minimum amount (the “Minimum Denomination”) plus one or more integral multiples of a smaller amount (the “Integral Multiples”) in excess thereof, in which case (i) for so long as the relevant clearing systems so permit, the Notes will be tradable only in the minimum authorised denomination of the Minimum Denomination and the Integral Multiples and (ii) it is possible that the Notes may be traded in amounts in excess of the Minimum Denomination that are not integral multiples of the Minimum Denomination. A Noteholder who, as a result of trading such amounts as contemplated in (ii) above, holds an amount which is less than the Minimum Denomination in its account with the relevant clearing system at the relevant time may need to purchase a principal amount of Notes such that its holding amounts to at least the Minimum Denomination in order to be able to (a) transfer its Notes (subject in all cases to the rules and procedures of the relevant clearing system) or (b) receive a definitive Note in respect of such holding (should definitive Notes be printed).

Provision of information

None of the Issuer, the Trustee, the Dealers or any affiliate of such persons makes any representation as to the credit quality of any Swap Counterparty, Option Counterparty, Credit Support Provider or obligor of any Collateral. None of such persons is under any obligation to keep under review on the Noteholders’ behalf, the business, financial condition, prospects, creditworthiness or state of affairs of the obligors of the Collateral or conduct any investigation or due diligence into the obligors of the Collateral.

Non-registration under the Securities Act and restrictions on transfer

The Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Notes are being issued and sold in reliance upon exemptions from registration provided by such laws. Consequently, the transfer of the Notes will be subject to satisfaction of legal requirements applicable to transfers that do not require registration under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. In addition, the Notes are subject to certain transfer restrictions as described herein under “Subscription and Sale and Transfer Restrictions”, which may further limit the liquidity of the Notes.

U.S. Withholding Tax on Dividend Equivalents

Section 871(m) of the Code, and the Treasury regulations thereunder (“Section 871(m)”) impose a 30 per cent. (or lower treaty rate) withholding tax on “dividend equivalents” paid or deemed paid to non-U.S. persons with respect to certain financial instruments linked to U.S. equities or indices that include U.S. equities. Section 871(m) generally applies to financial instruments that substantially replicate the economic performance of one or more U.S. equities, as determined based on tests set forth in the applicable Treasury regulations. Section 871(m) provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury

regulations as well as securities that track such indices. Moreover, guidance promulgated by the U.S. Internal Revenue Service (“US IRS”) provides a general exemption for financial instruments issued in 2017 or 2018 other than those that have a “delta” of one with respect to a U.S. equity.

If Section 871(m) applies to a Note, the Issuer will not be required to pay any additional amounts in respect of amounts withheld under Section 871(m) and may result in the Notes being redeemed early. Additionally, the Issuer may withhold the full 30 per cent. tax from any payment on the Notes in respect of any dividend equivalent arising with respect to such Notes regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a Noteholder is eligible for a reduced tax rate under an applicable tax treaty with the United States). A Noteholder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the US IRS. The Section 871(m) rules are complex and their application to a specific issue of Notes may be uncertain. Moreover, the application of Section 871(m) to a Note may be affected if a Noteholder enters into another transaction in connection with the acquisition of the Note. Noteholders should consult their tax advisors regarding the application of Section 871(m) in their particular circumstances.

If an Issuer were subject to withholding or deduction on “dividend equivalents” it receives with respect to the Collateral or under a Swap Agreement or Option Agreement, such withholding could, in turn, result in the Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the Notes and/or such agreement. No other funds will be available to the Issuer to make up any shortfall and, as a result, the Issuer may not have sufficient funds to satisfy its payment obligations to Noteholders. If the relevant Authorised Offering Document specifies that the Notes are identified by the Issuer as at the issue date to be Specified Notes and either (i) the Issuer is subject to withholding or deduction on any payments to it in respect of the Collateral or under a Swap Agreement or Option Agreement or (ii) the Issuer is required to withhold on any payments with respect to the Notes, in each case as a result of Section 871(m), the Issuer will deduct an amount equal to such withholding or deduction, as applicable, from the amounts payable to each Noteholder and the Notes will not be subject to early redemption. If the Notes are not identified as at the issue date to be Specified Notes and either (i) or (ii) above applies as a result of Section 871(m), the Issuer on becoming aware of such, will deduct an amount equal to such withholding or deduction, as applicable, from any amounts payable to each Noteholder and the Notes will be subject to early redemption.

Prospective investors should consult their tax advisers regarding the consequences to them of the potential application of Section 871(m) to the Notes, including their ability to claim reductions in the amount of withholding, or refunds or credits in respect of amounts withheld, under an applicable tax treaty with the United States.

FATCA and the possibility of U.S. withholding tax on payments

Background

Pursuant to certain provisions of U.S. law, commonly known as FATCA, a withholding tax is imposed on (i) certain U.S. source payments (including “dividend equivalent” payments), (ii) beginning 1 January 2019, payments of gross proceeds from the disposition of assets that can produce U.S. source interest or dividends (including “dividend equivalent” payments), and (iii) beginning 1 January 2019 (at the earliest), certain payments made by “foreign financial institutions” (“foreign passthru payments”). This withholding tax is imposed on such payments made to persons that fail to meet certain certification, reporting, or related requirements. The Issuers expect to be treated as foreign financial institutions for these purposes. A number of jurisdictions (including the Cayman Islands and Ireland) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA (“IGAs”), which modify the way in which FATCA applies in their jurisdictions.

Certain aspects of the application of FATCA to instruments or agreements such as the Collateral, the Swap Agreement, the Option Agreement and the Notes, including whether withholding on foreign passthru payments would ever be required pursuant to FATCA or an IGA with respect to payments on instruments or agreements such as the Collateral, the Swap Agreement, the Option Agreement and/or the Notes, are uncertain and may be subject to change. Even if withholding would be required with respect to foreign passthru payments or payments of gross proceeds from the disposition of an asset that can produce U.S.

source interest or dividends pursuant to FATCA or an IGA, such withholding would not apply prior to 1 January 2019. Additionally, an obligation that has a fixed term and is not treated as equity for U.S. federal income tax purposes generally will be “grandfathered” for purposes of FATCA withholding (i) in respect of “foreign passthru payments”, if entered into on or prior to the date that is 6 months after the date on which final regulations defining “foreign passthru payments” are filed with the U.S. Federal Register, and (ii) if the obligation is subject to FATCA withholding solely because the obligation is treated as giving rise to “dividend equivalent” payments, if outstanding at any point prior to six months after the date on which obligations of its type are first treated as giving rise to “dividend equivalent” payments, in each case, unless the obligation is materially modified after such grandfathering date.

Possible impact on Payments on the Collateral or under a Swap Agreement or Option Agreement (if any)

If an Issuer, as appropriate, fails to comply with its obligations under FATCA (including the Cayman Islands or Ireland IGA, as applicable, and any IGA legislation thereunder), it may be subject to FATCA withholding on all, or a portion of, payments it receives with respect to the Collateral or under a Swap Agreement or Option Agreement (in each case, if any). Any such withholding would, in turn, result in the Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the Notes and/or such Swap Agreement or Option Agreement (if any) with respect to a Series. No other funds will be available to the Issuer to make up any such shortfall and, as a result, the Issuer may not have sufficient funds to satisfy its payment obligations to Noteholders. Additionally, if payments to the relevant Issuer in respect of its assets are or will become subject to FATCA withholding, the Notes may be subject to early redemption (see Condition 7.3 below). No assurance can be given that each Issuer can or will comply with its obligations under FATCA or that such Issuer will not be subject to FATCA withholding.

Possible impact on payments on the Notes

Under the Cayman Islands and Ireland IGAs (and implementing legislation thereunder) as currently in effect, a Cayman Islands or Irish foreign financial institution, as applicable, would generally not be required to withhold under FATCA or the IGA from payments that it makes. However, the treatment of foreign passthru payments made by foreign financial institutions in IGA jurisdictions has not been agreed and it is possible that the relevant Issuer could be required to withhold amounts from Noteholders that are foreign financial institutions that are not compliant with, or exempt from, FATCA or Noteholders that do not provide the information, documentation or certifications required for such Issuer to comply with its obligations under FATCA.

FATCA is particularly complex and its application to the Issuers, the Notes and Noteholders is subject to change.

Information Reporting Obligations and Consequential Amendments

Information relating to the Notes, their holders and beneficial owners may be required to be provided to tax authorities in certain circumstances pursuant to domestic or international reporting and transparency regimes (including, without limitation, in relation to FATCA and CRS). This may include (but is not limited to) information relating to the value of the Notes, amounts paid or credited with respect to the Notes, details of the holders or beneficial owners of the Notes and information and documents in connection with transactions relating to the Notes. In certain circumstances, the information obtained by a tax authority may be provided to tax authorities in other countries. Some jurisdictions operate a withholding system in place of, or in addition to, such provision of information requirements. If, for a Series, any Noteholder or beneficial owner fails to provide any information so requested by the Issuer, the relevant Issuer may withhold amounts from Noteholders (whether or not Excluded Circumstances (as defined in the Conditions) exist and including intermediaries through which such Notes are held) or such Series may be subject to early redemption.

Additionally, the Issuer is also permitted to make any amendments to the Notes and any Transaction Document as may be necessary to enable the Issuer to comply with its obligations under FATCA (including any Cayman Islands or Ireland IGA, as applicable, and any related IGA legislation, regulations or guidance notes thereunder), CRS or its obligations under any legislation or agreements relating to any applicable Information Reporting Regime and any such amendment will be binding on the Noteholders.

Neither a Noteholder nor a beneficial owner of Notes will be entitled to any additional amounts in the event a withholding is imposed on any payments on or with respect to the Notes as a result of any applicable

Information Reporting Regime. As a result, Noteholders may receive less interest or principal, as applicable, than expected.

Each Noteholder should consult its own tax adviser to obtain a more detailed explanation of the applicable Information Reporting Regimes and to learn how the applicable Information Reporting Regimes might affect such Noteholder in light of its particular circumstances.

The Cayman Islands has also signed, along with a substantial number of other countries, a multilateral competent authority agreement to implement the CRS, which requires “Financial Institutions” such as the Issuer to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS.

Legality of purchase

None of the Issuer, the Trustee, Citigroup Global Markets Limited or any affiliate of such persons has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective purchaser of the Notes (whether for its own account or for the account of any third party), whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective purchaser (or any such third party) with any law, regulation or regulatory policy applicable to it.

Suspension of payments upon a Sanctions Event

Noteholders may be exposed to the risk that any Note, Noteholder, the Issuer, the Collateral, the Trustee, the Issuing and Paying Agent, the Dealer, the Custodian, the Swap Counterparty, the Option Counterparty, any entity referenced under a Swap Agreement or Option Agreement (including a reference entity under any credit default swap) and/or any other entity involved in the Notes is subject to a Sanction that results in a Sanctions Event. In such circumstances, unless a Regulatory Amendment is made to reflect an industry wide initiative (including any protocol established by ISDA) that addresses such Sanctions Event, payments under the Notes to that Noteholder to be suspended. There can be no guarantee that any such initiative or Regulatory Amendment will occur. Prospective investors should note that, during the existence of a Sanctions Event, Noteholders will have no right to take any action to compel the Trustee or the Issuer to take any action or enforce the Collateral and that the Calculation Agent has broad discretion to determine the amounts (if any) due to Noteholders following the occurrence of a Sanctions Event.

The Proposed Financial Transactions Tax (“FTT”)

On 14 February 2013, the European Commission published a proposal (the “Commission’s Proposal”) for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “participating Member States”). However, Estonia has since stated that it will not participate.

The Commission’s Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission’s Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Benchmark Risks

Benchmark information

The Issuer may issue Notes where a designated benchmark is used to determine the coupon payable under, or the value of, such Notes, by reference to a designated benchmark reference rate (the “Reference Rate”).

Potential investors should be aware that:

- (i) the interest rate payable pursuant to the Notes will vary in accordance with the level of the benchmark;
- (ii) during the term of the Notes, the benchmark may be lower than it was as at the issue date of such Notes; and
- (iii) the benchmark may be negative, which means that the interest rate payable may be less than the margin (if any) stated to be payable pursuant to the Notes and could be zero.

Noteholders should endeavour to fully understand how the Reference Rate is established, including, among others, the nature, quality and sources of data inputs, the methodology and process for the construction or generation of the Reference Rate, the limitations of the Reference Rate and the contingency arrangements maintained by its sponsor, publisher or administrator, the governance and oversight arrangements maintained by the sponsor, publisher or administrator of the Reference Rate (including with respect to any submission process or other data input selection process) and its management of conflicts of interest, and the transparency and availability of disclosures by the sponsor, publisher or administrator regarding the foregoing matters.

Benchmark input data

The Reference Rate may differ according to the particular type of borrowing cost that the said rate is designed to measure, its methodology of compilation and applicable fallbacks. In some cases, rates may be compiled from submissions of borrowing costs by contributing financial institutions. Noteholders should be aware that submissions may or may not be based on actual borrowing transactions or executable bids or offers and that the compiling body may not be able to audit submissions for their accuracy or completeness. The values of compiled rates can be affected by the particular circumstances of the submitting institutions, the financial markets in which they operate and the methodology of computation. Important factors in assessing the potential that a reference rate may be susceptible to distortion or manipulation include:

- (i) computational procedures used by the compiling body to reduce the impact of potentially unrepresentative data, such as requiring a minimum number of submissions and the rejection of outlying data;
- (ii) conflicts of interest that may affect the submitting institutions or the compiling body;
- (iii) the information the compiling body publicly discloses, which may or may not accurately reflect all relevant information available to the compiling body; and
- (iv) governance of the compiling body, whether it is subject to regulatory oversight and the nature of such oversight.

The compiling body or administrator of the Reference Rate may make certain information relevant to the above assessment publicly available, and Noteholders are urged to consider such information carefully.

Conflicts of interest and no obligation to consider Noteholders' interests

If the Arranger, the Dealer, the Swap Counterparty, the Option Counterparty or any of their affiliates make submissions that are used to determine the Reference Rate with respect to a series of Notes and/or a Swap Agreement and/or Option Agreement, Noteholders should be aware that in such case an inherent conflict of interest may arise.

Compiling bodies, sponsors and administrators of a Reference Rate, the Arranger, the Dealer, the Swap Counterparty, the Option Counterparty or any of their affiliates that make submissions in a Reference Rate determination process or who provide quotations pursuant to interest rate fallback provisions or otherwise, and developers of reference rates (including their participants) have no obligation to consider Noteholders' interests in calculating, adjusting, converting, revising, discontinuing or developing any benchmark, alternative reference rates or fallbacks or in any of their submissions or quotations.

Benchmark Modifications and Discontinuance Risk

National, international or other regulatory or industry initiatives

So-called "benchmarks" have, in recent years, been the subject of political and regulatory scrutiny as to how they have been created and operated. This has resulted in regulatory reform (including, in the European Union, through implementation of the EU Benchmark Regulation and changes to existing benchmarks), with further changes expected. Certain benchmarks are currently the subject of national, international or other

regulatory or industry initiatives or actions that may cause the Reference Rate to perform differently than in the past or to disappear entirely, resulting in changes or modifications affecting the Notes and/or Swap Agreement(s) and/or Option Agreement(s), such as a change in the compiling body, the sponsor or administrator, the suspension, discontinuance and/or unavailability of the Reference Rate, the development of an alternative reference rate, a need to determine or agree a substitute or successor reference rate or alternative reference rate, and/or a need to determine or agree a spread to be added to or subtracted from, or to make other adjustments to, a substitute or successor reference rate or alternative reference rate to approximate a rate equivalent to the predecessor rate (an “Equivalent Benchmark”), or have other consequences that cannot be foreseen at the time any Noteholder may acquire such Notes. Any such consequences could adversely affect such Notes and/or Swap Agreement(s) and/or Option Agreement(s) where a Reference Rate is used.

Regulatory and Industry initiatives

The compiling body, sponsor or administrator of the Reference Rate may make methodological or other changes that could change the value of such rate, including changes related to the method by which the Reference Rate is calculated, the criteria for eligibility of submission contributors, funding sources or timing related to submissions or the timing for publication of the such rate. In addition, the compiling body, sponsor or administrator may alter, discontinue or suspend calculation or dissemination of such rate, in which case fallback arrangements shall apply to the Notes and/or Swap Agreement(s) and/or Option Agreement(s).

Regulatory and industry initiatives concerning the Reference Rate may result in changes or modifications to the Notes and/or Swap Agreement(s) and/or Option Agreement(s), such as a change in the compiling body, sponsor or administrator of the Reference Rate, the suspension, discontinuance or unavailability of the Reference Rate, the development of an alternative reference rate (being an index, benchmark or other price source (including, but not limited to the industry-accepted substitute or successor base rate or if there is no such industry-accepted substitute or successor base rate, a substitute or successor base rate that is most comparable to the Reference Rate) that the Determining Party determines in its sole discretion to be a commercially suitable alternative for such Reference Rate (the “Replacement Reference Rate”), a need to determine or agree a substitute or successor reference rate or Replacement Reference Rate, and/or a need to determine or agree a spread to be added to or subtracted from, or to make other adjustments to, a substitute or successor reference rate or Replacement Reference Rate to approximate the Reference Rate not all of which can be foreseen at the time the Note is acquired.

Replacement Reference Rates Initiatives

Pursuant to recommendations of the Financial Stability Board (“FSB”), the FSB’s Official Sector Steering Group (“OSSG”) has been working with benchmark administrators to strengthen benchmarks for interbank offering rates, and with financial institutions and other market participants to promote the development of Replacement Reference Rates. Replacement Reference Rates are in response to concerns over the sustainability of interbank offering rates and the need to prepare markets for the potential suspension, discontinuance or unavailability of one or more of the interbank offering rates.

The question of interbank offering rates sustainability reflects how interbank markets have changed since the 1980s when such rates first became popular benchmarks. Short-term interbank unsecured funding has declined over the years, particularly since the financial crisis as capital and liquidity rules have created disincentives for banks to fund themselves in this manner. The FSB and central banks have recognized that, without sufficient volume and liquidity in interbank deposit transactions, the credibility, reliability and sustainability of interbank offering rates-based price discovery will remain at risk despite efforts to strengthen benchmark governance and administration. Without sufficient volume and liquidity, interbank offering rates may be based on judgment-based estimates to one degree or another, not actual interbank deposit transactions, and contributing banks may be reluctant to continue making interbank offering rates submissions necessary to sustain interbank offering rates.

Such initiatives, changes and modifications, and the extent to which the definition of an interbank offered rate together with fallbacks in such definition, if any, provide for such eventualities.

FCA announcement – Disappearance risk

In July 2017, the UK Financial Conduct Authority (the “FCA”) announced that the FCA would no longer use its influence or legal powers to persuade or compel contributing banks to make inter-bank offering rate submissions after the end of 2021. Although nothing in the announcement indicated that interbank offering

rates would be discontinued, it left market participants without any assurances that such benchmarks would continue to exist after this time, should too few banks be willing to continue serving on the contribution panel.

While the Financial Stability Board's Official Sector Steering Group has been working with the financial services industry, including ISDA, on developing alternative reference rates, there is no guarantee that such alternative reference rates:

- (i) will be developed by the end of 2021;
- (ii) will be suitable for the Notes and/or Swap Agreement(s) and/or Option Agreement(s) as a substitute or successor for the original benchmark;
- (iii) will have composition and characteristics similar to that of the original benchmark; or
- (iv) will be the economic equivalent of the original benchmark used in the Notes and/or Swap Agreement(s).

Benchmark and the risk of a Reference Rate Event

A Reference Rate Event occurs where (i) the Reference Rate (or the publication thereof) is permanently discontinued, (ii) there has been an Administrator/Benchmark Event (any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Reference Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body; or the Reference Rate and/or the administrator and/or the sponsor of the Reference Rate is removed from any official register where inclusion in such register is required under any applicable law in order for the Issuer and/or the Swap Counterparty and/or any other entity to perform its or their respective obligations under the Notes and/or Swap Agreement(s) and/or Option Agreement(s)), (iii) the compiling body, sponsor or administrator has failed to publish the Reference Rate for two consecutive months, or (iv) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development (which may be in the form of a protocol by ISDA) pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate established in order to comply with the recommendations in the Financial Stability Board's paper entitled "Reforming Major Interest Rate Benchmarks" dated 22 July 2014.

There is no certainty as to when a Reference Rate Event may occur. If a Reference Rate Event does occur, the payment of interest relating to an Interest Payment Date by the Issuer shall be suspended and such suspension of interest payments may continue indefinitely until the Maturity Date of the Notes. In such circumstances, the Swap Counterparty and/or Option Counterparty (as applicable) (the "Determining Party"), shall, in its sole discretion and after consulting any source it deems to be reasonable, attempt to (i) identify an alternative reference rate and (ii) calculate a spread that will be applied to the alternative reference rate, to take account of any transfer of economic value from one party to the other that would otherwise arise by replacing the Reference Rate. If the Determining Party is not able to identify such alternative reference rate and calculate such spread on or prior to a specified cut-off date, the Determining Party will determine and pay to the Issuer the Suspended Interest Value, and the holder of each Note will receive its *pro rata* share of the Suspended Interest Value on the Maturity Date. The Suspended Interest Value may be significantly less than the suspended interest in respect of the Notes and may even be zero.

Equivalent Benchmark and risks

If the composition or characteristics of a Replacement Reference Rate differs in any material respect from that of the Reference Rate, it may be necessary to convert the Replacement Reference Rate into an equivalent rate by incorporating one or more interest rate spreads, or by making other appropriate adjustments, to the Replacement Reference Rate to approximate an equivalent rate. For example, statistical correlations between the performance of the Replacement Reference Rate versus LIBOR in a range of maturities over time or for specific periods or points in time prior to a suspension, discontinuance or unavailability of LIBOR could serve as a basis for computing and incorporating spreads or making other adjustments to the Replacement Reference Rate. The feasibility and appropriateness of such adjustments may depend on a variety of considerations, including market conditions, any disparate impact of monetary policy on the respective rates during the observation period, and factors affecting the Replacement Reference Rate or the Reference Rate's integrity over the observation period, including liquidity, transaction volumes, the number and financial condition of contributing banks, and other considerations.

Even with spreads or other adjustments, any Replacement Reference Rates may be only an estimate of the Reference Rate and may not be subject to continued verification against such Reference Rate if it is suspended, discontinued or unavailable, and may not result in a rate that is the economic equivalent of the Reference Rate as used in the Notes and/or Swap Agreement(s) and/or Option Agreement(s). In addition, it may be necessary to make such spreads or other adjustments permanent in response to the suspension, discontinuance or unavailability of the Reference Rate, in which case such spreads or other adjustments may reflect a historical correlation or relationship between the relevant rates without taking into account future changes in the unsecured short-term funding costs of banks in the interbank market and without otherwise including a measure that reflects bank credit risk.

In view of the relatively nascent stage of the Replacement Reference Rate development for interbank offered rates, it is impossible to predict with any certainty whether and how conversions of Replacement Reference Rates into interbank offered rates-equivalent rates would or could be made and by whom. For example, conversions and adjustments could be made by developers of Replacement Reference Rates or by compiling bodies, sponsors or administrators of Replacement Reference Rates, or by a method or mechanism established by them. Due to competition laws or other legal constraints, developers and other market participants may be unable or reluctant to act collectively in certain respects in reforming or replacing interbank offered rates, such as setting or agreeing spreads or making other adjustments to Replacement Reference Rates at the financial industry level without central bank or government involvement, endorsement or other intervention.

Determining Party not acting as fiduciary or advisor

In the case where the Determining Party is required to make a determination with respect to a Replacement Reference Rate, Noteholders should assume that any Determining Party's obligations and responsibilities with respect to such determination are administrative in nature and that the Determining Party shall not act as a fiduciary or advisor to any Noteholder, the Issuer or any party under any of the relevant Transaction Documents.

Determining Party acts independently with respect to the Notes and/or the Swap Agreement(s) and/or Option Agreement(s)

The Determining Party's interest, involvement or role with respect to the Notes and/or Swap Agreement(s) and/or Option Agreement(s) will vary from its interest, involvement or roles with respect to other instruments and, accordingly, the Determining Party reserves the right to make decisions and act independently with respect to the Notes and/or the Swap Agreement(s) and/or Option Agreement(s) without any obligation to treat all interbank offered rate based obligations alike, including, without limitation, agreeing or applying the same adjustment spreads to alternative reference rates for purposes of converting them into approximations of IBOR-equivalent rates.

Insufficiency of fallbacks/delays and uncertainties leading to interest suspension

Initiatives and determinations relating to alternative reference rates will result in delays or uncertainty and any failure of an alternative reference rate being developed or gaining market acceptance could adversely affect the Notes and/or Swap Agreement(s) and/or Option Agreements(s) and the economics of the same, including the price, value or liquidity of such instruments, the usefulness of the Notes for any Noteholder's intended purpose and the timing or amount of payments or deliveries. In the event that a Reference Rate Event occurs and the Determining Party has not identified a Replacement Reference Rate or determined the adjustment spread in time for a determination for which the Replacement Reference Rate and adjustment (if any) are required for the purposes of the Notes, the payment of such interest may be suspended until such determination is finally made and, in some cases, such suspension could be indefinite and may continue until the maturity date.

Noteholder investment consideration

Noteholders should consider how the Reference Rate, the Swap Agreement(s) and/or the Option Agreement(s) and the Notes may be affected by such initiatives and modifications described above, and the extent to which the terms of the Notes and the Swap Agreement(s) and/or the Option Agreement(s) provide for such eventualities, as such events can have a material impact on the value of and return on the Notes and/or Swap Agreement(s) and/or the Option Agreement(s), the liquidity of such instruments and their economics. Investors should be aware that the application of any Replacement Reference Rate (notwithstanding the inclusion of any adjustment spread) could result in a lower amount being payable to Noteholders than would otherwise have been the case. There is no guarantee that an alternative reference

rate will be identified, or an adjustment spread determined by the Determining Party and, the less liquidity a Reference Rate has, the greater the risk that a Reference Rate Event will cause a transfer of economic value from the Noteholders to the Issuer. Noteholders acquiring any Notes will need to evaluate their individual circumstances and weigh the pros and cons of alternatives available, such as acquiring alternative investments that are not based on floating rate benchmarks or using fallbacks that have more certain outcomes.

Replacement Reference Rate effected without Noteholders' consent

Where a Reference Rate Event has occurred, the Determining Party is responsible for using its discretion in administering the appropriate fallbacks under the terms and conditions of the Notes and the Swap Agreement(s) and/or Option Agreement(s) to select a Replacement Reference Rate, to make the Reference Rate-equivalent or adjustment spread determinations. If the Determining Party identifies a Replacement Reference Rate and, if applicable, an Adjustment Spread on or prior to a specified cut-off date, the Calculation Agent shall apply the Adjustment Spread to the Replacement Reference Rate and shall, after consulting any source it deems to be reasonable, make such other adjustments to the Conditions in a manner that is consistent with any industry-accepted practices for such Replacement Reference Rate (including, but not limited to, any Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Amount, Interest Payment Date, Interest Period, Interest Period Date, Interest Rate and any other relevant methodology or definition for calculating such Replacement Reference Rate (including any adjustment factor it determines is required to make such Replacement Reference Rate comparable to the Reference Rate)) as it, in its sole discretion, determines necessary or appropriate, to account for the effect of such replacement and adjustment and/or to preserve the economic equivalence of the Notes and/or Swap Agreement(s) and/or Option Agreement(s) before and after such replacement and adjustment, such amendments to the terms and conditions and to the relevant Transaction Documents can be effected without requiring the consent of the Noteholder(s) or the Couponholders.

Regulation and reform of “benchmarks”, including LIBOR, EURIBOR and other interest rate, equity, commodity, foreign exchange rate and other types of benchmarks

The London Inter-Bank Offered Rate (“LIBOR”), the Euro Interbank Offered Rate (“EURIBOR”) and other interest rate, equity, commodity, foreign exchange rate and other types of indices which are deemed to be “benchmarks” are the subject of recent national, international and other regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such “benchmarks” to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a “benchmark” and would lead to a Reference Rate Event as discussed in the risk factor above entitled “Benchmark Information”.

Key international proposals for reform of “benchmarks” include IOSCO’s Principles for Financial Market Benchmarks (July 2013) (the “IOSCO Benchmark Principles”) and the EU Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the “Benchmark Regulation”).

The IOSCO Benchmark Principles aim to create an overarching framework of principles for benchmarks to be used in financial markets, specifically covering governance and accountability as well as the quality and transparency of benchmark design and methodologies. A review published by IOSCO in February 2015 of the status of the voluntary market adoption of the IOSCO Benchmark Principles noted that, as the benchmarks industry is in a state of change, further steps may need to be taken by IOSCO in the future, but that it is too early to determine what those steps should be. The review noted that there has been a significant market reaction to the publication of the IOSCO Benchmark Principles, with widespread efforts being made to implement the IOSCO Benchmark Principles by the majority of administrators surveyed.

On 17 May 2016, the Council of the European Union adopted the Benchmark Regulation. The Benchmark Regulation entered into force on the day following its publication in the Official Journal of the EU on 29 June 2016 and the majority of its provisions apply from 1 January 2018.

The Benchmark Regulation applies to “contributors”, “administrators” and “users” of “benchmarks” in the EU, and, among other things, (i) requires benchmark administrators to be authorised (or, if non-EU-based, to have satisfied certain “equivalence” conditions in its local jurisdiction, to be “recognised” by the authorities of a Member State pending an equivalence decision or to be “endorsed” for such purpose by an EU competent authority) and to comply with requirements in relation to the administration of “benchmarks” and (ii) bans the

use of “benchmarks” of unauthorised administrators. The scope of the Benchmark Regulation is wide and, in addition to so-called “critical benchmark” indices such as LIBOR and EURIBOR, applies to many other interest rate indices, as well as equity, commodity and foreign exchange rate indices and other indices (including “proprietary” indices or strategies) which are referenced in certain financial instruments (securities or OTC derivatives listed on an EU regulated market, EU multilateral trading facility (MTF), EU organised trading facility (OTF) or “systematic internaliser”), certain financial contracts and investment funds. Different types of “benchmark” are subject to more or less stringent requirements, and in particular a lighter touch regime will apply where a “benchmark” is not based on interest rates or commodities and the total average value of financial instruments, financial contracts or investment funds referring to a benchmark over the past six months is less than €50bn, subject to further conditions.

The Benchmark Regulation could have a material impact on Notes linked to a “benchmark” rate or index, including in any of the following circumstances:

- a rate or index which is a “benchmark” could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the “equivalence” conditions, is not “recognised” pending such a decision and is not “endorsed” for such purpose. In such event, depending on the particular “benchmark” and the applicable terms of the Notes, the Notes could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted; and
- the methodology or other terms of the “benchmark” could be changed in order to comply with the terms of the Benchmark Regulation (see also the risk factor above entitled “Benchmark Information”), and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the Notes, including Calculation Agent determination of the rate or level in its discretion.

In addition to the international proposals for reform of “benchmarks” described above, there are numerous other proposals and initiatives which may impact “benchmarks”.

Any of the international, national or other proposals for reform or the general increased regulatory scrutiny of “benchmarks” could increase the costs and risks of administering or otherwise participating in the setting of a “benchmark” and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or contribute to certain “benchmarks”, trigger changes in the rules or methodologies used in certain “benchmarks” or lead to the disappearance of certain “benchmarks”. The disappearance of a “benchmark” or changes in the manner of administration of a “benchmark” could result in adjustment to the terms and conditions, early redemption, discretionary valuation by the Calculation Agent, delisting or other consequence in relation to Notes linked to such “benchmark”. Any such consequence could have a material adverse effect on the value of and return on any such Notes.

If Notes are represented by a Global Note or a Global Certificate, investors will have to rely on the procedures of Euroclear and/or Clearstream, Luxembourg for transfer, payment and communication with the Issuer

Notes issued under the Programme may be (but, for the avoidance of doubt, are not required to be) represented by a Global Note or a Global Certificate. Such Global Notes or Global Certificates will be deposited with a common depositary for Euroclear and/or Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note or Global Certificate, investors will not be entitled to receive Definitive Notes or Certificates. Euroclear and/or Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in the Global Notes or Global Certificates. While the Notes are represented by a Global Note or a Global Certificate, investors will be able to trade their beneficial interests only through Euroclear and/or Clearstream, Luxembourg and their respective participants.

While the Notes are represented by a Global Note or a Global Certificate, the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and/or Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note or a Global Certificate must rely on the procedures of Euroclear and/or Clearstream, Luxembourg to receive payments under the relevant Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in Global Notes or Global Certificates.

Holders of beneficial interests in a Global Note or a Global Certificate will not have a direct right to vote in respect of the relevant Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and/or Clearstream, Luxembourg and their respective participants to appoint appropriate proxies. Similarly, holders of beneficial interests in a Global Note or a Global Certificate will not have a direct right under such Global Note or Global Certificate to take enforcement action against the Issuer in the event of a default under the relevant Notes.

Risk Factors relating to the Collateral

No investigations

No investigations, searches or other enquiries have been made by or on behalf of the Issuer or the Transaction Parties in respect of the Collateral. No representations or warranties, express or implied, have been given by the Issuer, the Dealer, the Trustee or any other person on their behalf in respect of the Collateral.

Collateral

Noteholders may be exposed to the market price of the Collateral. The Issuer may have to fund its payments by the sale of some or all of the Collateral at a market value. The market price of the Collateral will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, domestic and international political events, developments or trends in a particular industry and the financial condition of the relevant obligor of the Collateral. The Arranger and the Dealer may have acquired, or during the terms of the Notes may acquire, confidential information or enter into transactions with respect to any Collateral and they shall not be under any duty to disclose such confidential information or the nature of any transaction to any Noteholder or the Issuer. The obligor of any Collateral may also be subject to a resolution regime (see “Bank Recovery and Resolution Directive” below).

If the Issuer has entered into a Credit Support Annex as part of its Swap Agreement, by virtue of the collateral requirements applicable to any such arrangements the Collateral held by it from time to time may comprise assets other than, or in addition to, the Initial Collateral, or may comprise less Collateral than the amount held by it on the issue date, as assets will be required to be delivered by the Issuer to the Swap Counterparty which have an aggregate value (after the application of any relevant haircuts) at least equal to the exposure that the Swap Counterparty has to the Issuer under the Swap Agreement. If the Issuer holds other or additional assets, the types of assets that may comprise Collateral may be diverse and may be less liquid and more volatile than the Initial Collateral. If pursuant to the terms of the Credit Support Annex, cash is posted to the Issuer (which will be credited to the Issuer’s Cash Account with the Custodian), interest (if any) will accrue in accordance with the Custodian’s deposit terms and conditions.

Early redemption for Initial Collateral default

If, in respect of any Series of Notes, any of the relevant Initial Collateral becomes repayable or, unless the Trustee otherwise agrees, becomes capable of being declared due and payable prior to its stated date of maturity or (unless the Trustee otherwise agrees) there is a payment default in respect of any of the relevant Initial Collateral, the Issuer may be required to redeem such Notes in whole or in part on the basis set out in Condition 7.2. The Notes are not principal protected in such circumstances and the amount payable to Noteholders will be calculated in accordance with the Conditions.

Initial Collateral Subordination

The Initial Collateral relating to any Notes may (but is not required to) comprise direct, unconditional, unsecured and subordinated obligations of the Initial Collateral obligor. In the event of any dissolution, liquidation or winding up of the Initial Collateral obligor, in bankruptcy or otherwise, the payment of principal and interest on any such subordinated Initial Collateral will be subordinated to the prior payment in full of all the Initial Collateral obligor’s present and future unsubordinated creditors. As a result of the subordinated nature of such Initial Collateral, the value attributed thereto by dealers in the market is likely to be substantially less than the value attributed to unsubordinated debt obligations of the Initial Collateral obligor. In particular, the value of such Initial Collateral will be affected if the Initial Collateral obligor is or is likely to be dissolved, liquidated or wound up (which may occur in conjunction with an Initial Collateral default) and could be zero. The value of the Initial Collateral is an integral component of the Early Redemption Amount that will be payable on the Notes were they to be redeemed early and will directly impact the return of the Noteholders upon early redemption.

Likelihood of Initial Collateral Default

The likelihood of an Initial Collateral default occurring will generally fluctuate with, among other things, the financial condition and other characteristics of the Initial Collateral obligor, general economic conditions, the condition of certain financial markets, political events, developments or trends in any particular industry and changes in prevailing interest rates. Prospective investors should review the Initial Collateral obligor and conduct their own investigation and analysis with respect to the creditworthiness of the Initial Collateral obligor and the likelihood of the occurrence of an Initial Collateral default.

No claim against any Initial Collateral Obligor

The Notes will not represent a claim against the Initial Collateral obligor and, in the event of any loss, a Noteholder will not have recourse under the Notes to the Initial Collateral obligor.

SFTR (Article 15) Title Transfer Collateral Arrangements Risk Disclosure

In respect of any Series, the Issuer may have entered into, or may enter into, one or more “title transfer collateral arrangements” (as defined in Article 2(1) of Directive 2002/47/EC) (each such arrangement, a “Title Transfer Arrangement”) with a counterparty (each such counterparty, a “Title Transfer Counterparty”) as specified in the relevant Authorised Offering Document. The Title Transfer Arrangement may take the form of a credit support annex (including any Credit Support Annex to the Swap Agreement), a global master repurchase agreement as published by the International Capital Market Association and Securities Industry and Financial Markets Association or a global master securities lending agreement as published by the International Securities Lending Association (or any other securities lending agreement), or another form that provides for collateralisation on a title transfer basis.

Under Article 15 of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (as amended from time to time) (“SFTR”), the transferee of securities under any Title Transfer Arrangement is required to inform the transferor of such securities of the general risks and consequences that may be involved in entering into a Title Transfer Arrangement. Such risks are detailed below and are also relevant for Noteholders even though they will not be directly party to any Title Transfer Arrangement, particularly in circumstances where the Issuer is a transferor of securities under a Title Transfer Arrangement.

In the section below, the person that transfers securities under a Title Transfer Arrangement is referred to as the “Transferor”, the person to whom such securities are transferred is referred to as the “Transferee” and the securities so transferred are referred to as the “Securities Collateral”.

Loss of proprietary rights in Securities Collateral

The rights, including any proprietary rights, that a Transferor has in Securities Collateral transferred to a Transferee will be replaced (subject to any security granted by the Transferee) by an unsecured contractual claim for delivery of equivalent Securities Collateral, subject to the terms of the Title Transfer Arrangement. If the Transferee becomes insolvent or defaults under the Title Transfer Arrangement, the Transferor’s claim for delivery of equivalent Securities Collateral will not be secured and will be subject to the terms of the Title Transfer Arrangement and applicable law. Consequently, the Transferor may not receive such equivalent Securities Collateral (although the Transferor’s exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement and/or other liabilities it has to the Transferee under any other Title Transfer Arrangement can be netted or set-off against the obligation of the Transferee to deliver equivalent Securities Collateral to the Transferor).

Where the Issuer is the Transferor, upon transfer of the Securities Collateral, such securities will cease to form part of the Collateral so Noteholders will no longer have the benefit of security over such securities. In the event of the Title Transfer Counterparty (as transferee) becoming insolvent or otherwise defaulting, the Collateral will not include equivalent Collateral which the Issuer might otherwise have been expecting to receive. In these circumstances, Noteholders should be aware that the Available Proceeds may be insufficient

to cover amounts that would otherwise be due under the Notes and consequently the Noteholders are exposed to the credit risk of the Title Transfer Counterparty (as Transferee).

Where the Title Transfer Counterparty is the Transferor, upon transfer of the Securities Collateral, the Issuer's obligations to transfer equivalent Securities Collateral in respect of the Title Transfer Arrangement, amongst other things, will be secured by the Collateral in respect of the relevant Series. The Title Transfer Counterparty will not have any proprietary rights in the Securities Collateral transferred to the Issuer. If the Issuer defaults under the Title Transfer Arrangement, although the Title Transfer Counterparty's claim for delivery of equivalent Securities Collateral will benefit from security granted by the Issuer, the Title Transfer Counterparty's claim for delivery of equivalent Securities Collateral will, as a result of the applicable payment waterfall, be subordinated to prior ranking claims of certain other Secured Parties in respect of the Collateral. Consequently, the Transferor may not receive the equivalent Securities Collateral (although the Transferor's exposure may be reduced to the extent that its liabilities to the Transferee under such Title Transfer Arrangement and/or other liabilities it has to the Transferee under any other Title Transfer Arrangement can be netted or set-off against an obligation on the Transferee to deliver equivalent Securities Collateral to the Transferor).

Stay of proceedings following resolution process

In the event that a resolution process (i.e. the process by which the authorities can intervene to manage the failure of a firm in an orderly fashion) is commenced by a resolution authority under any relevant resolution regime in relation to the Transferee, then (i) any rights that the Transferor may have to take any action against the Transferee, such as to terminate the Title Transfer Arrangement, may be subject to a stay by the relevant resolution authority and (ii) the Transferor's claim for delivery of equivalent Securities Collateral may be reduced (in part or in full) or converted into equity or (iii) a transfer of assets or liabilities may result in the Transferor's claim against the Transferee being transferred to different entities, although the Transferor may be protected to the extent that the exercise of resolution powers is restricted by the availability of set-off or netting rights.

Where the Issuer is the Transferor, this means that the Issuer may not be able to immediately enforce its rights against the Title Transfer Counterparty and its rights may be altered by operation of law or contract. Noteholders will be exposed to the risk of such delay and alteration of rights against the Title Transfer Counterparty.

Loss of voting rights in respect of Securities Collateral

The Transferor in respect of any Securities Collateral will not be entitled to exercise, or direct the Transferee to exercise (subject to the terms of the Trust Deed in the event that the Title Transfer Counterparty is the Transferor) any voting, consent or similar rights attached to the Securities Collateral.

Noteholders should be aware that where the Transferor is the Issuer, the Noteholders will not have any right under the Trust Deed to direct the Issuer to exercise any voting, consent or similar rights attached to the Securities Collateral.

No information provided in respect of Securities Collateral

The Transferee will have title to any Securities Collateral and may or may not continue to hold such Securities Collateral and as such it will have no obligation to inform the Transferor of any corporate events or actions in relation to any Securities Collateral.

Where the Issuer is the Transferor, this means that no assurance can be given to Noteholders that they will be informed of events affecting any Securities Collateral.

Risk Factors relating to business relationships and capacity of Citigroup Global Markets Limited

The Issuer, Citigroup Global Markets Limited and any of its affiliates may have existing or future business relationships with any Swap Counterparty, Option Counterparty, Credit Support Provider or issuer of any Collateral (including, but not limited to, lending, depository, risk management, advisory and banking relationships) and will pursue actions and take steps that they deem or it deems necessary or appropriate to protect their or its interests arising therefrom without regard to the consequences for a Noteholder. In addition, the Issuer, Citigroup Global Markets Limited and any of its affiliates may make a market or hold positions in

respect of any of the Collateral relating to any particular transaction. From time to time, Citigroup Global Markets Limited and its affiliates may own significant amounts of Notes issued under the Programme.

Citigroup Global Markets Limited and its affiliates may act in a number of capacities in respect of Notes issued under the Programme, including, without limitation, Dealer, Calculation Agent, Swap Counterparty, Option Counterparty and Disposal Agent (as defined in the Conditions). Citigroup Global Markets Limited and its affiliates acting in such capacities in connection with such Notes shall have only the duties and responsibilities expressly agreed to by such entities in the relevant capacity and shall not, by virtue of acting in any other capacity, be deemed to have other duties or responsibilities or be deemed to hold a standard of care other than as expressly provided with respect to each such capacity. Citigroup Global Markets Limited and its affiliates in their various capacities in connection with the Notes may enter into business dealings, from which they may derive revenues and profits in addition to any fees, without any duty to account therefor.

Risk Factors relating to the Swap Counterparty and any Swap Agreement

Credit Risk of Swap Counterparty

If a Swap Agreement is entered into by the Issuer in connection with the Notes, the ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments under the relevant Swap Agreement. Consequently, the Issuer is exposed not only to the occurrence of a payment default in relation to the Initial Collateral and/or the volatility in the market value of the Collateral, but also to the ability of the relevant Swap Counterparty to perform its obligations under the Swap Agreement. Default by the relevant Swap Counterparty may result in the termination of the relevant Swap Agreement and, in such circumstance, any amount due to the Issuer upon such termination may not be paid in full.

If on the termination of the Swap Agreement (where applicable) an amount is payable by the Swap Counterparty to the Issuer (for the avoidance of doubt, taking into account any collateral posted between the parties pursuant to the terms of any Credit Support Annex to the Swap Agreement), then the Issuer shall have an unsecured claim against the Swap Counterparty for such amount.

In the circumstances specified in any Swap Agreement entered into by the Issuer in connection with the Notes, the Issuer or the relevant Swap Counterparty may terminate all outstanding Swap Transactions under the relevant Swap Agreement in whole. The Issuer will be entitled to terminate all outstanding Swap Transactions under the relevant Swap Agreement in whole upon the occurrence of an event of default (as such events are more particularly described in the relevant Swap Agreement) in relation to the relevant Swap Counterparty, provided that it is acting on the instructions of the Trustee. The relevant Swap Counterparty will be entitled to terminate upon the occurrence of an event of default (as such events are more particularly described in the relevant Swap Agreement) in relation to the Issuer. The Issuer and the relevant Swap Counterparty may be able to terminate upon the occurrence of an illegality, certain tax-related events, the failure of the Issuer to pay any amounts or otherwise comply with its obligations under the Notes or upon the occurrence of a default or certain other tax-related events in respect of the Initial Collateral or part thereof (or, in certain circumstances, in respect of the Issuer) (all as more particularly described in the relevant Swap Agreement), provided that the Issuer may only terminate the outstanding swap transactions under a Swap Agreement with the prior written consent of the Trustee. Any termination of the swap transactions under a Swap Agreement will generally result in a corresponding redemption in whole of the relevant Series of Notes. Upon any such redemption, the amount paid to Noteholders to redeem such Notes may be significantly less than the Noteholder's original investment in such Notes and may be zero.

The Swap Counterparty may also be subject to a resolution regime (see "Bank Recovery and Resolution Directive" below).

Credit Support Annex

If specified in the applicable Authorised Offering Document, the Issuer will also enter into a Credit Support Annex with the Swap Counterparty in respect of the Notes. Such Credit Support Annex may provide for credit support to be provided by the Issuer to the Swap Counterparty, by the Swap Counterparty to the Issuer or by both, as specified in the applicable Credit Support Annex. Where a Credit Support Annex is entered into it shall form part of the Swap Agreement.

If the Credit Support Annex provides for credit support to be provided by the Issuer to the Swap Counterparty, the Issuer may have to post Initial Collateral ("Issuer Posted Collateral") to the Swap Counterparty from time to time if the value of the Swap Transaction to the Issuer is negative. Any Issuer Posted Collateral posted to

the Swap Counterparty will be taken from the Initial Collateral, and will therefore reduce the overall pool of Initial Collateral securing the Issuer's obligations under the Notes. There is a possibility that the Initial Collateral available to the Issuer for transfer might not be sufficient to enable the Issuer to satisfy its delivery obligations under the Credit Support Annex. This would be in a case where the exposure of the Swap Counterparty to the Issuer under the Swap Agreement exceeds the aggregate value (for purposes of the Credit Support Annex and taking into account any applicable haircuts) of the Initial Collateral held by the Issuer and the Issuer Posted Collateral at that time. Any failure of the Issuer to make deliveries required under the Credit Support Annex in full would comprise an event of default under the Swap Agreement if not remedied within the time period therein and would entitle the Swap Counterparty to terminate the Swap Agreement. Such termination would result in an early redemption of the relevant Series of Notes.

If the Credit Support Annex specifies that credit support is to be provided by the Swap Counterparty to the Issuer, the Swap Counterparty may have to post CSA Posted Collateral (as defined in the Conditions) to the Issuer from time to time if the value of the Swap Transaction to the Issuer is positive. CSA Posted Collateral transferred to the Issuer under the Credit Support Annex may be subject to volatility in their prices and subject to credit and liquidity risks. No investigations, searches or other enquiries will be made by or on behalf of the Issuer in respect of the CSA Posted Collateral and no representations or warranties, express or implied, are or will be given by the Issuer or any other person to Noteholders in relation to any CSA Posted Collateral.

Due to fluctuations in the value of the Swap Transaction and of the value of any CSA Posted Collateral or Issuer Posted Collateral and to the minimum transfer amounts in the Credit Support Annex:

- (i) the value of the CSA Posted Collateral at any time may not be sufficient to cover the amount that would otherwise be payable by the Swap Counterparty on termination of the Swap Agreement; and
- (ii) the value of the Issuer Posted Collateral at any time could exceed the amount that the Issuer would otherwise owe to the Swap Counterparty on termination of the Swap Agreement.

On any Early Termination Date (as defined in the Swap Agreement) being designated or deemed to occur under the Swap Agreement, the party to whom collateral has been posted shall not be obliged to return such posted Collateral or equivalent collateral thereto but instead the value of such posted Collateral shall be deemed to be owed to the transferor for the purposes of calculating the termination payment. In each of the scenarios described in paragraphs (i) and (ii) above, a net amount would be payable from the Swap Counterparty to the Issuer. If the Swap Counterparty were insolvent, such amount would rank as an unsecured claim against the Swap Counterparty. By way of example of the scenario described in paragraph (ii), if the termination amount under the Swap Agreement was U.S.\$10,000,000 payable by the Issuer to the Swap Counterparty (ignoring the value of the Issuer Posted Collateral), but the Issuer had transferred Issuer Posted Collateral to the Swap Counterparty worth U.S.\$12,000,000, then on a termination the Swap Counterparty would owe the net sum of U.S.\$2,000,000 to the Issuer and the Issuer would be an unsecured creditor of the Swap Counterparty for that amount.

If it is determined that the Swap Counterparty must transfer additional collateral to the Issuer, there may be a period prior to the transfer of such collateral in which the value of the CSA Posted Collateral transferred to the Issuer under the Credit Support Annex is less than the amount that would be payable by the Swap Counterparty to the Issuer if the Swap Agreement were to terminate. In such circumstances, which are similar to those described in paragraph (i) above, there may be insufficient Collateral securing the Issuer's obligations under the Notes.

The Issuer is exposed to movements in the value of the Swap Transaction, the Issuer Posted Collateral and the CSA Posted Collateral (as the case may be), and to the creditworthiness of the Swap Counterparty and any obligor of Eligible Credit Support (VM) (as defined in the Credit Support Annex).

Investing in the Notes will not make an investor the owner of any cash or securities comprising the CSA Posted Collateral. Any amounts payable on the Notes will be made in cash and the holders of the Notes will have no right to receive delivery of any securities comprising the CSA Posted Collateral. Investors should also note that the Credit Support Annex contains provisions that enable the Swap Counterparty to deliver a notice that items that then comprise eligible collateral under the Credit Support Annex will cease to be eligible. Such notice can be delivered if the Swap Counterparty determines that the relevant items either have ceased to satisfy, or as of a specified date will cease to satisfy, collateral eligibility requirements under laws applicable to it requiring the collection of variation margin. Any non-eligible credit support will be given a zero value. If the Swap Counterparty delivers such a notice to the Issuer, the Issuer is unlikely to have any other Collateral

available to it to provide to the Swap Counterparty as eligible collateral under the Credit Support Annex and, as a result, such legal ineligibility would be likely to lead to an event of default under the Swap Agreement if not remedied within the time period therein and would entitle the Swap Counterparty to terminate the Swap Agreement. Such termination would result in an early redemption of the relevant Series of Notes.

Determinations of Swap Termination Payments

Upon early termination of the Swap Agreement (if any), an early termination payment will be payable by the Issuer to the Swap Counterparty, or (as the case may be) by the Swap Counterparty to the Issuer under the Swap Agreement. Such termination payments will be based on the replacement cost or gain for a swap agreement that would have the effect of preserving for the party making the determination the economic equivalent of that Swap Agreement. Such payment will generally be determined by the Swap Counterparty. The determination of any such losses or costs or, as the case may be, gains will be dependent on a number of factors, including, without limitation, (i) the creditworthiness and liquidity of the assets underlying the swap payments, (ii) market perception, interest rates, yields and foreign exchange rates, (iii) the time remaining to the scheduled termination date of the Swap Transactions under the Swap Agreement and (iv) where a Credit Support Annex has been entered into as part of the Swap Agreement, the value of any collateral received by the Issuer, or collateral posted by the Issuer, thereunder. The determination of a termination payment and the factors which are taken into account in making that determination, may significantly impact amounts payable to Noteholders.

Amendments in connection with Regulatory Consequences or Sanctions Event

Each of the Swap Counterparty and the Option Counterparty has the right to make certain amendments (“Regulatory Amendments”) to the Swap Agreement or Option Agreement (and any other Transaction Document as is required) for the purposes of causing the transactions contemplated therein to comply or to continue to comply with, or to take into account, any relevant Regulatory Consequences or Sanctions Event. Regulatory Amendments can also be made if required to ensure that the Issuer would not be prevented from entering into a swap agreement or any other trading agreement in connection with any other Series of Notes.

Regulatory Amendments permit the Swap Counterparty and/or Option Counterparty to make amendments to the Transaction Documents, where possible, to allow the Swap Counterparty or Option Counterparty, as applicable, to continue to comply with applicable law, policy, regulation and guidance from time to time, when performing its obligations under or in connection with the relevant Series of Notes or any other Series of Notes issued under the Programme.

Any Regulatory Amendments shall be undertaken at the expense of the Swap Counterparty and/or the Option Counterparty, as applicable, and shall be made without the need for the consent of any other party to the Transaction Documents, provided that the criteria outlined within the Conditions are satisfied. However, for the avoidance of doubt, Regulatory Amendments need not be beneficial to the Issuer or Noteholders and could put the Issuer in a position that is less advantageous than the position it had immediately prior to effecting such Regulatory Amendments (see, for example, “QFCs” below).

U.S. Regulatory considerations

U.S. Dodd-Frank Act

Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, enacted 21 July 2010 (the “Dodd-Frank Act”), establishes a comprehensive U.S. regulatory regime for a broad range of derivatives contracts (collectively referred to in this risk factor as “covered swaps”). Among other things, the Dodd-Frank Act provides the U.S. Commodity Futures Trading Commission (the “CFTC”) and the U.S. Securities and Exchange Commission (the “SEC”) with jurisdiction and regulatory authority over many different types of derivatives that were previously traded over the counter, requires the establishment of a comprehensive registration and regulatory framework applicable to covered swap counterparties, such as swap dealers, major swap participants, security-based swap dealers and/or major security-based swap participants, requires many types of covered swaps to be exchange-traded or executed on swap execution facilities and centrally cleared, and contemplates the imposition of capital and margin requirements for uncleared transactions in covered swaps.

While many of the key regulations implementing various provisions of the Dodd-Frank Act have recently been finalized and adopted, some implementing regulations currently exist only in draft form and are subject to comments and revision, and still other implementing regulations have not yet been proposed. Due to this

uncertainty, a complete assessment of the exact effects of the Dodd-Frank Act cannot be made at this time. As the Dodd-Frank Act's requirements go into effect, it is clear that covered swap counterparties, dealers and other major market participants, as well as commercial users of covered swaps, will experience new and/or additional regulatory requirements, compliance burdens and associated costs.

Notwithstanding the contractual restrictions that have been imposed by the Issuer in order to fall outside the scope of Dodd-Frank, there is no assurance that the Issuer's Swap Agreements would not be treated as covered swaps under the Dodd-Frank Act, nor is there assurance that the Issuer would not be required to comply with additional regulation under the U.S. Commodity Exchange Act of 1936, as amended (the "CEA"), as described immediately below. In particular, the Swap Agreements entered into between the Issuer and a Swap Counterparty may include agreements that are regulated as covered swaps under the Dodd-Frank Act, each of which may be subject to new clearing, execution, capital, margin posting, reporting and recordkeeping requirements under the Dodd-Frank Act that could result in additional regulatory burdens, costs and expenses (including extraordinary, non-recurring expenses of the Issuer thereby materially and adversely impacting a transaction's value). Even those Swap Agreements not required to be cleared may be subject to initial and variation margining and documentation requirements that may require modifications to existing agreements. If the Issuer's Swap Agreements are treated as covered swaps under the Dodd-Frank Act, the Issuer may be required to comply with additional regulation under the CEA. Moreover, the Issuer could be required to register as a commodity pool operator and to register the Notes as a commodity pool with the CFTC (see "Risks relating to the U.S. Commodity Pool Regulation" below).

Any additional registration requirements could result in one or more service providers or counterparties to the Issuer resigning, seeking to withdraw or renegotiating their relationship with the Issuer. To the extent any service providers resign, it may be difficult to replace such service providers.

Under the Dodd-Frank Act, Swap Agreements entered into between the Issuer and a Swap Counterparty may be subject to mandatory execution, clearing and documentation requirements. Any of the foregoing requirements and/or other requirements or obligations under the Dodd-Frank Act could materially increase costs associated with the Programme and could materially and adversely affect the value of the Notes.

Given that the full scope and consequences of the enactment of the Dodd-Frank Act and the rules still to be adopted thereunder are not yet known, investors are urged to consult their own advisors regarding the suitability of an investment in any Notes.

Risks relating to U.S. Commodity Pool Regulation

The CFTC has rescinded a rule which formerly provided an exemption from registration as a "commodity pool operator" (a "CPO") or a "commodity trading advisor" ("CTA") under the CEA, in respect of certain transactions and investment vehicles involving sophisticated investors. The Dodd-Frank Act also expanded the definition of "commodity pool" to cover entities that trade in swaps by expressly providing that a "commodity pool" included any form of enterprise operated for the purpose of trading in commodity interests, including swaps. It should also be noted that the definition of "swap" under the Dodd-Frank Act is itself broad and expressly includes certain interest rate swaps, currency swaps and total return swaps. The term "commodity pool operator" has been expanded to include any person engaged in a business that is of the nature of a commodity pool or similar enterprise and in connection therewith, solicits, accepts, or receives from others, funds, securities or property for the purpose of trading in commodity interests, including any swaps. The CFTC has taken an expansive interpretation of these definitions, and has expressed the view that entering into a single swap could make an entity a "commodity pool" subject to regulation under the CEA. The CFTC has also provided extensive exemptive relief in respect of these matters although there is no guarantee that all or any aspects of the Programme will be able to take advantage of such relief.

As at the date of this Base Prospectus, no person has registered nor will register as a CPO of the Issuer under the CEA and the CFTC Rules thereunder. No assurance can be made that either the U.S. federal government or a U.S. regulatory body (or other authority or regulatory body) will not take further legislative or regulatory action, and the effect of such action, if any, cannot be known or predicted. Notwithstanding the contractual restrictions that have been imposed by the Issuer in order to fall outside the scope of the CEA, if the Issuer was deemed to be one or more "commodity pools" subject to CPO registration requirements under the CEA, then whoever is deemed to be acting as a CPO in respect thereof would be required to register as such with the CFTC. While there remain certain limited exemptions from registration, because the wording of these regulations applies to traditional commodity pools and was not drafted with transactions such as those contemplated in relation to the Programme in mind, these exemptions may not be available to avoid

registration with respect to the Issuer or other parties. In addition, if the Issuer were deemed to be a “commodity pool”, it would have to comply with a number of reporting requirements that are geared to actively managed commodity pools. Complying with these requirements on an ongoing basis could impose significant costs on the Issuer that may materially and adversely affect the value of the Notes. It is presently unclear how an investment vehicle such as the Issuer could comply with certain of these reporting requirements on an ongoing basis. Such registration and other requirements would also involve material ongoing costs to the Issuer. The scope of such requirements and related compliance costs is uncertain but could materially and adversely affect the value of the Notes.

Risks relating to U.S. Volcker Rule

On December 10, 2013, the SEC, the CFTC and three U.S. banking regulators approved a final rule to implement Section 13 of the Bank Holding Company Act of 1956, commonly known as the Volcker Rule. Subject to certain exceptions, the Volcker Rule prohibits sponsorship of and investment in certain “covered funds” by “banking entities”, a term that includes Citibank, N.A., and most internationally active banking organizations that may be Swap Counterparties and their respective affiliates. Even if an exception allows a banking entity to sponsor or invest in a covered fund, or if a banking entity is acting as investment manager, investment advisor or CTA, the banking entity may be prohibited from entering into certain “covered transactions” with that covered fund. Covered transactions include (among other things) entering into a swap transaction if the swap would result in a credit exposure to the covered fund.

If the Issuer is considered a covered fund and if any Swap Counterparties or their affiliates were to be deemed a “sponsor”, investment manager, investment advisor or CTA of the Issuer, that Swap Counterparty could be prohibited from entering into Swap Agreements with the Issuer, which could have material adverse effects on the Notes. Alternatively, the Issuer may incur additional costs in seeking new swap counterparties in order to maintain the payment characteristics of the Notes, although there is no guarantee that it will be able to find such counterparties. Such costs could materially and adversely affect the value of and any return on the Notes. If the Issuer is considered a covered fund, the liquidity of the market for the Notes may be materially and adversely affected, since banking entities could be prohibited from, or face restrictions in, investing in the Notes. This could make it difficult or impossible for Noteholders to sell the Notes or it could materially and adversely affect their market value.

QFCs

On September 2017, the Board of Governors of the Federal Reserve System adopted a final rule (the “Final Rule”) imposing restrictions on default rights and transfer restrictions in certain non-cleared qualified financial contracts (“QFCs”) entered into by global systemically important banking organizations (“GSIBs”) or their affiliates. The Final Rule was adopted to promote U.S. financial stability by improving the resolvability and resilience of systemically important U.S. banking organizations and systemically important foreign banking organizations pursuant to section 165 of the Dodd-Frank Act. Under the Final Rule a QFC includes, among other things, over-the-counter derivatives and forward agreements entered into by U.S. GSIB bank holding companies and their subsidiaries (together, subject to certain exceptions, “Covered Entities”). In the context of the Programme, each Swap Counterparty is likely to be a Covered Entity to which the Final Rule applies (as explained below) and the Swap Agreement (as a non-U.S. law governed derivative contract) is likely to be a QFC.

While the U.S. Bankruptcy Code, the bank resolution provisions of the Federal Deposit Insurance Act (the “FDIA”) and the OLA (the “OLA,” together with the FDIA, the “U.S. Special Resolution Regimes”) established under Title II of the Dodd-Frank Act contain restrictions on default rights, a court outside of the United States may decline to enforce such provisions even if a Covered Entity is in a proceeding thereunder. To address this, the Final Rule requires a Covered Entity to ensure that each QFC it enters into includes certain contractual terms that ensure the application of the U.S. Special Resolution Regimes and that transfer restrictions and default rights against the Swap Counterparty are limited to the same extent as provided under the U.S. Special Resolution Regimes. In addition, covered QFCs may not permit the exercise of cross-default rights against a Covered Entity based on its affiliate’s entry into insolvency, resolution or similar proceedings, subject to certain conditions.

The Final Rule requires an existing QFC between a Covered Entity and a counterparty to be conformed to the requirements of the Final Rule if the Covered Entity (or an affiliate that is a Covered Entity or a particular type

of excluded bank) enters into a QFC with the counterparty or its consolidated affiliate on or after 1 January 2019. This means that if a Swap Counterparty (as a Covered Entity) or one of its affiliates (which includes the other Swap Counterparties, as Covered Entities) enters into a swap agreement that is a QFC with an Issuer after 1 January 2019, the Final Rule will apply in respect of any existing Swap Agreements with that Issuer with effect from the relevant compliance date (which date is determined by reference to the regulatory status of the relevant Issuer, as the Covered Entity's counterparty, which is expected to be 1 July 2019).

As it is expected that the Swap Counterparties will continue to enter in to further Swap Agreements with the Issuers in connection with Notes issued under the Programme after 1 January 2019, prior to 1 July 2019 each Swap Counterparty (as a Covered Entity) will be required to amend existing Swap Agreements (that will be QFCs) with the Issuers under the Final Rule to include appropriate limitations on counterparty default rights and transfer restrictions that arise in connection with bankruptcy or insolvency proceedings of such Swap Counterparty and its affiliates. Such amendments will be effected as Regulatory Amendments (see "Amendments in connection with Regulatory Consequences or Sanctions Event" above) without the consent of the Trustee, the Noteholders or any other party, but intended to take effect as from the required compliance date. Such Regulatory Amendments to be effected to comply with the Final Rule will result in the Issuer having fewer rights against the relevant Swap Counterparty when in bankruptcy or insolvency proceedings than was previously the case.

Japanese Jurisdictional Module of the ISDA Resolution Stay Jurisdictional Modular Protocol

If the Swap Counterparty is Citigroup Global Markets Japan Inc., the Issuer is deemed to acknowledge and agree that the effect of certain "Stay Decisions" or other procedures for creditor protection under the Deposit Insurance Act of Japan may apply in certain circumstances to the Swap Agreement as a result of the Swap Counterparty being a Japanese financial institution.

Risk Factors relating to the Custodian

Collateral in the form of transferable securities will be held in an account of, and in the name of, the Custodian. Where the Collateral consists of assets other than transferable securities, it may be held in the name of or under the control of the Custodian or in such other manner as is approved by the Trustee.

The ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Collateral is so held). Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral, but also on the creditworthiness of the Custodian in respect of the performance of its obligations under the Custody Agreement for such Notes.

If there is an overpayment in respect of the Collateral held in the Custodian's account with a clearing system that leads to a subsequent clawback of such overpayment via the relevant clearing system, the Custodian may seek to recover the corresponding payments made in respect of the Notes or may retain amounts payable in respect of the Notes in order to recover the amount of such clawback.

Any cash deposited with the Custodian by the Issuer and any cash received by the Custodian for the account of the Issuer in relation to a Series will be held by the Custodian as banker and not as trustee and will be a bank deposit. Accordingly, such cash will not be held as client money and will represent only an unsecured claim against the Custodian's assets.

Sub-Custodians. Depositaries and Clearing Systems

Credit risk

Under the Custody Agreement, the Issuer authorises the Custodian to hold the Collateral in their account or accounts with any other sub-custodian, any securities depositary or at such other account keeper or clearing system as the Custodian deems to be appropriate for the type of instruments which comprise the Collateral.

Therefore, where the Collateral is held with a sub-custodian, securities depositary or clearing system, the ability of the Issuer to meet its obligations with respect to the Notes will be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Collateral is so held) and, in turn, the Custodian will be dependant (in whole or in part) upon receipt of payments from such sub-custodian, securities depositary or clearing system. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral and the Custodian in respect of the performance of its obligations under

the Custody Agreement for such Notes, but also on the creditworthiness of any duly appointed sub-custodian, securities depository or other account keeper or clearing system holding the Collateral.

Lien/Right of set-off

Pursuant to their terms of engagement, such sub-custodians, security depositories or clearing systems may have liens or rights of set-off with respect to the Collateral held with them in relation to any of their fees and/or expenses. If, for whatever reason, the Custodian fails to pay such fees and/or expenses, the relevant sub-custodian, security depository or clearing system may exercise such lien or right of set-off, which may result in the Issuer failing to receive any payments due to it in respect of the Collateral, adversely affecting the ability of the Issuer to meet its obligations with respect to the Notes.

Therefore, the ability of the Issuer to meet its obligations with respect to the Notes will not only be dependent upon receipt by the Issuer of payments from the Custodian under the Custody Agreement for the Notes (if the Collateral is so held) but also dependant on any sub-custodian, security depository or clearing system not exercising any lien or right of set-off in respect of any Collateral that it holds. Consequently, the Noteholders are relying not only on the creditworthiness of the Collateral but also on the creditworthiness of the Custodian in paying when due any fees or expenses of such sub-custodian, security depository or clearing system.

Risks Relating to the Paying Agent

Any payments made to Noteholders in accordance with the terms and conditions of the Notes will be made by the Paying Agent on behalf of the Issuer. Pursuant to the Agency Agreement, the Issuer is to transfer to the Paying Agent such amount as may be due under the Notes, on or before each date on which such payment in respect of the Notes becomes due.

If the Paying Agent, while holding funds for payment to Noteholders in respect of the Notes, is declared insolvent, the Noteholders may not receive all (or any part) of any amounts due to them in respect of the Notes from the Paying Agent. The Issuer will still be liable to Noteholders in respect of such unpaid amounts but the Issuer will have insufficient assets to make such payments (or any part thereof) and Noteholders may not receive all, or any part, of any amounts due to them. Consequently, the Noteholders are relying not only on the creditworthiness of the Securities, but also on the creditworthiness of the Paying Agent in respect of the performance of its obligations under the Agency Agreement to make payments to Noteholders.

Risks Relating to Resolution Regimes

Following the global financial crisis, in 2011 the Financial Stability Board (the “FSB”) produced a document setting out key attributes of effective resolution regimes for financial institutions. Resolution is the process by which the authorities can intervene to manage the failure of a firm in an orderly fashion. The objective of an effective resolution regime for financial institutions is to allow authorities to resolve financial institutions in an orderly manner without taxpayer exposure to loss from solvency support, while maintaining continuity of their vital economic functions.

The FSB proposed that resolution authorities should have at their disposal a broad range of resolution powers. These included (without limitation) powers to do the following:

- (a) to operate and resolve the firm, including powers to terminate contracts, continue or assign contracts, purchase or sell assets, write down debt and take any other action necessary to restructure or wind down the firm’s operations;
- (b) to transfer or sell assets and liabilities, legal rights and obligations to a solvent third party, notwithstanding any requirements for consent or novation that would otherwise apply;
- (c) carry out bail-in, which would allow, amongst other things, resolution authorities to write down equity or other instruments of ownership of a firm and unsecured and uninsured creditor claims, to convert into equity or other instruments of ownership of the firm all or parts of unsecured and uninsured creditor claims; and
- (d) temporarily stay the exercise of early termination rights that may otherwise be triggered upon entry of a firm into resolution or in connection with the use of resolution powers

The G20 countries have committed to make any necessary reforms to fully implement the FSB's proposals regarding effective resolution regimes for financial institutions, and new laws have been implemented, or are in the process of being implemented, to reflect this.

In the European Union, on 12 June 2014, the Bank Recovery and Resolution Directive ("BRRD") was published in the Official Journal of the European Union. The stated aim of the BRRD is to provide supervisory authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

The powers granted to supervisory authorities under the BRRD include (but are not limited to) (a) the introduction of a bail-in power, which gives the resolution authorities the power to convert certain liabilities into ordinary shares or other instruments of the surviving entity (if any), (b) powers to suspend enforcement or termination rights that might be invoked as a result of the exercise of the resolution powers and (c) powers to effect a close out of derivative transactions and determine the value of such transactions.

In the United States, the United States resolution regime for financial institutions has been significantly enhanced since the financial crisis. The OLA, introduced in 2010 as part of the Dodd-Frank Act, provides the authorities with a robust framework for facilitating the resolution of most financial institutions that have the potential to cause severe systemic disruption and/or expose taxpayers to loss in the event of their failure. The regime as set out in the OLA and the FDIA lays out a comprehensive framework through which the FDIC, through an administrative process, can exercise a broad range of resolution powers to deal with a failing systemically important bank or bank holding company, while protecting financial stability.

The taking of any actions by the relevant resolution authorities under any regime may adversely affect the Noteholders. Whilst the Issuer itself is unlikely to be within scope of any implementing legislation, if the obligor in respect of any Collateral, the Swap Counterparty (if any) and/or the Option Counterparty (if any) is within the scope of any implementing legislation:

- (a) any applicable bail-in power might be exercised in respect of the Collateral, the Swap Agreement or the Option Agreement to convert any claim of the Issuer as against such person;
- (b) any applicable suspension power might prevent the Issuer from exercising any termination rights under the Swap Agreement or the Option Agreement; or
- (c) any applicable close out power might be exercised to enforce a termination of the Swap Agreement or the Option Agreement and to value the transactions in respect of such agreements (which value may be different to the value that would have been determined by the Issuer, the Swap Counterparty or the Option Counterparty (as the case may be)).

The operation of resolution regimes and their application to cross-border financial institutions is complex and the resolution of any obligor of Collateral or the Swap Counterparty is likely to adversely affect the Notes in multiple and unpredictable ways. Following an exercise of any powers by a resolution authority, the Issuer may have insufficient assets or sums to meet its obligations under the Notes or any Transaction Document for that Series, the Notes may be the subject of an early redemption and any payment of redemption proceeds to Noteholders may be delayed. Each Noteholder should take such advice as it deems necessary to ensure that it understands the impact that a resolution regime may have on its investment in the Notes.

Conflicts of Interest

The Trustee

In connection with the exercise of its functions, the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders. In acting as Trustee under the Trust Deed, the Trustee shall not, in respect of Notes of any Series, assume any duty or responsibility to any Swap Counterparty or Option Counterparty (other than to pay to any Swap Counterparty or Option Counterparty any moneys received and payable to it and to act in accordance with the Conditions) and shall have regard solely to the interests of the Noteholders and shall not be obliged to act on any directions of the relevant Swap Counterparty or Option Counterparty if this would in the Trustee's opinion be contrary to the interests of the Noteholders.

The Swap Counterparty

Prospective investors should be aware that, where any Swap Counterparty is entitled to exercise its discretion or to undertake a decision in such capacity in respect of a Swap Agreement (including any right to terminate the relevant Swap Agreement), in respect of the terms and conditions or otherwise in respect of the Notes, unless specified to the contrary therein, the relevant Swap Counterparty will be entitled to act in its absolute discretion and will be under no obligation to, and will not assume any fiduciary duty or responsibility for, the Noteholders or any other person. In exercising its discretion or deciding upon a course of action, the relevant Swap Counterparty shall attempt to maximise the beneficial outcome for itself (that is maximise any payments due to it and minimise any payments due from it) and will not be liable to account to the Noteholders or any other person for any profit or other benefit to it or any of its affiliates that may result directly or indirectly from any such selection.

Risk Factors relating to the market

Current market conditions

The current liquidity shortage and volatility in the credit markets has introduced a variety of increased risks relating to several aspects of the Issuer's operations. Such additional risks include the inability of the Issuer to sell its assets which, among other things, may render it unable to dispose of the Collateral and satisfy its obligations in respect of the redemption of the Notes. Such market conditions may also lead to the inability of the Issuer to determine a reliable valuation of its assets. All of such factors could materially adversely affect the interests of Noteholders.

Limited liquidity of the Notes

Although application may be made to admit the Notes to the Official List of Euronext Dublin and admit them to trading on the Main Securities Market or the GEM, there is currently no secondary market for the Notes. There can be no assurance that a secondary market for any of the Notes will develop, or, if a secondary market does develop, that it will provide the holders of the Notes with liquidity or that it will continue for the life of the Notes. Consequently, any investor of the Notes must be prepared to hold such Notes for an indefinite period of time or until redemption of the Notes. If the Arranger or any Dealer begins making a market for the Notes, it is under no obligation to continue to do so and may stop making a market at any time.

Credit ratings

Notes may or may not be rated. The applicable Authorised Offering Document for any Notes will specify if such rating is a condition to issue of such Notes. The rating(s) (if any) will be on the basis of the assessment of each relevant Rating Agency of the ratings of the Initial Collateral, the rating of each Swap Counterparty or Option Counterparty and the terms of the Notes. The Rating Agencies may have different rating methodologies, criteria, models and requirements from one another. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the relevant Notes. A security rating is not a recommendation to buy, sell or hold any Notes, inasmuch as such rating does not comment as to market price or suitability for a particular purchaser. There is no assurance that a rating will remain for any given period of time or that a rating will not be suspended, lowered or withdrawn entirely by a Rating Agency if, in its judgement, circumstances in the future so warrant. If a rating initially assigned to any Notes is subsequently lowered for any reason, no person or entity is obliged to provide any additional support or credit enhancement with respect to such Notes or to make any change to the terms of the Notes or any Transaction Document and the market value of such Notes is likely to be adversely affected. In such circumstances, holders of such rated Notes may not be able to resell their Notes without a substantial discount.

Prospective investors should ensure they understand what any rating associated with the Notes (whether of the Notes themselves, of the obligor of any Initial Collateral (or any guarantor or credit support provider in respect thereof), of any relevant Swap Counterparty or Option Counterparty or of any other party or entity involved in or related to the Notes) means and what it addresses and what it does not address.

The assignment of a rating to the Notes should not be treated by a prospective investor as meaning that such investor does not need to make its own investigations into, and determinations of, the risks and merits of an investment in the Notes.

During its holding of a Note, a Noteholder should take such steps as it considers necessary to evaluate the ongoing risks and merits of a continued investment in such Note. Such steps should not rely solely on ratings. In particular, prospective investors should not rely solely on downgrades of ratings as indicators of deteriorating credit. Market indicators (such as rising credit default spreads and yield spreads with respect to the relevant entity) often indicate significant credit issues prior to any downgrade. During the global financial crisis, rating agencies were the subject of criticism from a number of global governmental bodies that they did not downgrade entities on a sufficiently quick basis.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended). Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). The list of registered and certified rating agencies published by the European Securities and Markets Authority (ESMA) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. ESMA may determine that any Rating Agency that has initially assigned a rating to a Series of Notes no longer qualifies for registration under the CRA Regulation and, in such circumstances, such a determination may also have an adverse effect on the market prices and liquidity of the relevant Notes.

Prospective investors who place too much reliance on ratings, or who do not understand what the rating addresses, may be subject to losses as a result.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on Notes issued under the Programme in the currency of such Notes. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the specified currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the specified currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the specified currency would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected and may receive no interest or principal.

Interest rate risks

Investment in Notes issued under the Programme may involve the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Risks relating to global events

Impact on valuations and calculations derived from Models

Since 2007, actively traded markets for a number of asset classes and obligors either have ceased to exist or have reduced significantly. To the extent that valuations or calculations in respect of instruments related to those asset classes were based on quoted market prices or market inputs, the lack or limited availability of such market prices or inputs has significantly impaired the ability to make accurate valuations or calculations in respect of such instruments. No assurance can be given that similar impairment may not occur in the future.

In a number of asset classes, a significant reliance has historically been placed on valuations derived from models that use inputs that are not observable in the markets and/or that are based on historical data and trends. Such models often rely on certain assumptions about the values or behaviour of such unobservable inputs or about the behaviour of the markets generally or interpolate future outcomes from historical data. In a number of cases, the extent of the market volatility and disruption has resulted in the assumptions being

incorrect to a significant degree or in extreme departures from historical trends. Where reliance is placed on historical data, in certain instances such data may only be available for relatively short time periods (for example, data with respect to prices in relatively new markets) and such data may not be as statistically representative as data for longer periods.

Prospective investors should be aware of the risks inherent in any valuation or calculation that is determined by reference to a model and that certain assumptions will be made in operating the model which may prove to be incorrect and give rise to significantly different outcomes to those predicted by the model.

Impact of increased regulation and nationalisation

The global financial crisis led to materially increased involvement of governmental and regulatory authorities in the financial sector and in the operation of financial institutions. In particular, governmental and regulatory authorities in a number of jurisdictions (including the United States of America and the European Union) have imposed stricter laws and regulations around certain financial activities and/or have indicated that they intend to impose such controls in the future. Examples of such legislation and their consequences are considered in the risk factors entitled “Risks Relating to Resolution Regimes” and “U.S. Regulatory considerations” above. Such regulatory changes have had, and future regulatory reforms may have, a significant impact on the operation of the financial markets, including impacts on the operations of the Issuer, the Arranger, the Swap Counterparty, the Option Counterparty and the other Transaction Parties as well as the value of the Notes.

Systemic risk

Financial institutions and other significant participants in the financial markets that deal with each other are interrelated as a result of trading, investment, clearing, counterparty and other relationships. This risk is sometimes referred to as “systemic risk”. Financial institutions such as the Arranger, the Dealer(s), the Trustee, the Swap Counterparty, the Option Counterparty, the Custodian and the Agents (or any affiliate of any of them) and any obligors of the Collateral (or any guarantor or credit support provider in respect thereof) that are financial institutions or are significant participants in the financial markets are likely routinely to execute a high volume of transactions with various types of counterparties, including brokers and dealers, commercial banks, investment banks, insurers, mutual and hedge funds, and institutional clients. To the extent they do so, they are and will continue to be exposed to the risk of loss if counterparties fail or are otherwise unable to meet their obligations. In addition, a default by a financial institution or other significant participant in the financial markets, or concerns about the ability of a financial institution or other significant participant in the financial markets to meet its obligations, could lead to further significant systemic liquidity problems and other problems that could exacerbate the global financial crisis and, as such, have a material adverse impact on other entities.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented, modified or varied in accordance with, or replaced by, the provisions of the relevant Authorised Offering Document in relation to a particular Series only, will be applicable to the Global Note(s) or Global Certificate(s) representing each Series and to the Definitive Notes or Individual Certificates (if any) issued in exchange therefor. Subject to further simplification by deletion of non-applicable provisions, such terms and conditions will be endorsed on such Definitive Notes or Individual Certificates. Details of and applicable definitions for each Series will be shown on the relevant Notes or Certificates and in the relevant Authorised Offering Document. References in the Conditions to “Notes” are to the Notes of one Series of the relevant Issuer only, not to all Notes which may be issued under the Programme. References to “Issuer” are to the Issuer that is stipulated as such in the relevant Authorised Offering Document.

These Conditions may be amended, modified, varied or replaced in relation to any Series of Notes by the terms of the relevant Supplemental Trust Deed and/or the Pricing Supplement, Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, in relation to such Series.

All capitalised terms that are not defined in these Conditions will have the meanings given to them in the Principal Trust Deed, the relevant Authorised Offering Document, and/or the relevant Supplemental Trust Deed. Those definitions will be endorsed on the Bearer Notes or Individual Certificates, as the case may be.

The Notes are constituted and secured by a supplemental trust deed (the “relevant Supplemental Trust Deed”) dated the date of issue of the Notes (the “Issue Date”) between, *inter alios*, the Issuer and Citicorp Trustee Company Limited (the “Trustee”, which expression shall include all persons presently acting as the trustee or trustees) supplemental to an amended and restated principal trust deed dated 7 August 2018 made between, *inter alios*, the Issuer and the Trustee (the “Principal Trust Deed” and, together with the relevant Supplemental Trust Deed, the “Trust Deed”) as trustee for the Noteholders (as defined below) and, if applicable, the persons specified therein as an option counterparty (each an “Option Counterparty”) and/or a swap counterparty (each a “Swap Counterparty”) and each of the Option Counterparty and/or the Swap Counterparty (as applicable), being a “Counterparty”. These terms and conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Bearer Notes, Registered Notes, Receipts, Coupons and Talons referred to below. An amended and restated agency agreement dated 7 August 2018 (as amended or supplemented as at the Issue Date, the “Agency Agreement”) has been entered into in relation to the Notes between, *inter alios*, the Issuer, the Trustee, Citibank, N.A., London Branch as initial issuing and paying agent and Citibank, N.A., London Branch as custodian, and the other agents named in it (each an “Agent” and together the “Agents”). The issuing and paying agent, the custodian, the paying agents, the registrar, the transfer agents, the calculation agent(s) and the disposal agent for the time being (if any) are referred to below respectively as the “Issuing and Paying Agent”, the “Custodian”, the “Paying Agents” (which term shall include the Issuing and Paying Agent), the “Registrar”, the “Transfer Agents” (which term shall include the Registrar), the “Calculation Agent(s)” and the “Disposal Agent”. An amended and restated custody agreement dated 7 August 2018 (as amended or supplemented as at the Issue Date, the “Custody Agreement”) has been entered into in relation to the Collateral between, *inter alios*, the Issuer, the Trustee and the Custodian. An amended and restated dealer agreement dated 7 August 2018 (the “Dealer Agreement”) has been entered into in relation to the Notes between, *inter alios*, the Issuer and Citigroup Global Markets Limited as the Arranger (the “Arranger”), the permanent dealer (the “Permanent Dealer”) and, as the case may be, a dealer (a “Dealer”). Copies of the Trust Deed, the Agency Agreement, the Custody Agreement and, if applicable, the deed of accession are available for inspection during usual business hours at the principal office of the Trustee (presently at Citigroup Centre, 14th Floor, Canada Square, Canary Wharf, London E14 5LB) and at the specified offices of the Paying Agents and the Transfer Agents. In the case of a Series for which the relevant Authorised Offering Document states that a Calculation Agent is required for such Series and unless otherwise requested by the relevant Dealer or lead manager, as the case may be, the Issuing and Paying Agent, subject to its prior agreement, shall act as Calculation Agent. The relevant Dealer or lead manager, as the case may be, may nominate an alternative party to act as Calculation Agent in respect of any Series.

The Noteholders, the holders (the “Couponholders”) of the interest coupons (the “Coupons”) appertaining to interest-bearing Bearer Notes and, where applicable in the case of such Notes, talons for further Coupons (the “Talons”) and the holders (the “Receiptholders”) of the receipts (the “Receipts”) for the payment of instalments of principal relating to Bearer Notes of which the principal is payable in instalments are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the relevant Authorised Offering Document and are deemed to have notice of those provisions applicable to them in the Agency Agreement and the Custody Agreement.

In accordance with the Trust Deed, the Issuer may enter into one or more Swap Agreements confirmed in an agreement with a Swap Counterparty with an effective date as of the Issue Date and/or one or more Option Agreements confirmed in an agreement with an Option Counterparty with an effective date as of the Issue Date.

References in these Conditions to (i) “principal” shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 7 or any amendment or supplement to it and (ii) “interest” shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 6 or any amendment or supplement to it.

Full details of the relevant Initial Collateral and Mortgaged Property will be set out in the relevant Supplemental Trust Deed and/or relevant Authorised Offering Document for the relevant Series.

1 Form, Denomination and Title

The Notes may be issued in bearer form and serially numbered (“Bearer Notes”, which expression includes Notes which are specified to be Exchangeable Bearer Notes), in registered form (“Registered Notes”) or in bearer form exchangeable for Registered Notes (“Exchangeable Bearer Notes”) in each case in the Denomination(s) shown in the Authorised Offering Document, provided that, in the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of those Notes). All Registered Notes of the same Series shall have the same Denomination. Where Exchangeable Bearer Notes are issued, the Registered Notes for which they are exchangeable shall have the same Denomination as the lowest denomination of Exchangeable Bearer Notes.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Notes which do not bear interest, in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Any Bearer Note, the principal amount of which is redeemed in instalments, may be issued with one or more Receipts attached.

Registered Notes are represented by registered certificates (“Individual Certificates”), each Individual Certificate representing a holding of one or more Registered Notes by the same holder.

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register (the “Register”) which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof or any writing thereon made by anyone.

In these Conditions, “Noteholder” means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be) and “holder” (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be).

2 Exchanges of Exchangeable Bearer Notes and Transfers of Registered Notes

2.1 Exchange of Exchangeable Bearer Notes

Subject as provided in Condition 2.6, Exchangeable Bearer Notes may be exchanged for the same aggregate principal amount of Registered Notes at the request in writing of the relevant Noteholder and in accordance with the terms of the relevant Bearer Notes and upon surrender of each Exchangeable Bearer Note to be exchanged, together with all unmatured Receipts, Coupons and Talons relating to it, at the specified office of the Registrar or any Transfer Agent; provided, however, that where an Exchangeable Bearer Note is surrendered for exchange after the Record Date (as defined in Condition 8.2.2) for any payment of interest, the Coupon in respect of that payment of interest need not be surrendered with it. Registered Notes may not be exchanged for Bearer Notes and Bearer Notes of one Denomination may not be exchanged for Bearer Notes of another Denomination. Bearer Notes which are not Exchangeable Bearer Notes may not be exchanged for Registered Notes.

2.2 Transfer of Registered Notes

Registered Notes may be transferred (in compliance with any applicable transfer restrictions set forth in any legend on such Note) upon the surrender, at the specified office of the Registrar or any Transfer Agent, of the Individual Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Individual Certificate duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Individual Certificate, a new Individual Certificate will be issued to the transferee in respect of the part transferred and a further new Individual Certificate in respect of the balance of the holding not transferred will be issued to the transferor.

2.3 Exercise of Options or Partial Redemption in respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholder's option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Individual Certificate, a new Individual Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Individual Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Individual Certificates shall only be issued against surrender of the existing Individual Certificates to the Registrar or any Transfer Agent.

2.4 Delivery of new Individual Certificates

Each new Individual Certificate to be issued pursuant to Condition 2.1, 2.2 or 2.3 will be available for delivery within five Business Days of receipt of such request for exchange, form of transfer or notice of exercise or surrender of the Individual Certificate for exchange. Delivery of new Individual Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request, form of transfer, exercise notice or Individual Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, exercise notice or otherwise in writing, shall be mailed at the risk of the holder entitled to the new Individual Certificate to such address as may be so specified. In this Condition 2.4, "Business Day" means a day on which banks and foreign exchange markets are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

2.5 Exchange free of charge

Exchange and transfer of Notes or Individual Certificates on registration, transfer, exercise of an option or partial redemption will be effected without charge by or on behalf of the Issuer, the Registrar or the Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

2.6 Closed periods

No Noteholder may require the transfer of a Registered Note to be registered or an Exchangeable Bearer Note to be exchanged for one or more Registered Note(s) (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be redeemed by the Issuer at its option pursuant to Condition 7.6, (iii) after any such Note has been called for redemption in whole or in part or (iv) during the period of seven days ending on (and including) any Record Date (as defined in Condition 8.2.2). An Exchangeable Bearer Note called for redemption may, however, be exchanged for one or more Registered Note(s) in respect of which the Individual Certificate is simultaneously surrendered not later than the relevant Record Date.

3 Status of the Notes

3.1 Status

The Notes are secured, limited recourse obligations of the Issuer, ranking *pari passu* without any preference among themselves, which are secured in the manner described in Condition 4 and recourse in respect of which is limited in the manner described in Condition 4.8. In connection with the issue of the Notes, there may be executed:

3.1.1 one or more letters of credit, guarantees or other credit support documents (each a “Credit Support Document”) made by a credit support provider (each a “Credit Support Provider”) in favour of the Issuer;

3.1.2 one or more option agreements between the Issuer and one or more Option Counterparties (each an “Option Agreement”); and/or

3.1.3 one or more Swap Agreements between the Issuer and one or more Swap Counterparties, in each case, if specified as applicable and as may be further described in the relevant Authorised Offering Document.

3.2 Non-applicability

Where no reference is made in the relevant Supplemental Trust Deed to any Credit Support Document, Option Agreement or Swap Agreement, references in these Conditions to any such document or agreement and to any Credit Support Provider, Option Counterparty and/or Swap Counterparty, as the case may be, shall not be applicable.

4 Security, Credit Support Document, Option Agreement, Swap Agreement and Application of Available Proceeds

4.1 Security

Unless otherwise specified in the relevant Supplemental Trust Deed, the obligations of the Issuer are secured, pursuant to the Trust Deed, by:

4.1.1 a first fixed charge, security interest and/or assignment in favour of the Trustee over the Collateral and all rights and sums derived therefrom and an assignment by way of security in favour of the Trustee of the Issuer’s rights in respect of the Collateral against the Custodian;

4.1.2 an assignment by way of security in favour of the Trustee of the Issuer’s rights, title and interest under each relevant Credit Support Document, Option Agreement and/or Swap Agreement and any sums received thereunder;

4.1.3 a first fixed charge in favour of the Trustee over (a) all sums held by the Issuing and Paying Agent and/or the Custodian and/or the Registrar to meet payments due in respect of the Notes of the relevant Series and (b) any sums received under any relevant Credit Support Document, Option Agreement and/or Swap Agreement;

4.1.4 an assignment by way of security in favour of the Trustee of the Issuer’s rights, title and interest under the Agency Agreement and all sums derived therefrom in respect of the Notes of the relevant Series; and

4.1.5 an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under the Custody Agreement and all sums derived therefrom in respect of the Notes of the relevant Series.

Unless otherwise specified in the relevant Supplemental Trust Deed, the Collateral will be held by the Custodian (which expression shall include any additional or other Custodians from time to time appointed) on behalf of the Issuer subject to the Security referred to above. The Issuer reserves the right at any time with the prior written approval of the Trustee, the Option Counterparty and the Swap Counterparty to change the Custodian. Notice of such change shall be given to the Noteholders in accordance with Condition 17 and to the relevant stock exchange or other relevant authority as required.

Certain of the assets being the subject of the Security shall be released automatically, without the need for any notice or other formalities (a) to the extent required for the Issuer to be able to duly make any payment or delivery in respect of the Notes of a Series and/or under the Swap Agreement, Option Agreement and/or the other Transaction Documents which is due and payable or deliverable, (b) in connection with the purchase of Notes in accordance with the Conditions or (c) as otherwise provided for under the Conditions or the relevant Transaction Documents in respect of a Series.

4.2 Application of Available Proceeds

Following the liquidation of the Collateral in full the Issuer shall or, following enforcement of the Security, the Trustee shall (subject to the provisions of each relevant Supplemental Trust Deed and to Clause 6.16 of the Principal Trust Deed) apply the Available Proceeds:

4.2.1 if "Counterparty Priority A" is specified in the relevant Supplemental Trust Deed and Authorised Offering Document:

- (i) firstly, where immediately prior to the associated termination of the Swap Agreement, the Swap Counterparty's Credit Support Balance (VM) (if any, in its capacity as Transferor under the Credit Support Annex) was greater than zero, an amount equal to the CSB Return Amount shall be paid to the Swap Counterparty;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Trustee or any receiver in preparing and executing the trusts under the Principal Trust Deed and the relevant Supplemental Trust Deed (including any taxes required to be paid, any costs of realising any security and the Trustee's remuneration);
- (iii) thirdly, rateably in meeting the claims (if any) of the Swap Counterparty under each Swap Agreement in relation to that Series (which for this purpose shall: (i) include any claim of the Custodian for reimbursement in respect of payments made to any such Swap Counterparty relating to sums receivable on the Collateral; and (ii) to the extent that a CSB Return Amount has been paid to the Swap Counterparty in accordance with Condition 4.2.1(i), be limited to the Remaining Swap Counterparty Claim Amount);
- (iv) fourthly, rateably in meeting the claims (if any) of the Option Counterparty under each Option Agreement;
- (v) fifthly, rateably in meeting the claims (if any) of the holders of Notes, Coupons and Receipts and for this purpose such claims shall include any claim of any Agent for reimbursement in respect of payment of principal and interest made to holders of Notes, Coupons and Receipts; and
- (vi) sixthly, in payment of the balance (if any) to the Issuer

provided, however, that if:

- (a) "Counterparty Priority B" is specified in the relevant Authorised Offering Document and Supplemental Trust Deed, the Issuer or the Trustee, as applicable, shall apply such moneys received by it as if Counterparty Priority A had been so specified except that the claims (if any) of the Swap

Counterparty under each Swap Agreement and of the Option Counterparty under each Option Agreement shall rank *pari passu* and rateably without any priority or preference among themselves; or

- (b) “Counterparty Priority C” is specified in the relevant Authorised Offering Document and Supplemental Trust Deed, the Issuer or the Trustee, as applicable, shall apply such moneys received by it as if Counterparty Priority A had been so specified except that the claims (if any) of the Option Counterparty under each Option Agreement shall rank ahead of the claims (if any) of the Swap Counterparty under each Swap Agreement, whose claims shall still rank ahead of the Noteholders and Couponholders;

4.2.2 if “*Pari passu* Ranking” is specified in the relevant Supplemental Trust Deed and Authorised Offering Document:

- (i) firstly, where immediately prior to the associated termination of the Swap Agreement, the Swap Counterparty’s Credit Support Balance (VM) (if any, in its capacity as Transferor under the Credit Support Annex) was greater than zero, an amount equal to the CSB Return Amount shall be paid to the Swap Counterparty;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Trustee or any receiver in relation to that Series in preparing and executing the trusts under the Principal Trust Deed and the relevant Supplemental Trust Deed (including any taxes required to be paid, any costs of realising any security and the Trustee’s remuneration);
- (iii) thirdly, rateably in meeting the claims (if any) in relation to that Series of the Swap Counterparty under each Swap Agreement (which for this purpose shall: (i) include the claim of the Custodian for reimbursement in respect of payments made to the Swap Counterparty relating to sums receivable on the Collateral; and (ii) to the extent that a CSB Return Amount has been paid to the Swap Counterparty in accordance with Condition 4.2.2(i), be limited to the Remaining Swap Counterparty Claim Amount) or the Option Counterparty under each Option Agreement, as the case may be, and the relevant holders of Notes, Coupons and Receipts and for this purpose such claims shall include any claim of any Agent for reimbursement in respect of payment of principal and interest made to holders of Notes, Coupons and Receipts; and
- (iv) fourthly, in payment of the balance (if any) to the Issuer;

4.2.3 if “Noteholder Priority” is specified in the relevant Supplemental Trust Deed and Authorised Offering Document:

- (i) firstly, where immediately prior to the associated termination of the Swap Agreement, the Swap Counterparty’s Credit Support Balance (VM) (if any, in its capacity as Transferor under the Credit Support Annex) was greater than zero, an amount equal to the CSB Return Amount shall be paid to the Swap Counterparty;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Trustee or any receiver in relation to that Series in preparing and executing the trusts under the Principal Trust Deed and the relevant Supplemental Trust Deed (including any taxes required to be paid, any costs of realising any security and the Trustee’s remuneration);
- (iii) thirdly, rateably in meeting the claims (if any) of the holders of Notes, Coupons and Receipts and for this purpose such claims shall include any claim of any Agent for reimbursement in respect of payment of principal and interest made to holders of Notes, Coupons and Receipts;
- (iv) fourthly, in meeting the claims (if any) in relation to that Series of the Swap Counterparty under each Swap Agreement (which for this purpose shall: (i) include any claim of the Custodian for reimbursement in respect of payments made to the Swap Counterparty relating to sums receivable on the Collateral; and (ii) to the

extent that a CSB Return Amount has been paid to the Swap Counterparty in accordance with Condition 4.2.3(i), be limited to the Remaining Swap Counterparty Claim Amount);

- (v) fifthly, rateably in meeting the claims (if any) of the Option Counterparty under each Option Agreement; and
- (vi) sixthly, in payment of the balance (if any) to the Issuer;

4.2.4 if “Custodian Priority” is specified in the relevant Supplemental Trust Deed and Authorised Offering Document:

- (i) firstly, where immediately prior to the associated termination of the Swap Agreement, the Swap Counterparty’s Credit Support Balance (VM) (if any, in its capacity as Transferor under the Credit Support Annex) was greater than zero, an amount equal to the CSB Return Amount shall be paid to the Swap Counterparty;
- (ii) secondly, in payment or satisfaction of the fees, costs, charges, expenses and liabilities properly incurred by the Trustee or any receiver in relation to that Series in preparing and executing the trusts under the Principal Trust Deed and the relevant Supplemental Trust Deed (including any taxes required to be paid, any costs of realising any security and the Trustee’s remuneration);
- (iii) thirdly, in relation to such Series in meeting the claims (if any) of the Custodian or any other Agent for reimbursement in respect of payments made to the Swap Counterparty under each Swap Agreement relating to sums receivable on the Collateral or for reimbursement in respect of payment of principal and interest made to such holders of Notes, Coupons and Receipts, as the case may be;
- (iv) fourthly, rateably in meeting the claims (if any) of the Swap Counterparty under the Swap Agreement (which, to the extent that a CSB Return Amount has been paid to the Swap Counterparty in accordance with Condition 4.2.4(i), shall be limited to the Remaining Swap Counterparty Claim Amount) and the holders of Notes, Coupons and Receipts of such Series;
- (v) fifthly, rateably in meeting the claims (if any) of the Option Counterparty under each Option Agreement; and
- (vi) sixthly, in payment of the balance (if any) to the Issuer; and

4.2.5 if “Other Priority” is specified in the relevant Supplemental Trust Deed and Authorised Offering Document, the Issuer or the Trustee, as applicable, shall apply the Available Proceeds in the manner as set out in the relevant Supplemental Trust Deed.

4.3 Credit Support Document(s) and Option Agreement(s)

The Issuer may have the benefit of one or more Credit Support Documents made by the Credit Support Providers specified in the relevant Supplemental Trust Deed.

The Issuer may enter into one or more Option Agreements with the Option Counterparties specified in the relevant Supplemental Trust Deed. An Option Agreement may contain provisions requiring the Issuer to make certain payments to the Option Counterparty out of sums receivable by the Issuer in respect of the Initial Collateral and/or to deliver the Initial Collateral to the Option Counterparty following the exercise of any option relating to the Initial Collateral and requiring the Option Counterparty to make payments towards or equal to the obligations of the Issuer in respect of amounts due on the Notes following the exercise of any option relating to the Initial Collateral. Each Option Agreement will terminate on the date specified in the relevant Supplemental Trust Deed, unless terminated earlier in accordance with its terms. Unless otherwise specified in the relevant Supplemental Trust Deed, each Option Agreement will terminate (in whole or, in the case of a mandatory redemption pursuant to Condition 7.2, in part on a *pro rata* basis in a proportion of its principal amount equal to the proportion that the principal amount of the Initial Collateral which is the subject of a notice pursuant to Condition 7.2 bears to the principal amount of the Initial Collateral which has not, at the date of giving of the notice, been the subject of any other such notice) if the Notes are redeemed prior to their Maturity Date pursuant to any provision of

Condition 7. In the event of an early termination of the Option Agreement, any party to the Option Agreement may be liable to make a termination payment to any other party.

The principal terms of each Credit Support Document, Option Agreement and/or Swap Agreement will be set out in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable.

4.4 Disposal Agent

Unless otherwise specified in the relevant Supplemental Trust Deed or Authorised Offering Document, if the Issuer becomes obliged under the Conditions or the Swap Agreement to sell Collateral (the "Affected Collateral") in order for it to make a payment under the Conditions or the Swap Agreement, the Disposal Agent, acting as the Issuer's agent, shall within the Disposal Period use reasonable endeavours and act in a commercially reasonable manner to arrange the sale of the Affected Collateral in one or multiple portions (as selected by the Disposal Agent in its sole and absolute discretion) for settlement no later than the Affected Collateral Settlement Date.

The Disposal Agent may effect any sale of all or part of the Affected Collateral at any time and at different times on or prior to the Disposal Cut-off Date or in stages in respect of smaller portions. In respect of each portion of Affected Collateral to be sold (each a "Required Portion of Affected Collateral"), the Disposal Agent shall seek firm bid quotes from a minimum of five (5) dealers in obligations of the type of the Affected Collateral (which may include the Disposal Agent or its affiliates unless otherwise stated in the relevant Authorised Offering Document or the relevant Supplemental Trust Deed that the Disposal Agent or its affiliates are not permitted to purchase the Affected Collateral) and may seek additional firm bid quotations from other market participants in its sole and absolute discretion for the purchase of any such Required Portion of Affected Collateral (each a "Bid Quotation"). Upon receipt of at least two Bid Quotations on a Disposal Business Day, the Disposal Agent shall sell the relevant portion of Affected Collateral on behalf of the Issuer at the highest Bid Quotation received. If the Disposal Agent has not obtained at least two (2) Bid Quotations on or prior to the Disposal Cut-Off Date, then on the Final Disposal Cut-Off Date, the Disposal Agent shall seek firm bid quotes from a minimum of five (5) dealers in obligations of the type of the Affected Collateral (which may or may not include any of the dealers from which Bid Quotations were originally sought). Upon receipt of at least two Bid Quotations on the Final Cut-Off Date, the Disposal Agent shall sell the relevant portion of Affected Collateral on behalf of the Issuer at the highest Bid Quotation received. If the Disposal Agent is unable to obtain at least two Bid Quotations on the Final Disposal Cut-Off Date in respect of a Required Portion of Affected Collateral, the Disposal Agent shall, if a single Bid Quotation is available on the Final Disposal Cut-Off Date, sell such relevant Required Portion of Affected Collateral on behalf of the Issuer at such Bid Quotation. The Disposal Agent may select the dealers from which to obtain Bid Quotations at its sole discretion and will not be liable to the Issuer or any other party hereto merely because another dealer or person would have offered a higher Bid Quotation.

In the event that (i) no Bid Quotations are received by the Disposal Agent; or (ii) the Bid Quotations received by the Disposal Agent are equal to zero, in respect of any Required Portion of Affected Collateral on the Final Disposal Cut-Off Date (the "Remaining Affected Collateral"), then either the Disposal Agent or an affiliate of the Disposal Agent shall purchase the Remaining Affected Collateral from the Issuer for settlement on the Affected Collateral Settlement Date at a price of zero and for the purposes of determining the Early Redemption Amount, the net realised proceeds of the sale of the Affected Collateral will be deemed to be (a) zero, in the case where the Remaining Affected Collateral comprises all of the Collateral for the Series or (b) otherwise, the aggregate net realised proceeds of all portions of the Affected Collateral previously sold by the Disposal Agent prior to the Final Disposal Cut-Off Date. The Disposal Agent may take such steps as it considers appropriate in order to effect an orderly sale of all or a portion of the Affected Collateral. For the avoidance of doubt, the Disposal Agent (i) shall not be obliged to delay arrangements for the sale of all or a portion of the Affected Collateral beyond the Affected Collateral Settlement Date and will not be liable to the Issuer or any party hereto because a higher price could have been obtained had the sale been so delayed and (ii) will not be liable to the Issuer or any Secured Party or other person because a higher price could have been obtained had the sale of such Affected Collateral taken place (a) at a different time or (b) in different portions than when the actual liquidation was effected.

In this Condition 4.4:

“Affected Collateral Settlement Date” means the date occurring two Business Days prior to the Early Redemption Date;

“Business Day” means, unless otherwise specified in the relevant Authorised Offering Document, a day (other than a Saturday or Sunday) on which commercial banks are generally open for business in one or more of New York, London, Hong Kong or Tokyo, as specified in the relevant Authorised Offering Document or the relevant Supplemental Trust Deed;

“Disposal Business Day” means any Business Day selected by the Disposal Agent in its sole and absolute discretion within the Disposal Period. If the Disposal Agent is unable to obtain two or more Bid Quotations on such Disposal Business Day, it may designate any subsequent Business Day falling on or prior to the Disposal Cut-Off Date as a Disposal Business Day;

“Disposal Commencement Date” means the day on which the Disposal Agent has elected in its sole and absolute discretion to commence the sale of the Affected Collateral in respect of the relevant Series in accordance with this Condition 4.4;

“Disposal Period” means the period from and including the Disposal Commencement Date to and including the Disposal Cut-off Date;

“Disposal Cut-Off Date” means one Business Day prior to the Final Disposal Cut-Off Date; and

“Final Disposal Cut-Off Date” means a date to be determined by the Disposal Agent in its sole and absolute discretion being not less than one Business Day prior to the Affected Collateral Settlement Date.

4.5 Swap Agreement(s)

If specified in the Authorised Offering Document and Supplemental Trust Deed, the Issuer will enter into one or more Swap Agreements with the Swap Counterparties under which the Issuer will make payments to the Swap Counterparty and the Swap Counterparty will make payments to the Issuer as specified in the Swap Agreement. Additionally, if, in respect of a Series, “Credit Support Annex” is specified as applicable in the Authorised Offering Document, then the Issuer will enter into a Credit Support Annex under the Swap Agreement relating to such Series pursuant to which the Issuer shall, if required in accordance with the terms of the Credit Support Annex, transfer some or all of the Collateral to the Swap Counterparty. The Swap Counterparty may also, if required in accordance with the terms of the Credit Support Annex, transfer to the Issuer from time to time CSA Posted Collateral. Collateral transferred by the Issuer pursuant to the Credit Support Annex will be deemed to be released by the Trustee from the Security described in Condition 4.1 immediately prior to the delivery or transfer of such Collateral by or on behalf of the Issuer to the Swap Counterparty.

Each Swap Transaction evidenced by a Swap Agreement will terminate on the date specified in the relevant swap confirmation, unless terminated earlier in accordance with its terms. Each Swap Agreement will terminate (in whole or in part) if the Notes are redeemed prior to their Maturity Date pursuant to any provision of Condition 7. In the event of an early termination of the Swap Agreement, any party to the Swap Agreement may be liable to make a termination payment to any other party.

The Issuer is not obliged under the Swap Agreement to gross up if withholding taxes are imposed, but the Swap Agreement is terminable in such event. If the Issuer, on the occasion of the next payment due under the Swap Agreement, would be required by law to withhold or account for tax or would suffer tax in respect of its income such that it would be rendered unable to make payment of the full amount due, the Issuer shall so inform the Trustee (provided that Rating Agency Affirmation has been received by the Trustee from each Rating Agency (if any) then rating the outstanding Notes).

The principal terms of each Credit Support Document, Option Agreement and/or Swap Agreement will be set out in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable.

4.6 Realisation and Enforcement of Security

In the event of any Security becoming enforceable, the Trustee may, subject as provided below, at its discretion and shall:

- 4.6.1** if requested in writing by the holders of at least one-fifth in aggregate principal amount of the Notes then outstanding (as defined in the Trust Deed); or
- 4.6.2** if directed by an Extraordinary Resolution (as defined in the Trust Deed) of the Noteholders; or
- 4.6.3** if sums are due to the Custodian and/or the Issuing and Paying Agent and/or the Registrar and/or any Paying Agent and/or any Transfer Agent (the claims in respect of which are Secured Liabilities) and the Trustee is so directed in writing by the Custodian and/or the Option Counterparty and/or the Swap Counterparty and/or the Issuing and Paying Agent and/or the Registrar and/or any Paying Agent and/or any Transfer Agent (unless this would in the Trustee's opinion be contrary to the interests of the holders of Notes, subject to Clause 6.19 of the Principal Trust Deed (if applicable)),

realise all or some of the Collateral in a proportion equal to the proportion of the principal amount of the Notes which are subject to acceleration and/or take action against any person liable in respect of such Collateral, enforce and/or realise any Credit Support Document and terminate the Option Agreement(s) and/or the Swap Agreement(s) *pro rata* in accordance with its or their terms, and/or take action against any Credit Support Provider, Option Counterparty and/or Swap Counterparty as the case may be, but without any liability as to the consequence of such action and without having regard to the effect of such action on individual Noteholders or Couponholders and provided that the Trustee shall not be required to take any action that would involve any personal liability or expense without first being indemnified to its satisfaction. Where "Counterparty Priority A", "Counterparty Priority B", "Counterparty Priority C", "Noteholder Priority", "Custodian Priority" or "Other Priority" is specified, the Trustee will act only at, and in accordance with, the direction of the person or persons ranking in priority immediately after the Trustee (to the extent that there are any amounts due and payable to any such person under such priority of payments that remain unpaid). On being so directed by the Trustee, the Disposal Agent shall use its reasonable endeavours to solicit offers from third parties to purchase the Collateral in accordance with the terms of the Agency Agreement.

4.7 Application of Available Proceeds following Enforcement

The Trust Deed requires that the Available Proceeds shall be applied according to the priority of payments specified for purposes of Condition 4.2 in the relevant Supplemental Trust Deed. In particular, but without limitation, none of the Noteholders or Couponholders or any Option Counterparty or Swap Counterparty may petition or take any other step or join any person in instituting steps for the winding-up of the Issuer to recover such shortfall.

4.8 Shortfall after application of proceeds

If the Available Proceeds are not sufficient to make all payments of all Secured Liabilities which, but for the effect of this Condition 4.8 and similar limited recourse provisions, would then be due, then the obligations of the Issuer in respect of those Secured Liabilities will be limited to such Available Proceeds and the other assets of the Issuer (including, in the case of a mandatory partial redemption, the Collateral other than the Collateral which is the subject of mandatory redemption pursuant to Condition 7.2 which will remain available to those holders whose Notes have not been redeemed) will not be available for payment of any Shortfall arising therefrom. Any such Shortfall shall be borne by the Secured Parties according to the priorities specified for purposes of Condition 4.2, applied in reverse order.

The Issuer will not be obliged to make any further payments in excess of the Available Proceeds and accordingly no debt shall be owed by the Issuer in respect of any Shortfall remaining after realisation of the Security under Condition 4.6 and application of the proceeds in accordance with the Trust Deed. None of the Secured Parties (nor any person acting on behalf of any of them) may take any further action to recover such Shortfall. Failure to make any payment in respect of any such Shortfall shall in no circumstances constitute an Event of Default under Condition 12.

4.9 Substitution of Mortgaged Property

The Issuer may from time to time upon obtaining the agreement in writing of Noteholders holding a majority in principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution or, where the Trustee is satisfied that such substitution is not materially prejudicial to the interests of the Noteholders, upon agreement with the Trustee, and, in either case, with the prior written consent of the Swap Counterparty and the Option Counterparty (in each case such consent not to be unreasonably withheld) substitute alternative security for such of the Mortgaged Property as it may deem appropriate (provided, in either case, that Rating Agency Affirmation has been received by the Trustee at the time of the proposed substitution from each Rating Agency (if any) then rating the outstanding Notes). Any such alternative Mortgaged Property shall be held subject to the charges in favour of the Trustee as set out in the relevant Supplemental Trust Deed or subject to a security interest in favour of the Trustee as set out in a separate security document to be entered into at or around the time of such substitution. If the Noteholders or the Trustee (where satisfied as stated above) and the Swap Counterparty and/or the Option Counterparty agree to the substitution, the Issuer shall notify the Noteholders thereof in accordance with Condition 17 and if the Notes are listed on any stock exchange or with another relevant authority, the Issuer shall also notify such stock exchange or other relevant authority of such substitution and, if required by the relevant exchange, prepare and submit the required documents to the relevant exchange.

4.10 Replacement of Initial Collateral

4.10.1 If it is specified in the relevant Authorised Offering Document as applicable, any Noteholder may give a Noteholder Substitution Notice to the Issuer, with a copy to the Disposal Agent, the Swap Counterparty and/or the Option Counterparty and the Trustee, requesting that the Issuer procure that all of the Initial Collateral are sold and that the proceeds from such sale are applied to purchasing the securities (the “Replacement Initial Collateral”) specified in such Noteholder Substitution Notice.

“Noteholder Substitution Notice” means a notice in writing from a Noteholder to the Issuer, substantially in the form set out in Schedule 6 to the Agency Agreement, requesting that the Issuer procure that all of the Initial Collateral be sold and that the proceeds from such sale be applied to purchase the Replacement Initial Collateral. Such notice will certify that such Noteholder is (i) not a U.S. person (as such term is defined under Rule 902(k)(1) of Regulation S), (ii) a Non-United States person (as such term is defined under CFTC Rule 4.7, but excluding, for the purposes of subsection (D) thereof, the exception to the extent it would apply to persons who are not Non-United States Persons), (iii) not an employee benefit plan or other plan, account or arrangement that is or the assets of which are subject to (a) Part 4, Subtitle B, Title I of ERISA or Section 4975 of the Code, or (b) any laws, rules or regulations substantially similar to such provisions of ERISA or the Code and (iv) not a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the Exchange Act) and will specify (a) the Noteholder’s identity, (b) contact details and details of cash and securities accounts for the Noteholder, (c) the identity and nominal amount of the Replacement Initial Collateral and (d) a proposed date for such substitution.

4.10.2 Subject to the Replacement Initial Collateral specified in the Noteholder Substitution Notice meeting the Replacement Initial Collateral Criteria (as defined below), the Issuer shall request that the Trustee within one Business Day of its receipt of any Noteholder Substitution Notice provides a copy of the relevant Noteholder Substitution Notice to all Noteholders and the Swap Counterparty and/or the Option Counterparty and shall solicit the consent of each Noteholder to the proposed substitution. Noteholders wishing to consent to the proposed substitution (each a “Consenting Noteholder”) shall do so by giving notice in writing to the Trustee (with a copy to the Issuer, the Disposal Agent and the Swap Counterparty and/or the Option Counterparty) (the “Consenting Noteholder Substitution Notice”) substantially in the form set out in Schedule 7 to the Agency Agreement on or before the date (the “Consent Date”) that is 10 Business Days from the date of the Trustee’s request, specifying:

- (i) that such Consenting Noteholder consents to the sale of the Initial Collateral and the purchase of the Replacement Initial Collateral;

- (ii) that such Consenting Noteholder (A) agrees to pay the pro rata portion of any Estimated Deficiency Amount (as defined below) owed by such Consenting Noteholder in accordance with this Condition 4.10 and (B) directs the Disposal Agent to use such amount, together with the Actual Proceeds (as defined below), to purchase the Replacement Initial Collateral;
- (iii) that such Consenting Noteholder agrees to indemnify the Issuer and the Disposal Agent for any losses incurred in connection with such Consenting Noteholder failing to make timely payment of any amount falling due in accordance with this Condition 4.10; and
- (iv) such Consenting Noteholder's direct contact information.

Notwithstanding the provisions of Condition 14, if Noteholders holding more than 50 per cent. in principal amount of the then outstanding Notes give notice in accordance with this Condition 4.10 consenting to the substitution of the Initial Collateral by the Replacement Initial Collateral, all Noteholders will be bound by such decision, and such modifications shall be made to the relevant Supplemental Trust Deed (including to these Conditions), or other relevant documents relating to the Notes, as may be necessary in the opinion of the Trustee, in accordance with the relevant Supplemental Trust Deed.

"Replacement Initial Collateral Criteria" means (a) the Replacement Initial Collateral being denominated in the same currency, as the Initial Collateral, provided that, if at the time of the proposed replacement no securities denominated in the same currency as the Initial Collateral are outstanding that meet the Replacement Initial Collateral Criteria, securities denominated in euro, pounds Sterling, U.S. dollars, Canadian dollars or Japanese yen, that otherwise meet the Replacement Initial Collateral Criteria shall be deemed to meet all the Replacement Initial Collateral Criteria; (b) the Replacement Initial Collateral having a scheduled maturity date no later than the scheduled maturity date of the Initial Collateral; (c) the Replacement Initial Collateral having a rating of not less than "AAA" by Standard & Poor's, "Aaa" by Moody's and "AAA" by Fitch, and such rating agencies have not indicated a negative outlook in respect of the rating assigned by it; (d) either (i) the Swap Counterparty and/or the Option Counterparty having certified to the Issuer that it will not suffer a cost or loss or a reduction in the marked to market value of the Swap Agreement as a result of such substitution or (ii) arrangements having been made which are reasonably satisfactory to the Swap Counterparty and/or the Option Counterparty to compensate it for any cost or loss or reduction in marked to market value which it certifies to the Issuer that it will incur in connection with such substitution; (e) the Replacement Initial Collateral being debt securities issued by the government (or any government agency) of Germany, France or the United Kingdom; or being debt securities issued by the International Bank for Reconstruction and Development, the European Investment Bank or the European Bank for Reconstruction and Development; (f) any relevant Rating Agency having been notified of the proposed substitution; (g) the aggregate principal amount of the Replacement Initial Collateral being equal to or greater than the aggregate principal amount of the Initial Collateral, or its equivalent if the securities to be purchased as Replacement Initial Collateral are not denominated in the same currency as the Initial Collateral (as contemplated in criterion (a) above); and (h) if the Issuer or relevant Series (as applicable) is a "nonparticipating foreign financial institution" (as such term is used under Section 1471 of the Code), the Replacement Initial Collateral being assets payments on which would not, as determined by the Issuer, be subject to withholding as a result of FATCA before the maturity of the Notes.

4.10.3 At 10.00 a.m. (London time) (the "Cut-off Time") on the third Business Day following the Consent Date, the Disposal Agent shall attempt to obtain at least three indicative bid quotations for the Initial Collateral from dealers in obligations of the type of the Initial Collateral for settlement on the eighth Business Day following the Consent Date, including from the Swap Counterparty and/or the Option Counterparty. On the same day, the Disposal Agent shall attempt to obtain at least three indicative offer quotations for the Replacement Initial Collateral from dealers in obligations of the type of the Replacement Initial Collateral for settlement on the eighth Business Day following the Consent Date,

including from the Swap Counterparty and/or the Option Counterparty. For the avoidance of doubt, the Swap Counterparty and/or the Option Counterparty shall be under no obligation to give a bid quotation in respect of the Initial Collateral or an offer quotation in respect of the Replacement Initial Collateral. If (i) no indicative bid quotation for the Initial Collateral or (ii) no indicative offer quotation for the Replacement Initial Collateral is available at the Cut-off Time, then the Disposal Agent shall be under no duty to obtain any further quotations and the Initial Collateral shall not be replaced.

4.10.4 At the Cut-off Time, if at least one indicative bid quotation for the Initial Collateral and at least one indicative offer quotation for the Replacement Initial Collateral are available, the Disposal Agent shall use the highest indicative bid quotation for the Initial Collateral (the “Highest Bid”) and the lowest indicative offer quotation for the Replacement Initial Collateral (the “Lowest Offer”) to calculate (a) the estimated proceeds from a sale of the Initial Collateral to the person (the “Highest Bidder”) submitting the Highest Bid (the “Estimated Proceeds”) and (b) the Estimated Replacement Initial Collateral Cost.

The “Estimated Replacement Initial Collateral Cost” shall be the estimated amount, calculated by the Disposal Agent in its absolute discretion and acting in good faith and in a commercially reasonable manner, of the purchase price for the Replacement Initial Collateral from the person (the “Lowest Offeror”) submitting the Lowest Offer and shall include such additional sum that the Disposal Agent considers reasonable to allow for any difference between (a) the indicative offer quotation of the Lowest Offeror obtained on such date and (b) the firm offer quotation of the Lowest Offeror obtained in accordance with Condition 4.10.6.

If the Estimated Proceeds are less than the Estimated Replacement Initial Collateral Cost, the Disposal Agent shall give notice in writing to each Consenting Noteholder, by midday (London time) on the third Business Day following the Consent Date, in accordance with the contact details provided in the Consenting Noteholder Substitution Notice, of the difference between the Estimated Proceeds and the Estimated Replacement Initial Collateral Cost (the “Estimated Deficiency Amount”) and the amount required to be paid by such Consenting Noteholder in respect of the Estimated Deficiency Amount. The portion of the Estimated Deficiency Amount owed by each Consenting Noteholder shall equal the product of (A) a fraction, the numerator of which is the principal amount of Notes owned by the Consenting Noteholder and the denominator of which is the aggregate principal amount of Notes owned by all Consenting Noteholders and (B) the Estimated Deficiency Amount. Each Consenting Noteholder shall pay to the Disposal Agent its portion of the Estimated Deficiency Amount in immediately available funds for value the third Business Day following the Consent Date.

4.10.5 If the Disposal Agent has not received the Estimated Deficiency Amount in full by 10.00 a.m. (London time) on the fifth Business Day following the Consent Date, the Disposal Agent shall not accept any bid submitted for the Initial Collateral nor any offer submitted to sell the Replacement Initial Collateral, shall not sell the Initial Collateral or buy the Replacement Initial Collateral, and shall promptly return any portion of the Estimated Deficiency Amount received from the Consenting Noteholders to such Consenting Noteholders in the proportions in which it was received.

4.10.6 If the Disposal Agent has received the Estimated Deficiency Amount in full by midday (London time) on the fifth Business Day following the Consent Date, the Disposal Agent shall ask the Highest Bidder to give its firm bid quotation to buy the Initial Collateral for settlement on the eighth Business Day following the Consent Date and shall ask the Lowest Offeror to give its firm offer quotation to sell the Replacement Initial Collateral for settlement on the eighth Business Day following the Consent Date. The Disposal Agent shall calculate whether the sum of (A) the proceeds from the sale of the Initial Collateral if it were to accept the firm bid quotation of the Highest Bidder (the “Actual Proceeds”) and (B) the Estimated Deficiency Amount is more or less than the actual purchase price of the Replacement Initial Collateral if the Disposal Agent were to accept the firm offer quotation of the Lowest Offeror (the “Actual Replacement Initial Collateral Cost”). If (i) either or both of the Highest Bidder and the Lowest Offeror fail to provide such firm quotations in accordance with this provision

or (ii) the sum of the Actual Proceeds and the Estimated Deficiency Amount are less than the Actual Replacement Initial Collateral Cost, the Disposal Agent shall not accept any bid submitted for the Initial Collateral nor any offer submitted to sell the Replacement Initial Collateral, shall not sell the Initial Collateral or buy the Replacement Initial Collateral, and shall promptly return any portion of the Estimated Deficiency Amount received from the Consenting Noteholders to such Consenting Noteholders in the proportions in which it was received.

4.10.7 If the sum of the Actual Proceeds and the Estimated Deficiency Amount is equal to or greater than the Actual Replacement Initial Collateral Cost, the Disposal Agent shall sell the Initial Collateral to the Highest Bidder for settlement on the eighth Business Day following the Consent Date and shall use the Actual Proceeds and the Estimated Deficiency Amount to purchase the Replacement Initial Collateral from the Lowest Offeror for settlement on the eighth Business Day following the Consent Date. To the extent that the sum of the Actual Proceeds and the Estimated Deficiency Amount exceed the Actual Replacement Initial Collateral Cost (such excess being the "Surplus"), the Disposal Agent shall distribute the Surplus pro rata to the Consenting Noteholders for value the eighth Business Day following the Consent Date.

4.10.8 Upon the Disposal Agent's purchase of any Replacement Initial Collateral as described in the preceding paragraphs, with effect from the date of the delivery of the Replacement Initial Collateral, the payment obligations of the parties under the Swap Agreement and/or the Option Agreement shall be adjusted so that the payment obligations of the Issuer shall reflect the replacement of the Initial Collateral with the Replacement Initial Collateral. In addition, on the date of delivery of the Replacement Initial Collateral where a Credit Support Annex is applicable to the Notes, an aggregate amount of the Replacement Initial Collateral having a Value (as defined in the Credit Support Annex) as close as practicable to the prevailing Value (as defined in the Credit Support Annex) of the Initial Collateral forming part of the Issuer's Credit Support Balance (VM) (and, in any event at least such Value of the Initial Collateral) shall be transferred to the Swap Counterparty as Eligible Credit Support (VM) (as defined in such Credit Support Annex) and, upon such delivery, the Swap Counterparty shall transfer to or to the order of the Issuer an amount of the Initial Collateral equal to that comprised in the Issuer's Credit Support Balance (VM).

4.10.9 For the avoidance of doubt, the Replacement Initial Collateral shall constitute Initial Collateral and shall be secured as set out in Condition 4.1.

4.10.10 Following the Noteholder's replacement of the Initial Collateral with the Replacement Initial Collateral, provided that the relevant Series is admitted to the Official List and admitted to trading on the Main Securities Market or the GEM and the guidelines of such exchange so require, the appropriate document will be prepared and submitted to the relevant stock exchange for their consent before being published in accordance with their listing guidelines.

4.10.11 If the Notes are rated by any Rating Agency, the Issuer undertakes to the Trustee and the Noteholders in relation to the Notes that it shall forthwith: (i) notify the Trustee and each such Rating Agency of any Initial Collateral to be replaced with Replacement Initial Collateral by it prior to such replacement and (ii) prior to such replacement, obtain Rating Agency Affirmation from each Rating Agency (if any) then rating the outstanding Notes.

4.10.12 In this Condition 4.10, "Business Day" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets settle deliveries and payments in the principal financial centre in respect of the Replacement Initial Collateral and are open for business in the place of the specified office of the relevant Disposal Agent.

4.11 Issuer's rights as holder of Collateral

The Issuer may exercise any rights in its capacity as holder of the Collateral only with the consent of the Trustee or as directed by an Extraordinary Resolution of the Noteholders and, if such consent or direction is given, the Issuer will act only in accordance with such consent or direction. In particular, the Issuer will not attend or vote at any meeting of holders of the Collateral or give any consent or notification or make any declaration in relation to the Collateral, unless the Trustee

shall have given its consent or the Issuer has been directed to do so by an Extraordinary Resolution of the Noteholders and in either case, the Issuer has been prefunded or otherwise indemnified for any associated costs related thereto.

5 Restrictions

So long as any of the Notes remains outstanding, the Issuer shall not, without the consent of the Trustee and any Swap Counterparty and/or Option Counterparty, incur any other indebtedness for borrowed moneys (other than as contemplated below or in the Principal Trust Deed) or engage in any business (other than acquiring, managing and holding the Mortgaged Property, issuing the Notes, acquiring, benefiting from or entering into any Credit Support Document, entering into any Option Agreement, and any Swap Agreement and issuing further series of notes (as contemplated by the Principal Trust Deed) and entering into related transactions as described below), declare any dividends, have any subsidiaries or employees, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person, convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in these Conditions and the Trust Deed), issue any shares (other than such shares as were in issue on the date of this Base Prospectus (or, if later, on the date of the relevant deed of accession, if any)) or make any distribution to its shareholders, provided that nothing in this Condition shall limit the ability of either the Issuer or the Trustee on behalf of the Issuer to enter into any agreement described in Section 1471 of the Code or perform any act incidental or necessary thereto to comply with such agreement.

The Issuer may from time to time (without the consent of the Noteholders but provided that the Trustee is satisfied that the restrictions of this Condition 5 will be complied with) issue further notes, as contemplated by the Principal Trust Deed (which may form a single series with the Notes) and create or incur further obligations relating to such notes, provided that such further notes and obligations:

- 5.1** are secured (save in the case of such further notes forming a single series with the Notes) on assets of the Issuer other than the Mortgaged Property, the assets on which any other obligations of the Issuer are secured and the Issuer's share capital
- 5.2** are issued on terms in substantially the form contained in these Conditions which provide that the obligations of the Issuer will be limited to such net proceeds of realisation of the assets on which such further notes and obligations are secured and as confirmed by legal opinions (in respect of Cayman Islands/Irish and English law) in such form and with such content as may be satisfactory to the Trustee and
- 5.3** are in the case of such further notes forming a single series with the Notes of any Series, secured *pari passu* on the Mortgaged Property for such Series and such further assets of the Issuer upon which such further notes are secured, all in accordance with Condition 16.

6 Interest and Other Calculations

6.1 Interest Rate and Accrual

Subject to Condition 9, if applicable, each Note bears interest on its outstanding principal amount from the Interest Commencement Date (as defined in the Authorised Offering Document) at the rate per annum (expressed as a percentage) equal to the Interest Rate, such interest being payable in arrear on each Interest Payment Date (payment of such interest being subject to deferral pursuant to Condition 6.2).

If, upon due presentation of a Note, payment of principal is improperly withheld or refused on the due date for redemption, interest will continue to accrue (both before and after judgment) at the Interest Rate in the manner provided in this Condition 6 to the Relevant Date.

If a Broken Amount in relation to any Interest Payment Date is specified in the Authorised Offering Document, the amount of interest payable on such Interest Payment Date will be an amount equal to the Broken Amount so specified (payment of such Broken Amount being subject to deferral pursuant to Condition 6.2).

6.2 Business Day Convention

If any date referred to in these Conditions which is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day which is not a Relevant

Business Day (as defined in Condition 21), then, if the Business Day Convention specified is (i) the “Floating Rate Business Day Convention”, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event (A) such date shall be brought forward to the immediately preceding Relevant Business Day and (B) each subsequent such date shall be the last Relevant Business Day of the month in which such date would have fallen had it not been subject to adjustment, (ii) the “Following Business Day Convention”, such date shall be postponed to the next day which is a Relevant Business Day, (iii) the “Modified Following Business Day Convention”, such date shall be postponed to the next day which is a Relevant Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Relevant Business Day or (iv) the “Preceding Business Day Convention”, such date shall be brought forward to the immediately preceding Relevant Business Day.

6.3 Interest Rate on Floating Rate Notes

If the Interest Rate is specified as being Floating Rate, the Interest Rate for each Interest Accrual Period will be determined by the Calculation Agent at or about the Relevant Time on the Interest Determination Date in respect of such Interest Accrual Period in accordance with the following:

6.3.1 if the Primary Source for the Floating Rate is a Page, subject as provided below, the Interest Rate shall be:

- (i) the Relevant Rate (where such Relevant Rate on such Page is a composite quotation or is customarily supplied by one entity); or
- (ii) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Page,

in each case appearing on such Page at the Relevant Time on the Interest Determination Date;

6.3.2 if the Primary Source for the Floating Rate is Reference Banks or if Condition 6.3.1(i) applies and no Relevant Rate appears on the Page at the Relevant Time on the Interest Determination Date or if Condition 6.3.1(ii) applies and fewer than two Relevant Rates appear on the Page at the Relevant Time on the Interest Determination Date (whether, where either Condition 6.3.1(i) or Condition 6.3.1(ii) applies, due to any market disruption or settlement disruption event affecting such Page or due to any other reason), subject as provided below, the Interest Rate shall be the arithmetic mean of the Relevant Rates which each of the Reference Banks is quoting to major banks in the Relevant Financial Centre at the Relevant Time on the Interest Determination Date, as determined by the Calculation Agent;

6.3.3 if Condition 6.3.2 above applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates subject as provided below, the Interest Rate shall be the arithmetic mean of the rates per annum (expressed as a percentage) which the Calculation Agent determines to be the rates (being the nearest equivalent to the Benchmark) in respect of a Representative Amount of the Relevant Currency which at least two out of five leading banks selected by the Calculation Agent in the principal financial centre of the country of the Relevant Currency or, if the Relevant Currency is euro, the Euro-zone, as selected by the Calculation Agent (the “Principal Financial Centre”) are quoting at or about the Relevant Time on the date on which such banks would customarily quote such rates for a period commencing on the Effective Date for a period equivalent to the Specified Duration (x) to leading banks carrying on business in Europe, or (if the Calculation Agent determines that fewer than two of such banks are so quoting to leading banks in Europe) (y) to leading banks carrying on business in the Principal Financial Centre; except that, if fewer than two of such banks are so quoting to leading banks in the Principal Financial Centre, the Interest Rate shall be the Interest Rate determined on the previous Interest Determination Date (after readjustment for any difference between any Margin, Rate Multiplier or Maximum or Minimum Interest Rate applicable to the preceding Interest Accrual Period and to the relevant Interest Accrual Period).

6.4 Interest Rate on Zero Coupon Notes

As from the Maturity Date, unless otherwise specified in the relevant Authorised Offering Document, the Interest Rate for any overdue principal in respect of a Note the Interest Rate of which is specified to be Zero Coupon shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 7.5.2).

6.5 Margin, Maximum/Minimum Interest Rates, Instalment Amounts and Redemption Amounts, Rate Multipliers and Rounding:

6.5.1 If any Margin or Rate Multiplier is specified in the Authorised Offering Document (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Interest Rates, in the case of (x), or the Interest Rates for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with Condition 6.3 above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin or multiplying by such Rate Multiplier, subject always to Condition 6.5.2.

6.5.2 If any Maximum or Minimum Interest Rate, Instalment Amount or Redemption Amount is specified in the Authorised Offering Document, then any Interest Rate, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

6.5.3 For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures will be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts which fall due and payable will be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "unit" means the lowest amount of such currency which is available as legal tender in the country or countries of such currency.

6.6 Calculations

The amount of interest payable in respect of any Note for any period shall be calculated by multiplying the product of the Interest Rate and the outstanding principal amount of such Note by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such Note for such period will equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period will be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.

6.7 Determination and Publication of Interest Rates, Interest Amounts, Redemption Amounts and Instalment Amounts

As soon as practicable after the Relevant Time on each Interest Determination Date or such other time on such date as the Calculation Agent may be required to calculate any Redemption Amount or Instalment Amount, obtain any quotation or make any determination or calculation, the Calculation Agent will determine the Interest Rate and calculate the amount of interest payable (the "Interest Amounts") in respect of each Denomination of the Notes for the relevant Interest Accrual Period, calculate any Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Interest Rate and the Interest Amounts for each Interest Period and the relevant Interest Payment Date and, if required to be calculated, any Redemption Amount or any Instalment Amount to be notified to the Issuer, the Trustee, the Issuing and Paying Agent, each of the Paying Agents, the Noteholders, the relevant Dealer (if such Dealer is not the Calculation Agent), any other Calculation Agent appointed in respect of the Notes which is to make a further calculation upon receipt of such information and, for so long as the Notes are listed on a stock exchange or with another relevant authority and the rules of such stock exchange or other relevant authority require, such stock exchange or other relevant authority, as soon as possible after their determination but in no event later than (i) (except in the case of notices to the Noteholders) the commencement of the relevant

Interest Period, if determined prior to such time, in the case of an Interest Rate and Interest Amount, or (ii) in all other cases, the fourth Relevant Business Day after such determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made with the consent of the Trustee by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 12, the accrued interest and the Interest Rate payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition 6 but no notification of the Interest Rate or the Interest Amount so calculated need be made unless the Trustee otherwise requires. The determination of each Interest Rate, Interest Amount, Redemption Amount and Instalment Amount, the obtaining of each quote and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties.

6.8 Determination or Calculation by Trustee

If the Calculation Agent fails at any time for any reason to establish the Interest Rate for an Interest Accrual Period or the Interest Amount, Instalment Amount or any Redemption Amount or to comply with any other requirement, the Trustee shall do so (or shall appoint an agent on its behalf to do so) and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the Trustee shall apply the foregoing provisions of this Condition 6, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

6.9 Calculation Agent and Reference Banks

The Issuer shall procure that there shall at all times be four Reference Banks (or such other number as may be required) with offices in the Relevant Financial Centre and one or more Calculation Agents if provision is made for them in the Conditions applicable to the Notes and for so long as any Notes are outstanding. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank, then the Issuer will appoint another Reference Bank with an office in the Relevant Financial Centre to act as such in its place. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Interest Rate for any Interest Period or to calculate any Interest Amount, Instalment Amount or the Redemption Amount or to comply with any other requirements, the Issuer shall (with the prior approval of the Trustee) appoint the London office of a leading bank engaged in the London interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent to act as such in its place. The Calculation Agent may not resign its duties without a successor having been so appointed as further described in the Agency Agreement.

All determinations, calculations and quotations made or obtained for the purpose of the provisions of this Condition 6, whether by the Reference Banks (or any of them), the Calculation Agent or the Trustee or by reference to a Page shall (in the absence of manifest error) be binding on the Issuer, the Reference Banks, the Paying Agents, the Calculation Agent, the Transfer Agents, the Trustee and all of the Noteholders and the Couponholders. No Noteholder or Couponholder shall (in the absence as aforesaid) be entitled to proceed against the Reference Bank or the Calculation Agent or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions under this Condition 6 except in the case of negligence or wilful default.

7 Redemption, Purchase, Options and Exchange

7.1 Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, each Note will be redeemed at the Final Redemption Amount (which, unless otherwise provided, is its outstanding principal amount) on the Maturity Date specified on each Note. Notes with no final maturity date

will only be redeemable or repayable in accordance with the following provisions of this Condition 7 or Condition 12.

7.2 Mandatory Redemption

7.2.1 If either (i) any of the Initial Collateral becomes due and payable prior to its stated date of maturity in accordance with its terms or (ii) unless the Trustee otherwise agrees, any Initial Collateral becomes capable of being declared due and payable prior to its stated date of maturity in accordance with its terms or (iii) unless the Trustee otherwise agrees, following the expiration of any applicable grace period under the terms of the Initial Collateral, there is a payment default in respect of any of the Initial Collateral, the Issuer shall give notice thereof to the Trustee, the Swap Counterparty and/or the Option Counterparty and to Noteholders in accordance with Condition 17 and, if the relevant Series is admitted to the Official List and admitted to trading on the Main Securities Market or the GEM, Euronext Dublin (a “Mandatory Redemption Notice”). The Mandatory Redemption Notice shall give not more than 30 days’ notice to the Trustee, the Noteholders, the Swap Counterparty and/or the Option Counterparty of the Early Redemption Date, and upon expiry of such notice the Issuer shall redeem each Note in whole at the Early Redemption Amount on the Early Redemption Date. The Early Redemption Amount shall be paid in accordance with Condition 4.2 and shall be the only amount payable in respect of such Note and there will be no separate payment of any unpaid accrued interest thereon. The Early Redemption Amount may be less than the principal amount of the Notes being redeemed.

7.2.2 Failure to make any payment due in respect of a mandatory redemption under this Condition 7.2 of the principal amount of the Notes or interest thereon shall not constitute an Event of Default under Condition 12.

In the event of such redemption and the security constituted by the Trust Deed becoming enforceable, the Trustee may take such action as is provided in Condition 4.6.

None of the Issuer, the Trustee or the Swap Counterparty is obliged to monitor whether an event has occurred which would result in the Notes being redeemed pursuant to this Condition 7.2.

7.2.3 For the purposes of any calculations required pursuant to this Condition 7, (a) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (b) all figures shall be rounded to seven significant figures (with halves being rounded up) and (c) all currency amounts that fall due and payable shall be rounded to the nearest unit of currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

7.2.4 Where the relevant Series is admitted to the Official List and admitted to trading on the Main Securities Market or the GEM and a mandatory redemption event occurs pursuant to this Condition 7.2, the Issuer shall give notice thereof to the relevant Stock Exchange (which notice shall include details of the amount of any redemption payment made and the outstanding principal amount of the Notes following such mandatory redemption).

7.3 Redemption for taxation and other reasons

If any of the following applies then the Issuer shall forthwith give not more than 30 days’ notice to the Trustee, the Noteholders, the Swap Counterparty and/or the Option Counterparty of the Early Redemption Date and, on such Early Redemption Date, shall redeem all but not some only of the Notes at their Early Redemption Amount. Such notice (the “Redemption Notice”) shall be given promptly upon the occurrence of any of the events below, unless the Trustee shall certify to the Issuer that it considers in its absolute discretion that it is in the best interests of the Noteholders that such notice be delayed or not given or an Extraordinary Resolution of the Noteholders shall otherwise direct. The Early Redemption Amount shall be paid in accordance with Condition 4.2 and shall be the only amount payable in respect of such Note and there will be no separate payment of any unpaid accrued interest thereon. The Early Redemption Amount may be less than the principal amount of the Notes being redeemed

7.3.1 If the Issuer (i) on the occasion of the next payment due in respect of the Notes, (a) would be required by the law of any jurisdiction to withhold, deduct or account for tax (except in the case of any such withholding, deduction or accounting arising on account of an Information Reporting Regime) or (b) would suffer tax in accordance with the law of any jurisdiction in respect of its income so that it would be unable to make payment of the full amount due or (ii) determines that, due to a failure or inability of a Noteholder, Couponholder or beneficial owner of Notes to provide the information required in accordance with Condition 10.2, the Issuer may be subject to a fine, penalty, or a deduction or withholding on any payment to be received by the Issuer, then the Issuer shall so inform the Trustee on becoming aware of such and the Issuer shall, as soon as reasonably practicable, redeem all but not some only of the Notes save where Condition 7.3.3 (*Disapplication of Conditions 7.3.1 and 7.3.2*) below applies; and/or

7.3.2 if the Issuer (i) is or will be unable to receive any payment due in respect of the Initial Collateral forming part of the Mortgaged Property in full on the due date therefor without deduction for or on account of any withholding tax, back-up withholding or other tax, duties or charges of whatsoever nature imposed by any authority of any jurisdiction, (ii) is required to pay any tax, duty or charge of whatsoever nature in respect of any payment received in respect of the Initial Collateral forming part of the Mortgaged Property, (iii) is or will be unable to receive any payment due under any Option Agreement or any Swap Agreement in full on the due date therefor without deduction for or on account of any withholding tax, back-up withholding or other tax, duties or charges of whatsoever nature, or (iv) is required to comply with any reporting requirement of any such authority (except in any case where the Issuer is able to obtain such payment in full on the due date therefor or gain exemption from such payment or reporting requirement or comply with such reporting requirements by filing a declaration that it is not a resident of such jurisdiction and/or by executing any certificate, form or other document in order to make a claim under a double taxation treaty or other exemption available to it and such filing or execution does not involve any material expense and is not unduly onerous, or such reporting requirement does not involve any material expense and is not unduly onerous), in each case including where such tax, duty, charge or reporting requirement is imposed on account of an Information Reporting Regime, then the Issuer shall so inform the Trustee and the Issuer shall redeem all but not some only of the Notes save where Condition 7.3.3 (*Disapplication of Conditions 7.3.1 and 7.3.2*) below applies; and/or

7.3.3 Disapplication of Conditions 7.3.1 and 7.3.2

- (i) Notwithstanding the foregoing, if the requirement to withhold, deduct or account for any present or future taxes, duties or charges of whatsoever nature or any fine or penalty referred to in Conditions 7.3.1 or 7.3.2 above arises solely by reason of one or more of (a) any Noteholder's, Couponholder's or beneficial owner of Notes' connection with a relevant taxing jurisdiction otherwise than by reason only of the holding of any Note or receiving or being entitled to any payment in respect thereof, or (b) the failure or inability of the relevant Noteholder, Couponholder or beneficial owner of Notes to comply with Condition 10.2 (whether or not Excluded Circumstances exist), then, to the extent the Issuer is able to deduct such taxes, duties, charges, fines or penalties, as applicable, from the amounts payable to such Noteholder or Couponholder without impairing payments to other Noteholders and Couponholders, Condition 7.3.1 or 7.3.2, as applicable, shall not apply and the Issuer shall deduct such taxes, duties, charges, fines or penalties, as applicable, from the amounts payable to such Noteholder or Couponholder and all other Noteholders and Couponholders shall receive the due amounts payable to them and the Issuer shall not redeem the Notes pursuant to Condition 7.3.1 or 7.3.2, as applicable.
- (ii) In addition, if, by reason of the application of Section 871(m) of the Code, the Issuer (a) is or would be subject to any withholding or deduction on any payment in respect of the Collateral or under an Option Agreement or a Swap Agreement or (b) is or

would be required to withhold on payments with respect to the Notes or Coupons, then:

- (I) if the relevant Authorised Offering Document specifies that as at the Issue Date the Notes are Specified Notes, then Condition 7.3.1 or 7.3.2, as applicable, shall not apply in that case and the Issuer shall deduct an amount equal to such withholding or deduction, as applicable, from the amounts payable to each Noteholder or Couponholder and shall not redeem the Notes pursuant to Condition 7.3.1 or 7.3.2, as applicable; or
- (II) if the relevant Authorised Offering Document specifies that as at the Issue Date the Notes are not Specified Notes, then the Issuer shall deduct an amount equal to such withholding or deduction, as applicable, from any amounts payable to each Noteholder or Couponholder and shall redeem the Notes pursuant to Condition 7.3.1 or 7.3.2, as applicable.

Any such deduction made in accordance with this Condition 7.3.3 shall not be an Event of Default under Condition 12.

7.3.4 if a Credit Support Document, an Option Agreement or a Swap Agreement is terminated in whole for any reason the Issuer shall redeem all but not some only of the Notes.

7.3.5 Early Redemption Amount less than principal amount being redeemed

In the event of such redemption and the security constituted by the Trust Deed becoming enforceable, (i) the Trustee may take such action as is provided in Condition 4.6 and (ii) the Early Redemption Amount may be less than the principal amount of the Notes being redeemed.

7.4 Purchases

If the Issuer has satisfied the Trustee that it has made arrangements for the realisation of no more than the equivalent proportion of the Collateral, for the reduction in the notional amount of any Swap Agreement and/or Option Agreement and for the purchase of the Notes, which transaction will leave the Issuer with no net liabilities in respect thereof, it may purchase Notes (provided that all unmatured Receipts and Coupons and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

7.5 Early Redemption of Zero Coupon Notes

7.5.1 The Redemption Amount payable in respect of any Note which does not bear interest prior to the Maturity Date and the Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such Note pursuant to Condition 7.2 or 7.3 or upon it becoming due and payable as provided in Condition 12, shall be the Amortised Face Amount (calculated as provided below) of such Note.

7.5.2 Subject to the provisions of Condition 7.5.3 below, the Amortised Face Amount of any such Note (the "Amortised Face Amount") shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Authorised Offering Document, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Authorised Offering Document.

7.5.3 If the Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 7.2 or 7.3 or upon it becoming due and payable as provided in Condition 12 is not paid when due, the Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in Condition 7.5.2 above, except that Condition 7.5.2 shall have effect as though the reference therein to the Maturity Date in relation to the Note were replaced by a reference to the Relevant Date. The calculation of the Amortised Face Amount in accordance with this Condition 7.5.3 will continue to be made (both before and after judgment) until the Relevant Date unless the

Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 6.4.

7.6 Redemption at the Option of the Issuer and Exercise of Issuer's Options

If specified as applicable in the relevant Authorised Offering Document, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Option Period (as specified in the relevant Authorised Offering Document), redeem, or exercise any Issuer's option in relation to, all or, if so provided, some of the Notes in the principal amount or integral multiples thereof on the Issuer's Optional Redemption Date specified in the relevant Authorised Offering Document. Any such redemption of Notes shall be at the Early Redemption Amount. The Early Redemption Amount shall be paid in accordance with Condition 4.2 and shall be the only amount payable in respect of such Note and there will be no separate payment of any unpaid accrued interest thereon.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition 7.6.

Where Notes are to be redeemed in part or the Issuer's option is to be exercised in respect of some only of the Notes, the Notes to be redeemed or in respect of which such option is exercised will be selected individually by lot, in accordance with the rules and procedures of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), subject to compliance with any applicable laws and stock exchange or other relevant authority requirements in such place as the Trustee shall approve and in such manner as the Trustee shall deem to be appropriate and fair, not more than 60 days prior to the date fixed for redemption and a notice setting out a list of the Notes called for redemption or in respect of which such option is exercised, the date fixed for redemption or exercise of such option and the redemption price or option price will be given by the Issuer not less than 30 days prior to such date in accordance with Condition 17. So long as the Notes are admitted to the Official List and admitted to trading on either the Main Securities Market or the GEM (or listed and admitted to trading on the market of any other stock exchange) and the rules of the relevant stock exchange or other relevant authority so require, the Issuer shall, once in each year in which there has been a partial redemption of the Notes, cause to be published in a leading newspaper of general circulation in Ireland, or by any other method permitted by such stock exchange, or as specified by such other stock exchange or other relevant authority, a notice specifying the aggregate nominal amount of Notes outstanding and a list of the Notes drawn for redemption but not surrendered.

7.7 Redemption at the Option of Noteholders and Exercise of Noteholders' Options

If specified as applicable in the relevant Authorised Offering Document, the Issuer shall, at the option of the holder of any such Note, redeem such Note on the Noteholders' Optional Redemption Date specified in such Authorised Offering Document, at the Early Redemption Amount. The Early Redemption Amount shall be paid in accordance with Condition 4.2 and shall be the only amount payable in respect of such Note and there will be no separate payment of any unpaid accrued interest thereon.

If the relevant Authorised Offering Document for the relevant Series provide for "Physical Optional Early Redemption", and, if so, in the circumstances specified therein, the Issuer's obligation to pay the Early Redemption Amount may be satisfied by the Issuer delivering Collateral forming the Mortgaged Property for that Series. The amount of such Collateral to be delivered shall be the corresponding proportion of all such Collateral as the Notes of that Series held by that Noteholder bear to the then outstanding principal amount of the Notes of that Series.

To exercise such option or any other Noteholders' option which may be set out in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, the holder must deposit such Bearer Note with any Paying Agent (in the case of Bearer Notes) or the Individual Certificate representing such Note(s) with the Registrar or any Transfer Agent (in the case of Registered Notes) at its specified office, together with a duly completed option notice (a "Put Notice/Option Notice") in or substantially in the form set out in Schedule 4 to the Agency Agreement, copies of which are obtainable from any Paying Agent or any Transfer Agent or from

the Registrar (as applicable) within the Noteholders' Option Period. No Bearer Note or Individual Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer. Such Put Notice/Option Notice must be deposited with the Paying Agent, Registrar or Transfer Agent (as applicable), a minimum of 15 Business Days before the option it relates to is exercised.

7.8 Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 7 or unless the relevant Instalment Date (being one of the dates so specified on the Notes) is extended pursuant to any Issuer's or Noteholders' option in accordance with Condition 7.6 or 7.7, each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the specified Instalment Amount, whereupon the outstanding principal amount of such Note shall be reduced for all purposes by the Instalment Amount.

7.9 Redemption because of Ineligible Investors

The Issuer may:

- (i) at any time, compel any beneficial owner of an interest in the Notes to certify that such beneficial owner is not an Ineligible Investor;
- (ii) refuse to honour the transfer of an interest in a Note to the extent such transfer is to or for the benefit of an Ineligible Investor; and
- (iii) compel any beneficial owner of an interest in the Notes that is an Ineligible Investor to transfer such interest in the Notes to a Permitted Purchaser, or transfer such interest in the Notes to the Issuer or an affiliate of the Issuer at a price equal to the lesser of (x) the purchase price therefor paid by the beneficial owner, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof. Such amount shall be paid in accordance with Condition 4.2 and shall be the only amount payable in respect of such Note and there will be no separate payment of any unpaid accrued interest thereon.

For the purposes of these Conditions, an "Ineligible Investor" means a person who is (w) a U.S. person (as such term is defined under Rule 902(k)(1) of Regulation S under the Securities Act), (x) not a Non-United States person (as such term is defined under CFTC Rule 4.7, but excluding, for the purposes of subsection (D) thereof, the exception to the extent it would apply to persons who are not Non-United States Persons), (y) an employee benefit plan or other plan, account or arrangement that is or the assets of which are subject to (i) Part 4, Subtitle B, Title I of ERISA or Section 4975 of the Code, or (ii) any laws, rules or regulations substantially similar to such provisions of ERISA or the Code or (z) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) (any person who does not satisfy any condition set forth in the immediately preceding clauses (w), (x), (y) and (z), a "Permitted Purchaser").

7.10 Cancellation

All Notes purchased by or on behalf of the Issuer or redeemed must be surrendered for cancellation, in the case of Bearer Notes, by surrendering each such Note together with all unmatured Receipts and Coupons and all unexchanged Talons to, or to the order of, the Issuing and Paying Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar and, in each case, when so surrendered, will, together with all Notes redeemed by the Issuer, be cancelled forthwith (together with all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7.11 Exchange

If so provided in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, any Noteholder may at its option exchange any or all of its Notes for an amount (the "Net Asset Amount") calculated by the Calculation Agent as being equal to the then market value of such proportion of the Collateral comprised in the Mortgaged Property (the "attributable Property") as equals the proportion (rounded down to the nearest whole number)

which the principal amount of the Notes to be exchanged bears to the total principal amount outstanding of the Notes (less the costs of such valuation). Such Net Asset Amount will be adjusted as appropriate by the value realised or cost incurred, as the case may be, as a result of the termination of any Swap Agreement (if any), or part thereof in accordance with this Condition 7.11. To exercise such option, the Noteholder shall deposit the relevant Notes, together with all (if any) unmatured Coupons, Receipts and Talons appertaining thereto, at the office of the Issuing and Paying Agent or at the office of the Paying Agent in Ireland, together with written notice in a form obtainable from the Paying Agents that such option is to be exercised. The Issuing and Paying Agent or the Paying Agent in Ireland shall forthwith notify the Issuer, the Swap Counterparty or the Option Counterparty, as the case may be, the Custodian and the Trustee of receipt of such written notice. The Swap Counterparty or the Option Counterparty, as the case may be, shall forthwith notify the Issuer, the Trustee, the Custodian and the Issuing and Paying Agent (who shall then notify the relevant Noteholder) of the net sums payable by or, as the case may be, to such Swap Counterparty or Option Counterparty, as the case may be on termination of the relevant part of the relevant Swap Agreement or the Option Agreement, as the case may be. The part of the relevant Swap Agreement or Option Agreement, as the case may be, to be terminated will be the *pro rata* amount thereof corresponding to that proportion of the Notes to be exchanged as calculated by the Calculation Agent. The calculation of the Net Asset Amount in accordance with this Condition 7.11 shall, in the absence of manifest error, be binding on the relevant Noteholder(s). Any such Net Asset Amount shall be payable to the relevant Noteholder at the specified office of the Issuing and Paying Agent or at the office of the Paying Agent in Ireland, at which the relevant Notes were deposited on the twentieth calendar day after such deposit (the "Delivery Date") provided that such day is a business day as defined in Condition 8.8 and, for the purposes of this Condition 7.11 and such definition, the jurisdiction in which the Issuing and Paying Agent is located and the jurisdiction in which any clearing system in which attributable Property is held or through which it is to be delivered pursuant to the succeeding paragraph shall each be deemed to have been specified as a "Business Day Jurisdiction".

Notwithstanding the foregoing provisions of this Condition 7.11, the Issuer may, at its discretion, elect to satisfy its obligations hereunder by delivery to the relevant Noteholder on the Delivery Date of the attributable Property and the conditions of delivery of such attributable Property shall be specified in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable. In any such case, the Issuer will procure that, subject to any payment due to the Swap Counterparty and/or the Option Counterparty, as the case may be, being made by the relevant Noteholder, the relevant attributable Property is delivered to the Noteholder(s) (or to any other place or account specified in the written notice referred to above) and shall use its best endeavours to procure that any payment due from the relevant Swap Counterparty and/or the Option Counterparty, as the case may be, as aforesaid on termination of the relevant Swap Agreement or Option Agreement, as the case may be, or part thereof, is duly made to the relevant Noteholder.

No interest will be payable with respect to Notes deposited for exchange pursuant to this Condition 7.11 in respect of the period from the date of issue of the Notes (in the case of exchange prior to the first due date for the payment of interest of the Notes) or the previous date for the payment of interest of the Notes (in any other case) to the date of such exchange.

The relevant Supplemental Trust Deed will contain provisions for the release of the relevant Collateral comprised in the Mortgaged Property for which Notes have been exchanged pursuant to this Condition 7.11 from the charges relating thereto, provided that arrangements satisfactory to the Trustee are made in respect of any payment due from or to the relevant Noteholder(s) and/or the Swap Counterparty or the Option Counterparty, as the case may be, pursuant to the provisions of this Condition 7.11.

Any Dealer, Swap Counterparty or Option Counterparty may hold Notes and, consequently, may exercise the option set out in this Condition 7.11 in such capacity.

7.12 Redemption for illegality

If the Issuer or the Calculation Agent determines that the performance of the Issuer's obligations under the Notes or that any arrangements made to hedge the Issuer's obligations under the Notes (including holding the Collateral) has or will become unlawful, illegal or otherwise prohibited in

whole or in part, including without limitation, as a result of an enactment of or supplement or amendment to, or a change in law, policy or official interpretation, implementation or application of any relevant regulations or as a result of any official communication, interpretation or determination made by any relevant regulatory authority or for any other reason, the Issuer or the Calculation Agent (as applicable) may give notice to the Trustee, the Noteholders, the Swap Counterparty, the Custodian, the Issuing and Paying Agent and/or the Option Counterparty and upon the giving of such notice all, but not some only, of the Notes shall become due for redemption on the date specified in such notice at their Early Redemption Amount. The Early Redemption Amount shall be paid in accordance with Condition 4.2 and shall be the only amount payable in respect of such Note and there will be no separate payment of any unpaid accrued interest thereon. The Early Redemption Amount may be less than the principal amount of the Notes being redeemed.

8 Payments and Talons

8.1 Bearer Notes

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative Note, unless no Receipts are issued with the relevant Notes), or Notes or (in the case of interest, save as specified in Condition 8.6.6) Coupons, as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency, provided that (i) in the case of euro, the transfer may be to, or the cheque drawn on, a euro account with a bank in a city in which banks have access to the TARGET 2 System and (ii) in the case of Japanese yen, the transfer will be to a non-resident Japanese yen account with an authorised foreign exchange bank (in the case of payment to a non-resident of Japan).

8.2 Registered Notes

8.2.1 Payments of principal (which for the purposes of this Condition 8.2 shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be made against surrender of the relevant Individual Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in Condition 8.2.2 below.

8.2.2 Interest (which for the purpose of this Condition 8.2 shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid to the person shown on the Register (or, if more than one person is shown in the Register in respect of one Certificate, to the first named person) at the close of business on the Clearing System Business Day immediately prior to the date for payment (the "Record Date"), where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January. Payments of interest on each Registered Note will be made in the currency in which such payments are due by cheque drawn on a bank in the principal financial centre of the country of the currency concerned or, in the case of euro, in a city in which the banks have access to the TARGET 2 System (in the case of payment in Japanese yen to a non-resident of Japan, drawn on an authorised foreign exchange bank) and mailed to the holder (or to the first named of joint holders) of such Note at its address appearing in the Register maintained by the Registrar. Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in Condition 8.2.1 above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency or, in the case of euro, in a city in which banks have access to the TARGET 2 System.

8.3 Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

8.4 Payments subject to law, etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or any Agent with any taxing authority) and the Issuer shall not be liable for any taxes or duties of whatever nature imposed, levied or required to be withheld or deducted by any such law, regulation or agreement. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

8.5 Appointment of Agents

The Paying Agent(s), the Registrar, the Transfer Agent(s), the Calculation Agent, the Custodian and the Disposal Agent initially appointed by the Issuer and their respective specified offices are listed below. The Paying Agent(s), the Registrar, the Transfer Agent(s), the Calculation Agent, the Custodian and the Disposal Agent act solely for the Issuer (or, as the case may be, the Trustee) and do not assume any obligation or relationship of agency or trust for or with any holder. The Issuing and Paying Agent and the Custodian may be subject to minimum rating requirements which, if applicable, will be specified in the relevant Authorised Offering Document. The Issuer reserves the right at any time with the prior written approval of the Trustee to vary or terminate the appointment of the Issuing and Paying Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Custodian or the Disposal Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer will at all times maintain (i) an Issuing and Paying Agent, (ii) a Registrar in relation to Registered Notes, (iii) a Paying Agent having its specified office in a major European city, (iv) a Transfer Agent having its specified office in a major European city in relation to Registered Notes, (v) a Calculation Agent where the Conditions so require one, (vi) a Disposal Agent where the Conditions so require and (vii) a Custodian. In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Notes denominated in U.S. dollars in the circumstances described in Condition 8.3 above. For as long as the Notes are admitted to the Official List and admitted to trading on the Main Securities Market, a Paying Agent will be maintained in Ireland and, if definitive Certificates are issued and outstanding in relation to Registered Notes, a Transfer Agent will also be maintained in Ireland. For so long as the Notes are listed on a stock exchange, the Issuer will maintain such agents as may be required by the rules of such stock exchange.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 17.

8.6 Unmatured Coupons and Receipts and unexchanged Talons

8.6.1 Unless the Notes provide that the relative Coupons are to become void upon the due date for redemption of those Notes, Bearer Notes should be surrendered for payment together with all unexpired Coupons (if any) appertaining thereto, failing which an amount equal to the face value of each missing unexpired Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unexpired Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 11).

- 8.6.2** If the Notes so provide, upon the due date for redemption of any Bearer Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.
- 8.6.3** Upon the due date for redemption of any Bearer Note, any Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
- 8.6.4** Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
- 8.6.5** Where any Bearer Note which provides that the relative Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons and any unexchanged Talon relating to it, and where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provisions of such indemnity as the Issuer may require.
- 8.6.6** If the due date for redemption of any Notes is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

8.7 Talons

On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Issuing and Paying Agent or such other Paying Agent as is notified to the Noteholders in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons which have become void pursuant to Condition 11).

8.8 Non-Business Days

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day nor to any interest or other sum in respect of such postponed payment. In this Condition 8.8, “business day” means:

- 8.8.1** in respect of Bearer Notes only, a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for business in the relevant place of presentation; and
- 8.8.2** in such jurisdictions as shall be specified as “Business Day Jurisdictions” in the relevant Authorised Offering Document, either:
- (i) (in the case of a payment in a currency other than euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or
 - (ii) (in the case of a payment in euro) which is a TARGET Business Day.

8.9 Suspension of Obligations following a Sanctions Event

Notwithstanding Condition 7.12, if the Calculation Agent determines (in its sole and absolute discretion) that on any day any Note, Noteholder, the Issuer, the Collateral, the issuer or obligor of the Collateral, the Trustee, the Issuing and Paying Agent, the Dealer, the Custodian, the Swap Counterparty, the Option Counterparty, any entity referenced under a Swap Agreement or Option Agreement (including a reference entity under any credit default swap) and/or any other entity involved in the Notes:

8.9.1 has become subject to Sanctions; and

8.9.2 as a result of such Sanctions, it has become unlawful or otherwise prohibited for any of the Issuer, the Trustee, the Issuing and Paying Agent, the Dealer, the Custodian, the Swap Counterparty and/or the Option Counterparty to perform any of their obligations under any of the Transaction Documents (a “Sanctions Event”),

the Calculation Agent may (in its sole and absolute discretion) give notice to the Issuer, the Trustee, the Issuing and Paying Agent, the Custodian, the Dealer, the Swap Counterparty and the Option Counterparty (in each case, as applicable) upon which the affected obligations, including without limitation any affected obligation to make any payments or deliveries, shall be suspended and remain suspended until the date on which the Calculation Agent notifies the Issuer, the Trustee, the Issuing and Paying Agent, the Custodian, the Dealer, the Swap Counterparty and the Option Counterparty (in each case, as applicable) that it has determined that such Sanctions Event is no longer continuing or that a Regulatory Amendment has been effected in accordance with Condition 14.3 to address such Sanctions Event (such date, the “Sanctions Event End Date”).

The Calculation Agent will take account of any information notified to it by the Swap Counterparty or Option Counterparty for the purpose of making a determination in respect of the occurrence of a Sanctions Event.

For as long as a Sanctions Event is continuing, all amounts that would otherwise fall due for payment or delivery shall, to the extent permitted by the relevant Sanctions, be treated in such manner as the Calculation Agent determines (in its sole and absolute discretion) to be appropriate in the circumstances, which may include payment or delivery into a suspense account. No interest shall accrue on any such amounts during such suspension.

On the Calculation Agent Business Day following the Sanctions Event End Date, the Calculation Agent shall determine the principal, interest amounts and/or delivery amounts (if any) payable to the relevant Noteholders (taking into account, where relevant, the occurrence and effect of any events during the period in which the Sanctions Event was continuing) and such amounts shall be paid by the Issuer as soon as reasonably practicable, but in any event not later than 30 Calculation Agent Business Days following the Sanctions Event End Date.

9 Determination of Reference Rate following a Reference Rate Event

9.1 Occurrence of a Reference Rate Event

If the Swap Counterparty or the Option Counterparty, as specified in the relevant Authorised Offering Document (the “Determining Party”), determines that a Reference Rate Event has occurred in respect of the Notes and/or the Swap Agreement(s) and/or Option Agreement(s) and gives notice of such determination (including a description in reasonable detail of the facts relevant to such determination) to the Issuer (copied to the Issuing and Paying Agent and the Trustee), then:

9.1.1 the Determining Party shall, in its sole discretion and after consulting any source it deems to be reasonable, attempt to identify a Replacement Reference Rate;

9.1.2 the Determining Party shall, in its sole discretion and after consulting any source it deems to be reasonable, attempt to determine the Adjustment Spread (if any); and

9.1.3 if the Determining Party identifies a Replacement Reference Rate and, if applicable, an Adjustment Spread pursuant to paragraphs (i) and (ii) above on or prior to a specified Cut-off Date:

- (i) the terms of the Notes and/or Swap Agreement(s) and/or Option Agreement(s) shall, without the consent of the Noteholders or the Couponholders, be amended so that references to the Reference Rate are replaced by references to the Replacement Reference Rate (provided that the Replacement Reference Rate, after application of the Adjustment Spread, may not be less than zero); and

- (ii) the Calculation Agent shall, without the consent of the Noteholders or the Couponholders, apply the Adjustment Spread to the Replacement Reference Rate and shall, after consulting any source it deems to be reasonable, make such other adjustments to the Conditions in a manner that is consistent with any industry-accepted practices for such Replacement Reference Rate (including, but not limited to, any Business Day, Business Day Convention, Day Count Fraction, Interest Determination Date, Interest Amount, Interest Payment Date, Interest Period, Interest Period Date, Interest Rate any other relevant methodology or definition for calculating such Replacement Reference Rate (including any adjustment factor it determines is required to make such Replacement Reference Rate comparable to the Reference Rate)) as it, in its sole discretion, determines necessary or appropriate in order to account for the effect of the adjustment and replacement of the Reference Rate with the Replacement Reference Rate and/or to preserve as nearly as practicable the economic equivalence of the Notes and/or Swap Agreement and/or Option Agreement before and after the adjustment and replacement of the Reference Rate with the Replacement Reference Rate.

Where the Determining Party makes a determination in accordance with this Condition 9, the Determining Party shall make a determination in relation to the Replacement Reference Rate for each of the Notes and/or the Swap Agreement(s) and/or the Option Agreement(s) acting only in an administrative capacity and shall not be acting as a fiduciary or advisor to the Issuer, any Noteholder or any of the Trustee and the Agents (excluding the Issuer, the “Transaction Parties”). The Determining Party shall not have any duty to monitor, enquire or satisfy itself as to whether any Reference Rate Event has occurred and shall not have any obligation to give, nor any responsibility or liability for giving or not giving, any notice to the Issuer that a Reference Rate Event has occurred nor have any responsibility to have regard to the interests of the Issuer, any Noteholder or any of the Transaction Parties.

9.2 Determining Party determination standard

Whenever the Determining Party is required to act in any way under Condition 9.1 above, it will make a decision or exercise judgement in good faith and in a commercially reasonable manner and shall have regard, to the extent practicable and without limitation, to any Industry Standard or industry fallback methodology in determining the Replacement Reference Rate or Adjustment Spread (as applicable) which in its sole discretion it determines as having gained acceptance by the market or to any Relevant Market Data (as defined below). Any such determination made by the Determining Party shall be final and binding save for any manifest error.

9.3 Suspension of Interest Payments

If a Reference Rate Event occurs in respect of the Notes and/or the Swap Agreement(s) and/or Option Agreement(s) and the Determining Party has not identified a Replacement Reference Rate or determined an Adjustment Spread in time for any determination for which the Replacement Reference Rate (as adjusted) is required under the Conditions, no payment of interest relating to the relevant Interest Payment Date shall be made by the Issuer in respect of the Notes (such period of non-payment of interest, the “Interest Suspension Period”). Subject to Condition 9.4 below, the non-payment of interest by the Issuer may continue indefinitely to the Maturity Date of the Notes, in certain circumstances where the Determining Party has not identified a Replacement Reference Rate or determined an Adjustment Spread by the specified Cut-off Date.

However, if, at any time during the Interest Suspension Period, the Determining Party identifies a Replacement Reference Rate and determines an Adjustment Spread (if applicable) in respect of such Replacement Reference Rate, then any balance of interest that would otherwise have been payable in respect of the Notes, but which payment has been suspended in accordance with this Condition 9.3, shall be due and payable on the basis that the Replacement Reference Rate were the Reference Rate instead on the second Business Day following such identification and determination (if applicable). In the case where the Determining Party has not identified a Replacement Reference Rate or determined an Adjustment Spread in time for any determination for which a Replacement Reference Rate (as adjusted) is required under the Conditions, the Determining Party may (but shall not be obligated to) provide notice to the Issuer (copied to the Issuing and Paying Agent and the Trustee) confirming that Interest Amounts (whether in whole or

in part) can be made by the Issuer on any nominated date if the Determining Party is aware that there are no payment interruptions with respect to any hedge transaction related to an impacted Swap Agreement or Option Agreement.

Noteholders or Couponholders shall not be entitled to any further payment as a consequence of the fact that the payment of any interest is postponed pursuant to this Condition 9.3.

9.4 Payment of Suspended Interest Value

If the Determining Party determines that it cannot identify a Replacement Reference Rate and determine an Adjustment Spread (if applicable) in respect of such Replacement Reference Rate on or before the Cut-off Date, then the Determining Party shall give notice of such fact to the Issuer (copied to the Issuing and Paying Agent and the Trustee) and:

- (i) the Swap Counterparty and/or Option Counterparty, as applicable, shall determine the Suspended Interest Value and pay an amount equal to the Suspended Interest Value to the Issuer no later than the Business Day prior to the Maturity Date in accordance with the terms any Swap Agreement(s) and/or Option Agreement(s); and
- (ii) the Issuer shall pay, in respect of each Note, an amount equal to each Noteholder's *pro rata* share of the Suspended Interest Value on the Maturity Date.

Noteholders or Couponholders shall not be entitled to any further payment as a consequence of the fact that the payment of any interest is postponed pursuant to Condition 9.3 above.

10 Taxation

10.1 Withholding and Deductions

All payments of principal and interest by the Issuer in respect of the Notes and Coupons will be made subject to any withholding or deduction for, or on account of, any withholding tax. Any such deduction shall not be an Event of Default under Condition 12. In determining the amount of withholding imposed by reason of the application of Section 871(m) of the Code with respect to any amounts to be paid in respect of the Notes and Coupons, the Issuer shall be entitled to withhold on any "dividend equivalent" (as defined for purposes of Section 871(m) of the Code) at the highest rate applicable to such payments, regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law.

10.2 Provision of Information

Each Noteholder, Couponholder and beneficial owner of Notes shall, except in the Excluded Circumstances (as defined below), within ten Business Days of receiving a request from the Issuer (delivered in accordance with Condition 17) or from any Agent acting on behalf of the Issuer, supply to the Issuer and/or any Agent acting on behalf of the Issuer such forms, documentation and other information relating to such Noteholder's, Couponholder's or beneficial owner's status under any applicable law (including, without limitation, any Information Reporting Regime) or any agreement entered into by the Issuer pursuant thereto as the Issuer and/or such Agent reasonably requests for the purposes of the Issuer's or such Agent's compliance with such law or agreement and such Noteholder, Couponholder or beneficial owner shall notify the Issuer and/or such Agent (as applicable) reasonably promptly in the event that it becomes aware that any of the forms, documentation or other information provided by such Noteholder, Couponholder or beneficial owner is (or becomes) inaccurate in any material respect.

The Issuer and its duly authorised agents and delegates may disclose the forms, documentation and other information provided to the Issuer and/or any Agent acting on behalf of the Issuer (as applicable) pursuant to this Condition 10.2 to any taxation or other governmental authority. In this Condition 10.2, "Business Day" means a day on which banks and foreign exchange markets are open for business in the place of the specified office of the Issuer or the relevant Agent (as the case may be).

10.3 Consequential Amendments

Each Noteholder, Couponholder and beneficial owner of the Notes further agrees and consents that, in respect of applicable Information Reporting Regimes, the Issuer may, but is not obliged

and owes no duty to any person to, (i) comply with the terms of any intergovernmental agreement between the U.S. and another jurisdiction with respect to FATCA or any legislation, regulation or guidance notes implementing such an intergovernmental agreement, (ii) enter into an agreement with the U.S. Internal Revenue Service or (iii) comply with other legislation, regulation or guidance notes or agreements under an applicable Information Reporting Regime, in each case, in such form as may be required to avoid the imposition of withholding on payments made to the Issuer, or fines or penalties that would be suffered by the Issuer, under an applicable Information Reporting Regime. In connection therewith, the Issuer may make such amendments to the Notes and any Transaction Document as are necessary to enable the Issuer to enter into, or comply with the terms of, any such agreement or legislation, provided that (i) such amendments are agreed to by each party to the affected Transaction Documents (such consent not to be unreasonably withheld or delayed) and (ii) the Issuer certifies that such amendments are necessary to avoid the imposition of withholding on payments made to the Issuer, or fines or penalties that would be suffered by the Issuer, under an applicable Information Reporting Regime.

For the purposes of Condition 14.3.1, any such amendment made in accordance with this Condition 10.3 shall be deemed to be not materially prejudicial to the interests of the Noteholders.

10.4 Cayman AML Compliance

In respect of any Registered Notes in definitive form held outside the clearing systems and issued by a Cayman Issuer, each Noteholder and beneficial owner of Notes shall, upon receiving a request from such Cayman Issuer (delivered in accordance with Condition 17) or from any Agent acting on behalf of the Issuer, provide the Cayman Issuer or Agents with such information and documentation that may be required for the Cayman Issuer to achieve Cayman AML Compliance and shall update or replace such information or documentation, as may be necessary.

10.5 Non-Permitted AML Noteholders

In respect of any Registered Notes in definitive form held outside the clearing systems and issued by a Cayman Issuer, if the Cayman Issuer determines at any time that any Noteholder or beneficial owner of Notes is a Non-Permitted AML Noteholder, the Cayman Issuer shall have the right at any time to (i) compel the relevant Noteholder or beneficial owner to sell or transfer its interest in such Note or (ii) sell such interest on such Noteholder's behalf. The Cayman Issuer shall not compel sales or transfers for failure to provide such information or documentation requested or required in accordance with Condition 10.4 unless the Cayman Issuer reasonably determines the acquisition, holding or transfer of an interest in such Note could result in a materially adverse effect on the Cayman Issuer.

11 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and (subject to Condition 8.6.2) Coupons (which, for this purpose, shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date in respect thereof.

12 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in principal amount of Notes then outstanding, or if so directed by an Extraordinary Resolution of such holders, shall (subject in each case to being indemnified to its satisfaction), give notice to the Issuer that such Notes are, and they shall accordingly forthwith become, immediately due and repayable at their Early Redemption Amount, and the Security constituted by the Trust Deed shall forthwith become enforceable, as provided in the Trust Deed, in any of the following events (each an "Event of Default"):

- 12.1** if default is made for a period of 14 days or more in the payment of any sum due in respect of the Notes or any of them; or
- 12.2** if the Issuer fails to perform or observe any of its other obligations under the Notes or the Trust Deed and (unless such failure is, in the opinion of the Trustee, incapable of remedy in which case no such notice as is referred to in this Condition 12 shall be required) such failure continues for a

period of 30 days (or such longer period as the Trustee may permit) following the service by the Trustee on the Issuer of notice requiring the same to be remedied; or

- 12.3** if an administrator shall be appointed or any order shall be made by any competent court or any resolution passed for the winding-up or dissolution of the Issuer save for the purposes of amalgamation, merger, consolidation, reorganisation or other similar arrangement on terms previously approved in writing by the Trustee or by an Extraordinary Resolution.

The Issuer has undertaken in the Principal Trust Deed that, on each anniversary of the date of the Principal Trust Deed and also within 14 days after any request by the Trustee, it will send to the Trustee a certificate signed by any two of its directors to the effect that, having made all reasonable enquiries, to the best of their knowledge, information and belief there did not exist, as at a date not more than five days prior to the date of the certificate, nor had there existed at any time prior thereto since the date of the Principal Trust Deed or, as the case may be, the date of the last such certificate (if any), any Event of Default or any condition, omission, event or act, which, with the giving of notice and/or the issue of a certificate and/or the lapse of time would constitute an Event of Default in respect of any Series or, if such did then exist or had existed, specifying the same and to such other effect as the Trustee may require and that the Issuer has complied with all of its obligations or, if that is not the case, specifying all of the obligations with which it has not complied.

13 Enforcement

At any time after the Notes become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the Issuer as it may think fit to enforce the terms of the Trust Deed, the Notes and the Coupons (other than insofar as they relate to the security constituted by the Trust Deed), but it need not take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution or so requested in writing by Noteholders holding at least one-fifth in principal amount of the Notes outstanding, and (b) it shall have been indemnified to its satisfaction.

Only the Trustee may pursue the remedies available under the Trust Deed to enforce the rights of the Secured Parties or the other parties hereto and no Secured Party is entitled to proceed under the Trust Deed against the Issuer unless the Trustee, having become bound to proceed in accordance with the terms of the Trust Deed, fails or neglects to do so.

The Trustee and the other Secured Parties shall have recourse only to the Mortgaged Property (or a part thereof if so provided in these Conditions) in respect of such Series, subject always to the charges and other security interests created by the Principal Trust Deed, the relevant Supplemental Trust Deed and/or any other security document. If, following realisation of the Mortgaged Property (whether following liquidation or enforcement of the security or otherwise) and distribution of the Available Proceeds as provided in Condition 4.2, such Available Proceeds are insufficient for the Issuer to make all payments which, but for the effect of this Condition 13 and similar limited recourse provisions, would then be due from the Issuer in relation to the Notes of the Series and the Transaction Documents relating to that Series, such obligations of the Issuer will be limited to such Available Proceeds, and the other assets of the Issuer will not be available for payment of any shortfall arising therefrom. None of the Trustee, the other Secured Parties nor any person acting on behalf of any of them shall be entitled to take any further steps against the Issuer to recover any further sum, any outstanding claim or debt in respect of such further sum shall be extinguished, and no debt shall be owed by the Issuer to such person in respect of any such further sum. In particular, none of the Trustee, the other Secured Parties nor any person acting on behalf of any of them shall be entitled to, at any time, petition or take any other step for the insolvency, examinership, winding-up or liquidation of the Issuer, nor shall the Trustee, any other Secured Party nor any person acting on behalf of any of them have any claim in respect of any sum arising in respect of the extinguished claim or debt, in respect of the Mortgaged Property for any other Series or any other assets secured for the benefit of any other obligation of the Issuer, provided that any of the Trustee, the other Secured Parties or any person acting on behalf of any of them may prove or lodge a claim in the insolvency, examinership, winding-up or liquidation of the Issuer initiated by another party and provided further that any of the Trustee, the other Secured Parties or any person acting on behalf of any of them may take proceedings to obtain a declaration or similar judgment or order as to the obligations and liabilities of the Issuer.

14 Meetings of Noteholders; Modifications; Waiver; and Substitution

14.1 Meetings of Noteholders

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes (including these Conditions or the provisions of the Trust Deed insofar as the same may apply to such Notes). An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders, whether present or not, and on all relevant Couponholders and holders of Receipts, except that any Extraordinary Resolution proposed, *inter alia*, (i) to amend the dates of maturity or redemption of the Notes, any Instalment Date or any date for payment of interest thereof, (ii) to reduce or cancel the principal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates or amount of interest or the basis for calculating the Interest Amount in respect thereof, (iv) if a Minimum and/or a Maximum Interest Rate, Instalment Amount or Redemption Amount is shown in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, to reduce any such Minimum and/or Maximum, (v) to change any method of calculating the Redemption Amount or, in the case of Zero Coupon Notes, to vary the method of calculating the Amortised Face Amount, (vi) to change the currency or currencies of payment or denomination of the Notes, (vii) to take any steps which as specified in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply, (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution, (ix) to modify the provisions of the Trust Deed concerning this exception or (x) to modify certain provisions of Condition 4 (which shall not, for the avoidance of doubt, include any modification by Extraordinary Resolution of the provisions of Condition 4.9), will only be binding if passed at a meeting of the Noteholders (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present. The Issuer may exercise any rights in its capacity as holder of, or party to an agreement comprised in, the Mortgaged Property pursuant to the consent of the Trustee or the authority of an Extraordinary Resolution of the Noteholders and, if such direction is given, the Issuer will act only in accordance with such directions (as more specifically set out in the Trust Deed). In particular, the Issuer will not attend or vote at any meeting of holders of Collateral (if applicable), or give any consent or notification or make any declaration in relation to the Collateral, unless it shall have been so requested by the Trustee or by any Extraordinary Resolution of the Noteholders.

14.2 Written Resolutions

A resolution in writing signed by or on behalf of Noteholders holding in the aggregate not less than 90 per cent. of the aggregate nominal amount outstanding of the Notes of the relevant class, which resolution in writing may be contained in one document or in several documents in like form each signed by or on behalf of one or more of the Noteholders, shall be as valid, effective and binding as a resolution duly passed at a meeting of Noteholders. Notice of the result of the voting on any resolution duly considered by the Noteholders shall be published by the Issuer within 14 days provided that the non-publication of such notice shall not invalidate such result.

14.3 Modification and Waiver

14.3.1 The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification (subject to certain exceptions) of, or to the waiver or authorisation of any breach or proposed breach of, any of these Conditions or any of the provisions of the Trust Deed, the relevant Option Agreement, the relevant Swap Agreement, the relevant Credit Support Document or any other agreement or document forming part of the Mortgaged Property which is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders or, in the case of any waiver in relation to Clauses 8.1.12, 8.1.13 and 8.1.16 of the Principal Trust Deed, only with the prior written consent of the Swap Counterparty and the Option Counterparty or to any modification which is, in the opinion of the Trustee, of a formal, minor or technical nature or to correct a manifest error and provided that Rating Agency Affirmation has been received by the Trustee at the time of the proposed modification, waiver or authorisation from each Rating Agency (if any) then rating

the outstanding Notes. Any such modification, waiver or authorisation shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 17.

14.3.2 Amendment to the Conditions and/or the Transaction Documents in connection with Regulatory Consequences or Sanctions Event

The Swap Counterparty or the Option Counterparty may, for the purposes of causing the transactions contemplated under the Transaction Documents to comply or to continue to comply with, or to take into account, any relevant Regulatory Consequences or Sanctions Event, including taking steps to ensure that the Issuer would not be prevented from entering into a swap agreement or any other trading agreement in connection with any other Series of Notes, make amendment(s) to the Transaction Documents (each a “Regulatory Amendment”), at any time, at its own expense and without the need for the consent of any other party to such Transaction Documents (each being a “Party”), provided that:

- (i) such amendment(s) will not materially alter the economic substance of the scheduled payments under the transactions constituted by the Transaction Documents when considered as a whole;
- (ii) such amendment(s) will not require any Party to withhold or deduct on account of any Tax (as defined in the ISDA Master Agreement) under a Transaction Document;
- (iii) a Termination Event or an Event of Default (each as defined in the ISDA Master Agreement) will not occur under any Transaction Document as a result of such amendment(s);
- (iv) no additional material amount will be payable by the Issuer to the Swap Counterparty as a result of such amendment(s); and
- (v) such amendments will not affect the operation of Clause 20.2 of the Principal Trust Deed or similar provisions in the Transaction Documents.

Provided that the criteria set out in (i) to (v) above are satisfied, no consent shall be required from any Party and each relevant Party shall promptly take such action and execute all documentation as the Swap Counterparty or the Option Counterparty may reasonably require to effect such amendment(s).

14.3.3 If a Sanctions Event occurs in respect of any entity referenced under a Swap Agreement or Option Agreement, including a reference entity under any credit default swap, and an industry wide initiative (including any protocol established by ISDA) is established that addresses such Sanctions Event, the Swap Counterparty or the Option Counterparty may effect a Regulatory Amendment in accordance with Condition 14.3.2 in order to reflect the amendments provided for within such initiative to address the Sanctions Event for so long as the Sanctions apply. In such circumstances, the criteria set out in (i) to (iv) of Condition 14.3.2 shall be deemed to have been satisfied with respect to any such Regulatory Amendment.

14.3.4 For the purposes of Clause 15.1 (*Modification*) of the Principal Trust Deed, any modification to the Trust Deed, the Conditions or any other Transaction Document which is a Regulatory Amendment shall be deemed not to be materially prejudicial to the interests of the Noteholders.

Any modification to the Conditions which is a Regulatory Amendment shall be notified to Noteholders in accordance with Condition 17.

14.4 Substitution

The Trust Deed contains provisions permitting the Trustee to agree, subject to such amendment of the Trust Deed and such other conditions as the Trustee may require but without the consent of the Noteholders or Couponholders but subject to the prior written approval of the Swap Counterparty and/or Option Counterparty, to the substitution of any other company in place of the Issuer or of any previous substituted company, as principal obligor under the Trust Deed and all of

the Notes then outstanding provided that Rating Agency Affirmation has been received by the Trustee at the time of the proposed substitution from each Rating Agency (if any) then rating the outstanding Notes. In the case of such a substitution the Trustee may agree, without the consent of the Noteholders or Couponholders, to a change of the law governing the Notes and/or the Trust Deed provided that such change would not, in the opinion of the Trustee, be materially prejudicial to the interests of the Noteholders and provided that a legal opinion is provided to the Swap Counterparty and/or the Option Counterparty opining that such change would not prejudice the interests of the Swap Counterparty and/or the Option Counterparty.

14.5 Entitlement of the Trustee

In connection with the exercise of its functions (including but not limited to those referred to in this Condition 14) the Trustee shall have regard to the interests of the holders of such Notes or the Coupons, Receipts or Talons relating thereto as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual holders of such Notes, Coupons, Receipts or Talons.

15 Replacement of Bearer Notes, Individual Certificates, Receipts, Coupons and Talons

If a Bearer Note, Individual Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Issuing and Paying Agent in London (in the case of the Bearer Notes, Receipts, Coupons or Talons) and the Registrar (in the case of Individual Certificates) or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 17, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Bearer Note, Individual Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there will be paid to the Issuer on demand the amount payable by the Issuer in respect of such Bearer Notes, Individual Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced Bearer Notes, Individual Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

16 Further Issues

The Issuer may from time to time without the consent of the Noteholders or Couponholders, but subject to Condition 5, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) and so that the same shall be consolidated and form a single series with such Notes; provided that (1), unless otherwise approved by an Extraordinary Resolution of Noteholders, the Issuer provides additional assets as security for such further notes of the same proportionate composition as those forming part of the Mortgaged Property for the Notes and in the same proportion that the principal amount of such new notes bears to the Notes and the Issuer enters into, or has the benefit of, additional or supplemental Credit Support Documents, Option Agreements and/or Swap Agreements extending the terms of any existing Credit Support Documents, Option Agreement and/or Swap Agreement to the new Notes on terms no less favourable than such existing documents and agreements and (2) with respect to any Notes which have been rated, a Rating Agency Affirmation has been received by the Trustee at the time of the proposed issuance of further notes from each Rating Agency then rating the outstanding Notes and provided that the rating of the Mortgaged Property and the further Mortgaged Property at the date of issue of the further notes shall be identical to the rating at such date of the original Mortgaged Property. Any new notes forming a single series with the Notes shall be constituted and secured by a deed supplemental to the Trust Deed, such further security shall be added to the Mortgaged Property so that the new and existing Notes shall be secured by the same Mortgaged Property and references in these Conditions to “Notes”, “Collateral”, “Initial Collateral”, “Mortgaged Property”, “Credit Support Documents”, “Option Agreements” and “Swap Agreements” shall be construed accordingly. The Trust Deed contains provisions for convening a

single meeting of the holders of the Notes and the holders of notes of other specified series in certain circumstances where the Trustee so decides.

17 Notices

So long as any Notes are represented by a Temporary or Permanent Global Note or Global Certificate and such Temporary or Permanent Global Note is held on behalf of, or Global Certificate is registered in the name of any nominee for, a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders, except that, for so long as the Notes are admitted to the Official List and admitted to trading on the Main Securities Market or the GEM, all notices to holders of the Notes will be published in accordance with the rules of such stock exchange. For the avoidance of doubt, in the case of Registered Notes and/or Bearer Notes, where notices are given (i) by delivery to the relevant clearing system through which the Notes are held or (ii) in accordance with the rules of the relevant stock exchange on which the Notes are listed (as applicable), then the requirement to publish such notice in a leading newspaper (as outlined more fully below) shall not apply.

Otherwise notices to the holders of Registered Notes will be published in accordance with the procedure set out below for Bearer Notes and will also be mailed to them or, if there is more than one holder of any Registered Note, to the first named holder of that Note at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing. Notices to the holders of Bearer Notes will be valid if published in a leading daily newspaper of general circulation in London approved by the Trustee (which is expected to be the Financial Times) and (so long as the Notes are admitted to the Official List and admitted to trading on the Main Securities Market or the GEM) in a leading newspaper having general circulation in Ireland (which is expected to be *The Irish Times*) and in any such other newspaper in which publication is required by the rules of that stock exchange, or by any other method permitted by such stock exchange. If, in the opinion of the Trustee, any such publication is not practicable, notice will be validly given if published in another leading daily English newspaper of general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Notices required to be given in more than one newspaper shall not be deemed to be given until published in each newspaper.

Couponholders and holders of Receipts and Talons shall be deemed for all purposes to have notice of the contents of any notice to the holders of Bearer Notes or Registered Notes in accordance with this Condition 17.

18 Indemnification and Obligations of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility including for the exercise of any rights (including voting rights) in respect of the Collateral, for the validity, sufficiency and enforceability (which the Trustee has not investigated) of the security created over the Mortgaged Property. The Trustee is not obliged to take any action under the Trust Deed unless indemnified to its satisfaction. The Trustee and any affiliate is entitled to enter into business transactions with the Issuer, any issuer or guarantor (where applicable) of any of the Collateral, any Credit Support Provider, Option Counterparty or Swap Counterparty or any of their subsidiary, holding or associated companies without accounting to the Noteholders for profit resulting therefrom.

The Trustee is exempted from liability with respect to any loss or theft or reduction in value of the Collateral, from any obligation to insure or to procure the insuring of the Collateral and from any claim arising from the fact that the Collateral will be held in safe custody by the Custodian or any custodian selected by the Trustee (in each case, if applicable). The Trustee is not responsible for supervising the performance by any other person of their obligations to the Issuer.

The Trust Deed provides that in acting as Trustee under this Trust Deed the Trustee shall not assume any duty or responsibility to any other Secured Party (other than to pay to any such Secured Party any moneys received and repayable to it held on trust for it and to act in accordance with the provisions of Condition 4 and Clauses 6.6, 6.19 and 20.1 of the Principal Trust Deed) and shall have regard solely to the interests of the Noteholders and shall not (subject to the provisions of Condition 4 and Clauses 6.6, 6.19 and 20.1 of the Principal Trust Deed, which require the Trustee to act on the direction of the Swap

Counterparty or the Option Counterparty in certain circumstances or divide the Mortgaged Property) be obliged to act on any directions of any other person if this would in the Trustee's opinion be contrary to the interests of the Noteholders or Couponholders.

Upon the occurrence of the termination of the appointment of the Trustee, a successor Trustee will be appointed as further described in the Principal Trust Deed.

19 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999 except and to the extent (if any) that the Notes expressly provide for such Act to apply to any of their terms.

20 Governing Law and Jurisdiction

20.1 Governing Law

The Trust Deed, the Notes, the Receipts, the Coupons and the Talons and any non-contractual obligations arising out of or in connection with them are governed by and construed in accordance with English law.

20.2 Jurisdiction

The courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Notes, the Receipts, the Coupons or the Talons and accordingly any legal action or proceedings arising out of or in conjunction with the Notes, the Receipts, the Coupons or the Talons may be brought in such courts ("Proceedings"). The Issuer has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

20.3 Agent for Service of Process

The Issuer has irrevocably appointed the Company Secretary, Citigroup Global Markets Limited at its registered office for the time being (being at the date hereof, Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB) as its agent to receive, for it and on its behalf, service of process in any Proceedings in England.

21 Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"Adjustment Spread" means the adjustment, if any, to a Replacement Reference Rate under the Notes and/or Swap Agreement(s) and/or Option Agreement(s) that the Determining Party determines in its sole discretion as the applicable spread calculated on the basis of any acceptable market practice for calculating such spread in order to reduce or eliminate, to the extent reasonably practicable, any transfer of economic value with respect to the Notes and/or Swap Agreement(s) and/or Option Agreement(s), from one party to the other that would otherwise arise as a result of the replacement of the Reference Rate with the Replacement Reference Rate. Any such adjustment may take account of, without limitation, any anticipated transfer of economic value as a result of any difference in the term structure or tenor of the Replacement Reference Rate by comparison to the Reference Rate. The Adjustment Spread may be positive, negative or zero or determined pursuant to a formula or methodology.

"Administrator/Benchmark Event" means

- (i) any authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register in respect of the Reference Rate or the administrator or sponsor of the Reference Rate has not been, or will not be, obtained or has been, or will be, rejected, refused, suspended or withdrawn by the relevant competent authority or other relevant official body; or
- (ii) the Reference Rate and/or the administrator and/or the sponsor of the Reference Rate is removed from any official register where inclusion in such register is required under any applicable law in order for the Issuer and/or the Swap Counterparty and/or any other entity to perform its or their respective obligations under the Notes and/or Swap Agreement(s) and/or Option Agreement(s),

in each case, having occurred on the Administrator/Benchmark Event Date and with the effect that either or both of the parties or the Calculation Agent under the Notes and/or Swap Agreement(s) and/or Option Agreement(s) is not, or will not be, permitted under any applicable law or regulation to use the Reference Rate to perform its or their respective obligations under the Notes and/or Swap Agreement(s) and/or Option Agreement(s). For the avoidance of doubt, an Administrator/Benchmark Event shall not occur if the Reference Rate or the administrator or sponsor of the Reference Rate is not included in an official register because its authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion is suspended or withdrawn if, at the time of such suspension or withdrawal, the continued provision and use of the Reference Rate is permitted in respect of the Notes and/or Swap Agreement(s) and/or Option Agreement(s) under the applicable law or regulation during the period of such suspension or withdrawal.

“Administrator/Benchmark Event Date” means the earlier to occur of the (i) Issue Date and (ii) the date:

- (1) on which the authorisation, registration, recognition, endorsement, equivalence decision, approval or inclusion in any official register is:
 - (a) required under any applicable law or regulation; or
 - (b) rejected, refused, suspended or withdrawn, if the applicable law or regulation provides that the Reference Rate is not permitted to be used under the Notes and/or Swap Agreement(s) and/or Option Agreement(s) following the rejection, refusal, suspension or withdrawal; or
- (2) on which the Reference Rate and/or the administrator and/or sponsor of the Reference Rate is removed from the official register.

“Available Proceeds” means, in respect of a Series:

- (i) prior to any enforcement of the Security in respect of the Notes, all cash sums derived from any liquidation of the Collateral for the Notes, any amount paid by the Swap Counterparty or Option Counterparty to the Issuer as a result of the termination of the all outstanding Swap Transactions under the Swap Agreement or transactions under the Option Agreement relating to the Notes and all other cash sums available to the Issuer derived from the Mortgaged Property for such Series; and
- (ii) following enforcement of the Security in respect of the Notes, all moneys received by the Trustee under the provisions of the Principal Trust Deed and the relevant Supplemental Trust Deed in connection with the realisation or enforcement of the security constituted thereby.

“Calculation Agent Business Day” means a business day in the jurisdiction of the Calculation Agent.

“Cayman AML Compliance” means compliance with the Anti-Money Laundering Regulations (2018 Revision) and The Guidance Notes on the Prevention and Detection of Money Laundering and Terrorist Financing in the Cayman Islands, each as amended and revised from time to time.

“Cayman Issuer” means an Issuer incorporated in the Cayman Islands.

“Code” means the U.S. Internal Revenue Code of 1986, as amended.

“Collateral” means, for a Series, the Issuer’s rights, title and/or interests in and to any of the following:

- (i) the Initial Collateral (other than any Initial Collateral that the Issuer may have sold, posted or otherwise disposed of under the terms of the Credit Support Annex);
- (ii) from time to time, any CSA Posted Collateral; and
- (iii) any other securities, cash or other assets or property transferred or delivered to the Issuer pursuant to the Credit Support Annex.

Collateral for a Series shall include the rights, title and/or interests in and to (x) any further Collateral acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series with the Notes of that Series, (y) any Collateral acquired by the Issuer by way of substitution or replacement of any Collateral previously held by it for that Series and (z) any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) into which any

of the Collateral for that Series is converted or exchanged or that is issued to the Issuer (or any relevant person holding such Collateral for or on behalf of the Issuer) by virtue of its holding thereof.

“Common Reporting Standard” or “CRS” means the common standard on reporting and due diligence for financial account information developed by the Organisation for Economic Co-operation and Development, bilateral and multilateral competent authority agreements, and treaties facilitating the implementation thereof, and any law, regulations or guidance notes implementing any such common standard, competent authority agreement, intergovernmental agreement, or treaty.

“Credit Support Balance (VM)” means the relevant Credit Support Balance (VM), as defined in the Credit Support Annex.

“CSA Posted Collateral” means any securities, cash or other assets or property transferred by the Swap Counterparty to the Issuer pursuant to the Credit Support Annex that are Eligible Credit Support (VM) comprising the Credit Support Balance (VM) of the Swap Counterparty (as such terms are defined in the Swap Agreement).

“CSB Return Amount” means an amount, determined by the Swap Counterparty or the party responsible for determining such amounts under the Swap Agreement, equal to the lesser of (A) the Available Proceeds (B) the value of the Swap Counterparty’s Credit Support Balance (VM) that was used in determining the Early Termination Amount (as defined in the Swap Agreement) payable under the Swap Agreement and (C) the value of the amounts owing to the Swap Counterparty under the Swap Agreement, if any, which shall be deemed to be zero if no such amounts are owing.

"Cut-off Date" means the date specified as such in the relevant Authorised Offering Document.

“Day Count Fraction” means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period, the “Calculation Period”):

- (a) if “Actual/Actual” or “Actual/Actual (ISDA)” is specified in the relevant Authorised Offering Document, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (b) if “Actual/365 (Fixed)” is specified in the relevant Authorised Offering Document, the actual number of days in the Calculation Period divided by 365;
- (c) if “Actual/360” is specified in the relevant Authorised Offering Document the actual number of days in the Calculation Period divided by 360;
- (d) if “30/360”, “360/360” or “Bond Basis” is specified in the relevant Authorised Offering Document, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (e) if “30E/360” or “Eurobond Basis” is specified in the relevant Authorised Offering Document, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30;

- (f) if “30E/360 (ISDA)” is specified in the relevant Authorised Offering Document, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30;

- (g) if “Actual/Actual (ICMA)” is specified in the relevant Authorised Offering Document:

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(a) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in

such Determination Period and (2) the number of Determination Periods in any year; and

- (b) the number of days in such Calculation Period falling in the next Determination Period divided by the product and (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

“Determination Date” means, with respect to a Determination Period, the date specified as such in the relevant Authorised Offering Document.

“Determination Period” means the period from and including a Determination Date in any year to but excluding the next Determination Date.

“Determining Party” has the meaning given to it in Condition 9.1.

“Early Redemption Date” means the date specified in the Mandatory Redemption Notice delivered pursuant to Condition 7.2.1 or the date specified in the notice delivered pursuant to Condition 7.3.

“Early Redemption Amount” means, unless otherwise specified in the relevant Authorised Offering Document, in respect of each Note outstanding on the relevant Early Redemption Date, a *pro rata* share of (a) the Available Proceeds (converted, where necessary, into the currency in which the Notes are denominated at the then prevailing exchange rate); plus (where the same is due from the Swap Counterparty to the Issuer) or, as the case may be, minus (where the same is due from the Issuer to the Swap Counterparty) (b) the Swap Termination Value (if applicable), minus (c) the Unwind Costs, subject to a minimum of zero. For the purposes of this definition, the Swap Termination Value shall be adjusted by the Swap Counterparty in its sole discretion to take into account the Suspended Interest Value (where applicable) in the case where on the relevant date of determination of such Swap Termination Value the Swap Counterparty has not identified a Replacement Reference Rate or determined an Adjustment Spread. Notes held by a Noteholder shall be aggregated for the purposes of determining the aggregate Early Redemption Amount in respect of the Notes of that Noteholder.

“Effective Date” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the date specified as such in the relevant Authorised Offering Document, or, if none is so specified, the first day of the Interest Accrual Period to which such Interest Determination Date relates.

“EU Benchmark Regulation” means Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

“EU Regulation” means any of (i) Regulation (EU) 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories, (ii) Directive MiFID II of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments amending Council Directives 85/611/EEC and 93/6/EEC and Directive 2000/12/EC of the European Parliament and of the Council and repealing Council Directive 93/22/EEC, (iii) Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU and/ or (iv) Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, including any secondary EU legislation therefor and any implementing measures relating thereto, as such legislation may be amended, and/ or supplemented from time to time.

“Euronext Dublin” means The Irish Stock Exchange plc, trading as Euronext Dublin.

“Euro-zone” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended.

“Excluded Circumstances” means, with respect to a request for a Noteholder, Couponholder or beneficial owner to provide any forms, documentation or other information pursuant to Condition 10.2, that at the time of such request:

- (a) any such form, documentation or other information (or the information required to be provided on such form or documentation) is not reasonably available to such Noteholder, Couponholder or beneficial owner and cannot be obtained by such Noteholder, Couponholder or beneficial owner using reasonable efforts; or
- (b) provision of such forms, documentation or other information would or might in the reasonable opinion of such Noteholder, Couponholder or beneficial owner constitute a breach of any (A) applicable law, (B) fiduciary duty or (C) duty of confidentiality,

and, in each case, such Noteholder, Couponholder or beneficial owner promptly provides written notice to the Issuer and/or such Agent (as applicable) stating that it is unable to comply with the Issuer's and/or such Agent's request and the reason for such inability to comply.

"FATCA" means (i) sections 1471 to 1474 of the Code, (ii) any similar or successor legislation to sections 1471 to 1474 of the Code, (iii) any regulations or guidance pursuant to any of the foregoing, (iv) any official interpretations of any of the foregoing, (v) any intergovernmental agreement to facilitate the implementation of any of the foregoing (an "IGA"), (vi) any law, regulations or guidance notes implementing an IGA or (vii) any agreement with the United States or any other jurisdiction or authority pursuant to the foregoing.

"Final Redemption Amount" has the meaning given to it in Condition 7.1.

"Floating Rate Notes" means a Series of Notes which bears interest at a floating rate.

"GEM" means the Global Exchange Market of Euronext Dublin.

"Industry Standard" means, in respect of a Reference Rate and an Adjustment Spread, any (i) index, benchmark or other price source or (ii) spread or formula or methodology for calculating a spread (as applicable), that is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference such Reference Rate (which recognition or acknowledgment may be in the form of a press release, a member announcement, a member advice, letter, protocol, publication of standard terms or otherwise by ISDA).

"Information Reporting Regime" means:

- (i) the Common Reporting Standard;
- (ii) Council Directive 2011/16/EU on administrative cooperation in the field of taxation and any law implementing such Council Directive, as amended; and
- (iii) FATCA.

"Initial Collateral" means, for a Series, the Issuer's rights, title and/or interests in and to any of the following:

- (i) one or more transferable securities specified in the relevant Authorised Offering Document as forming part of the Initial Collateral for that Series and issued by or representing obligations of one or more entities or persons; and
- (ii) loans, deposits, shares, partnership interests, units in unit trusts, any cash held in the Cash Account (as defined in the Custody Agreement) or any other asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) specified in the relevant Authorised Offering Document as forming part of the Initial Collateral for that Series and representing obligations of one or more persons or entities.

For the avoidance of doubt:

- (l) Initial Collateral for a Series shall include the rights, title and/or interests in and to:
 - (A) in respect of securities, all principal, interest and other payments and distributions of cash or other property due in respect of such securities;
 - (B) any further Initial Collateral acquired by the Issuer in connection with any further issue of notes that are to be consolidated and form a single series with the Notes of that Series;
 - (C) any Initial Collateral acquired by the Issuer by way of substitution or replacement of any Initial Collateral previously held by it for that Series; and

- (D) any asset or property (which may, for the avoidance of doubt, include the benefit of contractual rights) into which any of the Initial Collateral for that Series is converted or exchanged or that is issued to the Issuer (or any relevant person holding such Initial Collateral for or on behalf of the Issuer) by virtue of its holding thereof;
- (II) Initial Collateral for a Series shall not include any CSA Posted Initial Collateral; and
- (III) Initial Collateral for a Series shall include any Initial Collateral that the Issuer may have sold, posted or otherwise disposed of under the terms of the Credit Support Annex. To the extent that equivalent collateral has subsequently been transferred or delivered by the Swap Counterparty to the Issuer pursuant to the Credit Support Annex, the Initial Collateral for a Series shall include such equivalent collateral and shall not include the Initial Collateral originally transferred.

“Interest Accrual Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date.

“Interest Commencement Date” means the Issue Date or such other date as may be specified in the relevant Authorised Offering Document.

“Interest Determination Date” means, with respect to an Interest Rate and Interest Accrual Period, the date specified as such in the Authorised Offering Document or, if none is so specified, (i) the first day of such Interest Accrual Period if the Relevant Currency is sterling or (ii) the day falling two Relevant Business Days in London prior to the first day of such Interest Accrual Period if the Relevant Currency is neither sterling nor euro or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Relevant Currency is euro.

“Interest Payment Date” means the date as specified in the relevant Authorised Offering Document.

“Interest Period” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“Interest Period Date” means each Interest Payment Date unless otherwise specified in the relevant Authorised Offering Document.

“Interest Rate” means the rate of interest payable from time to time in respect of the Note and which is either specified or calculated in accordance with the provisions in the relevant Authorised Offering Document.

“ISDA” means the International Swaps and Derivatives Association, Inc.

“ISDA Definitions” means the 2006 ISDA Definitions, as published by ISDA, unless otherwise specified in the relevant Authorised Offering Document.

“ISDA Master Agreement” means, in respect of a Series, the agreement entered into between the Issuer and the Swap Counterparty for such Series by execution of the swap confirmation relating to such Series and which is in the form of an ISDA 2002 Master Agreement together with a schedule thereto and which, if so specified in the relevant Authorised Offering Document, shall include a credit support annex in the form of the ISDA 2016 Credit Support Annex for Variation Margin (VM) as published by the International Swaps and Derivatives Association, Inc. (the “Credit Support Annex”), and as such agreement is amended and/or supplemented from time to time.

“Main Securities Market” means the regulated market of Euronext Dublin.

“Maximum Interest Rate” means the maximum rate of interest applicable to a Series of Notes as specified in the relevant Authorised Offering Document.

“Minimum Interest Rate” means the minimum rate of interest applicable to a Series of Notes as specified in the relevant Authorised Offering Document.

“Non-Permitted AML Noteholder” means a Noteholder or beneficial owner of Notes that fails to provide or update information required in accordance with Condition 10.4.

“Official List” means the Official List of Euronext Dublin.

“Page” means such page, section, caption, column or other part of a particular information service (including, but not limited to, the Reuters Markets 3000 (“Reuters”)) as may be specified for the purpose of providing a Relevant Rate, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to that Relevant Rate.

“Partly-Paid Notes” means a Series of Notes which is partly paid, the terms of which are as set out in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable.

“Physical Optional Early Redemption” has the meaning given to it in Condition 7.7.

“Rating Agency” means, in respect of a Series, each rating agency that rates the Notes of that Series at the request of the Issuer and that has not withdrawn or discontinued its rating. Each initial Rating Agency (if any) shall be specified in the applicable Authorised Offering Document of that Series.

“Rating Agency Affirmation” means, with respect to any action (if any) relating to Notes of a Series that is specified to be subject to Rating Agency Affirmation in the Conditions or any Transaction Document for such Notes, the prior affirmation from each relevant Rating Agency (if any), in the form (if any) specified for such purpose by such Rating Agency in accordance with any applicable internal requirements of such Rating Agency, that the then current rating of such Notes will not be adversely affected or withdrawn as a result of such action being undertaken, provided that it is the then current policy of such Rating Agency to either affirm or disaffirm the relevant type of action prior to such action being taken. For the avoidance of doubt, if it is not the then current policy of such Rating Agency to either affirm or disaffirm the relevant type of action prior to such action being taken, no Rating Agency Affirmation from such Rating Agency shall be required with respect to any such action that is specified to be subject to Rating Agency Affirmation in the Conditions or any Transaction Document.

“Redemption Amount” means the amount payable in respect of a Note upon final maturity or early redemption of the Note, as the case may be.

“Reference Banks” means the institutions specified in the relevant Authorised Offering Document or, if none, four major banks selected by the Calculation Agent in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) which is most closely connected with the Benchmark (which, if EURIBOR is the relevant Benchmark, shall be Europe).

“Reference Rate” means any index, benchmark or price source by reference to which any amount payable under the Notes and/or Swap Agreement(s) and/or Option Agreement(s) is determined. To the extent that a Replacement Reference Rate is determined to be used, such Replacement Reference Rate shall be a “Reference Rate” for the Notes and/or Swap Agreement(s) and/or Option Agreement(s) during the period for which it is used.

“Reference Rate Event” means, with respect to the Notes and/or Swap Agreement(s) and/or Option Agreement(s):

- (i) a Reference Rate (or the publication thereof) has been permanently discontinued;
- (ii) the compiling body, sponsor or administrator has not published the relevant Reference Rate for two (2) consecutive months;
- (iii) the occurrence of an Administrator/Benchmark Event; or
- (iv) a Reference Rate is, with respect to over-the-counter derivatives transactions which reference such Reference Rate, the subject of any market-wide development (which may be in the form of a protocol by ISDA) pursuant to which such Reference Rate is, on a specified date, replaced with a risk-free rate established in order to comply with the recommendations in the Financial Stability Board’s paper entitled “Reforming Major Interest Rate Benchmarks” dated 22 July 2014.

“Regulatory Amendment” has the meaning in Condition 14.3.2.

“Regulatory Consequences” means any consequences that affect the ability of the Swap Counterparty and/or Option Counterparty and/or any affiliate thereof to perform obligations under or in connection with the Swap Agreement or Option Agreement, as applicable, as a result of (i) any enactment of, or supplement or amendment to, or a change in, Relevant Law, policy or official interpretation or (ii) the implementation or application of any rule related thereto, any technical guidelines, regulatory technical standards or further relevant regulations or (iii) any official communication, interpretation, guidance or official rules of procedures or determination made by any relevant regulatory authority with respect thereto, in each case arising out of, or in connection with, any Relevant Law as may be in force as at the Issue Date of the relevant Series, or due to come into force from time to time.

“Relevant Business Day” means:

- (i) in the case of a specified currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency; and/or
- (ii) in the case of euro, a day on which the TARGET 2 System is operating (a “TARGET Business Day”); and/or
- (iii) in the case of a specified currency and/or one or more specified financial centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in the specified currency in the specified financial centre(s) or, if no currency is specified, generally in each of the financial centres so specified.

“Relevant Currency” means the currency specified as such in the relevant Authorised Offering Document or, if none is specified, the currency in which the Notes are denominated.

“Relevant Date” means, in respect of any Note, Receipt or Coupon, the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date on which notice is duly given to the Noteholders in accordance with Condition 17 that, upon further presentation of the Note (or relative Certificate), Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation.

“Relevant Financial Centre” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the financial centre as may be specified as such in the relevant Authorised Offering Document or, if none is so specified, the financial centre with which the relevant Benchmark is most closely connected (which, if EURIBOR is the relevant Benchmark, shall be Europe) or, if none is so connected, London.

“Relevant Market Data” means, in relation to any determination, any relevant information including, without limitation, one or more of the following types of information:

- (i) information consisting of relevant market data in the relevant market supplied by one or more third parties including, without limitation, alternative benchmarks, relevant rates, prices, yields, yield curves, volatilities, spreads, correlations or other relevant market data in the relevant market unless that relevant market data is not readily available or would produce a result that is not commercially reasonable; or
- (ii) information of the type described in sub-paragraph (i) above from internal sources (including any of the Determination Agent’s or its affiliates) if that information is of the same type used by the Determination Agent for adjustments to, or valuations of, similar transactions.

Third parties supplying market data pursuant to sub-paragraph (i) above may include, without limitation, central counterparties, exchanges, dealers in the relevant markets, end-users of the relevant product, information vendors, brokers and other recognised sources of market information.

“Relevant Law” means any relevant law applicable to the Swap Counterparty and/or Option Counterparty and/or any affiliate thereof from time to time, including without limitation (i) the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”), the Bank Holding Company Act, the Federal Reserve Act and the Consumer Protection Act, (ii) EU Regulation and (iii) any other similar legislation applicable in other jurisdictions.

“Relevant Rate” means the Benchmark for a Representative Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the Specified Duration commencing on the Effective Date.

“Relevant Time” means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre specified in the relevant Authorised Offering Document or, if none is specified, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre and for this purpose “local time” means, with respect to Europe and the Euro-zone as a Relevant Financial Centre, 11.00 hours Brussels time.

“Remaining Swap Counterparty Claim Amount” means the excess of the value defined in (C) in the definition of CSB Return Amount above the value defined in (B) in the definition of CSB Return Amount.

“Replacement Reference Rate” means, in respect of a Reference Rate, an index, benchmark or other price source (including, but not limited to the industry-accepted substitute or successor base rate or if there is no such industry-accepted substitute or successor base rate, a substitute or successor base rate that is most comparable to the Reference Rate) that the Determining Party determines in its sole discretion to be a commercially suitable alternative for such Reference Rate.

“Representative Amount” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the amount specified in the relevant Authorised Offering Document or, if none is specified, an amount that is representative for a single transaction in the relevant market at the time.

“Sanctions” means any sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. State Department, any other government agency of the United States, the United Nations, the European Union, Her Majesty's Treasury or any other relevant authority.

“Secured Liabilities” means the liabilities of the Issuer that are referenced in the priority of payments specified for the purposes of Condition 4.2 in the applicable Authorised Offering Document, in accordance with the terms of the relevant Supplemental Trust Deed.

“Secured Parties” means the Swap Counterparty (if any), the Option Counterparty (if any), the Noteholders and the Agents (as applicable), in relation to which the priority of payments is as specified in the applicable Authorised Offering Document, together with Condition 4.2 above and in Clause 6.16 of the Principal Trust Deed.

“Security” means the security constituted by the Trust Deed and/or any other security document in respect of the relevant Series.

“Shortfall” means the difference between the amount of the Available Proceeds and the Secured Liabilities which, but for the effect of the terms of the relevant Supplemental Trust Deed, Condition 4.8 and similar limited recourse provisions, would then be due.

“Specified Duration” means, with respect to any Floating Rate to be determined on an Interest Determination Date, the duration specified in the relevant Authorised Offering Document or, if none is specified, a period of time equal to the relative Interest Accrual Period, ignoring any adjustment pursuant to Condition 6.3.

“Suspended Interest Value” means, with respect to any interest that would have been payable during any Interest Suspension Period but for the provisions set out in Condition 9, an amount in the relevant currency (which may be zero) determined by the Swap Counterparty or Option Counterparty, as applicable, in its sole discretion taking into account the unwind value of any hedging transactions related to the Swap Agreement or Option Agreement, as applicable.

“Swap Agreement” means, for a Series, an agreement comprising the ISDA Master Agreement with respect to the Swap Counterparty for that Series together with all Swap Transactions entered into between the Issuer and that Swap Counterparty in respect of that Series.

“Swap Termination Value” means the aggregate of the early termination payments due from the Swap Counterparty to the Issuer or from the Issuer to the Swap Counterparty, as the case may be, under the Swap Agreements, the calculation of which is described under the section headed “Description of the Swap Agreement” of this Base Prospectus, under the heading “Consequences of Early Termination”.

“Swap Transaction” means, for a Series, a derivative transaction entered into between the Issuer and the Swap Counterparty pursuant to the ISDA Master Agreement in relation to that Series.

“TARGET 2 System” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET 2) System or any successor thereto.

“Transaction Document” means with respect to a Series of Notes, each agreement entered into by the Issuer with respect to such Series including, but not limited to, (a) this Base Prospectus, the Agency Agreement, the Dealer Agreement, the Custody Agreement, the Principal Trust Deed, the Swap Agreement (if any), the Option Agreement (if any); and (b) the relevant Authorised Offering Document, Supplemental Trust Deed and any other documents specifically entered into in respect of such Series.

“Unwind Costs” means the fees, costs, charges, expenses and liabilities incurred by the Swap Counterparty and the Issuer in connection with the early redemption of the Notes.

“Zero Coupon Notes” means a Series of Notes which does not bear interest and the terms of which specify the relevant Interest Basis to be Zero Coupon within the relevant Authorised Offering Document.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

If the Global Notes or the Global Certificates are stated in the relevant Authorised Offering Document to be issued in NGN form or to be held under the NSS (as the case may be), (i) the Global Notes will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper and (ii) the relevant clearing systems will be notified whether or not such Global Notes or the Global Certificates are intended to be held in a manner which would allow Eurosystem eligibility. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depository.

If the Global Note is a CGN, upon the initial deposit of a Global Note with a Common Depository or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the relative Global Certificate to the Common Depository, in the case of a Series intended to be cleared through Euroclear and/or Clearstream, Luxembourg, Euroclear or Clearstream, Luxembourg will credit each subscriber with a principal amount of Notes equal to the principal amount thereof for which it has subscribed and paid. If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg or such clearing system (as the case may be). Such persons shall have no claim directly against the relevant Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the relevant Issuer will be discharged by payment to the bearer of such Global Note or the holder of such Global Certificate, as the case may be, in respect of each amount so paid.

Exchange

Temporary Global Notes

Each Temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

- (i) if the relevant Authorised Offering Document indicates that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see “Overview of the Programme — Selling Restrictions”), in whole, but not in part, for the Definitive Notes defined and described below; and
- (ii) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a Permanent Global Note or, if so provided in the relevant Authorised Offering Document, for Definitive Notes.

Each Temporary Global Note that is also an Exchangeable Bearer Note will be exchangeable for Registered Notes in accordance with the Conditions in addition to any Permanent Global Note or Definitive Notes for

which it may be exchangeable and, before its Exchange Date, will also be exchangeable in whole or in part for Registered Notes only.

In relation to any issue of Notes which are represented by a Temporary Global Note which is expressed to be exchangeable for Definitive Notes at the option of Noteholders, such Notes shall be tradeable only in principal amounts of at least the Denomination specified in the relevant Authorised Offering Document (or if more than one Denomination, the lowest Denomination) and multiples thereof.

Permanent Global Notes

Each Permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided below, in part for Definitive Notes or, in the case of paragraph (i) below, Registered Notes:

- (i) if the Permanent Global Note is an Exchangeable Bearer Note, by the holder giving notice to the Issuing and Paying Agent of its election to exchange the whole or a part of such Permanent Global Note for Registered Notes;
- (ii) if the Permanent Global Note has a maturity at issue of more than 183 days, at the request of the holder, by such holder giving notice to the Issuing and Paying Agent of its election for such exchange for Definitive Notes, unless otherwise provided in the relevant Authorised Offering Document; and
- (iii) otherwise, if the Permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so.

Global Certificates

Each Global Certificate will be exchangeable on or after its Exchange Date in whole but not, except as provided under “Partial Exchange of Permanent Global Notes and Global Certificates”, in part for Individual Certificates:

- (i) by the relevant Issuer giving notice to the Noteholders, the Registrar and the Trustee of its intention to effect such exchange;
- (ii) if the relevant Authorised Offering Document provides that such Global Certificate is exchangeable at the request of the holder, by the holder giving notice to the Registrar of its election for such exchange; and
- (iii) otherwise, if the Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so.

In such circumstances, the relevant Global Note or Global Certificate shall be exchanged for Definitive Notes or Individual Certificates, as applicable, and the relevant Issuer will, at the cost of the relevant Noteholder and against such indemnity as the Issuing and Paying Agent, the Registrar or any relevant Paying Agent or Transfer Agent may require in respect of any tax or other duty of whatever nature which may be levied or imposed in connection with such exchange, cause sufficient Definitive Notes or Individual Certificates, as applicable, to be executed and delivered to the Issuing and Paying Agent or the Registrar for completion, authentication and dispatch to the relevant Noteholders. The relevant Noteholder must provide the Issuing and Paying Agent or the Registrar with a written order containing instructions and such other information as the relevant Issuer and the Issuing and Paying Agent or the Registrar may require to complete, execute and deliver such Definitive Notes or Individual Certificates, as applicable.

Individual Certificates issued in exchange for a beneficial interest in the Global Certificate shall bear the legends applicable to such Notes as set out under “Subscription and Sale and Transfer Restrictions”.

Partial Exchange of Global Notes and Global Certificates

For so long as a Permanent Global Note or Global Certificate is held on behalf of a clearing system and the rules of that clearing system permit, such Permanent Global Note or Global Certificate will, provided that clearing will be possible, be exchangeable in part on one or more occasions (1) in the case of a Permanent Global Note, for Registered Notes if the Permanent Global Note is an Exchangeable Bearer Note and the part

submitted for exchange is to be exchanged for Registered Notes, or (2) for Definitive Notes or Individual Certificates, as the case may be, if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable) relating to Partly-Paid Notes.

Delivery of Definitive Notes and Individual Certificates

On or after any due date for exchange (a) if the Global Note is a CGN, the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Issuing and Paying Agent and (b) the holder of any Global Certificate may, in the case of exchange in full, surrender such Global Certificate. In exchange for any Global Note or Global Certificate, or the part thereof to be exchanged, the relevant Issuer will (i) in the case of a Temporary Global Note exchangeable for a Permanent Global Note, deliver, or procure the delivery of, a Permanent Global Note in an aggregate principal amount equal to that of the whole or that part of a Temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a Permanent Global Note to reflect such exchange or (ii) in the case of (a) a Temporary or Permanent Global Note exchangeable for Definitive Notes or Individual Certificates and (b) a Global Certificate exchangeable for Individual Certificates, deliver, or procure the delivery of, an equal aggregate principal amount of duly executed and authenticated Definitive Notes and/or Individual Certificates, as the case may be or (iii) if the Global Note is a NGN, procure that details of such exchange be entered pro rata in the records of the relevant clearing system. In this Base Prospectus, “Definitive Notes” means, in relation to any Temporary or Permanent Global Note, the definitive Bearer Notes for which such Temporary or Permanent Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary or Permanent Global Note and a Talon). Definitive Notes will be security printed and Individual Certificates will be printed in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Trust Deed. On exchange in full of each Permanent Global Note, the relevant Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes and/or Individual Certificates, as the case may be.

Exchange Date

“Exchange Date” means, in relation to a Temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a Permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Issuing and Paying Agent is located and, other than in the case of sub-paragraph (iii) of the section headed “Permanent Global Notes” above, in the city in which the relevant clearing system is located.

Legend

Each Bearer Note having a maturity of more than one year, and any Talon, Coupon, or Receipt with respect to such a Bearer Note will bear the following legend:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(J) AND 1287(A) OF THE INTERNAL REVENUE CODE.”

The sections of the U.S. Internal Revenue Code of 1986 referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Bearer Notes or any related Coupons.

For the avoidance of doubt, notwithstanding this legend, no United States person may hold such an obligation and the Notes may not be offered, sold, pledged, otherwise transferred or delivered at any time within the United States or to or for the account or benefit of a U.S. person (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Transfers

If a holder of a beneficial interest in the Notes represented by a Permanent Global Note or Global Certificate wishes at any time to transfer such beneficial interest to a person who wishes to take delivery thereof in the form of a beneficial interest in another Permanent Global Note or Global Certificate, such holder may transfer

such beneficial interest only in accordance with the procedures set out in the relevant Permanent Global Note or Global Certificate.

Each Global Certificate will be subject to the restrictions on transfer set forth under “Subscription and Sale and Transfer Restrictions”.

Amendments to Conditions

The Temporary Global Notes and Permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Base Prospectus. The following is a summary of those provisions:

Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a Permanent Global Note or for Definitive Notes or Individual Certificates is improperly withheld or refused. Payments on any Temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of Notes represented by a Global Note in CGN form will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Issuing and Paying Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. The second exception to Condition 7.3.1 (if the requirement to withhold or account for tax set out in Condition 7.3.1 arises as a result of the presentation for payment of any Bearer Note, Receipt or Coupon by or on behalf of a holder who would have been able to avoid such withholding or deducting by presenting the relevant Bearer Note, Receipt or Coupon to another Paying Agent in a member state of the European Union then Condition 7.3.1 shall not apply) and Condition 8.6 will apply to the Definitive Notes only. If the Global Note is a NGN, or if the Global Certificate is held under the NSS, the Issuer shall procure that details of each such payment shall be entered pro rata in the records of the relevant clearing system and in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under a NGN will be made to its holder. Each payment so made will discharge the Issuer’s obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note, the relevant place of presentation shall be disregarded in the definition of “business day” set out in Condition 8.8.

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

Prescription

Claims against the relevant Issuer in respect of Notes that are represented by a Permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate Relevant Date (as defined in the Conditions).

Meetings

The holder of a Permanent Global Note or of the Notes represented by a Global Certificate shall (unless such Permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a Permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the specified currency of the Notes. (All holders of Registered Notes are entitled to one vote in respect of each integral currency unit of the specified currency of the Notes comprising such Noteholder’s holding, whether or not represented by a Global Certificate.)

Cancellation

Cancellation of any Note represented by a Permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by a reduction in the principal amount of the relevant Permanent Global Note.

Purchase

Notes represented by a Permanent Global Note may only be purchased (if so permitted) by the Issuer if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

Issuer's Options

Any option of the relevant Issuer provided for in the Conditions of any Notes, while such Notes are represented by a Permanent Global Note, shall be exercised by the relevant Issuer giving notice to the Noteholders within the time limits set out in and containing the information required by the Conditions, except that the notice shall not be required to contain the serial numbers of Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required.

Trustee's Powers

In considering the interests of Noteholders while any Temporary or Permanent Global Note is held on behalf of, or Global Certificate is registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to such Temporary or Permanent Global Note or Global Certificate and may consider such interests as if such accountholders were the holders of the Notes represented by such Temporary or Permanent Global Note or Global Certificate.

Notices

So long as any Notes are represented by a Temporary or Permanent Global Note or Global Certificate and such Temporary or Permanent Global Note is held on behalf of, or Global Certificate is registered in the name of any nominee for, a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the relevant Noteholder, except that, for so long as the Notes are admitted to the Official List and admitted to trading on the Main Securities Market or the GEM, notices shall also be published in a daily newspaper having general circulation in Ireland (which is expected to be *The Irish Times*), or by any other method permitted by Euronext Dublin.

Noteholders' Option

Any Noteholders' option may be exercised by the holder of a Permanent Global Note giving notice to the Issuing and Paying Agent of the principal amount of Notes in respect of which the option is exercised and presenting such Permanent Global Note for endorsement of exercise within the time limits specified in the Conditions.

NGN nominal amount

Where the Global Note is a NGN, the Issuer shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note shall be adjusted accordingly.

Partly-Paid Notes

The provisions relating to Partly-Paid Notes are not set out in this Base Prospectus, but will be contained in the relevant Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, and thereby in the Global Notes or Global Certificates, as the case may be. For so long as any instalments of the subscription moneys due from the holder of Partly-Paid Notes are overdue, no interest in a Global Note or Global Certificate representing such Notes may be exchanged for an interest in a Permanent Global Note or for Definitive Notes or Individual Certificates, as the case may be. In the event that any Noteholder fails to pay any instalment due on any Partly-Paid Notes within the time specified, the relevant Issuer may be entitled to forfeit such Notes and shall have no further obligation to their holder in respect of them.

Electronic Consent and Written Resolution

While any Global Note is held on behalf of, or any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (a) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 90 per cent. in nominal amount of the Notes outstanding (an “Electronic Consent” as defined in the Trust Deed) shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the Special Quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders and holders of Coupons, Talons and Receipts whether or not they participated in such Electronic Consent; and
- (b) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by accountholders in the clearing system with entitlements to such Global Note or Global Certificate or, where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person for whom such entitlement is ultimately beneficially held, whether such beneficiary holds directly with the accountholder or via one or more intermediaries and provided that, in each case, the Issuer and the Trustee have obtained commercially reasonable evidence to ascertain the validity of such holding and have taken reasonable steps to ensure that such holding does not alter following the giving of such consent or instruction and prior to the effecting of such amendment. Any resolution passed in such manner shall be binding on all Noteholders and Couponholders, even if the relevant consent or instruction proves to be defective. As used in this paragraph, “commercially reasonable evidence” includes any certificate or other document issued by Euroclear, Clearstream, Luxembourg or any other relevant clearing system, or issued by an accountholder of them or an intermediary in a holding chain, in relation to the holding of interests in the Notes. Any such certificate or other document shall, in the absence of manifest error, be conclusive and binding for all purposes. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

USE OF PROCEEDS

The net proceeds of each issue of a Series of Notes will be used by the Issuer to purchase the Initial Collateral specified in the relevant Authorised Offering Document for such Series of Notes and/or to make any initial payment under any Swap Agreement, Option Agreement or other transaction relating thereto, unless otherwise specified in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, for such Series of Notes.

Any initial payment due from any Swap Counterparty under any Swap Agreement, any Option Counterparty under any Option Agreement or any other transaction relating thereto, relating to a Series of Notes will also be used in acquiring the relevant Initial Collateral and, where applicable, in making payment of certain upfront fees and expenses, unless otherwise specified in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, for such Series of Notes.

DESCRIPTION OF CITIGROUP GLOBAL MARKETS LIMITED

The information set out below has been obtained from Citigroup Global Markets Limited. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Citigroup Global Markets Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading.

Citigroup Global Markets Limited is a private company limited by shares to which the Companies Act 2006 applies and was incorporated in England and Wales on 21 October 1983. Citigroup Global Markets Limited is domiciled in England, its registered office is at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and its telephone number is +44 (0) 20 7-986 4000. The registration number of Citigroup Global Markets Limited is 01763297 on the register maintained by Companies House. As of 31 December 2016, the total assets of Citigroup Global Markets Limited were U.S. \$345.6 billion.

Directors of Citigroup Global Markets Limited

The directors of Citigroup Global Markets Limited are:

Name	Position at Citigroup Global Markets Limited
C. Ardalan	Director
J.C. Cowles	Director
D.L. Taylor	Director
S.H. Dean	Director
P. McCarthy	Director
J.D.K. Bardrick	Director
L. Arduini	Director
R.F. Goulding	Director
M.P. Basing	Director

The business address of each director of Citigroup Global Markets Limited in his capacity as such is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. There are no potential conflicts of interest existing between any duties owed to Citigroup Global Markets Limited by the board of directors listed above and their private interests and/or other duties. There are no principal activities performed by the directors outside of Citigroup Global Markets Limited which are significant with respect to Citigroup Global Markets Limited.

Principal activities

Citigroup Global Markets Limited is a wholly-owned indirect subsidiary of Citigroup Inc. and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. It has a major international presence as a dealer, market maker and underwriter in equity, fixed income securities and commodities, as well as providing advisory services to a wide range of corporate, institutional and government clients. It is headquartered in London, and operates globally from the UK and through its branches in Western Europe and the Middle East.

Corporate Governance

To the best of its knowledge and belief, Citigroup Global Markets Limited complies with the laws and regulations of England regarding corporate governance.

Share capital of Citigroup Global Markets Limited and Major Shareholders

As at 31 December 2016, the issued share capital of Citigroup Global Markets Limited was U.S. \$1,499,626,620 made up of 1,499,626,620 ordinary shares of U.S. \$1.

100 per cent. of the issued share capital of Citigroup Global Markets Limited is owned by Citigroup Global Markets Holdings Bahamas Limited which is an indirect subsidiary of Citigroup Inc.

Auditor of Citigroup Global Markets Limited

Citigroup Global Markets Limited's auditor is KPMG LLP having its registered office at 15 Canada Square, London E14 5GL. KPMG LLP is regulated by the Financial Reporting Council. KPMG are members of the UK's chartered accountants' professional body, ICAEW, of Chartered Accountants' Hall, Moorgate Place, London, EC2R 6EA.

KPMG LLP audited the financial statements of Citigroup Global Markets Limited for the fiscal years ended 31 December 2016 and 31 December 2015 and expressed an unqualified opinion on such financial statements in its reports dated 30 March 2017 and 31 March 2016.

Material Contracts

Citigroup Global Markets Limited has no contracts that are material to its ability to fulfil its obligations as Swap Counterparty under any Notes issued under the Programme.

Significant or Material Change

There has been no significant change in the financial or trading position of Citigroup Global Markets Limited or Citigroup Global Markets Limited and its subsidiaries as a whole since 31 December 2016 (the date of its most recently published audited annual financial statements) and there has been no material adverse change in the financial position or prospects of Citigroup Global Markets Limited or Citigroup Global Markets Limited and its subsidiaries as a whole since 31 December 2016 (the date of its most recently published audited annual financial statements).

Litigation

Save as disclosed in the Exhibit hereto (Citigroup Contingencies), Citigroup Global Markets Limited is not subject to any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Citigroup Global Markets Limited is aware) in the twelve months preceding the date of this Base Prospectus which may have or has had a significant effect on the financial position or profitability of Citigroup Global Markets Limited and its subsidiaries as a whole.

Additional Information

As at December 2016 Standard and Poor's issued Citigroup Global Markets Limited with A+/A-1 long and short-term counterparty credit ratings and Fitch Ratings, Inc. assigned Issuer Default Ratings (IDRs) of A/F1 to Citigroup Global Markets Limited. Fitch Ratings, Inc. is registered in the United States and is not registered under Regulation (EC) 1060/2009. However, its ratings have been endorsed by Fitch in accordance with the CRA Regulations.

The disclosure in respect of Citigroup Global Markets Limited included in this Base Prospectus has been sourced from publicly available information. Citigroup Global Markets Limited, Citigroup Global Markets Holdings Bahamas Limited, Citigroup Global Markets Europe Limited, Citigroup Inc. and their respective affiliates have not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus in whole or in part. There can be no assurance that this Base Prospectus contains all material information in respect of Citigroup Global Markets Limited, Citigroup Global Markets Europe Limited, Citigroup Inc. and their respective affiliates or that no material adverse change has occurred in respect of Citigroup Global Markets Limited, Citigroup Global Markets Europe Limited, Citigroup Inc. and their respective affiliates since Citigroup Global Markets Limited made the sourced information available to the public.

Financial Statements

Citigroup Global Markets Limited has prepared audited financial statements in respect of its financial years ending 31 December 2016 and 31 December 2015. Citigroup Global Markets Limited will prepare annually and publish audited financial statements, with explanatory notes. These financial statements will be available from its registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB. The auditors of the Citigroup Global Markets Limited, KPMG LLP, are regulated by the Financial Reporting Council and are members of the UK's chartered accountants' professional body, ICAEW, of Chartered Accountants' Hall, Moorgate Place, London, EC2R 6EA.

Documents Available for Inspection

From the date of this Base Prospectus and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available for inspection and obtainable in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB:

- (i) the Articles of Association of Citigroup Global Markets Limited; and
- (ii) the audited financial statements of Citigroup Global Markets Limited in respect of its financial years ending 31 December 2016 and 31 December 2015.

Citigroup Global Markets Limited's audited financial statements in respect of its financial years ending 31 December 2016 and 31 December 2015 have been filed with the Central Bank of Ireland and shall be deemed to be incorporated in, and form part of, this Base Prospectus. A copy of these financial statements can be found at:

- in respect of the financial year ending 31 December 2016:
http://www.ise.ie/debt_documents/Annual%20Financial%20Statement_b141178d-ffd0-405c-9db4-010c3c692b28.pdf
- in respect of the financial year ending 31 December 2015:
<http://ise.ie/app/announcementDetails.aspx?ID=12875392>

EXHIBIT: CITIGROUP CONTINGENCIES

The information in this Exhibit has been extracted from (i) pages 283 to 290 of the Citigroup, Inc. Form 10-K dated 23 February 2018 (and filed with the SEC in respect of the fiscal year ended 31 December 2017); and (ii) pages 197 to 198 of the Citigroup, Inc. Form 10-Q dated 31 July 2018 (and filed with the SEC in respect of the quarterly period ended 30 June 2018), as the same may be found in SEC filings for Citigroup, Inc. accessible at citigroup.com/citi/investor/sec.htm. For the avoidance of doubt, the information found on that website shall not form part of this Base Prospectus. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Citigroup, Inc., no facts have been omitted that would render the reproduced information inaccurate or misleading.

Extract from pages 283 to 290 of the Citigroup, Inc. Form 10-K dated 23 February 2018 (and filed with the SEC in respect of the fiscal year ended 31 December, 2017)

27. Contingencies

Accounting and Disclosure Framework

ASC 450 governs the disclosure and recognition of loss contingencies, including potential losses from litigation and regulatory matters. ASC 450 defines a “loss contingency” as “an existing condition, situation, or set of circumstances involving uncertainty as to possible loss to an entity that will ultimately be resolved when one or more future events occur or fail to occur.” It imposes different requirements for the recognition and disclosure of loss contingencies based on the likelihood of occurrence of the contingent future event or events. It distinguishes among degrees of likelihood using the following three terms: “probable,” meaning that “the future event or events are likely to occur”; “remote,” meaning that “the chance of the future event or events occurring is slight”; and “reasonably possible,” meaning that “the chance of the future event or events occurring is more than remote but less than likely.” These three terms are used below as defined in ASC 450.

Accruals

ASC 450 requires accrual for a loss contingency when it is “probable that one or more future events will occur confirming the fact of loss” and “the amount of the loss can be reasonably estimated.” In accordance with ASC 450, Citigroup establishes accruals for contingencies, including the litigation and regulatory matters disclosed herein, when Citigroup believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. When the reasonable estimate of the loss is within a range of amounts, the minimum amount of the range is accrued, unless some higher amount within the range is a better estimate than any other amount within the range. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be substantially higher or lower than the amounts accrued for those matters.

Disclosure

ASC 450 requires disclosure of a loss contingency if “there is at least a reasonable possibility that a loss or an additional loss may have been incurred” and there is no accrual for the loss because the conditions described above are not met or an exposure to loss exists in excess of the amount accrued. In accordance with ASC 450, if Citigroup has not accrued for a matter because Citigroup believes that a loss is reasonably possible but not probable, or that a loss is probable but not reasonably estimable, and the reasonably possible loss is material, it discloses the loss contingency. In addition, Citigroup discloses matters for which it has accrued if it believes a reasonably possible exposure to material loss exists in excess of the amount accrued. In accordance with ASC 450, Citigroup’s disclosure includes an estimate of the reasonably possible loss or range of loss for those matters as to which an estimate can be made. ASC 450 does not require disclosure of an estimate of the reasonably possible loss or range of loss where an estimate cannot be made. Neither accrual nor disclosure is required for losses that are deemed remote.

Litigation and Regulatory Contingencies

Overview

In addition to the matters described below, in the ordinary course of business, Citigroup, its affiliates and subsidiaries, and current and former officers, directors and employees (for purposes of this section, sometimes collectively referred to as Citigroup and Related Parties) routinely are named as defendants in, or

as parties to, various legal actions and proceedings. Certain of these actions and proceedings assert claims or seek relief in connection with alleged violations of consumer protection, fair lending, securities, banking, antifraud, antitrust, anti-money laundering, employment and other statutory and common laws. Certain of these actual or threatened legal actions and proceedings include claims for substantial or indeterminate compensatory or punitive damages, or for injunctive relief, and in some instances seek recovery on a class-wide basis.

In the ordinary course of business, Citigroup and Related Parties also are subject to governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal), certain of which may result in adverse judgments, settlements, fines, penalties, restitution, disgorgement, injunctions or other relief. In addition, certain affiliates and subsidiaries of Citigroup are banks, registered broker-dealers, futures commission merchants, investment advisers or other regulated entities and, in those capacities, are subject to regulation by various U.S., state and foreign securities, banking, commodity futures, consumer protection and other regulators. In connection with formal and informal inquiries by these regulators, Citigroup and such affiliates and subsidiaries receive numerous requests, subpoenas and orders seeking documents, testimony and other information in connection with various aspects of their regulated activities. From time to time Citigroup and Related Parties also receive grand jury subpoenas and other requests for information or assistance, formal or informal, from federal or state law enforcement agencies including, among others, various United States Attorneys' Offices, the Asset Forfeiture and Money Laundering Section and other divisions of the Department of Justice, the Financial Crimes Enforcement Network of the United States Department of the Treasury, and the Federal Bureau of Investigation relating to Citigroup and its customers.

Because of the global scope of Citigroup's operations, and its presence in countries around the world, Citigroup and Related Parties are subject to litigation and governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal) in multiple jurisdictions with legal and regulatory regimes that may differ substantially, and present substantially different risks, from those Citigroup and Related Parties are subject to in the United States. In some instances Citigroup and Related Parties may be involved in proceedings involving the same subject matter in multiple jurisdictions, which may result in overlapping, cumulative or inconsistent outcomes.

Citigroup seeks to resolve all litigation and regulatory matters in the manner management believes is in the best interests of Citigroup and its shareholders, and contests liability, allegations of wrongdoing and, where applicable, the amount of damages or scope of any penalties or other relief sought as appropriate in each pending matter.

Inherent Uncertainty of the Matters Disclosed

Certain of the matters disclosed below involve claims for substantial or indeterminate damages. The claims asserted in these matters typically are broad, often spanning a multi-year period and sometimes a wide range of business activities, and the plaintiffs' or claimants' alleged damages frequently are not quantified or factually supported in the complaint or statement of claim. Other matters relate to regulatory investigations or proceedings, as to which there may be no objective basis for quantifying the range of potential fine, penalty, or other remedy. As a result, Citigroup is often unable to estimate the loss in such matters, even if it believes that a loss is probable or reasonably possible, until developments in the case or investigation have yielded additional information sufficient to support a quantitative assessment of the range of reasonably possible loss. Such developments may include, among other things, discovery from adverse parties or third parties, rulings by the court on key issues, analysis by retained experts, and engagement in settlement negotiations. Depending on a range of factors, such as the complexity of the facts, the novelty of the legal theories, the pace of discovery, the court's scheduling order, the timing of court decisions, and the adverse party's willingness to negotiate in good faith toward a resolution, it may be months or years after the filing of a case or commencement of an investigation before an estimate of the range of reasonably possible loss can be made.

Matters as to Which an Estimate Can Be Made

For some of the matters disclosed below, Citigroup is currently able to estimate a reasonably possible loss or range of loss in excess of amounts accrued (if any). For some of the matters included within this estimation, an accrual has been made because a loss is believed to be both probable and reasonably estimable, but an exposure to loss exists in excess of the amount accrued. In these cases, the estimate reflects the reasonably possible range of loss in excess of the accrued amount. For other matters included within this estimation, no accrual has been made because a loss, although estimable, is believed to be reasonably possible, but not

probable; in these cases the estimate reflects the reasonably possible loss or range of loss. As of December 31, 2017, Citigroup estimates that the reasonably possible unaccrued loss for these matters ranges up to approximately \$1.0 billion in the aggregate.

These estimates are based on currently available information. As available information changes, the matters for which Citigroup is able to estimate will change, and the estimates themselves will change. In addition, while many estimates presented in financial statements and other financial disclosures involve significant judgment and may be subject to significant uncertainty, estimates of the range of reasonably possible loss arising from litigation and regulatory proceedings are subject to particular uncertainties. For example, at the time of making an estimate, (i) Citigroup may have only preliminary, incomplete, or inaccurate information about the facts underlying the claim, (ii) its assumptions about the future rulings of the court or other tribunal on significant issues, or the behavior and incentives of adverse parties or regulators, may prove to be wrong and (iii) the outcomes it is attempting to predict are often not amenable to the use of statistical or other quantitative analytical tools. In addition, from time to time an outcome may occur that Citigroup had not accounted for in its estimate because it had deemed such an outcome to be remote. For all of these reasons, the amount of loss in excess of accruals ultimately incurred for the matters as to which an estimate has been made could be substantially higher or lower than the range of loss included in the estimate.

Matters as to Which an Estimate Cannot Be Made

For other matters disclosed below, Citigroup is not currently able to estimate the reasonably possible loss or range of loss. Many of these matters remain in very preliminary stages (even in some cases where a substantial period of time has passed since the commencement of the matter), with few or no substantive legal decisions by the court or tribunal defining the scope of the claims, the class (if any) or the potentially available damages, and fact discovery is still in progress or has not yet begun. In many of these matters, Citigroup has not yet answered the complaint or statement of claim or asserted its defenses, nor has it engaged in any negotiations with the adverse party (whether a regulator or a private party). For all these reasons, Citigroup cannot at this time estimate the reasonably possible loss or range of loss, if any, for these matters.

Opinion of Management as to Eventual Outcome

Subject to the foregoing, it is the opinion of Citigroup's management, based on current knowledge and after taking into account its current legal accruals, that the eventual outcome of all matters described in this Note would not be likely to have a material adverse effect on the consolidated financial condition of Citigroup. Nonetheless, given the substantial or indeterminate amounts sought in certain of these matters, and the inherent unpredictability of such matters, an adverse outcome in certain of these matters could, from time to time, have a material adverse effect on Citigroup's consolidated results of operations or cash flows in particular quarterly or annual periods.

CARD Act Matter

Citi identified certain methodological issues in connection with determining annual percentage rates (APRs) for certain cardholders under the rate re-evaluation provisions of the Credit Card Accountability Responsibility and Disclosure Act (CARD Act) and Regulation Z. Citi self-reported the issues to its regulators and will be providing remediation to affected customers. Citi is cooperating fully with the regulatory reviews.

Credit Crisis-Related Litigation and Other Matters

Citigroup and Related Parties were named as defendants in numerous legal actions and other proceedings asserting claims for damages and related relief for losses arising from the global financial credit crisis that began in 2007. Citigroup also received subpoenas and requests for information from various regulatory agencies and other government authorities concerning certain businesses impacted by the credit crisis. The vast majority of these matters have been resolved as of December 31, 2017.

Mortgage-Related Litigation and Other Matters

Mortgage-Backed Securities and CDO Investor Actions

Beginning in July 2010, Citigroup and Related Parties were named as defendants in complaints filed by purchasers of MBS and CDOs sold or underwritten by Citigroup. The complaints generally assert that defendants made material misrepresentations and omissions about the credit quality of the assets underlying the securities or the manner in which those assets were selected, and typically assert claims under Section 11

of the Securities Act of 1933, state blue sky laws, and/or common-law misrepresentation-based causes of action.

All but one of these matters have been resolved through settlement or otherwise. As of December 31, 2017, the aggregate original purchase amount of the purchases covered by the remaining tolling (extension) agreement with an investor threatening litigation is approximately \$500 million.

Mortgage-Backed Securities Repurchase Claims

Various parties to MBS securitizations and other interested parties have asserted that certain Citigroup affiliates breached representations and warranties made in connection with mortgage loans sold into securitization trusts (private-label securitizations). Typically, these claims are based on allegations that securitized mortgages were not underwritten in accordance with the applicable underwriting standards. Citigroup also has received inquiries, demands for loan files, and requests to toll the applicable statutes of limitation for representation and warranty claims relating to its private-label securitizations. These inquiries, demands and requests have been made by trustees of securitization trusts and others.

To date, trustees have filed six actions against Citigroup seeking to enforce certain of these contractual repurchase claims that were excluded from the April 7, 2014 settlement in connection with four private-label securitizations. Citigroup has reached an agreement with the trustees to resolve all six of these actions. Additional information concerning these actions is publicly available in court filings under the docket numbers 13 Civ. 2843 (S.D.N.Y.) (Daniels, J.), 13 Civ. 6989 (S.D.N.Y.) (Daniels, J.), 653816/2013 (N.Y. Sup. Ct.) (Kornreich, J.), 653919/2014 (N.Y. Sup. Ct.), 653929/2014 (N.Y. Sup. Ct.), and 653930/2014 (N.Y. Sup. Ct.).

Mortgage-Backed Securities Trustee Actions

On November 24, 2014, a group of investors in 27 RMBS trusts for which Citibank served or currently serves as trustee filed an action in the United States District Court for the Southern District of New York, captioned FIXED INCOME SHARES: SERIES M ET AL. v. CITIBANK N.A., alleging claims that Citibank failed to pursue contractual remedies against securitization sponsors and servicers. On September 8, 2015, the United States District Court for the Southern District of New York dismissed all claims as to 24 of the 27 trusts and allowed certain of the claims to proceed as to the other three trusts. On September 7, 2016, plaintiffs filed a stipulation of voluntary dismissal of their claims with respect to two of the three remaining trusts, leaving one trust at issue. On September 30, 2016, plaintiffs moved to certify a class action, and on April 7, 2017, Citibank moved for summary judgment on all remaining claims. Both motions are pending. Additional information concerning this action is publicly available in court filings under the docket number 14-cv-9373 (S.D.N.Y.) (Furman, J.).

On November 24, 2015, largely the same group of investors filed an action in the New York State Supreme Court, captioned FIXED INCOME SHARES: SERIES M, ET AL. v. CITIBANK N.A., related to the 24 trusts dismissed from the federal court action and one additional trust, asserting claims similar to the action filed in federal court. On June 22, 2016, the court dismissed plaintiffs' complaint. Plaintiffs filed an amended complaint on August 5, 2016. On June 27, 2017, the court granted in part and denied in part Citibank's motion to dismiss the amended complaint. Citibank appealed as to the sustained claims, and on January 16, 2018, the New York Appellate Division, First Department, dismissed all of the remaining claims except the claim for breach of contract related to purported discovery of alleged underwriter breaches of representations and warranties. Additional information concerning this action is publicly available in court filings under the docket number 653891/2015 (N.Y. Sup. Ct.) (Ramos, J.).

On August 19, 2015, the Federal Deposit Insurance Corporation (FDIC), as receiver for a financial institution filed a civil action against Citibank in the United States District Court for the Southern District of New York, captioned FEDERAL DEPOSIT INSURANCE CORPORATION AS RECEIVER FOR GUARANTY BANK v. CITIBANK N.A. The complaint concerns one RMBS trust for which Citibank formerly served as trustee, and alleges that Citibank failed to pursue contractual remedies against the sponsor and servicers of that trust. On September 30, 2016, the court granted Citibank's motion to dismiss on the grounds that the FDIC lacked standing to pursue its claims. On October 14, 2016, the FDIC filed a motion for reconsideration or relief from judgment from the court's dismissal order. On July 10, 2017, the court denied the motion for reconsideration but granted the FDIC leave to file an amended complaint. The FDIC filed an amended complaint on December 8, 2017. Additional information concerning this action is publicly available in court filings under the docket number 15-cv-6574 (S.D.N.Y.) (Carter, J.).

Lehman Brothers Bankruptcy Proceedings

On February 8, 2012, Citibank and certain Citigroup affiliates were named as defendants in an adversary proceeding asserting objections to certain proofs of claim totaling approximately \$2.6 billion filed by Citibank and those affiliates, and claims under federal bankruptcy and state law to recover \$2 billion deposited by Lehman Brothers Holdings Inc. (LBHI) with Citibank against which Citibank asserted a right of setoff. A global settlement between the parties was approved by the bankruptcy court on October 13, 2017. As part of the global settlement, Citibank retained \$350 million from LBHI's deposit at Citibank and returned to LBHI and its affiliates the remaining deposited funds, and LBHI withdrew its remaining objections to the bankruptcy claims filed by Citibank and its affiliates. This action was dismissed by stipulation on November 3, 2017. Additional information concerning this action is publicly available in court filings under the docket numbers 12-01044 and 08-13555 (Bankr. S.D.N.Y.) (Chapman, J.).

Tribune Company Bankruptcy

Certain Citigroup affiliates have been named as defendants in adversary proceedings related to the Chapter 11 cases of Tribune Company (Tribune) filed in the United States Bankruptcy Court for the District of Delaware, asserting claims arising out of the approximately \$11 billion leveraged buyout of Tribune in 2007. On August 2, 2013, the Litigation Trustee, as successor plaintiff to the Official Committee of Unsecured Creditors, filed a fifth amended complaint in the adversary proceeding KIRSCHNER v. FITZSIMONS, ET AL. The complaint seeks to avoid and recover as actual fraudulent transfers the transfers of Tribune stock that occurred as a part of the leveraged buyout. Several Citigroup affiliates are named as "Shareholder Defendants" and are alleged to have tendered Tribune stock to Tribune as a part of the buyout.

Several Citigroup affiliates are named as defendants in certain actions brought by Tribune noteholders, which seek to recover the transfers of Tribune stock that occurred as a part of the leveraged buyout, as state-law constructive fraudulent conveyances. The noteholders' claims were previously dismissed and the United States Court of Appeals for the Second Circuit affirmed the dismissal on appeal. The noteholders' petition to the United States Supreme Court for a writ of certiorari is pending.

In the FITZSIMONS action, on February 1, 2017, the Litigation Trustee requested leave to file an interlocutory appeal of Judge Sullivan's order dismissing the actual fraudulent transfer claim against the shareholder defendants, including several Citigroup affiliates. On February 23, 2017, Judge Sullivan entered an order stating that an interlocutory appeal will be certified after the remaining motions to dismiss are resolved. Those motions remain pending. Additional information concerning these actions is publicly available in court filings under the docket numbers 08-13141 (Bankr. D. Del.) (Carey, J.), 11 MD 02296 (S.D.N.Y.) (Sullivan, J.), 12 MC 2296 (S.D.N.Y.) (Sullivan, J.), 13-3992, 13-3875, 13-4196 (2d Cir.) and 16-317 (U.S.).

Credit Default Swaps Matters

Antitrust and Other Litigation:

On June 8, 2017, a complaint was filed in the United States District Court for the Southern District of New York against numerous credit default swap (CDS) market participants, including Citigroup, Citibank, Citigroup Global Markets Inc. (CGMI), and Citigroup Global Markets Ltd. (CGML), under the caption TERA GROUP, INC., ET AL. v. CITIGROUP INC., ET AL. The complaint alleges that defendants colluded to prevent plaintiffs' electronic CDS trading platform, TeraExchange, from entering the market, resulting in lost profits to plaintiffs. The complaint asserts federal and state antitrust claims, and claims for unjust enrichment and tortious interference with business relations. Plaintiffs seek a finding of joint and several liability, treble damages, attorneys' fees, interest, and injunctive relief. On September 11, 2017, defendants, including Citigroup, Citibank, CGMI, and CGML, filed motions to dismiss all claims. Additional information concerning this action is publicly available in court filings under the docket number 17-cv-04302 (S.D.N.Y.) (Sullivan, J.).

Depositary Receipts Conversion Litigation

Citibank was sued by a purported class of persons or entities who, from January 2000 to the present, are or were holders of depositary receipts for which Citibank served as the depositary bank and converted, or caused to be converted, foreign-currency dividends or other distributions into U.S. dollars. On August 15, 2016, the court dismissed certain claims against Citibank as well as all claims against two of its affiliates, leaving one claim against Citibank. Plaintiffs assert that Citibank breached its deposit agreements by charging a spread for the conversions of dividends and other distributions. On June 30, 2017, plaintiffs moved for certification of a damages class consisting of persons or entities who, from January 1, 2006 to the present,

were holders of 35 depositary receipts for which Citibank served as the depositary bank and converted, or caused to be converted, foreign-currency dividends or other distributions into U.S. dollars. Plaintiffs also moved to certify an injunctive class of persons or entities who currently hold the same 35 depositary receipts. Citibank has opposed certification. Additional information concerning this action is publicly available in court filings under the docket number 15 Civ. 9185 (S.D.N.Y.) (McMahon, C.).

Foreign Exchange Matters

Regulatory Actions

Government and regulatory agencies in the U.S. and in other jurisdictions are conducting investigations or making inquiries regarding Citigroup's foreign exchange business. Citigroup is fully cooperating with these and related investigations and inquiries.

Antitrust and Other Litigation

Numerous foreign exchange dealers, including Citigroup, Citicorp, CGMI, and Citibank, are named as defendants in putative class actions that are proceeding on a consolidated basis in the United States District Court for the Southern District of New York under the caption IN RE FOREIGN EXCHANGE BENCHMARK RATES ANTITRUST LITIGATION. Plaintiffs allege that they suffered losses as a result of defendants' alleged manipulation of, and collusion with respect to, the foreign exchange market. Plaintiffs allege violations of the Commodity Exchange Act, the Sherman Act, and/or the Clayton Act, and seek compensatory damages, treble damages, and declaratory and injunctive relief.

On December 15, 2015, the court entered an order preliminarily approving a proposed settlement between the Citi defendants and classes of plaintiffs who traded foreign exchange instruments in the spot market and on exchanges. The proposed settlement provides for the Citi defendants to receive a release in exchange for a payment of approximately \$400 million. On January 12, 2018, plaintiffs moved for final approval of the settlements with the Citi defendants and several other defendants in that case. Additional information concerning this action is available in court filings under the consolidated lead docket number 13 Civ. 7789 (S.D.N.Y.) (Schofield, J.).

On May 21, 2015, an action captioned NYPL v. JPMORGAN CHASE & CO., ET AL. was brought in the United States District Court for the Northern District of California against Citigroup, as well as numerous other foreign exchange dealers for possible consolidation with IN RE FOREIGN EXCHANGE BENCHMARK RATES ANTITRUST LITIGATION. On August 10, 2017, plaintiffs filed a third amended class action complaint in the United States District Court for the Southern District of New York naming Citibank, Citigroup, and Citicorp as defendants. Plaintiffs seek to represent a putative class of "consumers and businesses in the United States who directly purchased supracompetitive foreign currency at Benchmark exchange rates" from defendants. Plaintiffs allege claims under federal and California antitrust and consumer protection laws, and are seeking compensatory damages, treble damages, and declaratory and injunctive relief. On October 16, 2017, defendants completed briefing on their renewed motion to dismiss or to certify the court's ruling for interlocutory appeal. Additional information concerning this action is publicly available in court filings under the docket numbers 15 Civ. 2290 (N.D. Cal.) (Chhabria, J.) and 15 Civ. 9300 (S.D.N.Y.) (Schofield, J.).

On June 3, 2015, an action captioned ALLEN v. BANK OF AMERICA CORPORATION, ET AL. was brought in the United States District Court for the Southern District of New York against Citigroup and Citibank, as well as numerous other foreign exchange dealers. Plaintiffs seek to represent a putative class of participants, beneficiaries, and named fiduciaries of qualified Employee Retirement Income Security Act (ERISA) plans for whom a defendant provided foreign exchange transactional services or authorized or permitted foreign exchange transactional services involving a plan's assets in connection with its exercise of authority or control regarding an ERISA plan. Plaintiffs allege violations of ERISA, and seek compensatory damages, restitution, disgorgement, and declaratory and injunctive relief. On September 20, 2016, plaintiffs and settling defendants in IN RE FOREIGN EXCHANGE BENCHMARK RATES ANTITRUST LITIGATION filed a joint stipulation dismissing plaintiffs' claims with prejudice. The case is currently on appeal to the United States Court of Appeals for the Second Circuit, where briefing and argument are complete. Additional information concerning this action is publicly available in court filings under the docket numbers 13 Civ. 7789 (S.D.N.Y.) (Schofield, J.), 15 Civ. 4285 (S.D.N.Y.) (Schofield, J.), 16-3327 (2d Cir.), and 16-3571 (2d Cir.).

On June 30, 2017, plaintiffs filed a consolidated amended complaint on behalf of purported classes of indirect purchasers of foreign exchange instruments sold by the defendants, naming various financial institutions, including Citigroup, Citibank, Citicorp and CGMI as defendants, captioned CONTANT ET AL. v. BANK OF

AMERICA CORPORATION ET AL. Plaintiffs allege that defendants engaged in a conspiracy to fix currency prices in violation of the Sherman Act and various state antitrust laws, and seek unspecified money damages (including treble damages), as well as equitable and injunctive relief. Additional information concerning these actions is publicly available in court filings under the docket numbers 16 Civ. 7512 (S.D.N.Y.) (Schofield, J.), 17 Civ. 4392 (S.D.N.Y.) (Schofield, J.), and 17 Civ. 3139 (S.D.N.Y.) (Schofield, J.).

Interbank Offered Rates-Related Litigation and Other Matters

Regulatory Actions

A consortium of state attorneys general is conducting an investigation regarding submissions made by panel banks to bodies that publish various interbank offered rates and other benchmark rates. As a member of a number of such panels, Citigroup has received requests for information and documents. Citigroup is cooperating with the investigation and is responding to the requests.

Antitrust and Other Litigation

Citigroup and Citibank, along with other U.S. Dollar (USD) LIBOR panel banks, are defendants in a multi-district litigation (MDL) proceeding before the United States District Court for the Southern District of New York captioned IN RE LIBOR-BASED FINANCIAL INSTRUMENTS ANTITRUST LITIGATION (the LIBOR MDL). On July 27, 2017, Citigroup and Citibank executed a settlement with one class (investors who transacted in Eurodollar futures or options on exchanges), pursuant to which the Citi defendants agreed to pay \$33.4 million. On October 6, 2017, Citigroup and Citibank agreed to pay \$130 million pursuant to its settlement with the largest plaintiffs' class (investors who purchased over-the-counter (OTC) derivatives from USD LIBOR panel banks) in IN RE LIBOR-BASED FINANCIAL INSTRUMENTS ANTITRUST LITIGATION.

On January 10, 2018, Citigroup and Citibank executed a settlement agreement with another class (lending institutions with interests in loans tied to USD LIBOR) pursuant to which the Citi defendants will pay \$23 million. Additional information concerning these actions and related actions and appeals is publicly available in court filings under the docket numbers 11 MD 2262 (S.D.N.Y.) (Buchwald, J.) and 17-1569 (2d Cir.). On August 13, 2015, plaintiffs in the class action SULLIVAN v. BARCLAYS PLC, ET AL., pending in the United States District Court for the Southern District of New York, filed a fourth amended complaint naming Citigroup and Citibank as defendants. Plaintiffs claim to have suffered losses as a result of purported EURIBOR manipulation and assert claims under the Commodity Exchange Act, the Sherman Act and the federal civil Racketeer Influenced and Corrupt Organizations (RICO) Act and for unjust enrichment. On February 21, 2017, the court granted in part and denied in part defendants' motion to dismiss. Additional information concerning this action is publicly available in court filings under the docket number 13 Civ. 2811 (S.D.N.Y.) (Castel, J.).

On July 1, 2016, a putative class action captioned FRONTPOINT ASIAN EVENT DRIVEN FUND, LTD. ET AL v. CITIBANK, N.A. ET AL. was filed in the United States District Court for the Southern District of New York against Citibank, Citigroup and various other banks. Plaintiffs assert claims for violation of the Sherman Act, Clayton Act and RICO Act, as well as state law claims for alleged manipulation of the Singapore Interbank Offered Rate and Singapore Swap Offer Rate. On August 18, 2017, the court granted in part the defendants' motion to dismiss, dismissing all claims against foreign bank defendants, antitrust claims asserted by one of the two named plaintiffs, and all RICO, implied covenant, and unjust enrichment claims. The court allowed one antitrust claim to proceed against the U.S. bank defendants, including Citigroup and Citibank. Plaintiffs filed an amended complaint on September 18, 2017. On October 18, 2017, defendants filed a motion to dismiss the amended complaint. Additional information concerning this action is publicly available in court filings under the docket number 16 Civ. 5263 (S.D.N.Y.) (Hellerstein, J.).

On December 26, 2016, Banque Delubac filed a summons against Citigroup, CGML, and Citigroup Europe Plc before the Commercial Court of Aubenais, France alleging that defendants suppressed its LIBOR submissions between 2005 and 2012, and that Banque Delubac's EURIBOR-linked lending activity was negatively impacted as a result. Plaintiff is seeking compensatory damages for losses on LIBOR-linked loans to customers and for alleged consequential losses to its business. Additional information concerning this action is publicly available in court filings under the case reference SCS BANQUE DELUBAC & CIE v. CITIGROUP INC. ET AL., Commercial Court of Aubenais, RG no. 2017J00043.

Interchange Fee Litigation

Beginning in 2005, several putative class actions were filed against Citigroup and Related Parties, together with Visa, MasterCard and other banks and their affiliates, in various federal district courts and consolidated with other related individual cases in a multi-district litigation proceeding in the United States District Court for the Eastern District of New York (Interchange MDL). This proceeding is captioned IN RE PAYMENT CARD INTERCHANGE FEE AND MERCHANT DISCOUNT ANTITRUST LITIGATION.

The plaintiffs, merchants that accept Visa and MasterCard branded payment cards as well as membership associations that claim to represent certain groups of merchants, allege, among other things, that defendants have engaged in conspiracies to set the price of interchange and merchant discount fees on credit and debit card transactions and to restrain trade through various Visa and MasterCard rules governing merchant conduct, all in violation of Section 1 of the Sherman Act and certain California statutes. Supplemental complaints also have been filed against defendants in the putative class actions alleging that Visa's and MasterCard's respective initial public offerings were anticompetitive and violated Section 7 of the Clayton Act, and that MasterCard's initial public offering constituted a fraudulent conveyance.

On January 14, 2014, the district court entered a final judgment approving the terms of a class settlement providing for, among other things, a total payment to the class of \$6.05 billion; a rebate to merchants participating in the damages class settlement of 10 bps on interchange collected for a period of eight months by the Visa and MasterCard networks; and changes to certain network rules. Various objectors appealed from the final class settlement approval order to the United States Court of Appeals for the Second Circuit.

On June 30, 2016, the Court of Appeals reversed the district court's approval of the class settlement and remanded for further proceedings. Additional information concerning these consolidated actions and the appeal is publicly available in court filings under the docket numbers MDL 05-1720 (E.D.N.Y.) (Brodie, J.), 12-4671 (2d Cir.) and 16-710 (U.S. Supreme Court).

In addition, following the district court's approval of the class settlement, and during the pendency of appeals from that approval, numerous merchants, including large national merchants, requested exclusion from the portion of the now vacated settlement involving a settlement class certified with respect to damages claims for past conduct, and some of those opting out filed complaints against Visa, MasterCard, and in some instances one or more issuing banks. One of these suits, 7-ELEVEN, INC., ET AL. v. VISA INC., ET AL., brought on behalf of numerous individual merchants, names Citigroup as a defendant. Additional information concerning these actions is publicly available in court filings under the docket number MDL 05-1720 (E.D.N.Y.) (Brodie, J.).

Interest Rate Swaps Matters

Regulatory Actions

The Commodity Futures Trading Commission is conducting an investigation into the trading and clearing of interest rate swaps by investment banks. Citigroup is cooperating with the investigation.

Antitrust and Other Litigation

Beginning in November 2015, numerous interest rate swap (IRS) market participants, including Citigroup, Citibank, CGMI and CGML, were named as defendants in a number of industry-wide putative class actions. These actions have been consolidated in the United States District Court for the Southern District of New York under the caption IN RE INTEREST RATE SWAPS ANTITRUST LITIGATION. Plaintiffs in these actions allege that defendants colluded to prevent the development of exchange-like trading for IRS, thereby causing the putative classes to suffer losses in connection with their IRS transactions. Plaintiffs assert federal antitrust claims and claims for unjust enrichment. Also consolidated under the same caption are two individual actions filed by swap execution facilities, asserting federal and state antitrust claims as well as claims for unjust enrichment and tortious interference with business relations. Plaintiffs in all of these actions seek treble damages, fees, costs and injunctive relief.

On July 28, 2017, the district court granted in part and denied in part defendants' motions to dismiss. Additional information concerning these actions is publicly available in court filings under the docket number 16-MD-2704 (S.D.N.Y.) (Engelmayer, J.).

Money Laundering Inquiries

Regulatory Actions

Citibank received a subpoena from the United States Attorney for the Eastern District of New York in connection with its investigation of alleged bribery, corruption and money laundering associated with the Fédération Internationale de Football Association (FIFA), and the potential involvement of financial institutions in that activity. The subpoenas request information relating to, among other things, banking relationships and transactions at Citibank and its affiliates associated with certain individuals and entities identified as having had involvement with the alleged corrupt conduct. Citi is cooperating with the authorities in this matter.

Oceanografía Fraud and Related Matters

Regulatory Actions

As a result of Citigroup's announcement in the first quarter of 2014 of a fraud discovered in a Petróleos Mexicanos (Pemex) supplier program involving Oceanografía S.A. de C.V. (OSA), a Mexican oil services company and a key supplier to Pemex, the SEC commenced a formal investigation and the U.S. Department of Justice requested information regarding Banamex's dealings with OSA. The SEC inquiry has included requests for documents and witness testimony. Citi continues to cooperate fully with these inquiries.

Other Litigation

On February 26, 2016, a complaint was filed against Citigroup in the United States District Court for the Southern District of Florida alleging that it conspired with Oceanografía, S.A. de C.V. (OSA) and others with respect to receivable financings and other financing arrangements related to OSA in a manner that injured bondholders and other creditors of OSA. The complaint asserts claims on behalf of 39 plaintiffs that are characterized in the complaint variously as trade creditors of, investors in, or lenders to OSA. Plaintiffs collectively claim to have lost \$1.1 billion as a result of OSA's bankruptcy. The complaint asserts claims under the federal civil RICO law and seeks treble damages and other relief pursuant to that statute. The complaint also asserts claims for fraud and breach of fiduciary duty.

On August 23, 2016, plaintiffs filed an amended complaint adding common law claims for fraud, aiding and abetting fraud, and conspiracy on behalf of all plaintiffs. Citigroup has moved to dismiss the amended complaint. On January 30, 2018, the court granted Citigroup's motion to dismiss. Additional information concerning this action is publicly available in court filings under the docket number 16-20725 (S.D. Fla.) (Gayles, J.).

On February 27, 2017, a complaint was filed against Citigroup in the United States District Court for the Southern District of New York by Oceanografía S.A. de C.V. (OSA) and its controlling shareholder, Amado Yáñez Osuna. The complaint alleges that plaintiffs were injured when Citigroup made certain public statements about receivable financings and other financing arrangements related to OSA. The complaint asserts claims for malicious prosecution and tortious interference with existing and prospective business relationships. On December 4, 2017, plaintiffs filed an amended complaint adding CGMI, Citibank and Banco Nacional de México, or Banamex, as defendants and adding causes of action for fraud and breach of contract. Citigroup has moved to dismiss the amended complaint. Additional information concerning this action is publicly available in court filings under the docket number 1:17-cv-01434 (S.D.N.Y.) (Sullivan, J.).

Parmalat Litigation

On July 29, 2004, Dr. Enrico Bondi, the Extraordinary Commissioner appointed under Italian law to oversee the administration of various Parmalat companies, filed a complaint in New Jersey state court against Citigroup and Related Parties alleging, among other things, that the defendants "facilitated" a number of frauds by Parmalat insiders. On October 20, 2008, following trial, a jury rendered a verdict in Citigroup's favor on Parmalat's claims and in favor of Citibank on three counterclaims, awarding Citi \$431 million. Parmalat has exhausted all appeals, and the judgment is now final. Additional information concerning this action is publicly available in court filings under the docket number A-2654-08T2 (N.J. Sup. Ct.). Citigroup has taken steps to enforce that judgment in the Italian courts. On August 29, 2014, the Court of Appeal of Bologna affirmed the decision in the full amount of \$431 million, to be paid in Parmalat shares. Parmalat appealed the judgment to the Italian Supreme Court.

On June 16, 2015, Parmalat filed a claim in an Italian civil court in Milan claiming damages of €1.8 billion against Citigroup and Related Parties. On January 25, 2018, the Milan court dismissed Parmalat's claim on grounds that it was duplicative of Parmalat's previously unsuccessful New Jersey claims.

Referral Hiring Practices Investigations

Government and regulatory agencies in the U.S., including the SEC, are conducting investigations or making inquiries concerning compliance with the Foreign Corrupt Practices Act and other laws with respect to the hiring of candidates referred by or related to foreign government officials. Citigroup is cooperating with the investigations and inquiries.

Shareholder Derivative Litigation

On March 30, 2016, a derivative action captioned OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM, ET AL. v. CORBAT, ET AL. was filed in the Delaware Chancery Court on behalf of Citigroup (as nominal defendant) against certain of Citigroup's present and former directors and officers. Plaintiffs assert claims for breach of fiduciary duty and waste of corporate assets in connection with defendants' alleged failure to exercise appropriate oversight and management of Bank Secrecy Act and anti-money laundering laws and regulations and related consent decrees concerning Citigroup subsidiaries, Banamex and Banamex USA (BUSA) as well as defendants' alleged failures to implement adequate internal controls and exercise adequate oversight with respect to Citigroup subsidiaries' participation in foreign exchange markets and credit card practices. On December 18, 2017, the court granted the defendants' motion to dismiss plaintiffs' amended supplemental complaint. On January 17, 2018, plaintiffs filed a motion to reopen the judgment and for leave to file a second amended complaint in the Delaware Chancery Court, as well as an appeal with the Delaware Supreme Court. Additional information concerning this action is publicly available in court filings under the docket numbers C.A. No. 12151-VCG (Del. Ch.) (Glasscock, Ch.) and 32,2018 (Del.).

Sovereign Securities Matters

Regulatory Actions:

Government and regulatory agencies in the U.S. and in other jurisdictions are conducting investigations or making inquiries regarding Citigroup's sales and trading activities in connection with sovereign securities. Citigroup is fully cooperating with these investigations and inquiries.

Antitrust and Other Litigation:

Beginning in July 2015, CGMI and numerous other U.S. Treasury primary dealer banks, were named as defendants in a number of substantially similar putative class actions involving allegations that they colluded to manipulate U.S. Treasury securities markets. In December 2015, the cases were consolidated in the United States District Court for the Southern District of New York by the Judicial Panel on Multidistrict Litigation. On August 23, 2017, the court appointed interim co-lead counsel.

Plaintiffs filed a consolidated complaint on November 16, 2017, which alleges that CGMI and other primary dealer defendants colluded to fix Treasury auction bids by sharing competitively sensitive information ahead of the auctions, in violation of the antitrust laws. The consolidated complaint also alleges that CGMI and other primary dealer defendants colluded to boycott and prevent the emergence of an anonymous, all-to-all electronic trading platform in the Treasuries secondary market, and seeks damages, including treble damages where authorized by statute, and injunctive relief. Additional information relating to this action is publicly available in court filings under the docket number 15-MD-2673 (S.D.N.Y.) (Gardephe, J.).

Beginning in May 2016, a number of substantially similar putative class action complaints were filed against a number of financial institutions and traders related to the supranational, sub-sovereign, and agency (SSA) bond market. The actions are based upon defendants' roles as market makers and traders of SSA bonds and assert claims of alleged collusion under the antitrust laws and unjust enrichment and seek damages, including treble damages where authorized by statute, and disgorgement. In August 2016, these actions were consolidated in the United States District Court for the Southern District of New York, and interim co-lead counsel was appointed in December 2016.

Plaintiffs filed a consolidated complaint on April 7, 2017 that names Citigroup, Citibank, CGMI and CGML among the defendants. Plaintiffs filed an amended consolidated complaint on October 6, 2017, and defendants filed motions to dismiss on December 12, 2017. Additional information relating to this action is publicly available in court filings under the docket number 16-cv-03711 (S.D.N.Y.) (Ramos, J.).

On November 7, 2017, a class action related to the SSA bond market was filed in the Ontario Court of Justice against Citigroup, Citibank, CGMI, CGML, Citibank Canada and Citigroup Global Markets Canada, Inc., among other defendants, asserting claims for breach of contract, breach of the competition act, breach of foreign law, unjust enrichment, and civil conspiracy. Plaintiffs seek compensatory and punitive damages, as well as declaratory relief. Additional information relating to this action is publicly available in court filings under the docket number CV-17-586082-00CP (Ont.S.C.J.).

Settlement Payments

Payments required in settlement agreements described above have been made or are covered by existing litigation accruals.

Extract from pages 197 to 198 of the Citigroup, Inc. Form 10-Q dated 31 July 2018 (and filed with the SEC in respect of the quarterly period ended 30 June 2018)

23. CONTINGENCIES

The following information supplements and amends, as applicable, the disclosures in Note 23 to the Consolidated Financial Statements of Citigroup's First Quarter of 2018 Form 10-Q and Note 27 to the Consolidated Financial Statements of Citigroup's 2017 Annual Report on Form 10-K. For purposes of this Note, Citigroup, its affiliates and subsidiaries and current and former officers, directors and employees, are sometimes collectively referred to as Citigroup and Related Parties.

In accordance with ASC 450, Citigroup establishes accruals for contingencies, including the litigation and regulatory matters disclosed herein, when Citigroup believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of loss ultimately incurred in relation to those matters may be substantially higher or lower than the amounts accrued for those matters.

If Citigroup has not accrued for a matter because the matter does not meet the criteria for accrual (as set forth above), or Citigroup believes an exposure to loss exists in excess of the amount accrued for a particular matter, in each case assuming a material loss is reasonably possible, Citigroup discloses the matter. In addition, for such matters, Citigroup discloses an estimate of the aggregate reasonably possible loss or range of loss in excess of the amounts accrued for those matters as to which an estimate can be made. At June 30, 2018, Citigroup's estimate of the reasonably possible unaccrued loss for these matters was materially unchanged from the estimate of approximately \$1.0 billion in the aggregate as of March 31, 2018.

As available information changes, the matters for which Citigroup is able to estimate will change, and the estimates themselves will change. In addition, while many estimates presented in financial statements and other financial disclosures involve significant judgment and may be subject to significant uncertainty, estimates of the range of reasonably possible loss arising from litigation and regulatory proceedings are subject to particular uncertainties. For example, at the time of making an estimate, Citigroup may have only preliminary, incomplete or inaccurate information about the facts underlying the claim; its assumptions about the future rulings of the court or other tribunal on significant issues, or the behavior and incentives of adverse parties or regulators, may prove to be wrong; and the outcomes it is attempting to predict are often not amenable to the use of statistical or other quantitative analytical tools. In addition, from time to time an outcome may occur that Citigroup had not accounted for in its estimates because it had deemed such an outcome to be remote. For all these reasons, the amount of loss in excess of accruals ultimately incurred for the matters as to which an estimate has been made could be substantially higher or lower than the range of loss included in the estimate.

Subject to the foregoing, it is the opinion of Citigroup's management, based on current knowledge and after taking into account its current legal accruals, that the eventual outcome of all matters described in this Note would not be likely to have a material adverse effect on the consolidated financial condition of Citigroup. Nonetheless, given the substantial or indeterminate amounts sought in certain of these matters and the inherent unpredictability of such matters, an adverse outcome in certain of these matters could, from time to time, have a material adverse effect on Citigroup's consolidated results of operations or cash flows in particular quarterly or annual periods.

For further information on ASC 450 and Citigroup's accounting and disclosure framework for contingencies, including for litigation and regulatory matters disclosed herein, see Note 27 to the Consolidated Financial Statements of Citigroup's 2017 Annual Report on Form 10-K.

ANZ Underwriting Matter

On June 1, 2018, charges were filed by the Australian Commonwealth Director of Public Prosecutions (CDPP) against Citigroup Global Markets Australia Pty Limited (CGMA) for alleged criminal cartel offenses following a referral by the Australian Competition and Consumer Commission. CDPP alleges that the cartel conduct took place following an institutional share placement by Australia and New Zealand Banking Group Limited (ANZ) in August 2015, where CGMA acted as joint underwriter and lead manager with other banks. CDPP has also charged other banks and individuals, including current and former Citi employees. Charges relating to CGMA are captioned R v. CITIGROUP GLOBAL MARKETS AUSTRALIA PTY LIMITED (2018/00175168). The matter is before the Downing Centre Local Court in Sydney, Australia. Separately, the Australian Securities and Investments Commission is conducting an investigation, and CGMA is cooperating with the investigation.

CARD Act Matter

On June 29, 2018, Citi entered into a consent order with the Bureau of Consumer Financial Protection related to certain self-reported methodological issues in connection with determining annual percentage rates (APRs) for certain cardholders under the rate re-evaluation provisions of the Credit Card Accountability Responsibility and Disclosure Act (CARD Act) and Regulation Z.

Credit Crisis-Related Litigation and Other Matters Tribune Company Bankruptcy

On May 15, 2018, the United States Court of Appeals for the Second Circuit withdrew its 2016 transfer of jurisdiction to the district court in IN RE: TRIBUNE COMPANY FRAUDULENT CONVEYANCE LITIGATION, in order to reconsider its decision in light of a recent United States Supreme Court decision. Additional information concerning these actions is publicly available in court filings under the docket numbers 08-13141 (Bankr. D. Del.) (Carey, J.), 11 MD 02296 (S.D.N.Y.) (Sullivan, J.), 12 MC 2296 (S.D.N.Y.) (Sullivan, J.), 13-3992, 13-3875, 13-4178, 13-4196 (2d Cir.) and 16-317 (U.S.).

Depository Receipts Conversion Litigation

On June 6, 2018, the parties informed the court that they had reached a settlement in principle and requested a 45-day stay to prepare final settlement documentation and submit a motion for preliminary approval of the settlement. On June 11, 2018, the court granted the request for a stay. Additional information concerning this action is publicly available in court filings under the docket number 15 Civ. 9185 (S.D.N.Y.) (McMahon, C.).

Foreign Exchange Matters

Antitrust and Other Litigation:

On May 23, 2018, in IN RE FOREIGN EXCHANGE BENCHMARK RATES ANTITRUST LITIGATION, the court held a fairness hearing to consider plaintiffs' motion for final approval of the proposed class settlements with Citi and certain other banks and plaintiffs' motion for attorneys' fees. Additional information concerning this action is publicly available in court filings under the docket number 13 Civ. 7789 (S.D.N.Y.) (Schofield, J.).

On June 20, 2018, in NYPL v. JPMORGAN CHASE & CO., the court denied plaintiffs' request to expand their class to include credit card, wire and ATM transactions with a foreign currency exchange component. On July 20, 2018, plaintiffs moved for reconsideration of this decision. Additional information concerning this action is publicly available in court filings under the docket numbers 15 Civ. 2290 (N.D. Cal.) (Chhabria, J.) and 15 Civ. 9300 (S.D.N.Y.) (Schofield, J.).

On July 10, 2018, the United States Court of Appeals for the Second Circuit affirmed the dismissal of ALLEN v. BANK OF AMERICA CORPORATION, ET AL., in which plaintiffs had alleged violations of the Employee Retirement Income Security Act. Additional information concerning this action is publicly available in court filings under the docket numbers 15 Civ. 4285 (S.D.N.Y.) (Schofield, J.) and 16-3327 (lead case) and 16-3571 (consolidated case) (2d Cir.).

Interbank Offered Rates-Related Litigation and Other Matters

Regulatory Actions:

On June 15, 2018, Citibank entered into a \$100 million civil settlement regarding its USD LIBOR submissions with a consortium of 42 state attorneys general.

Interest Rate Swaps Matters

Antitrust and Other Litigation:

Numerous defendants, including Citigroup, Citibank, Citigroup Global Markets Inc. (CGMI) and Citigroup Global Markets Limited, were named as defendants in a complaint filed in the United States District Court for the Southern District of New York under the caption TRUEEX LLC v. BANK OF AMERICA CORPORATION, ET AL. Plaintiff asserts federal and state antitrust claims, as well as state claims for unjust enrichment and tortious interference, and seeks treble damages, fees, costs and injunctive relief. On June 21, 2018, this action was consolidated with the multidistrict litigation captioned IN RE: INTEREST RATE SWAPS ANTITRUST LITIGATION. Additional information concerning this action is publicly available in court filings under the docket numbers 18-CV-5361 (S.D.N.Y.) (Engelmayer, J.) and 16-MDL-2704 (S.D.N.Y.) (Engelmayer, J.).

Oceanografía Fraud and Related Matters

Other Litigation:

On June 22, 2018, in the action filed in the United States District Court for the Southern District of Florida, plaintiffs filed a notice of appeal of the decision dismissing the complaint. Additional information concerning this action is publicly available in court filings under the docket number 16-20725 (S.D. Fla.) (Gayles, J.).

Shareholder Derivative Litigation

On May 8, 2018, plaintiffs filed a notice of voluntary dismissal of their appeal from the order dismissing the complaint in OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM, ET AL. v. CORBAT, ET AL. Additional information concerning this action is publicly available in court filings under the docket numbers C.A. No. 12151-VCG (Del. Ch.) (Glasscock, Ch.) and No. 32, 2018 (Del.).

Sovereign Securities Matters

Regulatory Actions:

Government and regulatory agencies in the United States and in other jurisdictions are conducting investigations or making inquiries regarding Citigroup's sales and trading activities in connection with sovereign and other government-related securities. Citigroup is fully cooperating with these investigations and inquiries.

Antitrust and Other Litigation:

Five additional complaints have been filed in the United States District Court for the Southern District of New York against numerous defendants, including Citigroup, CGMI, Citigroup Financial Products Inc., Citigroup Global Markets Holdings Inc. and Citibanamex, which assert antitrust and unjust enrichment claims and seek treble damages, restitution and injunctive relief. The additional complaints are based on allegations similar to those in the March 30, 2018 putative class action. All six actions were consolidated on June 18, 2018, and additional information relating to this consolidated action is publicly available in court filings under the docket number 18 Civ. 2830 (S.D.N.Y.) (Oetken, J.).

Settlement Payments

Payments required in settlement agreements described above have been made or are covered by existing litigation accruals.

DESCRIPTION OF CITIBANK, N.A.

The information set out below has been obtained from Citibank, N.A. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Citibank, N.A., no facts have been omitted that would render the reproduced information inaccurate or misleading.

General

Citibank, N.A. (“CBNA”) was originally organised as the City Bank of New York on 16 June 1812, and now is a national banking association organised under the National Bank Act of 1864 of the United States with charter no: 1461. CBNA is a direct, wholly owned subsidiary of Citicorp LLC, which is a direct, wholly owned subsidiary of Citigroup Inc., a Delaware corporation and a financial holding company under the Bank Holding Company Act of 1956, as amended. CBNA has its main office at 701 E 60TH St. North, Sioux Falls, South Dakota, (57104-0432), and its principal place of business at 388 Greenwich Street, New York, New York, 10013 United States of America, and its main telephone number is 800-285-3000. As of 30 June 2018, the total assets of CBNA and its consolidated subsidiaries represented approximately 73 per cent. of the total assets of Citigroup and its consolidated subsidiaries.

CBNA registered in the United Kingdom as a foreign company in July 1920 and subsequently registered in July 1993 as having established a branch in England and Wales. The principal offices of CBNA’s London Branch are located at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB, England (Telephone: +44 20 7986 9621). CBNA is authorised by the Prudential Regulation Authority (the “PRA”) and subject to regulation by the Financial Conduct Authority (the “FCA”) and limited regulation by the PRA as a fully authorised commercial banking institution offering a wide range of corporate banking products conducted from its UK office.

Business

CBNA’s principal offerings include consumer finance, mortgage lending, retail banking products and services, credit cards, subsidiaries and affiliates; investment banking, commercial banking, cash management, trade finance and e-commerce products and services; and private banking products and services throughout the world.

Regulation and supervision

CBNA is subject to regulation and examination primarily by the Office of the Comptroller of the Currency (the “OCC”) and also by the Federal Deposit Insurance Corporation (the “FDIC”) and the Board of Governors of the Federal Reserve System (the “FRB”). The foreign branch representative offices and subsidiaries of CBNA are subject to regulation and examination by their respective local regulators as well as by the OCC and the FRB.

CBNA submits quarterly to the FDIC and the OCC, Consolidated Report of Condition and Income (“CALL Reports”). The CALL Reports are on file with and publicly available at the OCC’s offices at Constitution Center, 400 7th St SW, Suite 3E-218, Washington D.C. 20219 and are also available on the FDIC’s website (<http://www.fdic.gov>) and Citigroup’s website (www.citigroup.com/citi/investor/reg.htm). Each CALL Report consists of a Balance Sheet, Income Statement, Changes in Equity Capital and other supporting schedules at the end of and for the period to which the report relates. The CALL Reports are prepared in accordance with the regulatory instructions issued by the U.S. Federal Financial Institutions Examination Council in the United States. The CALL Reports are supervisory and regulatory documents, and are not primarily accounting documents, and do not provide a complete range of financial disclosure about CBNA. However, the CALL Reports nevertheless provide further information concerning CBNA’s financial condition and its results of operations as of the relevant reporting period. CBNA’s CALL Report as of the close of business on 30 June 2018 and any subsequent CALL Reports are available upon request, without charge, from Citi Document Services, by calling toll free at (877) 936 2737 (outside the United States at (718) 831 8413), by emailing a request to docserve@citi.com or by writing to Citi Document Services, 4224 Ridge Lea Road, Amherst, New York, 14226.

Recent Events

The Issuer is not aware of any recent event particular to CBNA which has occurred and which is to a material extent relevant to the evaluation of its solvency.

Directors of Citibank, N.A.

Name	Background & Experience
Ellen M. Costello	Former President and CEO, BMO Financial Corporation and U.S. Country Head, BMO Financial Group
Barbara J. Desoer	CEO, Citibank, N.A.
Duncan P. Hennes	Co-Founder and Partner of Atrevida Partners, LLC
S. Leslie Ireland	Former Assistant Secretary for Intelligence and Analysis, U.S. Department of the Treasury
Eugene M. McQuade	Former Vice Chairman, Citigroup Inc.
Anthony M. Santomero	Chairman of the Board; Former President, Federal Reserve Bank of Philadelphia
James S. Turley	Former Chairman and CEO, Ernst & Young

The business address of the Directors is 388 Greenwich Street, New York, New York, 10013, United States of America.

Board Committees

A number of committees have been established to promote the safe and sound operation of CBNA, including, amongst others, the Audit Committee, Risk Management Committee, and Executive Committee.

Legal Proceedings

In the ordinary course of business, CBNA, Citicorp LLC and Citigroup Inc., and their affiliates and subsidiaries, as well as their respective current and former officers, directors and employees (for purposes of this section, sometimes collectively referred to as “Citibank and Related Parties”), routinely are named as defendants in, or as parties to, various legal actions and proceedings. Certain of these actions and proceedings assert claims or seek relief in connection with alleged violations of consumer protection, securities, banking, antifraud, antitrust, anti-money laundering, employment and other statutory and common laws. Certain of these actual or threatened legal actions and proceedings include claims for substantial or indeterminate compensatory or punitive damages, or for injunctive relief, and in some instances seek recovery on a class-wide basis.

In the ordinary course of business, Citibank and Related Parties also are subject to governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal), certain of which may result in adverse judgments, settlements, fines, penalties, restitution, disgorgement, injunctions or other relief. In addition, Citigroup is a bank holding company, CBNA is a bank, and certain affiliates and subsidiaries of CBNA are banks, registered broker-dealers, futures commission merchants, investment advisers or other regulated entities and, in those capacities, are subject to regulation by various U.S. state and foreign securities, banking, commodity futures and other regulators. In connection with formal and informal inquiries by these regulators, Citibank and Related Parties receive numerous requests, subpoenas and orders seeking documents, testimony and other information in connection with various aspects of their regulated activities.

Because of the global scope of Citigroup Inc.’s operations, and its presence in countries around the world, Citibank and Related Parties are subject to litigation, and governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal), in multiple jurisdictions with legal and regulatory regimes that may differ substantially, and present substantially different risks, from those Citibank and Related Parties are subject to in the United States. In some instances Citibank and Related Parties may be involved in proceedings involving the same subject matter in multiple jurisdictions, which may result in overlapping, cumulative or inconsistent outcomes.

Auditors

CBNA's reports and accounts for the years ending 31 December 2017 and 31 December 2016, respectively, have been audited by KPMG LLP of 345 Park Avenue, New York, NY 10154-0102, United States. The reports and accounts have been audited in accordance with the American Institute of Certified Public Accountants ("AICPA") generally accepted auditing standards. KPMG LLP is a member of the AICPA. The CALL Reports are not audited by KPMG LLP.

Material Contracts

CBNA, London Branch has no contracts that are material to its ability to fulfil its obligations as Swap Counterparty under any Notes issued under the Programme.

Material Adverse Change

There have been no material adverse changes in the prospects of CBNA since 31 December 2017, being the date of CBNA's latest annual report. There have been no significant changes in the financial or trading position of CBNA since 31 December 2017.

Articles of Association

The articles of association of CBNA are available for inspection at CBNA's principal place of business at 388 Greenwich Street, New York, New York, 10013, United States of America.

Additional Information

CBNA carries short term credit ratings of A-1/P-1/F1 and long term credit ratings of A+/A1/AA- from Standard & Poor's Financial Services LLC, Moody's Investors Service, Inc. and Fitch Ratings, Inc. respectively. Moody's Investors Service, Inc., Standard & Poor's Financial Services LLC and Fitch Ratings, Inc. are registered in the United States and are not registered under Regulation (EC) 1060/2009. However, their ratings have been endorsed by Moody's, Standard & Poor's and Fitch, respectively, in accordance with the CRA Regulation.

The disclosure in respect of CBNA included in this Base Prospectus has been sourced from publicly available information. CBNA, Citigroup Inc. and their respective affiliates have not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus in whole or in part. There can be no assurance that this Base Prospectus contains all material information in respect of CBNA, Citigroup Inc. and their respective affiliates or that no material adverse change has occurred in respect of CBNA, Citigroup Inc. and their respective affiliates since CBNA made the sourced information available to the public.

Financial Statements

CBNA has prepared audited financial statements in respect of its financial years ending 31 December 2017 and 31 December 2016. CBNA will prepare annually and publish audited financial statements, with explanatory notes. These financial statements are available upon request by contacting Mr. Daniel C. O'Connor by email at occonnord@citi.com or by letter at Two Court Square, 15th Floor, Long Island City, New York 11101. Please include "Secured Note Issuance Program" in the subject line of your request. The auditors of CBNA, London Branch, KPMG LLP of 345 Park Avenue, New York, NY 10154-0102, United States have prepared the financial statements in accordance with auditing standards generally accepted in the United States and standards established by the AICPA. KPMG LLP is a member of the AICPA.

Documents Available for Inspection

From the date of this Base Prospectus and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available for inspection:

- (i) The constitutional documents of CBNA are available for inspection and obtainable in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at CBNA's principal place of business at 388 Greenwich Street, New York, New York, 10013, United States of America; and

- (ii) The audited financial statements of CBNA in respect of its financial years ending 31 December 2017 and 31 December 2016 are available upon request in electronic format by contacting Mr. Daniel C. O'Connor by email at oconnord@citi.com or by letter at Two Court Square, 15th Floor, Long Island City, New York 11101. Please include "Secured Note Issuance Program" in the subject line of your request.

Citibank, N.A., London Branch

CBNA will be entering into transactions under this Programme through its London branch.

EXHIBIT: CITIBANK, N.A. CONTINGENCIES

The information in this Exhibit has been extracted from page 132 of the Citibank, N.A. Financial Report dated 28 March 2018 (in respect of the fiscal years ended 31 December 2017 and 31 December 2016), as the same may be found in SEC filings for Citigroup, Inc. accessible at citigroup.com/citi/investor/sec.htm. For the avoidance of doubt, the information found on that website shall not form part of this Base Prospectus. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Citigroup, Inc., no facts have been omitted that would render the reproduced information inaccurate or misleading.

Extract from page 132 of the Citibank, N.A. Financial Report dated 28 March 2018 (in respect of the fiscal years ended 31 December 2017 and 31 December 2016)

27. CONTINGENCIES

Overview

In the ordinary course of business, Citibank, its indirect parent Citigroup, and their affiliates and subsidiaries, as well as their respective current and former officers, directors and employees (for purposes of this section, sometimes collectively referred to as Citibank and Related Parties), routinely are named as defendants in, or as parties to, various legal actions and proceedings. Certain of these actions and proceedings assert claims or seek relief in connection with alleged violations of consumer protection, securities, banking, antifraud, antitrust, anti-money laundering, employment and other statutory and common laws. Certain of these actual or threatened legal actions and proceedings include claims for substantial or indeterminate compensatory or punitive damages, or for injunctive relief, and in some instances seek recovery on a class-wide basis.

In the ordinary course of business, Citibank and Related Parties also are subject to governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal), certain of which may result in adverse judgments, settlements, fines, penalties, restitution, disgorgements, injunctions or other relief. In addition, Citigroup is a financial holding company, Citibank is a bank, and certain affiliates and subsidiaries of Citibank are banks, registered broker-dealers, futures commission merchants, investment advisers or other regulated entities and, in those capacities, are subject to regulation by various U.S., state and foreign securities, banking, commodity futures and other regulators. In connection with formal and informal inquiries by these regulators, Citibank and Related Parties receive numerous requests, subpoenas and orders seeking documents, testimony and other information in connection with various aspects of their regulated activities. From time to time Citibank and Related Parties also receive grand jury subpoenas and other requests for information or assistance, formal or informal, from federal or state law enforcement agencies, including among others various United States Attorneys' Offices, the Asset Forfeiture and Money Laundering Section and other divisions of the Department of Justice, the Financial Crimes Enforcement Network of the United States Department of the Treasury, and the Federal Bureau of Investigation, relating to Citibank and its customers.

Because of the global scope of Citibank's operations, and its presence in countries around the world, Citibank and Related Parties are subject to litigation, and governmental and regulatory examinations, information-gathering requests, investigations and proceedings (both formal and informal), in multiple jurisdictions with legal and regulatory regimes that may differ substantially, and present substantially different risks, from those Citibank and Related Parties are subject to in the United States. In some instances Citibank and Related Parties may be involved in proceedings involving the same subject matter in multiple jurisdictions, which may result in overlapping, cumulative or inconsistent outcomes.

Citigroup and Citibank seek to resolve all litigation and regulatory matters in the manner management believes is in the best interests of Citigroup and its shareholders and Citibank and its depositors, and contest liability, allegations of wrongdoing and, where applicable, the amount of damages or scope of any penalties or other relief sought as appropriate in each pending matter.

In accordance with ASC 450, Citibank establishes accruals for contingencies, including litigation and regulatory matters, when Citibank believes it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. In view of the inherent unpredictability of litigation and regulatory matters, particularly where the damages sought are substantial or indeterminate, the investigations or proceedings are in the early stages, or the matters involve novel legal theories or a large number of parties, Citibank cannot

predict the timing or ultimate resolution of litigation and regulatory matters, and the actual costs of resolving litigation and regulatory matters may be substantially higher or lower than the amounts accrued for those matters.

Subject to the foregoing, it is the opinion of Citibank's management, based on current knowledge and after taking into account its current legal accruals, that the eventual outcome of all matters would not be likely to have a material adverse effect on the consolidated financial condition of Citibank. Nonetheless, given the substantial or indeterminate amounts sought in certain of these matters, and the inherent unpredictability of such matters, an adverse outcome in certain of these matters could, from time to time, have a material adverse effect on Citibank's consolidated results of operations or cash flows in particular periods. For a discussion of Citigroup's material legal and regulatory proceedings, which includes Citibank, see Citigroup's Annual Report on Form 10-K for the year ended December 31, 2017, filed with the U.S. Securities and Exchange Commission on February 23, 2018.

DESCRIPTION OF CITIGROUP GLOBAL MARKETS JAPAN INC.

The information set out below has been obtained from Citigroup Global Markets Japan Inc. Such information has been accurately reproduced and, as far as the Issuer is aware and able to ascertain from information published by Citigroup Global Markets Japan Inc., no facts have been omitted that would render the reproduced information inaccurate or misleading.

General

Citigroup Global Markets Japan Inc. is a limited liability company (*kabushiki kaisha*) under the Company Act of Japan (Law No. 86 of 2005; as amended), incorporated in Japan on 9 February 2001. Citigroup Global Markets Japan Inc. is domiciled in Japan, its registered address and principal place of business is Otemachi Park Building, 1-1, Otemach 1-chome, Chiyoda-ku, Tokyo 100-8132, Japan. The telephone number of Citigroup Global Markets Japan Inc. is +81 (0)3-6776-8800. As of 31 December 2017, the total assets of Citigroup Global Markets Japan Inc. were JPY 1,861,878 million.

Business

Citigroup Global Markets Japan Inc. is an indirect wholly-owned subsidiary of Citigroup Inc. and, as Citigroup's platform in Japan, provides investment banking, brokerage and trading and various other financial products and services to institutional customers. Citigroup Global Markets Japan Inc. operates its businesses in Japan, with registrations to conduct a type I financial instruments business and a type II financial instruments business (as defined in the Financial Instruments and Exchange Act of Japan (Law No. 25 of 1948; as amended). Citigroup Global Markets Japan Inc. mainly focuses its businesses on the brokerage and trading in securities and their related products (including, without limitation, derivatives and loans) and capital markets, investment banking and research services for wholesale customers (e.g., financial institutions, other institutional investors and corporations).

Regulation and supervision

Citigroup Global Markets Japan Inc. is subject to regulation and examination primarily by the Financial Services Agency of Japan (the "FSA") and also by the Bank of Japan (the "BOJ").

Recent Events

The Issuer is not aware of any recent event particular to Citigroup Global Markets Japan Inc. which has occurred and which is to a material extent relevant to the evaluation of its solvency.

Directors of Citigroup Global Markets Japan Inc.

The directors of Citigroup Global Markets Japan Inc. as of the date of the Base Prospectus are:

Name	Position at Citigroup Global Markets Japan Inc.
Lee Robert Waite	Representative Director, President & CEO
Kuniyoshi Hayashi	Director, Deputy President
Tatsuo Tanaka	Director, Chairman
Yusuke Asai	Director, Deputy President
Mamoru Sato	Statutory Auditor

Corporate Governance

To the best of its knowledge and belief, Citigroup Global Markets Japan Inc. complies with the laws and regulations of Japan regarding corporate governance.

Share capital of Citigroup Global Markets Japan Inc. and Major Shareholder

As at 31 December 2017, the issued share capital of Citigroup Global Markets Japan Inc. was JPY 96,307 million made up of 3,842,000 ordinary shares.

All of the issued share capital of Citigroup Global Markets Japan Inc. is owned by Citigroup Japan Holdings G.K., which is an indirect subsidiary of Citigroup Inc. No shareholder or associated group of shareholders acting together owns enough shares of Citigroup Inc.'s common stock to directly or indirectly exercise control over Citigroup Inc.

Legal Proceedings

In the ordinary course of business, Citigroup Global Markets Japan Inc., from time to time, is named as defendants in, or as parties to, various legal actions and proceeds. Citigroup Global Markets Japan Inc. has not been involved in any litigation, arbitration or governmental proceedings (including such proceedings which are pending or threatened or of which Citigroup Global Markets Japan Inc. is aware during the 12 months preceding the date of this Base Prospectus) which may have or have had in the recent past, significant effects on the financial position or profitability of Citigroup Global Markets Japan Inc.

Auditors

Citigroup Global Markets Japan Inc.'s report and accounts for the financial years ending 31 December 2017, 31 December 2016 and 31 March 2016 have been audited by KPMG AZSA LLC of 1-9-7 Otemachi, Chiyoda-ku Tokyo, 100-8127 Japan in accordance with auditing standards generally accepted in Japan. KPMG AZSA LLC is a limited liability audit corporation incorporated under the Certified Public Accountants Act of Japan (Law No. 103 of 1948; as amended).

Material Contracts

Citigroup Global Markets Japan Inc. has no contracts that are material to its ability to fulfil its obligations as Swap Counterparty under any Notes issued under the Programme.

Material Adverse Change

There have been no material adverse changes in the prospects of Citigroup Global Markets Japan Inc. since 31 December 2017, being the date of Citigroup Global Markets Japan Inc.'s latest annual report. There have been no significant changes in the financial or trading position of Citigroup Global Markets Japan Inc. since 31 December 2017.

Articles of Incorporation

The Articles of Incorporation of Citigroup Global Markets Japan Inc. are available for inspection at Citigroup Global Markets Japan Inc.'s principal place of business at Otemachi Park Building, 1-1, Otemachi 1-chome, Chiyoda-ku, Tokyo 100-8132, Japan.

Additional Information

As of 22 December 2017, Standard and Poor's issued Citigroup Global Markets Japan Inc. with long term debt rating of A+, subordinated debt rating of BBB and short term debt rating of A-1. As of 19 December 2017, Rating and Investment Information ("R&I") issued Citigroup Global Markets Japan Inc. with long term debt rating of A. R&I is registered as Credit rating Agency with the Prime Minister of Japan pursuant to Article 66-27 of the Financial Instruments and Exchange Act of Japan.

The disclosure in respect of Citigroup Global Markets Japan Inc. included in this Base Prospectus has been sourced from publicly available information. Citigroup Global Markets Japan Inc. has not been involved in the preparation of, and do not accept responsibility for, this Base Prospectus in whole or in part. There can be no assurance that this Base Prospectus contains all material information in respect of Citigroup Global Markets Japan Inc. or that no material adverse change has occurred in respect of Citigroup Global Markets Japan Inc. since Citigroup Global Markets Japan Inc. made sourced information available to the public.

Financial Statements

Citigroup Global Markets Japan Inc. has prepared audited financial statements in respect of its financial years ending 31 December 2017, 31 December 2016 and 31 March 2016. Citigroup Global Markets Japan Inc. will prepare annually and publish audited financial statements, with explanatory notes. These financial statements

will be available from its registered office at Otemachi Park Building, 1-1, Otemach 1-chome, Chiyoda-ku, Tokyo 100-8132, Japan. The auditors of Citigroup Global Markets Japan Inc., KPMG AZSA LLC., are a limited liability audit corporation incorporated under the Certified Public Accountants Act of Japan.

Documents Available for Inspection

From the date of this Base Prospectus and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available for inspection and obtainable in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office at Otemachi Park Building, 1-1, Otemach 1-chome, Chiyoda-ku, Tokyo 100-8132, Japan:

- the Articles of Incorporation of Citigroup Global Markets Japan Inc.; and
- the audited financial statements of Citigroup Global Markets Japan Inc. in respect of its financial years ending 31 December 2017, 31 December 2016 and 31 March 2016.

Citigroup Global Markets Japan Inc.'s audited financial statements in respect of its financial years ending 31 December 2017, 31 December 2016 and 31 March 2016 can be found at:

- in respect of the financial year ending 31 December 2017: http://www.citigroup.jp/en/financial-data/data/ncl_dec_17.pdf
- in respect of the financial year ending 31 December 2016: http://www.citigroup.jp/en/financial-data/data/ncl_dec_16.pdf
- in respect of the financial year ending 31 March 2016: http://www.citigroup.jp/en/financial-data/data/ncl_16.pdf

DESCRIPTION OF THE SWAP AGREEMENT

The following applies only in relation to Notes in connection with which there is a Swap Agreement in respect of which either Citigroup Global Markets Limited, Citibank, N.A., London Branch or Citigroup Global Markets Japan Inc. is the Swap Counterparty. If in respect of a Series none of Citigroup Global Markets Limited, Citibank, N.A., London Branch or Citigroup Global Markets Japan Inc. is the Swap Counterparty, the applicable Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, will specify the Swap Counterparty.

General

In connection with the issue of the Notes, the Issuer may enter into one or more Swap Agreement(s) (including, if applicable, a Credit Support Annex) in relation to a Series of Notes as specified in the relevant Authorised Offering Document (save that Final Terms cannot be used where the Swap Counterparty would constitute an obligor for the purposes of Annex VIII of Commission Regulation (EC) No 809/2004 (as amended) (the “Prospectus Directive Regulation”). Any Swap Agreement will be governed by the laws of England.

Except as provided in the Trust Deed, the terms of a Swap Agreement may not be amended without the consent of the Trustee and, in respect of a material change only, the Noteholders themselves. The Trustee can agree, without the consent of the Noteholders, to any modification which is, in its opinion, of a formal, minor or technical nature or to correct a manifest error.

Set out below are summaries of certain provisions of the Swap Agreement (and should be construed as such) that will be applicable if the Swap Counterparty is either Citigroup Global Markets Limited, Citibank, N.A., London Branch or Citigroup Global Markets Japan Inc.

Payments

The Swap Agreement sets out certain payments to be made from the Issuer to the Swap Counterparty and *vice versa*. Payments by the Issuer under the Swap Agreement will be funded from sums received on the issue of the relevant Notes and/or received in respect of the Initial Collateral (if any) relating to such Notes.

The payments required between the Issuer and the Swap Counterparty under the Swap Agreement are designed to ensure that, following the making of such payments, the Issuer will have such funds, when taken together with remaining amounts available to it from the issue of the relevant Notes and/or received in respect of the Initial Collateral (if any) relating to such Notes, as are necessary for it to meet its obligations under such Notes and the related transaction documents. Such obligations may include, without limitation, its obligation:

- (i) to pay the purchase price for the Initial Collateral (if any) relating to the relevant Series of Notes;
- (ii) to make payments of any Interest Amount (or any other amount payable by it by way of interest), Instalment Amount or Redemption Amount;
- (iii) to make payment of certain fees and expenses to Agents, rating agencies, accountants, auditors or other service providers which fees and expenses are associated with or are attributable to such Notes; and/or
- (iv) to make payment of any fees payable to any portfolio manager (if any) appointed by the Issuer in respect of the Swap Agreement and/or the Notes or any other manager, administrator or adviser providing a service or performing a function with respect to any Collateral, the Swap Agreement and/or the Notes.

The exact payments due under the Swap Agreement for a particular Series will vary from Series to Series depending on the terms of those Series. The exact payments will be agreed between the Issuer and the Swap Counterparty at the time of entry into the relevant Swap Agreement. There is no restriction upon the payments that may be agreed. In addition, collateral may be transferable to or from the Issuer under the Credit Support Annex. As with payments under the Swap Agreement, the provisions of the Credit Support Annex will be agreed between the Issuer and the Swap Counterparty at the time of entry into of the relevant Swap Agreement. There is no restriction upon the provisions that may be agreed under the Credit Support Annex.

Termination of the Swap Agreements

Except as stated in the following paragraphs, the Swap Agreement shall terminate on the Maturity Date of the Notes.

The Swap Agreement may be terminated (either in whole or in part only), among other circumstances:

- (i) if at any time any of the Notes becomes payable in accordance with the Conditions prior to the Maturity Date;
- (ii) at the option of one party, if there is a failure by the other party to pay any amounts due, or to comply with or perform any obligation, under any Swap Agreement;
- (iii) if withholding taxes are imposed on payments made either by the Issuer or by the Swap Counterparty under any Swap Agreement or it becomes illegal for either party to perform its obligations under any Swap Agreement (see “Transfer to avoid Termination Event” below);
- (iv) upon the occurrence of certain other events with respect to either party to any Swap Agreement, including a breach of a representation, insolvency or, in respect of the Swap Counterparty, a merger without an assumption of the obligations in respect of that Swap Agreement; or
- (v) if any Swap Agreement is terminated early for whatever reason, any other Swap Agreement relating to the relevant Series of Notes shall automatically terminate.

Consequences of Early Termination

Upon any early termination of any Swap Agreement in the circumstances set out in sub-paragraphs (i) to (v) above, the Issuer or the Swap Counterparty may be liable to make a termination payment to the other (regardless, if applicable, of which of the parties may have caused such termination). Such termination payments will be based on the replacement cost or gain for a swap agreement that would have the effect of preserving for the party making the determination the economic equivalent of that Swap Agreement. Such termination amounts shall also include amounts that are either unpaid as at the Early Termination Date (as defined in the Swap Agreement) or represent the fair market value of any obligation that was required to have been performed under a Swap Agreement had it not been terminated on the relevant Early Termination Date (as defined in the Swap Agreement) and shall take into account the value of any collateral posted between the parties pursuant to any Credit Support Annex to the Swap Agreement. Such termination amounts may be adjusted by the Swap Counterparty in its sole discretion to take into account the Suspended Interest Value in certain circumstances. In addition, any fees, costs, charges, expenses and liabilities incurred by the Swap Counterparty and the Issuer in connection with the early redemption of the Notes shall be deducted.

In all cases of early termination, the termination payment will be determined by the Swap Counterparty.

General

Except as stated under “Transfer to avoid Termination Event” below, neither the Issuer nor the Swap Counterparty are, save for the assignment by way of security in favour of the Trustee under the Trust Deed and certain limited circumstances set out in Section 7 (*Transfer*) of the ISDA Master Agreement, permitted to assign, novate or transfer as a whole or in part any of their rights, obligations or interests under the Swap Agreement.

Taxation

The Issuer is not obliged under the Swap Agreement to gross up if withholding taxes or other deductions for taxes are imposed on payments made by it under the Swap Agreement. The Swap Counterparty is not obliged under the Swap Agreement to gross up if withholding taxes or other deductions for taxes are imposed on payment made by it under the Swap Agreement, unless the relevant tax is an “Indemnifiable Tax”.

Sanctions

Upon the occurrence of a Sanctions Event as defined in Condition 8.9 of the Notes, all obligations will be suspended under the Swap Agreement.

Transfer to avoid Termination Event

If withholding taxes are imposed on payments made by the Issuer or the Swap Counterparty under the Swap Agreements, then the Swap Counterparty shall terminate the Swap Transaction under the relevant Swap Agreement.

Transfer by the Swap Counterparty to its Affiliates

The Swap Counterparty may, at any time, transfer to any of its affiliates all or part of its interests and obligations under the relevant Swap Agreement together with its interests and obligations under the Notes, the Trust Deed, the Dealer Agreement, the Custody Agreement, the Agency Agreement and any other Transaction Document upon providing at least five Business Days prior written notice to the Issuer and the Trustee provided that:

- (i) as of the date of such transfer the transferee will not, as a result of such transfer, be required to withhold or deduct on account of any tax under the Swap Agreements;
- (ii) a Termination Event or an Event of Default (each as defined in the Swap Agreement) will not occur under the Swap Agreements as a result of such transfer; and
- (iii) no additional amount will be payable by the Issuer to the Swap Counterparty or the transferee on the next succeeding scheduled payment date under the Swap Agreements as a result of such transfer.

EMIR Portfolio Reconciliation and Dispute Resolution Deed

Each Issuer has entered into an EMIR Portfolio Reconciliation and Dispute Resolution Deed (“EMIR Deed”) with Citigroup Global Markets Limited, Citibank, N.A., London Branch and/or Citigroup Global Markets Japan Inc. (as specified below) to comply with the portfolio reconciliation and dispute resolution requirements of Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories dated 4 July 2012, as follows:

Issuer	EMIR Deed counterparty
Jupiter Capital Limited	Citigroup Global Markets Limited
Atlantic Capital International Limited	Citigroup Global Markets Limited
Pacific Capital International Limited	Citigroup Global Markets Limited
Pacific Company Limited	Citigroup Global Markets Limited
Starling Finance Public Limited Company	Citigroup Global Markets Limited and Citibank, N.A., London Branch
Libretto Capital Public Limited Company	Citigroup Global Markets Limited and Citibank, N.A., London Branch
Cloverie Public Limited Company	Citigroup Global Markets Limited and Citibank, N.A., London Branch

APPROVED INITIAL COLLATERAL

The Initial Collateral in respect of a Series of Notes will be as specified in the relevant Authorised Offering Document.

Notes to be admitted to the Official List and admitted to trading on the Main Securities Market may only be issued under this Base Prospectus by way of Final Terms for the purposes of Article 5(4) of the Prospectus Directive and Notes to be admitted to the Official List and admitted to trading on the GEM may only be issued by way of Pricing Supplement where the Initial Collateral as at the Issue Date comprises securities having the following characteristics ("Approved Initial Collateral"):

Issuer of Approved Initial Collateral:	Any corporate (including, without limitation, corporates or other entities operating any insurance or reinsurance business), municipality, bank, sovereign or sovereign agency.
Listing:	Listed on a regulated market (for the purposes of Directive MiFID II of the European Parliament and of the Council on markets in financial instruments) and/or the New York Stock Exchange
Status:	Senior
Legal Nature:	Bonds
Governing law:	New York law, English law or the law of any other member state of the European Economic Area

FORM OF FINAL TERMS/PRICING SUPPLEMENT¹

[Final Terms/Pricing Supplement] dated [●]

[Name of Issuer]

(incorporated with limited liability in [insert country of incorporation])

[Title of relevant Series of Notes (specifying type and nominal amount of Notes)] (the “Notes”)

issued pursuant to the
Secured Note Issuance Programme
arranged by
Citigroup Global Markets Limited

PART A — CONTRACTUAL TERMS

[Unless “Prohibition of Sales to EEA Retail Investors” is specified as “Not Applicable”]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available at any time to any retail investor (and, for the avoidance of doubt, this means any retail investor within or outside the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently, unless otherwise specified, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[The Target Market Assessment and Distribution Strategy applicable to the Notes in circumstances where MiFID II and its related regulations apply is available at https://www.citibank.com/icg/global_markets/docs/MiFID-II-Target-Market-Disclosure-Notice.pdf. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment and distribution strategy; however a distributor subject to MiFID II is responsible for (i) undertaking its own target market assessment in respect of the Notes (by adopting / refining the manufacturer’s target market assessment); and (ii) determining appropriate distribution channels.]²

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 7 August 2018 [and the Supplement dated [●]] which [together] constitute[s] [a base prospectus for the purposes of Directive 2003/71/EC (as amended) (the “Prospectus Directive”)]³[a base listing particulars for the purposes of admission to trading on the Global Exchange Market of Euronext Dublin]⁴. [This document constitutes the Final Terms of the Notes described herein as provided for in Regulation 23 of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and must be read in conjunction with such Base Prospectus [as so supplemented].]⁵ [This document constitutes the Pricing Supplement of the Notes described herein and must be read in conjunction with such Base Listing Particulars

¹ The references in this Form of Final Terms/Pricing Supplement to “Prospectus Directive” only apply to Final Terms. If issuances do not come under the remit of the Prospectus Directive, all references to the Prospectus Directive must be removed.

² To be included if a determination is made that any Dealer subscribing for any Notes is a manufacturer in respect of such Notes.

³ Insert if Final Terms.

⁴ Insert if Pricing Supplement. If so, all references to the Prospectus Directive must be removed.

⁵ Insert if Final Terms.

[as so supplemented].⁶ Full information on [name of Issuer] (the “Issuer”) and the offer of the Notes is only available on the basis of the combination of [these Final Terms][this Pricing Supplement] and the Base Prospectus. [The Base Prospectus and the [Final Terms][Pricing Supplement] are available for viewing at [address] and copies may be obtained from [address] and are available electronically on [www.centralbank.ie.]/[www.ise.ie.]]

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote guidance for completing the Final Terms/Pricing Supplement.]

[Prospective investors should note that this Pricing Supplement does not constitute “final terms” within the meaning of the Prospectus Directive.]⁷

[The Issuer has determined as at the Issue Date that the Notes are [not] subject to withholding on “dividend equivalent” payments pursuant to Section 871(m) of the Code and therefore are [not] treated as “Specified Notes” for the purposes of the Conditions. Prospective investors should review the section entitled “United States Withholding Taxes on Dividend Equivalent Payments” as set out on pages [168] and [169] of the Base Prospectus and consult their tax advisors in light of their own particular circumstances. (*The Notes will not be subject to withholding under Section 871(m) of the Code if they (i) are issued prior to January 1, 2019 and provide a return that differs significantly from the return on an investment in any referenced U.S. equity (including any U.S. equity that is a component of a referenced index) or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes are issued on or after January 1, 2019 and reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis is required.*)]

Provisions appearing on the face of the [Notes/Certificates]

- | | | |
|---|--|-----------------|
| 1 | Issuer: | [•] |
| 2 | Relevant Dealer/Lead Manager
(including Stabilisation Manager (if any) and, if Syndicated Issue, Managers): | [•] |
| 3 | Series: | [Series Number] |
| 4 | Tranche No: | [•] |
| 5 | ISIN: | [•] |
| 6 | Common Code: | [•] |
| 7 | Currency (or Currencies in the case of Dual Currency Notes): | [•] |
| 8 | Principal Amount: | |
| | (i) Series: | [•] |
| | (ii) Tranche: | [•] |
| 9 | (i) Issue Date: | [•] |
| | (ii) Date Board approval for | [•] |

⁶ Insert if Pricing Supplement. If so, all references to the Prospectus Directive must be removed.

⁷ Insert if Pricing Supplement. If so, all references to the Prospectus Directive must be removed.

issuance of Notes obtained:

10 Issue Price: [●] per cent.

Provisions appearing on the back of the [Notes/Certificates]

11 Form: [Bearer/Exchangeable Bearer/Registered]

12 Denomination(s): [●] [*In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of those Notes).*]

13 Status: Secured and limited recourse obligations of the Issuer, secured as provided in item 68 below (under the heading “The Security Arrangements”).

14 Interest Commencement Date (if different from Issue Date): [●]

15 Interest Basis: [Fixed Rate/Floating Rate/Zero Coupon/Partly Paid]

16 Interest Rate: [●] per cent. per annum/Floating Rate

17 Interest Payment Date(s): [●]
[●],[subject to adjustment in accordance with the [Floating Rate/Preceding/Following/Modified Following] Business Day Convention for which the Relevant Business Day[s] [is/are] [*specify cities*]]
[[●] months after the previous Interest Payment Date (or, in the case of the first Interest Payment Date, after the Interest Commencement Date), subject to adjustment in accordance with the [Floating Rate/Following/Modified Following/Preceding] Business Day Convention for which the Relevant Business Day[s] [is/are] [*specify cities*]]

18 Relevant Time (Floating Rate Notes): [●]

19 Determination Date(s) (if applicable): [[●] in each year/Not applicable]

20 Interest Determination Date (Floating Rate Notes): [[●] [TARGET 2] [Relevant] Business Days in [city] [prior to] [the first day in each Interest Period/each Interest Payment Date]

21 Primary Source for Floating Rate: [*specify relevant screen page or “Reference Banks”*]

22 Reference Banks (Floating Rate Notes): [*specify four*]

23	Relevant Financial Centre (Floating Rate Notes):	[The financial centre most closely connected to the Benchmark — specify if not London]
24	Benchmark:	[LIBOR, LIBID, LIMEAN, or EURIBOR]
25	Broken Amount (Fixed Rate Notes):	[Specify amount of interest due in respect of each Denomination for initial/final period(s)]
26	Representative Amount (Floating Rate Notes):	[Specify if screen or Reference Bank quotes to be given in respect of a transaction of a specified notional amount]
27	Relevant Currency (Floating Rate Notes):	[Specify if it is not currency of denomination]
28	Effective Date (Floating Rate Notes):	[Specify if quotes are not to be obtained with effect from commencement of Interest Period]
29	Specified Duration (Floating Rate Notes):	[Specify period for quote, if not duration of Interest Period]
30	Margin (Floating Rate Notes):	[●] per cent. per annum
31	Determining Party for Reference Rate Events:	[Swap Counterparty][and/or][Option Counterparty]
32	Rate Multiplier (if applicable):	[●]
33	Maximum/Minimum Interest Rate (if applicable):	[●] per cent. per annum
34	Maximum/Minimum Instalment Amount (if applicable):	[●]
35	Maximum/Minimum Redemption Amount (if applicable):	[●]
36	Interest Amount (Fixed Rate Notes):	[Specify amount of interest due in respect of each Denomination on each Interest Payment Date]
37	Day Count Fraction:	[Actual/Actual, Actual/Actual (ISDA), Actual 365 (Fixed), Actual/360, 30/360, 360/360, Bond Basis, 30E/360, Eurobond Basis, 30E/360 (ISDA), Actual/Actual (ICMA)]
38	Interest Period Date(s) (if applicable):	[●][, subject to adjustment in accordance with the [Floating Rate/Following/Modified Following/Preceding] Business Day Convention for which the Relevant Business Day[s] [is/are] [specify cities]] OR [[●] months after the previous Interest Period Date (or, in the case of the first Interest Period Date, after the Interest Commencement Date), subject to adjustment in accordance with the Floating Rate/Following/Modified Following/Preceding Business Day Convention for which the Relevant Business Day[s] [is/are] [specify cities]]
39	Maturity Date:	[The Interest Payment Date falling in [specify month and year]][●][, subject to

		adjustment in accordance with the [Following/Modified Following/ Preceding] Business Day Convention for which the Relevant Business Day[s] [is/are] [<i>specify cities</i>]
40	Cut-off Date (Floating Rate Notes):	[•]
41	Redemption for taxation reasons permitted on days other than Interest Payment Dates:	[Yes/No]
42	Calculation Agent:	Issuing and Paying Agent/Citibank, N.A., London Branch/other pursuant to [Agency Agreement]/ [Calculation Agent Accession Letter]
43	Amortisation Yield (Zero Coupon Notes):	[•] per cent. per annum
44	Redemption at the option of the Issuer or other Issuer's option (if applicable):	[Applicable]/[Not Applicable] Issuer's Optional Redemption Date: [•] [Redeemable in part only] [Redeemable in whole only]
45	Redemption at the option of the Noteholders or other Noteholders' Option (if applicable):	[Applicable]/[Not Applicable] Noteholders' Optional Redemption Date: [•] Physical Optional Early Redemption: [Applicable]/[Not Applicable]
46	Issuer's Option Period:	[•] [<i>At least 5 Business Days notice needed</i>]
47	Noteholders' Option Period:	[•] [<i>At least 15 Business Days notice needed</i>]
48	Instalment Date(s) (if applicable):	[•]
49	Instalment Amount(s) (if applicable):	[•]
50	Noteholders' option to exchange Notes for the Net Asset Amount:	[Yes/No]
51	Unmatured Coupons to become void upon early redemption:	[Yes/No]
52	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	[No/Yes, maturing every [•] Interest Payment Date]
53	Business Day Jurisdictions for Condition 8.8 (jurisdictions required to be open for payment):	[•]
54	The Agents appointed in respect of the Notes are:	[<i>List Agents and their specified offices</i>]
55	Purchase by the Issuer of Notes:	The Issuer [may/may not] purchase Notes
56	Settlement method:	[Delivery against payment/Delivery free of payment]

Provisions applicable to Global Notes and Certificates

57	How Notes will be represented on	[Temporary Global Note/Permanent
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	issue:	Global Note/Definitive Notes/Global Certificate/Individual Certificates]
58	Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable]
59	Whether Temporary/Permanent Global Note/Global Certificate is exchangeable for Definitive Notes/ Individual Certificates at the request of the holder:	[specify, if yes]
60	New Global Note:	[Yes/No]
61	Intended to be held in a manner which would allow Eurosystem eligibility:	<p>[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories (“ICSDs”) as common safekeeper [, and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][<i>include this text for registered notes</i>]] and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.][<i>include this text if “yes” selected in which case bearer Notes must be issued in NGN form</i>]/</p> <p>[No. Whilst the designation is specified as “no” at the date of [these Final Terms][this Pricing Supplement], should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [<i>include this text for registered notes</i>]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]</p>

Provisions relating only to the sale and listing of the Notes

62	(a) Listing and admission to trading:	[The Base Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under Directive 2003/71/EC (as amended) (the “Prospectus Directive”). The Central Bank only approves this Base Prospectus
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as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.] [Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and [admitted to trading on its regulated market] [admitted to trading on the GEM. The GEM is not a regulated market for the purposes of Directive 2014/65/EC] with effect from [●].]

	(b) Estimate of total expenses related to admission to trading:	[●]
	(c) Date on which the Notes will be admitted to trading:	[●]
63	Dealer's Commission:	[●]
64	Method of Issue:	[Individual Dealer/Syndicated Issue] [The Dealer is acting in an agency capacity in relation to the Notes]
65	The following Dealer(s) [is/are] subscribing to the Notes:	[Insert legal name(s) of Dealer(s)]
66	Prohibition of Sales to EEA Retail Investors:	[Applicable][Not Applicable [from [●] until [●]]]
67	Rating:	[Initially rated ["[●]"] by Moody's Investors Service Ltd ("Moody's")] [and] ["[●]"] by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's")] [and] ["[●]"] by Fitch Ratings Limited ("Fitch")] [and "[●]" by [●]/Not Applicable] [[Insert credit rating agency/ies] [is/are] established in the European Union and [is/are] registered under Regulation (EC) No 1060/2009] [[Insert credit rating agency/ies][is/are] not established in the European Union and [is/are] not registered under Regulation (EC) No 1060/2009 but [its/their] ratings are endorsed by [insert credit rating agency/ies]]

The Security Arrangements

68	Mortgaged Property:	
	(a) Initial Collateral:	The Initial Collateral shall comprise [[●]] in principal amount of an issue by [●] of [insert description of the underlying collateral] identified below:
	Information relating to the issuer of the Initial Collateral:	Issuer of the Initial Collateral: [●] Registered address: [●] Country of incorporation: [●] Nature of business: [●]
	Information relating to the Initial Collateral:	ISIN: [●]

Bloomberg Ticker: [●]

Coupon: [●]

Maturity: [●]

Currency:

Regulated market
on which admitted to
trading and/or New
York Stock
Exchange:

The Initial Collateral will be held by the
Custodian in [Euroclear/Clearstream]
account number [●] and credited to
account number [●] maintained by the
Custodian in London in the name of the
Issuer.

*[The name, address and significant
business activities of the administrator,
calculation agent or equivalent, together
with a summary of the
administrator's/calculation agent's
responsibilities, their relationship with the
originator or the creator of the assets and
a summary of the provisions relating to
the termination of the appointment of the
administrator/calculation agent and the
appointment of an alternative
administrator/calculation agent]*

*[The names and addresses and brief
description of the banks with which the
main accounts relating to the transaction
are held]*

(b) Security (order of priorities):

The Trustee shall apply the Available
Proceeds in accordance with:
[Counterparty Priority [A/B/C]/ *Pari passu*
Ranking/Noteholder Priority/Custodian
Priority/].

(c) Swap Agreement (if
applicable)⁸:

[Applicable]/[Not Applicable]

Swap Counterparty:

[Not Applicable]/[Citigroup Global Markets
Limited]/[Citibank, N.A., London
Branch]/[Citigroup Global Markets Japan
Inc.]

Credit Support Annex:

[Applicable]/[Not Applicable]

69 Noteholder Substitution of Initial
Collateral:

[Applicable/Not Applicable]⁹

⁸ Each of "Swap Agreement", "Swap Counterparty" and "Credit Support Annex" must be specified as 'Not Applicable' where Notes are issued using Final Terms. In addition, Citigroup Global Markets Japan Inc. must not be specified as a Swap Counterparty when the Issuer is incorporated in Ireland.

⁹ "Noteholder Substitution of Initial Collateral" must be specified as 'Not Applicable' as default unless otherwise agreed.

70	Disposal Agent Purchase of Affected Collateral:	[Applicable/Not Applicable]
71	Business Days (in respect of Condition 4.4):	[London][New York][Hong Kong][Tokyo][Other]

Listing and admission to trading application

[These Final Terms comprise the final terms]¹⁰[This Pricing Supplement comprises the pricing supplement]¹¹ required to list and have admitted to trading the issue of Notes described herein pursuant to the Secured Note Issuance Programme.

Responsibility

The Issuer accepts responsibility for the information contained in [these Final Terms][this Pricing Supplement]. [[●] has been extracted from [●]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced inaccurate or misleading.]

The Issuer has not conducted extensive due diligence on [] (together, the “Third Party Information”) or made any enquiries as to its own possession of non-publicly available information.

The Issuer does not intend to provide any post-issuance information in relation to the Notes or the Collateral.

The delivery of [these Final Terms][this Pricing Supplement] at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

[These Final Terms are][This Pricing Supplement is] hereby executed by or on behalf of the Issuer.

For and on behalf of

[Name of Issuer]

By

¹⁰ Insert if Final Terms.

¹¹ Insert if Pricing Supplement. If so, all references to the Prospectus Directive must be removed.

PART B — OTHER INFORMATION

1 **[Notification]**

The Central Bank, which is the Irish competent authority for the purpose of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended), [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive and Commission Regulation (EC No 809/2004).]¹²

2 **[Interests of Natural and Legal Persons Involved in the [Issue/Offer]**

[Save as discussed in [“*Subscription and Sale*” in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

3 **[Fixed Rate Notes only — Yield]**

Indication of yield:

[•]

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

¹² Only relevant for Final Terms where passported.

FORM OF SERIES PROSPECTUS/SERIES LISTING PARTICULARS/INFORMATION MEMORANDUM

The terms and conditions of the Notes shall consist of the terms and conditions set out in the Base Prospectus as amended or supplemented below.

[Unless “Prohibition of Sales to EEA Retail Investors” is specified as “Not Applicable”]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available at any time to any retail investor (and, for the avoidance of doubt, this means any retail investor within or outside the European Economic Area (“EEA”)). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (“MiFID II”); (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently, unless otherwise specified, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

[The Target Market Assessment and Distribution Strategy applicable to the Notes in circumstances where MiFID II and its related regulations apply is available at https://www.citibank.com/icg/global_markets/docs/MiFID-II-Target-Market-Disclosure-Notice.pdf. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturer’s target market assessment and distribution strategy; however a distributor subject to MiFID II is responsible for (i) undertaking its own target market assessment in respect of the Notes (by adopting / refining the manufacturer’s target market assessment); and (ii) determining appropriate distribution channels.]¹³

[The Issuer has determined as at the Issue Date that the Notes are [not] subject to withholding on “dividend equivalent” payments pursuant to Section 871(m) of the Code and therefore are [not] treated as “Specified Notes” for the purposes of the Conditions. Prospective investors should review the section entitled “United States Withholding Taxes on Dividend Equivalent Payments” as set out on pages [168] and [169] of the Base Prospectus and consult their tax advisors in light of their own particular circumstances. *(The Notes will not be subject to withholding under Section 871(m) of the Code if they (i) are issued prior to January 1, 2019 and provide a return that differs significantly from the return on an investment in any referenced U.S. equity (including any U.S. equity that is a component of a referenced index) or (ii) do not reference any U.S. equity or any index that contains any component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities. If the Notes are issued on or after January 1, 2019 and reference a U.S. equity or an index that contains a component U.S. equity or otherwise provide direct or indirect exposure to U.S. equities, further analysis is required.)*]

Provisions appearing on the face of the [Notes/Certificates]

- | | | |
|---|--|-----------------|
| 1 | Issuer: | [•] |
| 2 | Relevant Dealer/Lead Manager
(including Stabilisation Manager (if any) and, if Syndicated Issue, Managers): | [•] |
| 3 | Series: | [Series Number] |
-

¹³ To be included if a determination is made that any Dealer subscribing for any Notes is a manufacturer in respect of such Notes.

4	Tranche No:	[•]
5	ISIN:	[•]
6	Common Code:	[•]
7	Currency (or Currencies in the case of Dual Currency Notes):	[•]
8	Principal Amount:	
	(i) Series:	[•]
	(ii) Tranche:	[•]
9	(i) Issue Date:	[•]
	(ii) Date Board approval for issuance of Notes obtained:	[•]
10	Issue Price:	[•] per cent.

Provisions appearing on the back of the [Notes/Certificates]

11	Form:	[Bearer/Exchangeable Bearer/Registered]
12	Denomination(s):	[•] <i>[In the case of any Notes which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a Prospectus under the Prospectus Directive, the minimum denomination shall be €100,000 (or its equivalent in any other currency as at the date of issue of those Notes).]</i>
13	Status:	Secured and limited recourse obligations of the Issuer, secured as provided in item 74 below (under the heading “The Security Arrangements”).
14	Interest Commencement Date (if different from Issue Date):	[•]
15	Interest Basis:	[Fixed Rate/Floating Rate/Zero Coupon/Partly Paid/As described in paragraph [•]]
16	Interest Rate:	[•] per cent. per annum/Floating Rate/[other]
17	Interest Payment Date(s):	[•] [•],[subject to adjustment in accordance with the [Floating Rate/Preceding/Following/Modified Following] Business Day Convention for which the Relevant Business Day[s] [is/are] [specify cities]] [[•] months after the previous Interest Payment Date (or, in the case of the first Interest Payment Date, after the Interest Commencement Date), subject to adjustment in accordance with the [Floating Rate/Following/Modified Following/Preceding] Business Day Convention for which the Relevant Business Day[s] [is/are] [specify cities]]
18	Relevant Time (Floating Rate Notes):	[•]

19	Determination Date(s) (if applicable):	[[●] in each year/Not applicable]
20	Interest Determination Date (Floating Rate Notes):	[[●] [TARGET 2] [Relevant] Business Days in [city] [prior to] [the first day in each Interest Period/each Interest Payment Date]
21	Primary Source for Floating Rate:	[specify relevant screen page or "Reference Banks"]
22	Reference Banks (Floating Rate Notes):	[specify four]
23	Relevant Financial Centre (Floating Rate Notes):	[The financial centre most closely connected to the Benchmark — specify if not London]
24	Benchmark:	[LIBOR, LIBID, LIMEAN, EURIBOR or other benchmark]
25	Broken Amount (Fixed Rate Notes):	[Specify amount of interest due in respect of each Denomination for initial/final period(s)]
26	Representative Amount (Floating Rate Notes):	[Specify if screen or Reference Bank quotes to be given in respect of a transaction of a specified notional amount]
27	Relevant Currency (Floating Rate Notes):	[Specify if it is not currency of denomination]
28	Effective Date (Floating Rate Notes):	[Specify if quotes are not to be obtained with effect from commencement of Interest Period]
29	Specified Duration (Floating Rate Notes):	[Specify period for quote, if not duration of Interest Period]
30	Margin (Floating Rate Notes):	[●] per cent. per annum
31	Determining Party for Reference Rate Events:	[Swap Counterparty][and/or][Option Counterparty]
32	Rate Multiplier (if applicable):	[●]
33	Maximum/Minimum Interest Rate (if applicable):	[●] per cent. per annum
34	Maximum/Minimum Instalment Amount (if applicable):	[●]
35	Maximum/Minimum Redemption Amount (if applicable):	[●]
36	Interest Amount (Fixed Rate Notes):	[Specify amount of interest due in respect of each Denomination on each Interest Payment Date]
37	Day Count Fraction:	[Actual/Actual, Actual/Actual (ISDA), Actual 365 (Fixed), Actual/360, 30/360, 360/360, Bond Basis, 30E/360, Eurobond Basis, 30E/360 (ISDA), Actual/Actual (ICMA)]
38	Interest Period Date(s) (if applicable):	[[●], subject to adjustment in accordance with the [Floating Rate/Following/Modified Following/Preceding] Business Day Convention for which the Relevant Business Day[s] [is/are] [specify cities]] OR [[●] months after the previous Interest Period Date (or, in the case of the first Interest Period Date, after the Interest Commencement Date), subject to adjustment

		in accordance with the Floating Rate/Following/Modified Following/Preceding Business Day Convention for which the Relevant Business Day[s] [is/are] [<i>specify cities</i>]
39	Redemption Amount:	
	(a) Redemption Amount payable on final maturity pursuant to Condition 7.1:	[Final Redemption Amount]/[●]
	(b) Redemption Amount payable on mandatory redemption pursuant to Condition 7.2:	[Early Redemption Amount]/[●]
	(c) Redemption Amount payable on mandatory redemption pursuant to Condition 7.3:	[Early Redemption Amount]/[●]
	(d) Redemption Amount payable on exercise of Issuer's option pursuant to Condition 7.6:	[Early Redemption Amount]/[●]
	(e) Redemption Amount payable on exercise of Noteholder's option pursuant to Condition 7.7:	[Early Redemption Amount]/[Physical Optional Early Redemption applicable]/[●]
	(f) Redemption Amount payable on exercise of Issuer's option pursuant to Condition 7.12:	[Early Redemption Amount]/[●]
40	Maturity Date:	[The Interest Payment Date falling in [<i>specify month and year</i>]/[●], subject to adjustment in accordance with the [Following/Modified Following/ Preceding] Business Day Convention for which the Relevant Business Day[s] [is/are] [<i>specify cities</i>]
41	Cut-off Date (Floating Rate Notes):	[●]
42	Redemption for taxation reasons permitted on days other than Interest Payment Dates:	[Yes/No]
43	Index/Formula (if applicable):	[Give details including fall-back provisions]
44	Calculation Agent:	Issuing and Paying Agent/Citibank, N.A., London Branch/other pursuant to [Agency Agreement]/[Calculation Agent Accession Letter]/[Other]
45	Dual Currency Notes:	[Give details including fall-back provisions]
46	Partly Paid Notes:	[Give details of amount of each payment and dates and consequences of failure to pay]
47	Amortisation Yield (Zero Coupon Notes):	[●] per cent. per annum
48	Redemption at the option of the Issuer or other Issuer's option (if applicable):	[Applicable]/[Not Applicable] Issuer's Optional Redemption Date: [●] [Redeemable in part only]

		[Redeemable in whole only]
49	Redemption at the option of the Noteholders or other Noteholders' Option (if applicable):	[Applicable]/[Not Applicable] Noteholders' Optional Redemption Date: [●] Physical Optional Early Redemption [Applicable]/[Not Applicable]
50	Issuer's Option Period:	[●] <i>[At least 5 Business Days notice needed]</i>
51	Noteholders' Option Period:	[●] <i>[At least 15 Business Days notice needed]</i>
52	Instalment Date(s) (if applicable):	[●]
53	Instalment Amount(s) (if applicable):	[●]
54	Noteholders' option to exchange Notes for the Net Asset Amount:	[Yes/No]
55	Unmatured Coupons to become void upon early redemption:	[Yes/No]
56	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	[No/Yes, maturing every [●] Interest Payment Date]
57	Business Day Jurisdictions for Condition 8.8 (jurisdictions required to be open for payment):	[●]
58	Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 14.1 (if applicable):	[●]
59	Details of any other additions or variations to the Conditions (if applicable):	[●]
60	The Agents appointed in respect of the Notes are:	<i>[List Agents and their specified offices]</i>
61	Purchase by the Issuer of Notes:	The Issuer [may/may not] purchase Notes
62	Settlement method:	[Delivery against payment/Delivery free of payment]

Provisions applicable to Global Notes and Certificates

63	How Notes will be represented on issue:	[Temporary Global Note/Permanent Global Note/Definitive Notes/Global Certificate/Individual Certificates]
64	Applicable TEFRA exemption:	[C Rules/D Rules/Not Applicable]
65	Whether Temporary/Permanent Global Note/Global Certificate is exchangeable for Definitive Notes/ Individual Certificates at the request of the holder:	<i>[specify, if yes]</i>
66	New Global Note:	[Yes/No]
67	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the International Central Securities Depositories ("ICSDs") as common safekeeper [, and

registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][*include this text for registered notes*] and does not necessarily mean that the Notes will be recognized as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the European Central Bank being satisfied that Eurosystem eligibility criteria have been met.][*include this text if “yes” selected in which case bearer Notes must be issued in NGN form*]

[No. Whilst the designation is specified as “no” at the date of [this Series Prospectus][these Listing Particulars], should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper)] [*include this text for registered notes*]. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

Provisions relating only to the sale and listing of the Notes

68	Details of any additions or variations to the Dealer Agreement:	[●]
69	(a) Listing and admission to trading:	[The Series Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under Directive 2003/71/EC (as amended) (the “Prospectus Directive”). The Central Bank only approves this Series Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.] [Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and [admitted to trading on its regulated market] [admitted to trading on the GEM. The GEM is not a regulated market for the purposes of Directive 2014/65/EC] with effect from [●].]
	(b) Estimate of total expenses related to admission to trading:	[●]
	(c) Date on which the Notes will be admitted to trading:	[●]

70	Dealer's Commission:	[●]
71	Method of Issue:	[Individual Dealer/Syndicated Issue] [The Dealer is acting in an agency capacity in relation to the Notes]
72	The following Dealer(s) [is/are] subscribing to the Notes:	[Insert legal name(s) of Dealer(s)]
73	Prohibition of Sales to EEA Retail Investors:	[Applicable][Not Applicable [from [●] until [●]]]
74	Rating:	<p>[Initially rated ["[●]"] by Moody's Investors Service Ltd ("Moody's")] [and] ["[●]"] by Standard & Poor's Credit Market Services Europe Limited ("Standard & Poor's")] [and] ["[●]"] by Fitch Ratings Limited ("Fitch")] [and] ["[●]"] by [●]/Not Applicable]</p> <p>[[Insert credit rating agency/ies] [is/are] established in the European Union and [is/are] registered under Regulation (EC) No 1060/2009]</p> <p>[[Insert credit rating agency/ies][is/are] not established in the European Union and [is/are] not registered under Regulation (EC) No 1060/2009 but [its/their] ratings are endorsed by [insert credit rating agency/ies]]</p>

The Security Arrangements

75	Mortgaged Property:	
	(a) Initial Collateral:	<p>The Initial Collateral shall comprise [[●]] in principal amount of an issue by [●] of <i>[insert description of the underlying collateral]</i> identified below:</p>
	Information relating to the issuer of the Initial Collateral:	<p>Name: [●] Registered address: [●] Country of incorporation: [●] Nature of business: [●]</p>
	Information relating to the Initial Collateral:	<p>ISIN: [●] Bloomberg Ticker: [●] Coupon: [●] Maturity: [●] Currency: [●] Regulated or equivalent market on which admitted to trading:</p> <p>The Initial Collateral will be held by the Custodian in [Euroclear/Clearstream] account number [●] and credited to account number [●] maintained by the Custodian in London in the name of the Issuer.</p> <p><i>[A description of the market on which the securities are traded including the date of establishment, how price information is published, an indication of daily trading]</i></p>

volumes, information as to the standing of the market in the country and the name of the market's regulatory authority]

[The frequency with which prices of the securities are published]

[The name, address and significant business activities of the administrator, calculation agent or equivalent, together with a summary of the administrator's/calculation agent's responsibilities, their relationship with the originator or the creator of the assets and a summary of the provisions relating to the termination of the appointment of the administrator/calculation agent and the appointment of an alternative administrator/calculation agent]

[The names and addresses and brief description of the banks with which the main accounts relating to the transaction are held]

[If Initial Collateral is in form of loan, give details and indicate whether notice of assignment/transfer/novation or similar is required]

(b) Security (order of priorities):

[The Trustee shall apply the Available Proceeds in accordance with: [Counterparty Priority [A/B/C]/ *Pari passu* Ranking/Noteholder Priority/Custodian Priority/Other]]

(c) Swap Agreement (if applicable):

[Under the Swap Agreement made between the Issuer and the Swap Counterparty, the Issuer will pay to the Swap Counterparty [the Net Price payable to the Issuer and sums equal to the coupons received in respect of the Initial Collateral and the Swap Counterparty will pay to the Issuer sums equal to the interest payable to the Noteholders under the Notes and the Redemption Amount.]

[Update cashflows to reflect relevant swaps]

Except as stated in the following paragraphs, the Swap Agreement shall terminate on the Maturity Date.]

[insert further summary once Swap Agreement agreed]

Swap Counterparty(ies):

[Give name(s) and address(es) of institutions]¹⁴

Credit Support Annex:

[Applicable]/[Not Applicable]

¹⁴ Citigroup Global Markets Japan Inc. must not be specified as a Swap Counterparty when the Issuer is incorporated in Ireland.

	(d) Option Agreement (if applicable):	[Give date, termination date and nature of agreement and any other relevant items]
	Option Counterparty(ies):	[Give name(s) and address(es) of institutions]
	(e) Details of Credit Support Document (if applicable):	[Give details and/or date and nature of agreement and any other relevant items]
	Credit Support Provider:	[Give name(s) and address(es) of institutions]
76	Noteholder Substitution of Initial Collateral:	[Applicable]/[Not Applicable] ¹⁵
77	Disposal Agent Purchase of Affected Collateral:	[Applicable/Not Applicable]
78	Business Days (in respect of Condition 4.4):	[London][New York][Hong Kong][Tokyo][Other]

Listing and admission to trading application

[The Series Prospectus has been approved by the Central Bank of Ireland (the “Central Bank”), as competent authority under Directive 2003/71/EC (as amended) (the “Prospectus Directive”). The Central Bank only approves this Series Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. This Series Prospectus constitutes a Prospectus for the purposes of Regulation 13 of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and Article 5 of the Prospectus Directive and for the purpose of giving information with regard to the Issuer which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profit and losses and prospects of the Issuer. Application has been made to Euronext Dublin for the Notes to be admitted to the Official List and admitted to trading on the Main Securities Market. This Series Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.]¹⁶

[This Series Listing Particulars should be read in conjunction with all documents which are deemed to be incorporated herein by reference.]¹⁷

[Citigroup Global Markets Limited’s responsibility

Citigroup Global Markets Limited is acting exclusively for [the client] and no-one else in relation to the issue of this [Series of Notes]. It will not regard any other person as its clients in relation to this [Series of Notes] and will not be responsible to any person, other than [the client] for providing the protections afforded to clients or for the giving of advice in relation to the contents of this document or this [Series of Notes] or any transaction, arrangement or other matter referred to herein.]

¹⁵ “Noteholder Substitution of Initial Collateral” must be specified as ‘Not Applicable’ as default unless otherwise agreed.

¹⁶ Insert if Series Prospectus.

¹⁷ Insert if Series Listing Particulars.

Issuer's responsibility

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

For and on behalf of

[*Name of Issuer*]

By

PART B — OTHER INFORMATION

1 **[Notification]**

The Central Bank, which is the Irish competent authority for the purpose of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended), [has been requested to provide/has provided — include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues] the [include names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive and Commission Regulation (EC No 809/2004).]¹⁸

2 **[Interests of Natural and Legal Persons Involved in the [Issue/Offer]**

[Save as discussed in [“*Subscription and Sale*” in the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.]

3 **[Fixed Rate Notes only — Yield]**

Indication of yield:

[•]

[As set out above, the] [The] yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

¹⁸ Insert if Series Prospectus where passported.

SUBSCRIPTION AND SALE AND TRANSFER RESTRICTIONS

Subject to the terms and on the conditions contained in the Dealer Agreement, the Notes will be offered by the relevant Issuer to the Arranger and/or any other Dealer(s) appointed from time to time in respect of any Series of Notes pursuant to the Dealer Agreement. The price at which the Arranger or a Dealer agrees to sell Notes to an investor will be informed by a number of factors, which may include any reimbursement obligations of the Arranger or Dealer in respect of certain fees, costs, disbursements and expenses of the Issuer relating to its participation in the Programme and the issuance of the relevant Series of Notes.

The name or names of any such Dealer(s) with respect to the Notes, the Issue Price of the Notes and, if listed, any commissions payable in respect thereof will be specified in the relevant Authorised Offering Document.

United States of America

The Notes have not been and will not be registered under the Securities Act, no person has registered nor will register as a commodity pool operator of the Issuer under the U.S. Commodity Exchange Act of 1936, as amended (the "CEA") and the rules of the U.S. Commodities Futures Trading Commission (the "CFTC") thereunder, and the Notes may not at any time be offered, sold, pledged, otherwise transferred, or, in the case of Bearer Notes, delivered, within the United States or to, or for the account or benefit of, any person who is (i) a U.S. person (as such term is defined under Rule 902(k)(1) of Regulation S), (ii) not a Non-United States person (as defined in Rule 4.7 under the CEA, but excluding, for the purposes of subsection (D) thereof, the exception to the extent that it would apply to persons who are not Non-United States persons ("CFTC Rule 4.7")), (iii) an employee benefit plan or other plan, account or arrangement that is or the assets of which are subject to (a) Part 4, Subtitle B, Title I of ERISA or Section 4975 of the Code, or (b) any laws, rules or regulations substantially similar to such provisions of ERISA or the Code or (iv) a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934, as amended). Any person who is (i) not a U.S. person (as such term is defined under Rule 902(k)(1) of Regulation S), (ii) a Non-United States person (as such term is defined under CFTC Rule 4.7), (iii) not an employee benefit plan or other plan, account or arrangement that is or the assets of which are subject to (a) Part 4, Subtitle B, Title I of ERISA or Section 4975 of the Code, or (b) any laws, rules or regulations substantially similar to such provisions of ERISA or the Code and (iv) not a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934), a "Permitted Purchaser"). Terms used in this section and not otherwise defined have the meanings given to them by Regulation S.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold, pledged, otherwise transferred or, in the case of Bearer Notes, delivered, and that it will not offer, sell, pledge, otherwise transfer or, in the case of Bearer Notes, deliver Notes (i) as part of their distribution or (ii) at any other time, within the United States or to, or for the account or benefit of, any person other than a Permitted Purchaser, and it will have sent to each Dealer to which it sells Notes, as determined and certified to the Issuing and Paying Agent by such Dealer (or, in the case of an identifiable tranche sold to or through more than one Dealer, by each of such Dealers with respect to Notes of such identifiable tranche purchased by or through it, in which case the Issuing and Paying Agent shall notify such Dealer when all such Dealers have so certified) a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of any person other than a Permitted Purchaser. In addition, until 40 days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Notes outside the United States to Permitted Purchasers and for the listing of Notes on Euronext Dublin. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any person that is not a Permitted Purchaser. Distribution of this Base Prospectus by any Permitted Purchaser (i) inside the United States or (ii) outside the United States to any person that is not a Permitted Purchaser, other than those persons, if any, retained to advise any such Permitted Purchaser with respect thereto, is unauthorised

and any disclosure without the prior written consent of the Issuer of any of its contents to any such person, other than those persons, if any, retained to advise such Permitted Purchaser, is prohibited.

Each prospective purchaser of the Notes, by accepting delivery of this Prospectus and the Notes, will be deemed to have represented and agreed as follows:

- (a) it understands that the Notes have not been and will not be registered under the Securities Act and agrees that it will not, at any time during the term of the Notes, offer, sell, pledge or otherwise transfer the Notes, except (i) in an “offshore transaction” (as such term is defined under Regulation S under the Securities Act (“Regulation S”)) and (ii) to a Permitted Purchaser (as such term is defined below) acting for its own account or for the account or benefit of another Permitted Purchaser;
- (b) it understands and acknowledges that no person has registered nor will register as a commodity pool operator of the Issuer under the CEA and the CFTC Rules thereunder;
- (c) (i) it is (w) not a U.S. person (as such term is defined under Rule 902(k)(1) of Regulation S) and it is located outside the United States (within the meaning of Regulation S), (x) a Non-United States person (as such term is defined under CFTC Rule 4.7), (y) not an employee benefit plan or other plan, account or arrangement that is or the assets of which are subject to (a) Part 4, Subtitle B, Title I of ERISA or Section 4975 of the Code, or (b) any laws, rules or regulations substantially similar to such provisions of ERISA or the Code and (z) not a U.S. person (as defined in the credit risk retention regulations issued under Section 15G of the U.S. Securities Exchange Act of 1934) (any person who satisfies the conditions set forth in the immediately preceding clauses (w), (x), (y) and (z), a “Permitted Purchaser”), (ii) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate and (iii) if it is acting for the account or benefit of another person, such other person is also a Permitted Purchaser;
- (d) it understands and acknowledges that the Issuer has the right to compel any beneficial owner of an interest in the Notes to certify periodically that such beneficial owner is a Permitted Purchaser;
- (e) it understands and acknowledges that the Issuer has the right to refuse to honour the transfer of an interest in the Notes in violation of the transfer restrictions applicable to such Notes;
- (f) it understands and acknowledges that the Issuer has the right to compel any beneficial owner who is not a Permitted Purchaser to (i) sell its interest in the Notes to a Permitted Purchaser or (ii) transfer its interest in the Notes to the Issuer or an affiliate of the Issuer at a price equal to the lesser of (x) the purchase price therefor paid by the beneficial owner, (y) 100 per cent. of the principal amount thereof and (z) the fair market value thereof;
- (g) The Issuer, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements;
- (h) it understands that Notes will bear a legend to the following effect:

THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT AT ANY TIME BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT IN ACCORDANCE WITH THE FOLLOWING SENTENCE. BY ITS ACQUISITION HEREOF OR OF A BENEFICIAL INTEREST HEREIN, THE ACQUIRER

(1) REPRESENTS THAT (A) IT ACQUIRED THIS NOTE OR SUCH BENEFICIAL INTEREST IN AN OFFSHORE TRANSACTION (AS SUCH TERM IS DEFINED UNDER REGULATION S UNDER THE SECURITIES ACT (“REGULATION S”)); (B) IT IS (W) NOT A U.S. PERSON (AS SUCH TERM IS DEFINED UNDER RULE 902(K)(1) OF REGULATION S), (X) A NON-UNITED STATES PERSON (AS SUCH TERM IS DEFINED IN RULE 4.7 UNDER THE U.S. COMMODITY EXCHANGE ACT OF 1936, BUT EXCLUDING, FOR THE PURPOSES OF SUBSECTION (D) THEREOF, THE EXCEPTION TO THE EXTENT THAT IT WOULD APPLY TO PERSONS WHO ARE NOT NON-UNITED STATES PERSONS), (Y) NOT AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN, ACCOUNT OR ARRANGEMENT THAT IS OR THE ASSETS OF WHICH ARE SUBJECT TO (I) PART 4, SUBTITLE B, TITLE I OF THE U.S. EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED (“ERISA”) OR SECTION 4975 OF THE U.S. INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE “CODE”), OR (II) ANY LAWS, RULES OR REGULATIONS SUBSTANTIALLY SIMILAR TO SUCH PROVISIONS OF ERISA OR THE CODE AND (Z) NOT A U.S. PERSON (AS DEFINED IN THE CREDIT RISK RETENTION REGULATIONS ISSUED UNDER SECTION 15G OF

THE U.S. SECURITIES EXCHANGE ACT OF 1934) (ANY PERSON SATISFYING (W), (X), (Y) AND (Z) IMMEDIATELY ABOVE, A “PERMITTED PURCHASER”); AND (C) IF IT IS ACQUIRING THIS NOTE OR A BENEFICIAL INTEREST HEREIN FOR THE ACCOUNT OR BENEFIT OF ANOTHER PERSON, SUCH OTHER PERSON IS ALSO A PERMITTED PURCHASER;

(2) AGREES FOR THE BENEFIT OF THE ISSUER THAT IT WILL NOT, AT ANY TIME DURING THE TERM OF THIS NOTE, OFFER, SELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE OR ANY BENEFICIAL INTEREST HEREIN, AS APPLICABLE, EXCEPT (X) IN AN OFFSHORE TRANSACTION AND (Y) TO A PERMITTED PURCHASER ACTING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OR BENEFIT OF ANOTHER PERMITTED PURCHASER AND ACKNOWLEDGES THAT THE ISSUER HAS THE RIGHT TO REFUSE TO HONOUR A TRANSFER OF ANY NOTE OR INTEREST IN VIOLATION OF THE FOREGOING;

(3) ACKNOWLEDGES THAT ANY TRANSFER IN VIOLATION OF THE FOREGOING AT ANY TIME DURING THE TERM OF THIS NOTE WILL BE OF NO FORCE AND EFFECT, WILL BE VOID *AB INITIO*, AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUER, THE REGISTRAR, THE TRUSTEE OR ANY INTERMEDIARY;

(4) ACKNOWLEDGES THAT IF AT ANY TIME THE ACQUIRER IS NO LONGER A PERMITTED PURCHASER, THE ISSUER HAS THE RIGHT TO (A) COMPEL THE ACQUIRER TO SELL SUCH NOTE OR BENEFICIAL INTEREST THEREIN, AS APPLICABLE, TO A PERSON WHO IS A PERMITTED PURCHASER OR (B) COMPEL THE BENEFICIAL OWNER TO TRANSFER SUCH NOTE OR BENEFICIAL INTEREST THEREIN, AS APPLICABLE, TO THE ISSUER OR AN AFFILIATE OF THE ISSUER FOR THE LESSER OF (X) THE PURCHASE PRICE THEREFOR PAID BY THE BENEFICIAL OWNER, (Y) 100 PER CENT. OF THE PRINCIPAL AMOUNT THEREOF AND (Z) THE FAIR MARKET VALUE THEREOF; AND

(5) ACKNOWLEDGES THAT THE ISSUER MAY COMPEL EACH BENEFICIAL OWNER OF THE NOTES TO CERTIFY PERIODICALLY THAT SUCH BENEFICIAL OWNER IS A PERMITTED PURCHASER.

- (i) It has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of purchasing the Notes, and it can bear the economic risk of an investment in the Notes; and
- (j) The Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Bearer Notes are subject to U.S. tax law requirements and may not at any time be offered, sold, pledged, otherwise transferred or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury Regulations (but excluding for purposes of the D Rules, transactions that would permit resale of the Notes after the expiration of the restricted period to a person who is within the United States or its possessions or to a United States person). Terms used in this paragraph have the meanings given to them by the Code and regulations thereunder.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of Notes outside the United States to Permitted Purchasers and for the listing of Notes on Euronext Dublin. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States or to any person that is not a Permitted Purchaser. Distribution of this Base Prospectus by any Permitted Purchaser (i) inside the United States or (ii) outside the United States to any person that is not a Permitted Purchaser, other than those persons, if any, retained to advise any such Permitted Purchaser with respect thereto, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such person, other than those persons, if any, retained to advise such Permitted Purchaser, is prohibited.

The name or names of the Dealer or Dealers with respect to the Notes and the Issue Price of the Notes will be specified in the relevant Authorised Offering Document, as well as any additional restrictions applicable to the Notes.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “Relevant Member State”), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “Relevant Implementation Date”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto, to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Non-exempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “Prospectus Directive” means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the "Insurance Mediation Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the "Prospectus Directive"); and
- (b) the expression “offer” includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.”

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (“FSMA”) by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “Financial Instruments and Exchange Act”). Accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Ireland

Each Dealer has represented, warranted and agreed pursuant to the relevant Dealer Agreement that:

- (a) it has not underwritten or placed, and will not underwrite the issue of, or place, any Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) (Nos. 1 to 3) (the “MiFID II Regulations”), including, without limitation, any codes of conduct issued in connection therewith, and the provisions of the Investor Compensation Act 1998 (as amended);
- (b) it has not underwritten or placed, and will not underwrite the issue of, or place, any Notes, otherwise than in conformity with the provisions of the Irish Central Banks Acts 1942 to 2016 (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it has not underwritten or placed, and will not underwrite the issue of, place, or do anything in Ireland in respect of any Notes otherwise than in conformity with the provisions of the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) and any rules issued under Section 1363 of the Companies Act 2014, by the Central Bank;
- (d) it has not underwritten and will not underwrite the issue of, or placed, and will not underwrite the issue of, place, or otherwise act in Ireland in respect of any Notes, otherwise than in conformity with the provisions of the Market Abuse Regulation (EU) 596/2014, the Market Abuse Directive on criminal sanctions for market abuse (Directive 2014/57/EU), the European Union (Market Abuse) Regulations 2016 and any rules issued under Section 1370 of the Companies Act 2014 by the Central Bank; and
- (e) no Notes will be offered or sold with a maturity of less than 12 months except in full compliance with Notice BSD C 01/02 of 12 November 2002 issued by the Central Bank pursuant to Section 8(2) of the Central Bank Act 1971 (as amended).

Cayman Islands

Each Dealer has agreed that no invitation whether directly or indirectly may be made to the public in the Cayman Islands to subscribe for the Notes of any Series unless, at the time of the invitation, the Issuer is listed on the Cayman Islands Stock Exchange.

General

These selling restrictions may be modified by the agreement of the relevant Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Series Prospectus, Series Listing Particulars or Information Memorandum, as applicable, issued in respect of the issue of Notes to which it relates or in a supplement to this Base Prospectus.

No action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Authorised Offering Document, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Authorised Offering Document, and neither the Issuer nor any other Dealer shall have responsibility therefor.

CONSIDERATIONS RELATED TO THE PROPOSED FINANCIAL TRANSACTION TAX ("FTT")

The information below is of a general nature and is not intended to be exhaustive. Any Noteholders who are in doubt as to their own tax position should consult their professional advisers.

On 14 February 2013, the European Commission published a proposal (the "Commission's Proposal") for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the "participating Member States"). However, Estonia has since stated that it will not participate.

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances.

Under the Commission's Proposal the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

However, the FTT proposal remains subject to negotiation between the participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

CAYMAN ISLANDS TAXATION

Prospective investors should consult their professional advisers on the possible tax consequences of buying, holding or selling any Notes under the laws of their country of citizenship, residence or domicile.

Cayman Islands Taxation

The following is a discussion on certain Cayman Islands income tax consequences of an investment in the Notes. The discussion is a general summary of present law, which is subject to prospective and retroactive change. It is not intended as tax advice, does not consider any investor's particular circumstances, and does not consider tax consequences other than those arising under Cayman Islands law.

Under Existing Cayman Islands Laws at the date of the Base Prospectus:

- (a) Payments of interest and principal on the Notes will not be subject to taxation in the Cayman Islands and no withholding will be required on the payment of interest and principal to any holder of the Notes, nor will gains derived from the disposal of the Notes be subject to Cayman Islands income or corporation tax. The Cayman Islands currently have no income, corporation or capital gains tax and no estate duty, inheritance tax or gift tax.
- (b) No stamp duty is payable in respect of the issue of the Notes and the Certificate in respect thereof. The Notes themselves will be stampable if they are executed in or brought into the Cayman Islands.
- (c) An instrument of transfer in respect of a Note or a Certificate is stampable if executed in or brought into the Cayman Islands.

Each Cayman Islands Issuer has been incorporated under the laws of the Cayman Islands as an exempted company with limited liability and, as such, has obtained an undertaking from the Governor in Cabinet (formerly known as the Governor in Council) of the Cayman Islands in the following form:

The Tax Concessions Law (Revised)

Undertaking as to Tax Concessions

In accordance with Section 6 of the Tax Concessions Law (Revised), the Governor in Council undertakes with Atlantic Capital International Limited/Jupiter Capital Limited/Pacific Capital International Limited/ Pacific Company Limited (each, "the Company"):

- 1 That no law which is hereafter enacted in the Islands imposing any tax to be levied on profits, income, gains or appreciations shall apply to the Company or its operations; and
- 2 In addition, that no tax to be levied on profits, income, gains or appreciations or which is in the nature of estate duty or inheritance tax shall be payable:
 - 2.1 On or in respect of the shares, debentures or other obligations of the Company; or
 - 2.2 by way of the withholding in whole or part, of any relevant payment as defined in Section 6(3) of the Tax Concessions Law (Revised).

These concessions shall be for a period of twenty years from 9 May 2017 (in the case of Atlantic Capital International Limited), 24 January 2017 (in the case of Jupiter Capital Limited), 17 July 2001 (in the case of Pacific Capital International Limited) and 19 February 2002 (in the case of Pacific Company Limited).

FATCA in the Cayman Islands

The Cayman Islands has entered into a Model 1 intergovernmental agreement (the "US IGA") with the United States. Under the terms of the US IGA, each Cayman Islands Issuer is required to register with the U.S. Internal Revenue Service ("US IRS") to obtain a Global Intermediary Identification Number ("GIIN") and then comply with the Cayman Islands Tax Information Authority Law (2017 Revision) together with regulations and guidance notes made pursuant to such law (the "Cayman FATCA Legislation") that give effect to, amongst other things, the US IGA. As such, each Cayman Islands Issuer or their agent is required to collect and report to the Cayman Islands Tax Information Authority substantial information regarding certain Noteholders. Under

the terms of the US IGA (i) the Cayman Islands Tax Information Authority will exchange such information with the US IRS and (ii) withholding will not be imposed on payments made to the relevant Cayman Islands Issuer unless the US IRS has specifically listed such Cayman Islands Issuer as a non-participating financial institution, or on payments made by the relevant Cayman Islands Issuer to the Noteholders unless such Cayman Islands Issuer has otherwise assumed responsibility for withholding under United States tax law. Each of Atlantic Capital International Limited, Jupiter Capital Limited, Pacific Capital International Limited and Pacific Company Limited have obtained a GIIN and intend to comply with the Cayman FATCA Legislation.

UK FATCA and the OECD Common Reporting Standard

The Cayman Islands has also (i) entered into a similar intergovernmental agreement (the “UK IGA”) with the United Kingdom, which imposes requirements similar to those under the US IGA with respect to Noteholders who are resident in the United Kingdom for tax purposes and (ii) signed, along with over 80 other countries, a multilateral competent authority agreement to implement the CRS, which requires “Financial Institutions” to identify, and report information in respect of, specified persons in the jurisdictions which sign and implement the CRS. Each Cayman Islands Issuer must also adopt and implement written policies and procedures setting out how it will address its obligations under the CRS.

IRISH TAXATION

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent) is required to be withheld from payments of Irish source interest. However, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the “1997 Act”) for certain securities (“quoted Eurobonds”) issued by a body corporate (such as the Issuer) which are interest bearing and quoted on a recognised stock exchange (which would include Euronext Dublin).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

- (i) the person by or through whom the payment is made is not in Ireland; or
- (ii) the payment is made by or through a person in Ireland, and either:
 - a. the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are so recognised), or
 - b. the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream, Luxembourg (or, if not so held, payments on the Notes are made through a paying agent not in Ireland), interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

If, for any reason, the quoted Eurobond exemption referred to above does not or ceases to apply, the Issuer can still pay interest on the Notes free of withholding tax provided it is a “qualifying company” (within the meaning of Section 110 of the 1997 Act) and provided the interest is paid to a person resident in a “relevant territory” (i.e. a member state of the European Union (other than Ireland) or in a country with which Ireland has or has signed a double taxation agreement). For this purpose, residence is determined by reference to the law of the country in which the recipient claims to be resident. This exemption from withholding tax will not apply, however, if the interest is paid to a company in connection with a trade or business carried on by it through a branch or agency located in Ireland.

A payment of interest to any extent dependent on the results of the Issuer’s business (or any part of its business) or excessive interest on the Notes will not be re-characterised as a distribution to which dividend withholding tax could apply where, broadly, the Noteholder is either:

- (i) an Irish tax resident person;
- (ii) a person who in respect of the interest is subject under the laws of a Relevant Territory to tax which generally applies to profits, income or gains received from sources outside that territory without any reduction computed by reference to the amount of the interest payment;
- (iii) for so long as the Notes remain quoted Eurobonds, neither a person which is a company which directly or indirectly controls the Issuer or which is controlled by a third company which directly or indirectly controls the Issuer nor is a person (including any connected person) (a) from whom the Issuer has acquired assets, (b) to whom the Issuer has made loans or advances, or (c) with whom the Issuer has entered into a return agreement (as defined in section 110(1) of the 1997 Act) where the aggregate value of such assets, loans, advances or agreements represents 75% or

more of the assets of the Issuer (such a person falling within this category of person being a “Specified Person”); or

- (iv) an exempt pension fund, government body or other resident in a Relevant Territory person (which is not a Specified Person).

Encashment Tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate from interest on any quoted Eurobond, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder.

Encashment tax does not apply where the Noteholder is not resident in Ireland and has made a declaration in the prescribed form to the encashment agent or bank.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax and levies. Ireland operates a self assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a relevant territory provided either (i) the Notes are quoted Eurobonds and are exempt from withholding tax as set out above (ii) in the event of the Notes not being or ceasing to be quoted Eurobonds exempt from withholding tax, if the Issuer is a qualifying company within the meaning of Section 110 of the 1997 Act, or (iii) if the Issuer has ceased to be a qualifying company, the recipient of the interest is a company resident in a relevant territory that generally taxes interest receivable by companies from foreign sources.

In addition, provided that the Notes are quoted Eurobonds and are exempt from withholding tax as set out above, the interest on the Notes will be exempt from Irish income tax if the recipient of the interest is (i) a company under the control, directly or indirectly, of persons who by virtue of the law of a relevant territory are resident in that country and that person or persons are not themselves under the control whether directly or indirectly of a person who is not resident in such a country, or (ii) a company, the principal class of shares of such company, or another company of which the recipient company is a 75% subsidiary, is substantially and regularly traded on one or more recognised stock exchanges in Ireland or a relevant territory or a stock exchange approved by the Irish Minister for Finance.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which does not fall within any of the above exemptions may be liable to Irish income tax on such interest.

Capital Gains Tax

A holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time, but the Notes may be regarded as situated in Ireland regardless of their physical location as they secure a debt due by an Irish resident debtor and they may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or

inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the donor or the donee/successor.

Stamp Duty

Provided the Issuer remains a qualifying company no stamp duty or similar tax is imposed in Ireland on the issue, transfer or redemption of the Notes whether they are represented by Global Notes or Definitive Notes (on the basis of an exemption provided for in Section 85(2)(c) to the Stamp Duties Consolidation Act, 1999 provided the money raised on the issue of the Notes is used in the course of the Issuer's business).

Automatic exchange of information

Irish reporting financial institutions, which may include the Issuer have reporting obligations in respect of a Noteholder under FATCA as implemented pursuant to the Ireland – US intergovernmental agreement and/or the OECD's Common Reporting Standard (see below).

Information exchange and the implementation of FATCA in Ireland

With effect from 1 July 2014 the Issuer may be obliged to report certain information in respect of U.S. investors (Noteholders) in the Issuer to the Irish Revenue Commissioners who will then share that information with the U.S. tax authorities.

The Foreign Account Tax Compliance provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010 ("FATCA"), imposes a 30% US withholding tax on certain 'withholdable payments' made on or after 1 July 2014 unless the payee enters into and complies with an agreement with the U.S. Internal Revenue Service ("US IRS") to collect and provide to the US IRS substantial information regarding direct and indirect owners and account holders.

On 21 December 2012 Ireland signed an Intergovernmental Agreement ("IGA") with the United States to Improve International Tax Compliance and to Implement FATCA. Under this agreement Ireland agreed to implement legislation to collect certain information in connection with FATCA and the Irish and U.S. tax authorities have agreed to automatically exchange this information. The IGA provides for the annual automatic exchange of information in relation to accounts and investments held by certain U.S. persons in a broad category of Irish financial institutions and vice versa.

Under the IGA and the Financial Accounts Reporting (United States of America) Regulations 2014 (as amended) (the "Irish Regulations") implementing the information disclosure obligations Irish financial institutions such as the Issuer are required to report certain information with respect to U.S. account holders to the Revenue Commissioners. The Revenue Commissioners will automatically provide that information annually to the US IRS. The Issuer must obtain the necessary information from Noteholders required to satisfy the reporting requirements whether under the IGA, the Irish Regulations or any other applicable legislation published in connection with FATCA and such information may be sought from each Noteholder and beneficial owner of the Notes. It should be noted that the Irish Regulations require the collection of information and filing of returns with the Irish Revenue Commissioners regardless as to whether the Issuer holds any U.S. assets or has any U.S. investors. However to the extent that the Notes are listed on a recognised stock exchange (which includes Euronext Dublin) with the intention that the Notes may be traded or held in a recognised clearing system (which includes Euroclear and Clearstream Luxembourg) the Issuer should have no reportable accounts in a tax year. Where the Issuer has no reportable accounts in a tax year it is required to make a nil return for that year to the Irish Revenue Commissioners.

While the IGA and Irish Regulations should serve to reduce the burden of compliance with FATCA, and accordingly the risk of a FATCA withholding on payments to the Issuer in respect of its assets, no assurance can be given in this regard. As such, Noteholders should obtain independent tax advice in relation to the potential impact of FATCA before investing.

Common Reporting Standard (CRS)

The Common Reporting Standard (CRS) framework was first released by the OECD in February 2014. To date, more than 95 jurisdictions have publically committed to implementation, many of which are early adopter countries, including Ireland. On 21 July 2014, the Standard for Automatic Exchange of Financial Account

Information in Tax Matters (the Standard) was published, involving the use of two main elements, the Competent Authority Agreement (CAA) and the CRS.

The goal of the Standard is to provide for the annual automatic exchange between governments of financial account information reported to them by local Financial Institutions (FIs) relating to account holders tax resident in other participating countries to assist in the efficient collection of tax. The OECD, in developing the CAA and CRS, have used FATCA concepts and as such the Standard is broadly similar to the FATCA requirements, albeit with numerous alterations. It will result in a significantly higher number of reportable persons due to the increased instances of potentially in-scope accounts and the inclusion of multiple jurisdictions to which accounts must be reported.

Ireland is a signatory jurisdiction to a Multilateral Competent Authority Agreement on the automatic exchange of financial account information in respect of CRS while Sections 891F and 891G of the Taxes Consolidation Act, 1997 and regulations made thereunder contain measures necessary to implement the CRS internationally and across the European Union, respectively. Regulations, the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 (the “CRS Regulations”), giving effect to the CRS from 1 January 2016 came into operation on 31 December 2015.

Directive 2014/107/EU on Administrative Cooperation in the Field of Taxation (“DAC II”) implements CRS in a European context and creates a mandatory obligation for all EU Member States to exchange financial account information in respect of residents in other EU Member States on an annual basis commencing in 2017 in respect of the 2016 calendar year. Regulations, the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (together with the CRS Regulations, the “Regulations”), giving effect to DAC II from 1 January 2016, came into operation on 31 December 2015.

Under the Regulations reporting FIs, are required to collect certain information on accountholders and on certain Controlling Persons in the case of the accountholder(s) being an Entity, as defined for CRS purposes to identify accounts which are reportable to the Irish tax authorities. The Irish tax authorities shall in turn exchange such information with their counterparts in participating jurisdictions. However, to the extent that the Notes are held within a recognised clearing system, the Issuer should have no reportable accounts in a tax year. In that event the Issuer should make a nil return for that year to the Irish Revenue Commissioners.

Further information in relation to CRS can be found on the Automatic Exchange of Information (AEOI) webpage on www.revenue.ie.

UNITED STATES WITHHOLDING TAXES ON DIVIDEND EQUIVALENT PAYMENTS

Section 871(m) of the Code and the Treasury regulations thereunder (“Section 871(m)”) impose a 30 per cent. (or lower treaty rate) withholding tax on “dividend equivalents” paid or deemed paid to non-U.S. persons with respect to certain financial instruments linked to U.S. equities (“U.S. Underlying Equities”) or indices that include U.S. Underlying Equities. Section 871(m) generally applies to financial instruments that substantially replicate the economic performance of one or more U.S. Underlying Equities, as determined based on tests set forth in the applicable Treasury regulations and discussed further below. Section 871(m) provides certain exceptions to this withholding regime, in particular for instruments linked to certain broad-based indices that meet requirements set forth in the applicable Treasury regulations (“Qualified Indices”) as well as securities that track such indices (“Qualified Index Securities”). The discussion herein refers to a Note subject to Section 871(m) as a “Specified Note.”

Although the Section 871(m) regime was effective as of 2017, the U.S. Internal Revenue Service (“US IRS”) regulations phase in the application of Section 871(m) as follows:

- For financial instruments issued in 2017 or 2018, Section 871(m) will generally apply only to financial instruments that have a “delta” of one.
- For financial instruments issued after 2018, Section 871(m) will apply if either (i) the “delta” of the financial instruments is at least 0.80, if they are “simple” contracts, or (ii) the financial instruments meet a “substantial equivalence” test, if they are “complex” contracts.

Delta is generally defined as the ratio of the change in the fair market value of a financial instrument to a small change in the fair market value of the number of shares of the U.S. Underlying Equity. The “substantial equivalence” test measures whether a complex contract tracks its “initial hedge” (shares of the U.S. Underlying Equity that would fully hedge the contract) more closely than would a “benchmark” simple contract with a delta of 0.80.

The calculations are generally made at the earlier of (i) the time of pricing of the Note, i.e., when all material terms have been agreed on, and (ii) the issuance of the Note. However, if the time of pricing is more than 14 calendar days before the issuance of the Note, the calculations are required to be made at the issuance of the Note. With respect to each Series of Notes, the outcome of such calculations will be specified in the relevant Authorised Offering Document.

If the terms of a Note are subject to a “significant modification,” the Note generally will be treated as reissued for this purpose at the time of the significant modification, in which case the Notes could become Specified Notes at that time.

If a Note is a Specified Note, withholding in respect of dividend equivalents will, depending on the applicable withholding agent’s circumstances, generally be required either (i) on the underlying dividend payment date or (ii) when cash payments are made on the Note or upon the date of maturity, lapse or other disposition of the Note by a Noteholder, or possibly upon certain other events. Depending on the circumstances, the applicable withholding agent may withhold the required amounts from payments on the Note, from proceeds of the retirement or other disposition of the Note, or from a Noteholder’s other cash or property held by the withholding agent.

The dividend equivalent amount will include the amount of any actual or, under certain circumstances, estimated dividend. If the dividend equivalent amount is based on the actual dividend, it will be equal to the product of: (i) in the case of a “simple” contract, the per-share dividend amount, the number of shares of a U.S. Underlying Equity and the delta; or (ii) in the case of a “complex” contract, the per-share dividend amount and the initial hedge. The dividend equivalent amount for Specified Notes issued in 2017 or 2018 that have a “delta” of one will be calculated in the same manner as (i) above, using a “delta” of one. The per-share dividend amount will be the actual dividend (including any special dividends) paid with respect to a share of the U.S. Underlying Equity. If the dividend equivalent amount is based on an estimated dividend, the Pricing Supplement will generally state the estimated amounts.

Depending on the terms of a Note and whether it is issued in 2017, 2018 or later, the Authorised Offering Document may contain additional information relevant to Section 871(m), such as whether the Note references a Qualified Index or Qualified Index Security; whether it is a “simple” contract; the “delta” and the

number of shares multiplied by delta (for a simple contract); and whether the “substantial equivalence test” is met and the initial hedge (for a complex contract).

The Issuer's determination as at the Issue Date regarding Section 871(m) is generally binding on Noteholders, but it is not binding on the US IRS. The Section 871(m) regulations require complex calculations to be made with respect to Notes linked to U.S. Underlying Equities and their application to a specific issue of Notes may be uncertain. Accordingly, even if the Issuer determines that certain Notes are not Specified Notes, the US IRS could challenge the Issuer's determination and assert that withholding is required in respect of those Notes.

The application of Section 871(m) to a Note may be affected if a Noteholder enters into another transaction in connection with the acquisition of the Note. For example, if a Noteholder enters into other transactions relating to a U.S. Underlying Equity, the Noteholder could be subject to withholding tax or income tax liability under Section 871(m) even if the relevant Notes are not Specified Notes subject to Section 871(m) as a general matter. Noteholders should consult their tax advisors regarding the application of Section 871(m) in their particular circumstances.

If Section 871(m) applies to a Note, the Issuer will not be required to pay any additional amounts in respect of amounts withheld under Section 871(m). Additionally, the Issuer may withhold the full 30 per cent. tax from any payment on the Notes in respect of any dividend equivalent arising with respect to such Notes regardless of any exemption from, or reduction in, such withholding otherwise available under applicable law (including, for the avoidance of doubt, where a Noteholder is eligible for a reduced tax rate under an applicable tax treaty with the United States). A Noteholder may be able to claim a refund of any excess withholding provided the required information is timely furnished to the US IRS.

If an Issuer were subject to withholding on “dividend equivalents” it receives with respect to the Collateral or under a Swap Agreement or Option Agreement, such withholding could, in turn, result in the Issuer having insufficient funds from which to make payments that would otherwise have become due in respect of the Notes and/or such agreement. No other funds will be available to the Issuer to make up any shortfall and, as a result, the Issuer may not have sufficient funds to satisfy its payment obligations to Noteholders. If the relevant Authorised Offering Document specifies that the Notes are identified by the Issuer as at the Issue Date to be Specified Notes and either (i) the Issuer is subject to withholding or deduction on any payments to it in respect of the Collateral or under a Swap Agreement, Option Agreement or (ii) the Issuer is required to withhold on any payments with respect to the Notes, in each case as a result of Section 871(m), the Issuer will deduct an amount equal to such withholding or deduction, as applicable, from the amounts payable to each Noteholder and the Notes will not be subject to early redemption. If the Notes are not identified at the issue date to be Specified Notes and either (i) or (ii) above applies as a result of Section 871(m), the Issuer will deduct an amount equal to such withholding or deduction, as applicable, from any amounts payable to each Noteholder and the Notes will be subject to early redemption.

The Section 871(m) rules are complex and their application to a specific issue of Notes may be uncertain. Noteholders should consult their tax advisors regarding the application of Section 871(m) in their circumstances.

DOCUMENTS AVAILABLE FOR INSPECTION

From the date of this Base Prospectus and for so long as the Programme remains in effect or any Notes remain outstanding, the following documents will be available for inspection and obtainable in physical format during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the office of the Issuing and Paying Agent (save that documents in (vi), (vii) and (viii) below relating to Unlisted Notes will only be available for inspection by a holder of such Unlisted Notes and the holder must produce evidence satisfactory to the Issuing and Paying Agent as to its holding an identity):

- (i) the Principal Trust Deed and, in respect of Cloverie Public Limited Company only, the associated deed of accession;
- (ii) each Authorised Offering Document and the related Supplemental Trust Deed and/or Credit Support Document for Notes which are outstanding and are admitted to the Official List and admitted to trading on the Main Securities Market (or listed and admitted to trading on the market of any other stock exchange);
- (iii) in respect of the Irish Issuers only, the Constitution of such Issuer;
- (iv) the Memorandum and Articles of Association of each Issuer;
- (v) the Declaration of Trust;
- (vi) the Swap Agreements (if any) entered into from time to time;
- (vii) the Option Agreements (if any) entered into from time to time;
- (viii) a copy of this Base Prospectus together with any other document which is required to be published by the listing guidelines of Euronext Dublin;
- (ix) in respect of the Irish Issuers only, the historical financial information of such Issuer for each of the two financial years ended 31 December 2016 and 31 December 2015; and
- (x) any reports, letters, other documents, historical financial information, valuations and statements prepared by any expert, any part of which is included or referred to in this Base Prospectus, at the Issuer's request.

GENERAL INFORMATION

- 1 The annual update of the Programme has been authorised pursuant to a resolution of the board of directors of the Issuer passed on or around 7 August 2018.
- 2 There has been no material adverse change in the financial position or prospects of the Issuer which is material or significant since: (i) 6 May 1997 in respect of Atlantic Capital International Limited; (ii) 20 January 1997 in respect of Jupiter Capital Limited; (iii) 5 July 2001 in respect of Pacific Capital International Limited; (iv) 1 February 2002 in respect of Pacific Company Limited; and (v) 31 December 2016 in respect of the Irish Issuers (the dates referred to in (i) – (iv) being the date on which the relevant Cayman Issuer was incorporated and the date referred to in (v) being the date of the relevant Irish Issuer’s latest audited financial statements).
- 3 Each Bearer Note having a maturity of more than one year, and any Receipt, Coupon and Talon with respect to such a Bearer Note will bear the following legend: “Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code”.
- 4 Each of the Cayman Issuers have not published any financial statements since the date on which each such Cayman Issuer was incorporated.
- 5 The Issuer has obtained or will obtain all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes issued by it.
- 6 The Issuer has not been involved in any governmental, legal, or arbitration proceedings (including such proceedings which are pending or threatened or of which the Issuer is aware during the 12 months preceding the date of this Base Prospectus) which may have or have had in the recent past, significant effects, on the financial position or profitability of the Issuer.

ISSUER DISCLOSURE ANNEXES

ISSUER DISCLOSURE ANNEX 1

ATLANTIC CAPITAL INTERNATIONAL LIMITED (the “Issuer”)

The Issuer was registered and incorporated under the name Egypt Limited on 6 May 1997 as a special purpose company with a limited liability company under the Companies Law of the Cayman Islands, registered number 73514. The name of the company was changed from Egypt Limited to Atlantic Capital International Limited by special resolution of the company passed on 5 February 1998, which name was registered in the Cayman Islands on 6 February 1998. The Issuer has been incorporated for an indefinite period. The registered office of the Issuer is Maples Corporate Services Limited (formerly M&C Corporate Services Limited), PO Box 309, Umland House, Grand Cayman, KY1-1104, Cayman Islands (Tel: +1 345 949 8066).

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 shares of U.S.\$1.00 each (the “Ordinary Shares”). 1,000 Ordinary Shares are issued and fully paid and are legally owned by MaplesFS Limited (the “Share Trustee”) under the terms of a declaration of trust (the “Declaration of Trust”) dated 25 February 1998 under which the Share Trustee holds all the issued Ordinary Shares of the Issuer in trust until the Termination Date (as defined in the Declaration of Trust) and may only dispose or otherwise deal with the Ordinary Shares with the approval of the Trustee for so long as there are any Notes outstanding. Prior to the Termination Date, the trust is an accumulation trust, but the Share Trustee has power, with the consent of the Trustee, to benefit Noteholders or Qualified Charities (as defined in the Declaration of Trust). It is not anticipated that any distributions from the trust will be made during the life of any Note issue. Following the Termination Date, the Share Trustee will wind up the trust and make a final distribution to charity. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as Share Trustee or from its holding of the Ordinary Shares.

Business

The principal objects of the Issuer are set forth in Clause 3 of its Memorandum of Association and include carrying on the business of an investment holding company and acquiring, investing and holding by way of investment shares, stocks, debenture stock, bonds and other securities, along with the issuing of bonds and notes and entry into swap agreements, as described below.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the accession to the Programme, the authorisation and issue of the Notes, the matters referred to or contemplated in the Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. So long as any of the Notes issued by the Issuer remains outstanding, the Issuer shall not, without the consent of the Trustee and any Swap Counterparty, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Mortgaged Property, issuing the Notes, acquiring, benefiting from or entering into any Credit Support Document, entering into any Option Agreement and any Swap Agreement and issuing further Series of Notes and entering into related transactions as provided for in Condition 5 of the Notes), declare any dividends, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed), issue any shares or enter into any securities lending transactions, provided that nothing shall limit the ability of either the Issuer or the Trustee on behalf of the Issuer from entering into any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or perform any act incidental or necessary thereto to comply with such agreement.

The Issuer has, and will have, no assets other than the sum of U.S.\$1,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Notes or the purchase, sale or incurring of other obligations and any Mortgaged Property and any other assets on which the Notes or other obligations are secured.

The Issuer does not have any subsidiaries.

The Notes are obligations of the Issuer alone and not of the Share Trustee or the Trustee. Furthermore, they are not obligations of, nor guaranteed in any way by, Citigroup Global Markets Limited (formerly Salomon Brothers International Limited) or any Swap Counterparty or Option Counterparty.

The Collateral will be held in the name of or under the control of or in such other manner as is approved by the Custodian. The Custodian will be responsible under the Custody Agreement for receiving payments on the Collateral and remitting them to the relevant Swap Counterparty or the Issuing and Paying Agent, as the case may be.

Save in respect of the fees generated in connection with the issue of each Series, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses. Fees payable by the Issuer to its administrator, the Trustee, the Custodian and the Paying and Transfer Agents in respect of each issue of Notes will be paid by the relevant Dealer or lead manager, as the case may be, and none of the Trustee, the Paying Agents, the Custodian, the Registrar, the Transfer Agents or the Calculation Agent(s) may have recourse to assets of the Issuer which are held as security for issues other than the issue in respect of which the claims arise. Additionally, the Paying Agents, the Custodian, the Registrar, the Transfer Agents and the Calculation Agent(s) have agreed that the payments of outstanding fees (if any) shall be limited to amounts available, following application in accordance with the terms of the Trust Deed, to discharge such liabilities.

Authorised and Issued Share Capital

The following table sets forth the authorised and issued share capital of the Issuer as at the date of the Base Prospectus:

Shareholders' Funds	U.S.\$
Share Capital	
Authorised:	50,000
Issued:	1,000

Directors

The Directors of the Issuer are as follows:

Name	Function	Other Activities
Laura Chisholm	Director	Senior Vice President, MaplesFS Limited
Rachel Fisher	Director	Vice President, MaplesFS Limited

The business address of the Directors is c/o MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

MaplesFS Limited of PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands is the administrator of the Issuer. Its duties include the provision of certain management, administrative and related services. The appointment of the administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The significant business activity of MaplesFS Limited is operating as a management company.

Financial Statements

Since the date of incorporation, no financial statements of the Issuer have been prepared. The Issuer is not required by Cayman Islands law, and does not intend, to publish financial statements.

ISSUER DISCLOSURE ANNEX 2

JUPITER CAPITAL LIMITED (the “Issuer”)

The Issuer was registered and incorporated on 20 January 1997 as a special purpose company with limited liability company under the Companies Law of the Cayman Islands, registered number 70922. The Issuer has been incorporated for an indefinite period. The Registered Office of the Issuer is c/o Maples Corporate Services Limited (formerly M&C Corporate Services Limited), PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (Tel: +1 345 949 8066).

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 shares of U.S.\$1 each, 1,000 of which have been issued (the “Ordinary Shares”). All of the issued Ordinary Shares are fully-paid and are legally owned by MaplesFS Limited (formerly QSPV Limited) (the “Share Trustee”) under the terms of a declaration of trust (the “Declaration of Trust”) dated 25 February 1997, as amended by a Supplemental Trust Deed dated 13 December 2000, under which the Share Trustee holds them on trust for the holders of Notes issued by the Issuer until all payments due in respect of such obligations have duly been made in accordance with their terms and thereafter on trust for a specified charity. Under the terms of the Declaration of Trust, the Share Trustee has, *inter alia*, covenanted not, without the approval of the Trustee, on behalf of the holders of Notes issued by the Issuer, to dispose of or otherwise deal with the Ordinary Shares whilst any of the Notes remains outstanding. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as Share Trustee from its holding of the Ordinary Shares.

Business

The principal objects of the Issuer are set forth in Clause 3 of its Memorandum of Association and include carrying on the business of an investment holding company and acquiring, investing and holding by way of investment shares, stocks, debenture stock, bonds and other securities, along with the issuing of bonds and notes and entry into swap agreements, as described below.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the accession to the Programme, the authorisation and issue of the Notes, the issue of certain credit linked loans which are no longer outstanding, the matters referred to or contemplated in the Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The principal objects of the Issuer are set forth in Clause 3 of its Memorandum of Association and include, *inter alia*, the management of financial assets, the purchase, transfer of, investment in and acquisition of, by any means of loans, bonds or other obligations, including the extension of credit and any security therefore and the raising and borrowing of money and the granting of security over its assets for such purposes. So long as any of the Notes issued by the Issuer remains outstanding, the Issuer shall not, without the consent of the Trustee and any Swap Counterparty, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Mortgaged Property, issuing the Notes, acquiring, benefiting from or entering into any Credit Support Document, entering into any Option Agreement and any Swap Agreement and issuing further Series of Notes and entering into related transactions as provided for in Condition 5 of the Notes), declare any dividends, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed), issue any shares or enter into any securities lending transactions, provided that nothing shall limit the ability of either the Issuer or the Trustee on behalf of the Issuer from entering into any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or perform any act incidental or necessary thereto to comply with such agreement.

The Issuer has, and will have, no assets other than the sum of U.S.\$1,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Notes or the purchase, sale or incurring of other obligations and any Mortgaged Property and any other assets on which the Notes or other obligations are secured.

The Issuer does not have any subsidiaries.

The Notes are obligations of the Issuer alone and not of the Share Trustee or the Trustee. Furthermore, they are not obligations of, nor guaranteed in any way by, Citigroup Global Markets Limited (formerly Salomon Brothers International Limited) or any Swap Counterparty or Option Counterparty.

The Collateral will be held in the name of or under the control of or in such other manner as is approved by the Custodian. The Custodian will be responsible under the Custody Agreement for receiving payments on the Collateral and remitting them to the relevant Swap Counterparty or the Issuing and Paying Agent, as the case may be.

Save in respect of the fees generated in connection with the issue of each Series, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses. Fees payable by the Issuer to its administrator, the Trustee, the Custodian and the Paying and Transfer Agents in respect of each issue of Notes will be paid by the relevant Dealer or lead manager, as the case may be, and none of the Trustee, the Paying Agents, the Custodian, the Registrar, the Transfer Agents or the Calculation Agent(s) may have recourse to assets of the Issuer which are held as security for issues other than the issue in respect of which the claims arise. Additionally, the Paying Agents, the Custodian, the Registrar, the Transfer Agent and the Calculation Agent(s) have agreed that the payments of outstanding fees (if any) shall be limited to amounts available, following application in accordance with the terms of the Trust Deed, to discharge such liabilities.

Authorised and Issued Share Capital

The following table sets forth the authorised and issued share capital of the Issuer as at the date of the Base Prospectus:

Shareholders' Funds	U.S.\$
Share Capital	
Authorised:	50,000
Issued:	1,000

Directors

The Directors of the Issuer are as follows:

Name	Function	Other Activities
Laura Chisholm	Director	Senior Vice President, MaplesFS Limited
Rachel Fisher	Director	Vice President, MaplesFS Limited

The business address of the Directors is c/o MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

MaplesFS Limited of PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands is the administrator of the Issuer. Its duties include the provision of certain management, administrative and related services. The appointment of the administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The significant business activity of MaplesFS Limited is operating as a management company.

Financial Statements

Since the date of incorporation, no financial statements of the Issuer have been prepared. The Issuer is not required by Cayman Islands' law, and does not intend, to publish any financial statements.

ISSUER DISCLOSURE ANNEX 3
PACIFIC CAPITAL INTERNATIONAL LIMITED
(the “Issuer”)

The Issuer was registered and incorporated on 5 July 2001 as a special purpose company with limited liability under the Companies Law of the Cayman Islands, registered number 111384. The Issuer has been incorporated for an indefinite period. The Registered Office of the Issuer is c/o Maples Corporate Services Limited (formerly M&C Corporate Services Limited), PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (Tel: +1 345 949 8066).

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 shares of U.S.\$1 each, 1,000 of which have been issued (the “Ordinary Shares”). All of the issued Ordinary Shares are fully-paid and are legally owned by MaplesFS Limited (formerly QSPV Limited) as share trustee (the “Share Trustee”) under the terms of a declaration of trust (the “Declaration of Trust”) dated 23 July 2001, under which the Share Trustee holds them on trust for the holders of Notes issued by the Issuer until all payments due in respect of such obligations have duly been made in accordance with their terms and thereafter on trust for a specified charity. Under the terms of the Declaration of Trust, the Share Trustee has, *inter alia*, covenanted not, without the approval of the Trustee, on behalf of the holders of Notes issued by the Issuer, to dispose of or otherwise deal with the Ordinary Shares whilst any of the Notes remains outstanding. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as Share Trustee from its holding of the Ordinary Shares.

Business

The principal objects of the Issuer are set forth in Clause 3 of its Memorandum of Association and are unrestricted. They would therefore include carrying on the business of an investment holding company and acquiring, investing and holding by way of investment shares, stocks, debenture stock, bonds and other securities, along with the issuing of bonds and notes and entry into swap agreements, as described below.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the accession to the Programme, the authorisation and issue of the Notes, the matters referred to or contemplated in the Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The principal objects of the Issuer are set forth in Clause 3 of its Memorandum of Association and are unrestricted. They would therefore include, *inter alia*, the management of financial assets, the purchase, transfer of, investment in and acquisition of, by any means of loans, bonds or other obligations, including the extension of credit and any security therefore and the raising and borrowing of money and the granting of security over its assets for such purposes. So long as any of the Notes issued by the Issuer remains outstanding, the Issuer shall not, without the consent of the Trustee and any Swap Counterparty, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Mortgaged Property, issuing the Notes, acquiring, benefiting from or entering into any Credit Support Document, entering into any Option Agreement and any Swap Agreement and issuing further Series of Notes and entering into related transactions as provided for in Condition 5 of the Notes), declare any dividends, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed), issue any shares or enter into any securities lending transactions, provided that nothing shall limit the ability of either the Issuer or the Trustee on behalf of the Issuer from entering into any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or perform any act incidental or necessary thereto to comply with such agreement.

The Issuer has, and will have, no assets other than the sum of U.S.\$1,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Notes or the purchase, sale or incurring of other obligations and any Mortgaged Property and any other assets on which the Notes or other obligations are secured.

The Issuer does not have any subsidiaries.

The Notes are obligations of the Issuer alone and not of the Share Trustee or the Trustee. Furthermore, they are not obligations of, nor guaranteed in any way by, Citigroup Global Markets Limited (formerly Salomon Brothers International Limited) or any Swap Counterparty or Option Counterparty.

The Collateral will be held in the name of or under the control of or in such other manner as is approved by the Custodian. The Custodian will be responsible under the Custody Agreement for receiving payments on the Collateral and remitting them to the relevant Swap Counterparty or the Issuing and Paying Agent, as the case may be.

Save in respect of the fees generated in connection with the issue of each Series, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses. Fees payable by the Issuer to its administrator, the Trustee, the Custodian and the Paying and Transfer Agents in respect of each issue of Notes will be paid by the relevant Dealer or lead manager, as the case may be, and none of the Trustee, the Paying Agents, the Custodian, the Registrar, the Transfer Agents or the Calculation Agent(s) may have recourse to assets of the Issuer which are held as security for issues other than the issue in respect of which the claims arise. Additionally, the Paying Agents, the Custodian, the Registrar, the Transfer Agent and the Calculation Agent(s) have agreed that the payments of outstanding fees (if any) shall be limited to amounts available, following application in accordance with the terms of the Trust Deed, to discharge such liabilities.

Authorised and Issued Share Capital

The following table sets forth the authorised and issued share capital of the Issuer as at the date of the Base Prospectus:

Shareholders' Funds	U.S.\$
Share Capital	
Authorised:	50,000
Issued:	1,000

Directors

The Directors of the Issuer are as follows:

Name	Function	Other Activities
Laura Chisholm	Director	Senior Vice President, MaplesFS Limited
Rachel Fisher	Director	Vice President, MaplesFS Limited

The business address of the Directors is c/o MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

MaplesFS Limited of PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands is the administrator of the Issuer. Its duties include the provision of certain management, administrative and related services. The appointment of the administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The significant business activity of MaplesFS Limited is operating as a management company.

Financial Statements

Since the date of incorporation, no financial statements of the Issuer have been prepared. The Issuer is not required by Cayman Islands' law, and does not intend, to publish any financial statements.

ISSUER DISCLOSURE ANNEX 4

PACIFIC COMPANY LIMITED (the “Issuer”)

The Issuer was registered and incorporated on 1 February 2002 as a special purpose company with limited liability under the Companies Law of the Cayman Islands, registered number 115611. The Issuer has been incorporated for an indefinite period. The Registered Office of the Issuer is c/o Maples Corporate Services Limited (formerly M&C Corporate Services Limited) PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands (Tel: +1 345 949 8066).

The authorised share capital of the Issuer is U.S.\$50,000 divided into 50,000 shares of U.S.\$1 each, 1,000 of which have been issued (the “Ordinary Shares”). All of the issued Ordinary Shares are fully-paid and are legally owned by MaplesFS Limited (formerly QSPV Limited) as share trustee (the “Share Trustee”) under the terms of a declaration of trust (the “Declaration of Trust”) dated 14 March 2002, under which the Share Trustee holds them on trust for the holders of Notes issued by the Issuer until all payments due in respect of such obligations have duly been made in accordance with their terms and thereafter on trust for a specified charity. Under the terms of the Declaration of Trust, the Share Trustee has, *inter alia*, covenanted not, without the approval of the Trustee, on behalf of the holders of Notes issued by the Issuer, to dispose of or otherwise deal with the Ordinary Shares whilst any of the Notes remains outstanding. The Share Trustee has no beneficial interest in and derives no benefit other than its fees for acting as Share Trustee from its holding of the Ordinary Shares.

Business

The principal objects of the Issuer are set forth in Clause 3 of its Memorandum of Association and are unrestricted. They would therefore include carrying on the business of an investment holding company and acquiring, investing and holding by way of investment shares, stocks, debenture stock, bonds and other securities, along with the issuing of bonds and notes and entry into swap agreements, as described below.

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the accession to the Programme, the authorisation and issue of the Notes, the issue of certain credit linked loans and matters referred to or contemplated in the Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The objects of the Issuer are set forth in Clause 3 of its Memorandum of Association and are unrestricted. They would therefore include, *inter alia*, the management of financial assets, the purchase, transfer of, investment in and acquisition of, by any means of loans, bonds or other obligations, including the extension of credit and any security therefore and the raising and borrowing of money and the granting of security over its assets for such purposes. So long as any of the Notes and/or credit linked loans issued by the Issuer remains outstanding, the Issuer shall not, without the consent of the Trustee and any Swap Counterparty, incur any other indebtedness for borrowed moneys or engage in any business (other than acquiring and holding the Mortgaged Property, issuing the Notes and/or credit linked loans, acquiring, benefiting from or entering into any Credit Support Document, entering into any Option Agreement and any Swap Agreement and issuing further Series of Notes and entering into related transactions as provided for in Condition 5 of the Notes), declare any dividends, purchase, own, lease or otherwise acquire any real property (including office premises or like facilities), consolidate or merge with any other person or convey or transfer its properties or assets substantially as an entity to any person (otherwise than as contemplated in the Conditions and the Trust Deed), issue any shares or enter into any securities lending transactions, provided that nothing shall limit the ability of either the Issuer or the Trustee on behalf of the Issuer from entering into any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or perform any act incidental or necessary thereto to comply with such agreement.

The Issuer has, and will have, no assets other than the sum of U.S.\$1,000 representing the issued and paid-up share capital, such fees (as agreed) per issue payable to it in connection with the issue of Notes and/or credit linked loans or the purchase, sale or incurring of other obligations and any Mortgaged Property and any other assets on which the Notes and/or credit linked loans or other obligations are secured.

The Issuer does not have any subsidiaries.

The Notes and the credit linked loans are obligations of the Issuer alone and not of the Share Trustee or the Trustee. Furthermore, they are not obligations of, nor guaranteed in any way by, Citigroup Global Markets Limited (formerly Salomon Brothers International Limited) or any Swap Counterparty or Option Counterparty.

The Collateral will be held in the name of or under the control of or in such other manner as is approved by the Custodian. The Custodian will be responsible under the Custody Agreement for receiving payments on the Collateral and remitting them to the relevant Swap Counterparty or the Issuing and Paying Agent, as the case may be.

Save in respect of the fees generated in connection with the issue of each Series, any related profits and the proceeds of any deposits and investments made from such fees or from amounts representing the Issuer's issued and paid-up share capital, the Issuer will not accumulate any surpluses. Fees payable by the Issuer to its administrator, the Trustee, the Custodian and the Paying and Transfer Agents in respect of each issue of Notes will be paid by the relevant Dealer or lead manager, as the case may be, and none of the Trustee, the Paying Agents, the Custodian, the Registrar, the Transfer Agents or the Calculation Agent(s) may have recourse to assets of the Issuer which are held as security for issues other than the issue in respect of which the claims arise. Additionally, the Paying Agents, the Custodian, the Registrar, the Transfer Agent and the Calculation Agent(s) have agreed that the payments of outstanding fees (if any) shall be limited to amounts available, following application in accordance with the terms of the Trust Deed, to discharge such liabilities.

Authorised and Issued Share Capital

The following table sets forth the authorised and issued share capital of the Issuer as at the date of the Base Prospectus:

Shareholders' Funds	U.S.\$
Share Capital	
Authorised:	50,000
Issued:	1,000

Directors

The Directors of the Issuer are as follows:

Name	Function	Other Activities
Laura Chisholm	Director	Senior Vice President, MaplesFS Limited
Rachel Fisher	Director	Vice President, MaplesFS Limited
Mora Goddard	Director	Vice President, MaplesFS Limited

The business address of the Directors is c/o MaplesFS Limited, PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands.

MaplesFS Limited of PO Box 1093, Boundary Hall, Cricket Square, Grand Cayman, KY1-1102, Cayman Islands is the administrator of the Issuer. Its duties include the provision of certain management, administrative and related services. The appointment of the administrator may be terminated and the administrator may retire upon three months' notice subject to the appointment of an alternative administrator on similar terms to the existing administrator. The significant business activity of MaplesFS Limited is operating as a management company.

Financial Statements

Since the date of incorporation, no financial statements of the Issuer have been prepared. The Issuer is not required by Cayman Islands' law, and does not intend, to publish any financial statements.

ISSUER DISCLOSURE ANNEX 5
CLOVERIE PUBLIC LIMITED COMPANY
(the “Issuer”)

The Issuer is a public limited company incorporated as a special purpose vehicle on 13 August 2003 and registered under the Irish Companies Act 2014 (as amended), registration number 374618. The Issuer has been incorporated for an indefinite period. The Registered Office of the Issuer is at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2 (Tel: +353 1 224 0398). The authorised share capital of the Issuer is Euro 40,000 divided into 40,000 ordinary shares of Euro 1 each, all of which have been issued and fully paid up. 39,994 of the issued ordinary shares are held by Sanne Trustee Services Limited as share trustee (the “Share Trustee”) and the remaining six are held by six nominee shareholders which hold such shares on trust for the Share Trustee. Under the terms of a declaration of trust (the “Declaration of Trust”) dated on or about 27 August 2003, the Share Trustee holds all the issued shares held directly or indirectly by it on trust for the holders of Notes and counterparties to other transactions until all payments in respect of such Notes and other transactions have been duly made and thereafter on trust for one or more Qualified Charities as defined in the Declaration of Trust. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer.

Business

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the accession to the Programme, the authorisation and issue of securities, the matters referred to or contemplated in this Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The principal objects of the Issuer are set forth in Clause 3.1 of its Memorandum of Association and include, *inter alia*, the management of financial assets, the purchase, transfer of, investment in and acquisition of, by any means of loans, bonds or other obligations, including the extension of credit and any security therefore and the raising and borrowing of money and the granting of security over its assets for such purposes. So long as any of the obligations of the Issuer remain outstanding, the Issuer will not, *inter alia*, (a) enter into any business whatsoever, other than acquiring Mortgaged Property, issuing Notes or creating other obligations or entering into a similar limited recourse transaction, entering into related agreements and transactions and performing any act incidental to or in connection with the foregoing, (b) have any subsidiaries, (c) have any employees or (d) dispose of any Mortgaged Property or any interest therein or create any mortgage, charge or security interest or right of recourse in respect thereof in favour of any person (other than contemplated by the Base Prospectus), provided that nothing shall limit the ability of either the Issuer or the Trustee on behalf of the Issuer from entering into any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or perform any act incidental or necessary thereto to comply with such agreement.

Authorised and Issued Share Capital

The following table sets forth the authorised and issued share capital of the Issuer as at the date of this Issuer Disclosure Annex:

Shareholders’ Funds	EUR €
Share Capital	
Authorised:	40,000
Issued:	40,000

Directors

The Directors of the Issuer are as follows:

Name	Function	Business Address	Principal Occupation
Adrian Wrafter	Director	1 Riverside Drive, Rathfarnham, Dublin 14	Company Director

Adrian
Masterson

Director

57 Herbert Lane, Dublin 2

Company Director

Link IFS Limited of 2 Grand Canal Square, Grand Canal Harbour, Dublin 2 is the administrator of the Issuer. Its duties include the provision of certain administrative and related services. The appointment of the administrator may be terminated and the administrator may retire upon 90 days written notice subject to the appointment of an alternative administrator. Link IFS Limited is Secretary to the Issuer.

Financial Statements

The Issuer has prepared audited financial statements in respect of its financial years ending 31 December 2016 and 31 December 2015, which are appended to this Issuer Disclosure Annex and form part of the Base Prospectus approved by the Central Bank. The Issuer will prepare annually and publish audited financial statements, with explanatory notes. These financial statements will be available from the registered office of the Issuer and the office of the Issuing and Paying Agent. The auditors of the Issuer, Deloitte & Touche, Chartered Accountants and Registered Auditors of Deloitte & Touche House, Earlsfort Terrace, Dublin 2, are Chartered Accountants authorised and regulated by the Institute of Chartered Accountants in Ireland for designated investment business.

**SCHEDULE 1 TO ISSUER DISCLOSURE ANNEX 5: ISSUER ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

CLOVERIE PUBLIC LIMITED COMPANY

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

(Company Registration No: 374618)

CLOVERIE PUBLIC LIMITED COMPANY

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CLOVERIE PUBLIC LIMITED COMPANY

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

Adrian Masterson (Irish)
Adrian Wrafter (Irish)

COMPANY SECRETARY:

Capita International Financial Services (Ireland) Limited
2 Grand Canal Square
Grand Canal Quay
Grand Canal Harbour
Dublin D02 A342
Ireland
(appointed 14 October 2016)

CORPORATE ADMINISTRATOR:

Capita International Financial Services (Ireland) Limited
2 Grand Canal Square
Grand Canal Quay
Grand Canal Harbour
Dublin D02 A342
Ireland

REGISTERED OFFICE:

2 Grand Canal Square
Grand Canal Quay
Grand Canal Harbour
Dublin D02 A342
Ireland

BANK:

Citibank (London Branch)
5 Carmelite Street
London EC4Y 0PA
United Kingdom

Allied Irish Banks Plc
1 Adelaide Road
Dublin D02 X889
Ireland

INDEPENDENT AUDITOR:

Deloitte
Chartered Accountants & Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 02 AY28
Ireland

SOLICITORS:

A & L Goodbody
International Financial Services Centre
25 - 28 North Wall Quay
Dublin D01 H104
Ireland

TRUSTEE, CALCULATION AGENT, PRINCIPAL PAYING AGENT, ARRANGER & CUSTODIAN:

Citibank Agency and Trust
Citibank N.A. 14th Floor
Citigroup Centre
Canada Square
Canary Wharf
London E14 56B
United Kingdom

IRISH LISTING AGENT:

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin D02 CK83
Ireland

CLOVERIE PUBLIC LIMITED COMPANY

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Cloverie Public Limited Company ('the Company') for the financial year ended 31 December 2016.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with the Companies Act 2014.

Irish Company law requires the Directors to prepare financial statements for each financial year. Under Irish company law, the Directors have elected to prepare the financial statements in accordance with FRS102 "the Financial Reporting Standard applicable in the UK and the Republic of Ireland" and Irish company law.

Under Irish company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies for the Company financial statements and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company has established a USD 25,000,000,000 Secured Note Issuance Programme (the 'Programme') to issue notes (the 'Notes'). Notes will be issued in Series (each a 'Series') and the terms and conditions of the Notes of each Series will be set out in a Supplemental Programme Memorandum for such Series (each a 'Supplemental Programme Memorandum'). The notes of the Company are listed on the Irish Stock Exchange with the exception of one note which is listed on the Luxembourg Stock Exchange.

Each Series of Notes will be secured as set out in the terms and conditions of the Notes including being secured by a first fixed charge over certain charged assets (the 'Collateral') as set out in the relevant Supplemental Programme Memorandum and a first fixed charge over funds held by the Agents under the Agency Agreement (each as defined in the terms and conditions of the Notes). Each Series may also be secured by an assignment of the Company's rights under a Swap Agreement and/or Option Agreement and/or Credit Support Document (each as defined in the terms and conditions of the Notes) and any additional security as may be described in the relevant Supplemental Programme Memorandum (together the 'Mortgaged Property'). Alternative investments will be secured in the manner set out above in relation to Notes or in such other manner as may be set out in the relevant Supplemental Programme Memorandum. The Company is a limited recourse vehicle and the repayment of the Notes is dependent upon the performance of the underlying collateral. All substantial risks and rewards associated with the investment securities are ultimately borne by the noteholders. Therefore any change in risk variables would not affect the equity or the results of the Company.

At 31 December 2016, the fair value of the Company's total debt securities issued was EUR 4,877,927,507 (2015: EUR 3,071,824,100).

New series issued during the financial year ended 31 December 2016 are recorded in the table below (2015: nil);

NOTES ISSUANCE	DATE	CURRENCY	SERIES NUMBER	AMOUNT
SERIES ISSUE	Mar-16	USD	2016-01	1,000,000,000
SERIES ISSUE	Jul-16	USD	2016-02	1,000,000,000

For detailed information on debt securities in issuance at the financial year end 2016 please refer to note 11.

There were the following maturities, redemptions during the financial year;

MATURITY/REDEMPTION	DATE	CURRENCY	SERIES NUMBER	AMOUNT
Redemption	Sep-16	USD	2005-072	25,000,000
Matured	Jun-16	EUR	2006-009	19,500,000
Matured	Dec-16	USD	2006-013	10,000,000
Matured	Dec-16	EUR	2006-018	20,700,000

CLOVERIE PUBLIC LIMITED COMPANY

DIRECTORS' REPORT (CONTINUED)

The Directors currently do not have intention to change the activity of the Company going forward and are looking for further opportunities for the issuance of new series.

RESULTS AND DIVIDENDS FOR THE FINANCIAL YEAR

The results for the financial year are set out in the Statement of Comprehensive Income on page 9. The Directors do not recommend the payment of a dividend (2015: nil).

KEY PERFORMANCE INDICATORS

New Issuances, redemptions and maturities which occurred during the financial year are detailed in the tables included in the 'Principal Activities, Business Review and Future Developments' section of this report. The Company issued two new series of notes during the financial year, series 2016-001 USD 1,000,000,000 fixed to floating interest rate notes due 2046 and series 2016-002 USD 1,000,000,000 perpetual deferrable notes, on 24 March 2016 and 20 July 2016 respectively (2015: nil). Series 2005-072 EUR 25,000,000 Variable Rate Notes due 2025 were repurchased and cancelled as approved at a Board meeting held on 27 September 2016.

Credit events have occurred in respect of various entities, some or all of which are included in the reference portfolio underlying one or more Series. The impact of the credit events have been incorporated in the fair values of the transactions at year end or in the redemption amounts. The calculation agent, Citibank Agency and Trust has determined that these credit events had no residual impact on the reported nominal values of the Series remaining at year end, outlined in Note 11.

During the current financial year there was a fair value loss on the investment securities of EUR 24,014,675 (2015: gain of EUR 67,871,661), a fair value gain on the derivatives of EUR 8,356,220 (2015: loss of EUR 7,807,568) and a corresponding fair value gain on the debt securities of EUR 15,658,455 (2015: loss of EUR 60,064,093).

At 31 December 2016, the fair value of the Company's total debt securities held was EUR 4,877,927,507 (2015: EUR 3,071,824,156).

At 31 December 2016, the Company's total investment securities held was EUR 4,887,998,767 (2015: EUR 3,098,714,219).

ACCOUNTING RECORDS

The measures that the Directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records include the appointing of an Administrator, Capita International Financial Services (Ireland) Limited, which has accounting personnel with the appropriate expertise. The Company's accounting records are maintained at the Company's registered office at 2 Grand Canal Square, Grand Canal Harbour, Dublin D02 A342.

INDEPENDENT AUDITOR

Deloitte, Chartered Accountants and Statutory Audit Firm, were engaged by the Company from inception to the current financial year ended 31 December 2016, in accordance with Section 383(2) of the Companies Act 2014.

In accordance with the European Audit Reform Regulation No. 537/2014 and statutory instrument 312/2016, the Company will appoint a new statutory independent auditor for the financial year ended 31 December 2017, in accordance with Section 382(2) of the Companies Act 2014.

EVENTS AFTER THE END OF THE REPORTING PERIOD

Events after the reporting period are disclosed in Note 19 to the financial statements.

GOING CONCERN

The Directors believe the Company is a going concern for the following reasons. The Company has funds to meet its obligations as they fall due for the foreseeable future. Additionally the limited recourse nature of the series in issue combined with the fact that a number of the series in issue have scheduled maturities dates for well into the future, supports the going concern assumption.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks to the business relate to the use of financial instruments. A summary of these risks is set out in Note 17 to the financial statements.

DIRECTORS, SECRETARY AND THEIR INTERESTS

The Directors and secretary who held office at any time during the financial year ended 31 December 2016 are listed on page 2.

The Directors and secretary who held office on 31 December 2016 did not hold any shares in the Company at that date or at any time during the financial year.

On 14 October 2016, Adrian Masterson resigned as the Company Secretary and was replaced on the same day by Capita International Financial Services (Ireland) Limited.

CORPORATE ADMINISTRATOR

Capita International Financial Services (Ireland) Limited ('Capita IFS'), the Corporate Administrator, provides administrative services to the Company at arm's length commercial rates.

CLOVERIE PUBLIC LIMITED COMPANY

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE STATEMENT

Introduction

The Company is subject to and complies with the Companies Act 2014 and the listing rules of the Irish and Luxembourg stock exchanges, which are applicable to the debt listed companies.

Annual Corporate Governance Statement

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

Appointment and replacement of directors and Amendments in the Articles of Association

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association and the Companies Acts 2014. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction of the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

Financial Reporting Process

The Board of Directors ('the Board') is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Capita International Financial Services Limited, to maintain the accounting records of the Company independently of the Arranger and the Custodian. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger and the Custodian. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring that they are satisfied that there are processes in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Transfer of shares

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

CLOVERIE PUBLIC LIMITED COMPANY

DIRECTORS' REPORT (CONTINUED)

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

Capital Structure

No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Acts 2014 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the operations performed by the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Audit Committee

The Company has not established an audit committee under section 167 of the Companies Act 2014. The sole business of the Company relates to the issuing of asset-backed securities. It also enters into certain derivatives to hedge out interest rate exposure arising on investment securities and debt securities issued mismatches. Under Regulation 91(9)(d) of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulation 2010 ("the Regulations"), which were published by the Irish Minister for Enterprise, Trade and Innovation on 25 May 2010, such a Company may avail itself of an exemption from the requirement to establish an audit committee.

Given the functions performed by the Administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly the Company has availed itself of the exemption under Regulation 91(9)(d) of the Regulations.

Directors' Compliance Statement and related statement

In accordance with section 225 of the Companies Act 2014, the Directors;

- (a) acknowledge that they are responsible for securing the Company's compliance with its relevant obligations and
- (b) with respect to each of the matters outlined in subsection (3) of section 225, confirm that these items have been completed, namely;

- 1) Drafted and approved a Compliance Policy Statement, setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations
- 2) Put in place appropriate arrangements and structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations; and
- 3) Have conducted a review of the aforementioned arrangements and structures

Statement on relevant audit information


Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- (i) so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- (ii) he or she has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information, and to establish that the company's auditors are aware of that information.

On behalf of the Board

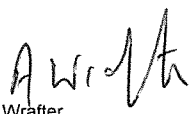
Adrian Masterson
Director

Date:


11 August 2017

Adrian Wrafter
Director

Date:


11 August 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLOVERIE PUBLIC LIMITED COMPANY

We have audited the financial statements of Cloverie Public Limited Company for the financial year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cashflow Statement and the related notes 1 to 21. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company'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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2016 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' report is consistent with the financial statements and, based on the work undertaken in the course of the audit, the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the financial reporting process is consistent with the financial statements, and has been prepared in accordance with section 1373 Companies Act 2014. Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
CLOVERIE PUBLIC LIMITED COMPANY**

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Brian O'Callaghan
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 11/8/17

CLOVERIE PUBLIC LIMITED COMPANY

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2016

	Note	31 December 2016 EUR	31 December 2015 EUR
Interest income and similar income	3	220,993,260	160,033,176
Interest expense and similar charges	4	(220,990,260)	(160,033,176)
Fair value (loss)/gain on investment securities	7	(24,014,675)	67,871,661
Fair value gain/(loss) on debt securities	11	15,658,455	(60,064,093)
Fair value gain/(loss) on derivatives	8	<u>8,356,220</u>	<u>(7,807,568)</u>
OPERATING INCOME - CONTINUING OPERATIONS		<u>3,000</u>	<u>-</u>
Operating expenses	5	<u>-</u>	<u>-</u>
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>3,000</u>	<u>-</u>
Tax on profit on ordinary activities	6	<u>(750)</u>	<u>-</u>
RESULT FOR THE FINANCIAL YEAR		<u>2,250</u>	<u>-</u>

All items dealt with in arriving at the result for the financial year ended 31 December 2016 related to continuing operations.

The Company has no recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income.

The notes to the financial statements from pages 13 - 25 form an integral part of these financial statements.

CLOVERIE PUBLIC LIMITED COMPANY


STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Note	31 December 2016 EUR	31 December 2015 EUR
ASSETS			
NON CURRENT ASSETS			
Investment securities designated at fair value through profit and loss	7	4,629,554,241	3,046,237,134
Derivative assets designated at fair value through profit and loss	8	1,813,152	6,350,816
TOTAL NON CURRENT ASSETS		4,631,367,393	3,052,587,950
CURRENT ASSETS			
Investment securities designated at fair value through profit and loss	7	258,444,526	52,477,085
Derivative assets	8	119,210	205,497
Debtors	9	103,536,635	42,149,742
Cash		1,456,564	1,420,234
TOTAL CURRENT ASSETS		363,556,935	96,252,558
TOTAL ASSETS		4,994,924,328	3,148,840,508
EQUITY AND LIABILITIES			
EQUITY			
Called up share capital - presented as equity	12	40,000	40,000
Retained earnings		100,150	97,900
TOTAL EQUITY		140,150	137,900
NON CURRENT LIABILITIES			
Debt securities designated at fair value through profit and loss	11	4,624,707,937	2,774,214,361
Derivative liabilities designated at fair value through profit and loss	8	6,659,456	32,557,094
TOTAL NON CURRENT LIABILITIES		4,631,367,393	2,806,771,455
CURRENT LIABILITIES			
Debt securities designated at fair value through profit and loss	11	253,219,570	297,609,795
Derivative liabilities	8	5,344,167	889,282
Other payables	10	104,853,048	43,432,076
TOTAL CURRENT LIABILITIES		363,416,785	341,931,153
TOTAL LIABILITIES		4,994,784,178	3,148,702,608
TOTAL EQUITY AND LIABILITIES		4,994,924,328	3,148,840,508

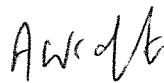
The notes to the financial statements from pages 13 - 25 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 11 August 2017 and signed on its behalf by:

Adrian Masterson
Director
Date:


11 August 2017

Adrian Wrafter
Director
Date:


11 August 2017

CLOVERIE PUBLIC LIMITED COMPANY

STATEMENT OF CHANGES IN EQUITY
as at 31 December 2016

	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2016	40,000	97,900	137,900
Result for the financial year	-	2,250	2,250
Balance at 31 December 2016	<u>40,000</u>	<u>100,150</u>	<u>140,150</u>

	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2015	40,000	97,900	137,900
Result for the financial year	-	-	-
Balance at 31 December 2015	<u>40,000</u>	<u>97,900</u>	<u>137,900</u>

CLOVERIE PUBLIC LIMITED COMPANY

CASHFLOW STATEMENT

for the financial year ended 31 December 2016

	Note	31 December 2016 EUR	31 December 2015 EUR
NET CASH RECEIVED/(PAID) FROM OPERATING ACTIVITIES	15	<u>(96,849)</u>	<u>2,578,467</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	7	(1,897,353,192)	-
Redemption of investment securities	7	84,053,969	212,625,954
Interest received		<u>159,604,548</u>	<u>158,488,113</u>
NET CASH (INFLOW)/OUTFLOW FROM INVESTING ACTIVITIES		<u>(1,653,694,675)</u>	<u>371,114,067</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of debt securities	11	1,897,353,192	-
Redemption of debt securities	11	(75,591,386)	(185,752,105)
Net settlement of derivatives	8	(8,462,582)	(26,873,849)
Interest paid		<u>(159,471,370)</u>	<u>(161,766,806)</u>
NET CASH OUTFLOW/(INFLOW) IN FINANCING ACTIVITIES		<u>1,653,827,854</u>	<u>(374,392,760)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		36,330	(700,226)
CASH AT BEGINNING OF FINANCIAL YEAR		<u>1,420,234</u>	<u>2,120,460</u>
CASH AT END OF FINANCIAL YEAR		<u><u>1,456,564</u></u>	<u><u>1,420,234</u></u>
RECONCILIATION OF NET CASH FLOW TO NET DEBT			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		36,330	(700,226)
(Increase) / Decrease in total debt	14	(1,806,103,351)	125,688,012
NET DEBT AT BEGINNING OF FINANCIAL YEAR	14	<u>(3,070,403,922)</u>	<u>(3,195,391,708)</u>
NET DEBT AT END OF FINANCIAL YEAR		<u><u>(4,876,470,943)</u></u>	<u><u>(3,070,403,922)</u></u>

The notes to the financial statements from pages 13 - 25 form an intergal part of these financial statements.

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

CORPORATE INFORMATION

Cloverie Public Limited Company is a limited liability company incorporated under the laws of Ireland with company number 374618. The Company was incorporated on 13 August 2003 and is domiciled in the Republic of Ireland.

The Company is a special purpose company that has been established to issue debt securities under a USD 25,000,000,000 Secured Note Issuance Programme.

The Company has no direct employees. (2015:NIL)

At 31 December 2016, 15 series of notes were in issue, of which 14 series are listed on the main market of the Irish Stock Exchange and 1 on the Luxembourg Stock Exchange.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and accounting convention

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention except for assets and liabilities stated at fair value as explained below. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *"The Financial Reporting Standard applicable in the UK and the Republic of Ireland"* ("FRS 102") as issued by the Financial Reporting Council in August 2014 but with the early application of the amendment to FRS 102 made in March 2016 in relation to fair value hierarchy disclosures. The first application of FRS 102 to the Company financial statements was for the financial year ended 31 December 2015.

Based upon the Company's financial position, the directors are satisfied that the going concern basis of accounting is appropriate.

Due to the nature of the Company's business and the type of transactions the Company is engaged in, the Directors have adapted the Profit and Loss Account format to suit the circumstances of the business in accordance with Section 291(4) of the Companies Act 2014. The format and certain wording of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business. In the opinion of the Directors, the financial statements with the noted changes provide the information required by the Companies Act 2014.

(b) Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of IAS 39 Financial Instruments: Recognition and Measurement to its financial instruments that fall in scope of Sections 11 (Basic Financial Instruments) and 12 (Other Financial Instruments) of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by that latter standard.

The majority of the Company's financial instruments are classified in categories that require measurement at fair value through profit or loss, with basis for arriving at this position being set out below.

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value through the profit or loss:

- derivative financial instruments;
- investment securities designated as at fair value through profit or loss; and
- debt securities issued designated as at fair value through profit or loss.

(c) Functional and presentation currency

These financial statements are presented in Euro ("€"), which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which the entity operates. The issued share capital of the Company is denominated in Euro and the debt securities issued are also primarily denominated in Euro. The Directors of the Company believe that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions undertaken by the Company.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Use of estimates and judgements (continued)

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

Information in relation to significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 17(a).

Key sources of estimation uncertainty: Fair value of financial instruments

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy (e) "Financial Instruments". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgments in applying the Company's accounting policies

The Company's accounting policy on fair value measurements is discussed under Note (e) "Financial Instruments". The key accounting judgements relate to:

- The designation of financial assets and liabilities at fair value
- The choice of valuation methodology for these instruments

(e) Financial instruments

The financial instruments held by the Company include the following:

- Investment securities
- Derivative financial instruments
- Debt securities issued

Classification and measurement

Financial assets and liabilities are classified as financial assets and liabilities at fair value through profit or loss ('FVTPL'). The classification depends on the nature and purpose of the financial instruments and is determined at the time of initial recognition.

Financial assets and liabilities at FVTPL

The Company classifies its investments in debt and equity securities, issuance of debt securities and derivatives as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are either held for trading or designated by the directors at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future. All derivatives are also included in this category.

Designation

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis. Information about these financial assets and liabilities are evaluated by the directors on a fair value basis together with other relevant financial information.

Derivatives

Derivatives held for risk management purposes include all derivative assets and liabilities that are categorised as financial assets and liabilities held for trading, as the Company does not designate any derivatives as hedges for hedge accounting purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value, with changes in the fair value recognised immediately in the Profit and Loss Account.

Recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From the trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Profit and Loss Account.

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Financial instruments - continued

Subsequent Measurement

The fair value of investment securities at fair value through profit or loss, traded in an active market is based on quoted current bid prices at the balance sheet date. Such prices are obtained from the Bloomberg system. In situations where there is no active market, fair values have been estimated by the directors. The Directors estimates are based on prices obtained from the arranging investment bank. The valuation determined by the arranging investment bank may be based on assumptions of market conditions at the time of valuation, similar arms-length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow technique, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Derivatives are valued at fair value which has been estimated by management in the absence of readily determinable market prices. Management's estimates are based on values obtained from the swap counterparty, Citibank Plc. The valuation determined by the swap counterparty is based on assumptions of market conditions at the time of valuation, similar arms-length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices which may be obtained in actual market transactions. If other independent prices were available for the derivative instruments, they may be different to those presented and those differences could be material.

All derivatives are carried as assets when the fair value is positive and as liabilities when fair value is negative.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(f) Foreign currency transaction

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currency are retranslated at the rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary items that are denominated in foreign currencies are recognised in profit or loss in the year. Foreign exchange gains and losses on financial assets and financial liabilities are included in the net foreign exchange gain/(loss).

(g) Operating income and expenses

Other income and expenses are accounted for on an accruals basis.

(h) Taxation

The Company meets the criteria for a "Section 110 vehicle" under the Taxes Consolidation Act, 1997 and is therefore subject to a special tax regime which potentially allows the Company to be tax neutral. Corporation tax is payable on profits at current rates applicable to the Company's activities.

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Cash at bank

Cash at bank includes cash in hand and deposit repayable without notice and without penalty. Cash at bank is carried at amortised cost in the balance sheet.

(j) Interest income and interest expense

Interest income and interest expense on all financial instruments is recognised on an accrual basis, by reference to the principal outstanding and the effective interest rate applicable.

(k) Fair value gain/(loss) from investment securities designated as at fair value through profit or loss

Net gain/(loss) from investment securities designated as at fair value through profit or loss, relates to investments in bonds, receivables under total return swaps and asset backed securities and includes realised and unrealised fair value movements including foreign exchange differences.

(l) Fair value gain/(loss) from derivatives

Net gain/(loss) from derivatives relates to the fair value movements on swaps held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

(m) Fair value gain/(loss) on debt securities issued designated as at fair value through profit or loss

Net gain/(loss) on debt securities issued, designated as at fair value through profit or loss relates to debt securities issued includes realised and unrealised fair value changes and foreign exchange differences.

(n) Limited recourse and payable to Noteholders

The Company's obligation to the noteholders in relation to a particular Series is limited to the net proceeds upon realisation of the collateral of that Series after settlement on any derivatives.

Should the net proceeds be insufficient to make all payments due in respect of a particular Series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Debt Security Holders, the Swap Counterparty (where applicable) according to the established priorities.

Further details of financial risk management are included in note 17 to the financial statements.

3 INTEREST INCOME AND SIMILAR INCOME

	2016 EUR	2015 EUR
Interest income on investment securities and swaps	220,855,280	159,960,568
Other income received	137,980	72,608
	<u>220,993,260</u>	<u>160,033,176</u>

4 INTEREST EXPENSE AND SIMILAR CHARGES

	2016 EUR	2015 EUR
Interest expense on debt securities	(220,855,280)	(159,960,568)
Administration expenses	(134,980)	(72,608)
	<u>(220,990,260)</u>	<u>(160,033,176)</u>

5 OPERATING EXPENSES

All other operating expenses including auditor's remuneration and directors' remuneration are borne by Citibank Agency & Trust as Arranger to the Company.

The Company had no employees during the financial year (2015: Nil).

Auditors' remuneration in respect of the financial year is as follows:

	2016 EUR	2015 EUR
Statutory audit fees	35,000	35,000
Tax advisory fees	4,000	4,000
Other assurance services	-	-
Other non audit services	-	-
	<u>39,000</u>	<u>39,000</u>

Auditors' remuneration for work carried out relate to fees payable to Deloitte as statutory auditors. Fees are exclusive of VAT and include expenses.

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

5 OPERATING EXPENSES (CONTINUED)

	2016 EUR	2015 EUR
Directors emoluments	51,500	42,250
	<u>51,500</u>	<u>42,250</u>

The Directors received no contributions towards a pension scheme and do not hold any shares or share options during the year or in prior years.

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax has been calculated based on the results for the financial year at a rate of 25%. The Company had taxable profits of EUR 3,000 for the financial year (2015: nil) and a corporation tax charge of EUR 750 (2015: nil)

7 INVESTMENT SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

	2016 EUR	2015 EUR
At the beginning of the financial year	3,098,714,219	3,243,468,512
Additions during the financial year	1,897,353,192	-
Redemptions during the financial year	(84,053,969)	(212,625,954)
Fair value (loss)/gain on investment securities	(24,014,675)	67,871,661
Fair value at the end of the financial year	<u>4,887,998,767</u>	<u>3,098,714,219</u>
<i>Maturity analysis of investment securities</i>		
Within 1 financial year	258,444,526	52,477,085
Greater than 1 financial year	4,629,554,241	3,046,237,134
	<u>4,887,998,767</u>	<u>3,098,714,219</u>

All fair value gains on assets are primarily attributable to market risk.

Redemptions during the financial year represents maturities in respect to series 2006-009, 2006-013, 2006-018 and the unwind of series 2005-072 with an original maturity date of December 2025.

MATURITY/REDEMPTION	DATE	CURRENCY	SERIES NUMBER	NOMINAL AMOUNT
Redemption	Sep-16	USD	2005-072	27,940,000
Matured	Jun-16	EUR	2006-009	19,500,000
Matured	Dec-16	USD	2006-013	10,000,000
Matured	Feb-16	EUR	2006-018	3,346,000
Matured	Dec-16	EUR	2006-018	20,700,000

The carrying value of the assets represents their maximum exposure to market risk. The risk is eventually transferred to the noteholders through the individual terms of each series.

The financial assets are held as collateral for each series of debt securities issued by the Company as per note 11 (debt securities designated at fair value through profit and loss). Refer to note 17 on financial risk management, for a detailed description of associated risks.

8 DERIVATIVES

	2016 EUR	2015 EUR
At the beginning of the financial year	(26,890,063)	(45,956,343)
Additions during the financial year	-	-
Redemptions during the financial year	8,462,582	26,873,848
Fair value gain/(loss) on investment securities	8,356,220	(7,807,568)
Fair value at the end of the financial year	<u>(10,071,261)</u>	<u>(26,890,063)</u>
Fair value of interest rate swap	35,748,969	22,422,039
Fair value of credit default swap	(45,820,230)	(49,312,102)
Fair value at the end of the financial year	<u>(10,071,261)</u>	<u>(26,890,063)</u>
<i>Maturity analysis of the derivatives</i>		
Within 1 financial year	(5,224,957)	(683,784)
Greater than 1 financial year	(4,846,304)	(26,206,279)
	<u>(10,071,261)</u>	<u>(26,890,063)</u>

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 DERIVATIVES (CONTINUED)

The derivatives at fair value are comprised of the following derivative assets and derivative liabilities as per Note 17.

	2016	2015
	EUR	EUR
Derivative assets - current	119,210	205,497
Derivative assets - non current	1,813,152	6,350,816
Derivative liabilities - current	(5,344,167)	(889,282)
Derivative liabilities - non current	(6,659,456)	(32,557,094)
	<u>(10,071,261)</u>	<u>(26,890,063)</u>

Interest Swap

Under the Interest Swap, any difference between the interest rate from interest expense on debt securities issued and interest income from investment securities will be borne by the swap counterparty.

Credit Default Swap

A number of Series issued by the Company include a Credit Default Swap Agreement with Citibank. In exchange for the receipt of premium income for the relevant Series, the Company has sold credit protection on a number of reference entities (the 'Reference Obligations').

In the event of an issuance of a credit event notice with respect to the Reference Portfolio, the Company will pay an amount as defined in the Credit Default Swap Agreements from the assets of that series to which the Credit Default Swap Agreement relates. The aggregate liability of the Company under the Credit Default Swap Agreements for individual Series shall not exceed the aggregate of the eligible investment securities for those Series.

9 DEBTORS

	2016	2015
	EUR	EUR
Interest receivable	103,055,290	41,804,558
Corporation tax receivable	-	750
Other receivables	6,500	2,767
Amounts due from swap counterparty	474,845	341,667
	<u>103,536,635</u>	<u>42,149,742</u>

10 OTHER PAYABLES

	2016	2015
	EUR	EUR
Other payables	(13,214)	-
Note Accrued Interest Payable	(103,530,133)	(42,146,223)
Amounts due to swap counterparty	(1,309,701)	(1,285,853)
	<u>(104,853,048)</u>	<u>(43,432,076)</u>

11 DEBT SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

	2016	2015
	EUR	EUR
At the beginning of the financial year	3,071,824,156	3,197,512,168
Additions during the financial year	1,897,353,192	-
Redemptions during the financial year	(75,591,386)	(185,752,105)
Fair value (gain)/loss on debt securities	(15,658,455)	60,064,093
Fair value at the end of the financial year	<u>4,877,927,507</u>	<u>3,071,824,156</u>

Maturity analysis of the securities

Within 1 financial year	253,219,570	297,609,795
Greater than 1 financial year	4,624,707,937	2,774,214,361
	<u>4,877,927,507</u>	<u>3,071,824,156</u>

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 DEBT SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS (CONTINUED)

The Notes in issue are listed on the Irish Stock Exchange with the exception of one note which is listed on the Luxembourg Stock Exchange. The Notes are direct, secured, limited recourse obligations of the Company payable solely out of the assets charged by the Company in favour of the Trustee on behalf of the noteholders.

The Notes held at financial year end are as follows:

SERIES	ISIN	MATURITY	RATE	Currency	Nominal
Series 2005-84	XS0235680807	2037	Variable	EUR	100,000,000
Series 2006-12	XS0271976390	2027	Variable	USD	10,000,000
Series 2007-27	XS0293944749	2017	Fixed 1.25 + 3Mth JPY Libor	JPY	271,118,221
Series 2007-43	XS0307226125	2017	Variable	EUR	50,000,000
Series 2007-44	XS0307226471	2017	Fixed 0.58 + 3Mth Euribor	EUR	100,000,000
Series 2007-52	XS0329612237	2029	Variable	USD	10,000,000
Series 2007-53	XS0332142511	2033	Variable	CLP	7,597,500,000
Series 2009-02	XS0442190855	2039	Fixed to Float	EUR	425,000,000
Series 2012-01	XS0733071632	2099	Fixed	USD	500,000,000
Series 2012-02	XS0802738434	2042	Fixed	EUR	500,000,000
Series 2012-06	XS0945077310	2017	Fixed	USD	19,500,000
Series 2012-06	XS0865552128	2017	Fixed	USD	92,563,536
Series 2014-01	XS1109950755	2024	Fixed	EUR	500,000,000
Series 2014-02	XS1108784510	2044	Fixed	USD	500,000,000
Series 2016-01	XS1385999492	2046	Fixed 5.625 to Float	USD	1,000,000,000
Series 2016-02	XS1449950663	2099	Fixed 4.75	USD	1,000,000,000

The Notes issued in respect of each Series are secured by way of mortgages over the collateral pledged by the respective series, and by an assignment of a fixed first charge of the Company's rights, title and interest under the respective swap agreement for each Series.

12 CALLED UP SHARE CAPITAL - PRESENTED AS EQUITY

	2016 EUR	2015 EUR
Authorised		
40,000 Ordinary shares of €1 each	40,000	40,000
Issued and called-up		
40,000 Ordinary shares of €1 each	40,000	40,000

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2016 EUR	2015 EUR
Shareholders' funds at the beginning of the financial year	137,900	137,900
Profit for the financial year	2,250	-
Shareholders' funds at the end of the financial year	140,150	137,900

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 ANALYSIS OF CHANGES IN DEBT

For the financial year ending 31 December 2016:

	At beginning of the financial year	Movements	Fair value gain/(loss)	At end of the financial year
Cash	1,420,234	36,330	-	1,456,564
Debt securities issued designated at fair value through profit and loss	(3,071,824,156)	(1,821,761,806)	15,658,455	(4,877,927,507)
	<u>(3,070,403,922)</u>	<u>(1,821,725,476)</u>	<u>15,658,455</u>	<u>(4,876,470,943)</u>

For the financial year ending 31 December 2015:

	At beginning of the financial year	Movements	Fair value gain/(loss)	At end of the financial year
Cash	2,120,460	(700,226)	-	1,420,234
Debt securities issued designated at fair value through profit and loss	(3,197,512,168)	185,752,105	(60,064,093)	(3,071,824,156)
	<u>(3,195,391,708)</u>	<u>185,051,879</u>	<u>(60,064,093)</u>	<u>(3,070,403,922)</u>

15 NET CASH RECEIVED FROM OPERATING ACTIVITIES

	2016 EUR	2015 EUR
Operating profit before tax	3,000	-
Decrease/(increase) in debtors	(136,161)	3,275,175
(Decrease)/increase in payables	37,062	(696,708)
Add back interest expense	220,855,280	159,960,568
Add back interest Income	(220,855,280)	(159,960,568)
Fair value (gain) on investment securities	24,014,675	(67,871,661)
Fair value loss on debt securities	(15,658,455)	60,064,093
Fair value (gain) on derivatives	(8,356,220)	7,807,568
CT Paid	(750)	-
	<u>(96,849)</u>	<u>2,578,467</u>

16 CHARGES

The Notes issued in respect of each Series are secured by way of mortgages over the Collateral pledged by the respective series, and by an assignment of a fixed first charge of the Company's rights, title and interest under the respective swap agreement for each Series.

17 FINANCIAL RISK MANAGEMENT

(a) Fair value of financial instruments

Fair Value Measurement Principles

The fair value of investment securities at fair value through profit or loss, traded in an active market is based on the quoted current bid prices at the balance sheet date. Such prices are obtained from the Bloomberg system. In situations where there is no active market, fair values have been estimated by management. Management's estimates are based on prices obtained from the arranging investment bank. The valuation determined by the arranging investment bank may be based on assumptions of market conditions at the time of valuation, similar arms-length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow technique, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Derivatives

Derivatives are valued at fair value which has been estimated by management in the absence of readily determinable market prices. Management's estimates are based on values obtained from the swap counterparty, Citibank Plc. The valuation determined by the swap counterparty may be based on assumptions of market conditions at the time of valuation, similar arms-length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 FINANCIAL RISK MANAGEMENT - continued

(a) Fair value of financial instruments - continued

The fair value of financial instruments carried at fair value is determined according to the following hierarchy:

(i) Level 1: Instruments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. Quoted prices for these instruments are not adjusted.

(ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and over-the-counter derivatives. As level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(iii) Level 3: Instruments classified within level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable and include situations where there is little, if any, market activity. As observable prices are not available for these instruments, the Company has used valuation techniques to derive the fair value, if applicable.

31 December 2016	Quoted price in active market	Valuation technique observable parameters	Valuation technique un-observable parameters	Total fair value
	Level 1 EUR	Level 2 EUR	Level 3 EUR	EUR
Investments				
Investment securities	-	4,887,998,767	-	4,887,998,767
Swap Assets				
CDS	-	-	112,614	112,614
IRS	-	35,997,250	-	35,997,250
	-	35,997,250	112,614	36,109,864
Swap Liabilities				
CDS	-	-	(45,932,844)	(45,932,844)
IRS	-	(248,281)	-	(248,281)
	-	(248,281)	(45,932,844)	(46,181,125)
Debts Securities Issued				
Notes	-	-	(4,877,927,507)	(4,877,927,507)
31 December 2015	Quoted price in active market	Valuation technique observable parameters	Valuation technique un-observable parameters	Total fair value
	Level 1 EUR	Level 2 EUR	Level 3 EUR	EUR
Investments				
Investment securities	-	3,098,714,219	-	3,098,714,219
Swap Assets				
CDS	-	-	205,497	205,497
IRS	-	35,616,396	-	35,616,396
	-	35,616,396	205,497	35,821,893
Swap Liabilities				
CDS	-	-	(49,517,599)	(49,517,599)
IRS	-	(13,194,357)	-	(13,194,357)
	-	(13,194,357)	(49,517,599)	(62,711,956)
Debts Securities Issued				
Notes	-	-	(3,071,824,156)	(3,071,824,156)

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Fair value of financial instruments (continued)

Level 3	CDS	Debt	CDS	Debt
	Derivatives	Securities	Derivatives	Securities
	2016	Issued	2015	Issued
	EUR	EUR	EUR	EUR
Balance at beginning of financial year	(49,312,102)	(3,071,824,156)	(12,587,790)	(3,197,512,168)
Issued during the financial year	-	(1,897,353,192)	-	-
Redemptions during the financial year	665,977	75,591,386	26,431,086	185,752,105
Fair value movement	2,825,895	15,658,455	(63,155,398)	(60,064,093)
	<u>(45,820,230)</u>	<u>(4,877,927,507)</u>	<u>(49,312,102)</u>	<u>(3,071,824,156)</u>

(b) Capital risk management

The Company's overall strategy remains unchanged from previous years.

The capital structure of the Company consists of debt, which includes the Notes payable disclosed in Note 11, and equity comprising issued capital and as disclosed in Note 12.

The Company is not subject to any capital requirements, other than its share capital.

(c) Risk management

The Company is exposed to a variety of financial risks as a result of its activities. These risks include credit risk, market risk (including currency risk, interest rate risk and price risk), and liquidity risk.

The Company has attempted to match the properties of its financial liabilities to its assets, to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk.

The risk profile of the Company is such that market, credit, liquidity and other risks of the investment securities are borne fully by the holders of Notes issued. The Notes issued are initially recorded at the value of the net proceeds received and are carried as financial liabilities at fair value through profit or loss. The ultimate amount to be repaid to the noteholders will depend on the proceeds from the related collateral. All substantial risks and rewards associated with the investment securities and derivative transactions are ultimately borne by the noteholders. Therefore any change in risk variables would not affect the equity or the results of the Company.

There is a detailed analysis of each risk type outlined below.

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the noteholders. The following table details the aggregate investment grade of the collateral in the investment portfolio, as rated by well known rating agency (Moody's in the cases below). In case the Moody's ratings were not available, equivalent ratings from other agencies are used.

RATING	Collateral	
	2016	2015
A1	10.82%	0.00%
A2	70.17%	0.00%
A3	10.13%	0.00%
Aa2	3.06%	14.74%
Baa1	0.16%	9.03%
Baa3	0.33%	1.54%
No ratings	5.33%	74.69%

For those investments not rated, the arranging investment bank monitors the risk of default throughout the individual trading desks.

Investments are clearly disclosed at the time of issue of each series and normally they cannot be substituted.

None of the collateral held is past due or impaired as at 31 December 2016.

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Credit risk (continued)

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk in respect of non-derivative assets at the reporting date was:

	2016 EUR	2015 EUR
Investment securities	4,887,998,767	3,098,714,219
Cash and cash equivalents	1,456,564	1,420,234
Other receivables	103,536,635	42,149,742
	<u>4,992,991,966</u>	<u>3,142,284,195</u>

Cash and cash equivalents

The Company's cash balances are held mainly with AIB Bank plc which is rated Baa3 by Moody's in 2016 (2015: Moody's Baa3) and Citibank which is rated A1 by Moody's in 2016 (2015: Moody's Baa1).

Other receivables

The Company's other receivables balances relates in interest receivable on the Company's collateral and interest receivable from swap counterparties.

With respect to derivative financial instruments (see Note 8) credit risk arises from the potential failure of counterparties to meet their obligations under the contracts or arrangements and may be significantly greater than amounts recognised as a liability/asset. The credit default swaps in place create an exposure for the noteholders of each series to a range of financial risks. Due to the large number of series in issue and the variety of the underlying series in issue and the variety of the underlying reference exposures in place, it has been deemed not practical to the present this in the financial statements. The financial exposure under each series is comprehensively documented in the relevant prospectus document.

The Notes issued in each Series have limited recourse to the assets in each particular Series. Any defaults in the financial assets and derivative instruments are borne by the noteholders. Any reduction in value of the investments related to credit risk will be borne by the noteholders. The noteholders are fully exposed to the credit risk of the financial assets and derivative instruments and any change in credit risk would not affect the equity or the results of the Company.

(e) Concentration risk

At the reporting date, the Company's investment securities at fair value through profit or loss were concentrated in the following asset types:

	2016 EUR	2016 %	2015 EUR	2015 %
Bond investment securities	4,254,347,191	87%	2,378,113,907	76%
Securities - Citigroup	34,509,522	1%	116,851,214	4%
Cash collateral	106,312,054	2%	-	0%
Loans	492,830,000	10%	603,749,098	20%
	<u>4,887,998,767</u>	<u>100%</u>	<u>3,098,714,219</u>	<u>100%</u>

The Company invested in bonds issued by Zurich Insurance Company Limited, Swiss Re Corporate Solutions Limited, Citi Group Funding Inc and Buoni del Tesoro Poliennali. Citibank also acts as custodian to the securities held by the Company. Additional services provided by Citibank to the Company include bank account services, trustee, paying agent, calculation agent and swap counterparty.

(f) Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments. The noteholders are exposed to the market risk of the assets portfolio, the interest rate swaps and credit default swaps.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The noteholders receive the principal and interest repayments in the currency stated on the debt securities issued.

The Company has attempted to match the properties of its financial liabilities to its assets, to avoid significant elements of risk generated by mismatches. The company also manages their exposure to currency risk through the use of derivatives.

The foreign currency exposure of debt securities and investment securities in equivalent Euro is presented below:

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

Currency risk (continued)

	2016 Assets (Investment Securities & Cash) EUR	2016 Liabilities (Debt Securities & Derivatives) EUR	2015 Assets (Investment Securities & Cash) EUR	2015 Liabilities (Debt Securities & Derivatives) EUR
Japanese Yen	2,452,929	2,430,972	2,306,069	1,630,160
US Dollar	2,948,355,851	2,947,659,175	1,134,621,847	1,115,587,093
Euro	1,938,534,391	1,937,908,621	1,963,094,798	1,954,606,903
Other	112,120	-	111,739	-
	<u>4,889,455,291</u>	<u>4,887,998,768</u>	<u>3,100,134,453</u>	<u>3,071,824,156</u>

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company enters into interest rate swaps to manage the interest rate risk of the various Series.

The following table provides an analysis of the interest rate profile of the Company's portfolio as at 31 December 2016 on a fair value basis:

2016	Fixed Rate	Floating Rate	Non Interest Bearing	Total
	EUR	EUR	EUR	EUR
Investment securities	4,576,140,024	311,858,743	-	4,887,998,767
Debt securities issued	<u>(4,480,845,816)</u>	<u>(253,219,570)</u>	<u>(143,862,121)</u>	<u>(4,877,927,507)</u>
Net exposure	<u>95,294,208</u>	<u>58,639,173</u>	<u>(143,862,121)</u>	<u>10,071,260</u>
2015	Fixed Rate	Floating Rate	Non Interest Bearing	Total
	EUR	EUR	EUR	EUR
Investment securities	2,739,347,687	326,371,897	32,994,635	3,098,714,219
Debt securities issued	<u>(2,633,838,338)</u>	<u>(264,409,663)</u>	<u>(173,576,155)</u>	<u>(3,071,824,156)</u>
Net exposure	<u>105,509,349</u>	<u>61,962,234</u>	<u>(140,581,520)</u>	<u>26,890,063</u>

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Company has attempted to match the properties of its financial liabilities to its assets, to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. Any residual risks of the Company are absorbed by the noteholders.

Any changes in the prices/exchange rates/interest rates, would not have any effect on the equity or profit or loss of the Company as any fair value/interest rate/foreign exchange rate fluctuation are ultimately borne by the noteholders.

CLOVERIE PUBLIC LIMITED COMPANY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

17 FINANCIAL RISK MANAGEMENT (CONTINUED)

(g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's obligations to the noteholders are directly secured and limited recourse with respect to the assets and cash flows of the Company. The Company tries to match the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations.

The following table details the Company's liquidity analysis for its financial liabilities. The table has been drawn up based on the net cash flows of the financial liabilities.

2016	< 3 Months	3 Months to 1 Year	1 - 5 Years	Over 5 Years	Total
	EUR	EUR	EUR	EUR	EUR
Debt securities	-	42,555,539	408,280,854	5,641,074,324	6,091,910,717
Other payables	-	104,853,048	-	-	104,853,048
Derivatives	-	(12,979,419)	(1,722,493)	(3,894,805)	(18,596,717)
	-	<u>134,429,168</u>	<u>406,558,361</u>	<u>5,637,179,519</u>	<u>6,178,167,048</u>
2015	< 3 Months	3 Months to 1 Year	1 - 5 Years	Over 5 Years	Total
	EUR	EUR	EUR	EUR	EUR
Debt securities	-	90,436,718	399,858,642	3,697,309,308	4,187,604,668
Other payables	-	43,432,076	-	-	43,432,076
Derivatives	-	24,398,819	39,328,683	3,279,885	67,007,387
	-	<u>158,267,613</u>	<u>439,187,325</u>	<u>3,700,589,193</u>	<u>4,298,044,131</u>

18 OWNERSHIP OF THE COMPANY

The principal shareholder of the Company is Sanne Trustee Services Limited, holding 39,994 shares in the Company. Sanne Nominees Limited, Sanne Nominees 2 Limited, Sanne Nominees 3 Limited, Sanne Nominees 4 Limited, Sanne Nominees 5 Limited, Sanne Group Nominees 1 (UK) and Sanne Trustee Services Limited hold one share each in the Company. The ultimate beneficial owner of the shares is Cloverie Charitable Trust.

19 EVENTS AFTER THE END OF THE REPORTING PERIOD

In respect to series 2012-16, the Company received notification of a credit event on 15 March 2017 confirming that on or about 18 January 2017, a failure to pay credit event occurred with respect to a reference obligation of a referenced entity under the credit derivative transaction entered into between the Company and Citibank, N.A., London Branch evidenced by a confirmation dated 14 December 2012. The relevant reference entity failed to make an installment payment when and where due (after the expiry of the deemed grace period) in accordance with the terms of the relevant reference obligation.

There were the following maturity events after the financial year end;

MATURITY	DATE	CURRENCY	SERIES NUMBER	AMOUNT
Matured	Mar-17	JPY	2007-027	300,000,000
Matured	Jun-17	EUR	2007-043	50,000,000
Matured	Jun-17	EUR	2007-044	100,000,000

There have been no other post balance sheet events.

20 RELATED PARTY TRANSACTIONS

Transactions with key management

The Director's Adrian Wrafter and Adrian Masterson were paid Director's fees of €51,500 in the current financial year (2015: €42,250). Adrian Masterson was the company secretary up to 14 October 2016 and did not receive a fee for his role as company secretary.

21 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised by the Board of Directors on

11 August 2017

**SCHEDULE 2 TO ISSUER DISCLOSURE ANNEX 5: ISSUER ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

Company Registration No: 374618

CLOVERIE PLC

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

CLOVERIE PLC

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CLOVERIE PLC

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

Adrian Masterson (Irish)
Adrian Wrafter (Irish)

COMPANY SECRETARY:

Adrian Masterson

ADMINISTRATOR:

Capita International Financial Services (Ireland) Limited
2 Grand Canal Square
Grand Canal Quay
Grand Canal Harbour
Dublin 2

REGISTERED OFFICE:

2 Grand Canal Square
Grand Canal Quay
Grand Canal Harbour
Dublin 2

BANK:

Citibank (London Branch)
5 Carmelite Street
London EC4Y 0PA
United Kingdom

Allied Irish Bank
Customer Treasury Services
Currency Account Services
Ashford House
Tara Street
Dublin 2

INDEPENDENT AUDITOR:

Deloitte
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

SOLICITORS:

A & L Goodbody
International Financial Services Centre
25 - 28 North Wall Quay
Dublin 1

TRUSTEE, PRINCIPAL PAYING AGENT, ARRANGER & CUSTODIAN:

Citibank Agency and Trust
Citibank N.A. 14th Floor
Citigroup Centre
Canada Square
Canary Wharf
London E14 56B
United Kingdom

IRISH LISTING AGENT:

Arthur Cox
Earlsfort Centre
Earlsfort Terrace
Dublin 2

CLOVERIE PLC

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Cloverie Plc ('the Company') for the financial year ended 31 December 2015.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with FRS102 "the Financial Reporting Standard applicable in the UK and the Republic of Ireland" and applicable law.

Under Irish law, the Directors shall not approve the financial statements unless they are satisfied that they give a true and fair view of the Company's assets, liabilities and financial position as at the end of the financial year and the profit or loss of the Company for the financial year.

In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent; and
- State whether the financial statements have been prepared in accordance with applicable accounting standards and identify the standards in question, subject to any material departures from those standards being disclosed and explained in the notes to the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the Company;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements and Directors' report comply with the Companies Act 2014 and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company has established a USD 25,000,000,000 Secured Note Issuance Programme (the 'Programme') to issue notes (the 'Notes'). Notes will be issued in Series (each a 'Series') and the terms and conditions of the Notes of each Series will be set out in a Supplemental Programme Memorandum for such Series (each a 'Supplemental Programme Memorandum'). The notes of the company are listed on the Irish Stock Exchange with the exception of one note which is listed on the Luxembourg Stock Exchange.

Each Series of Notes will be secured as set out in the terms and conditions of the Notes including being secured by a first fixed charge over certain charged assets (the 'Collateral') as set out in the relevant Supplemental Programme Memorandum and a first fixed charge over funds held by the Agents under the Agency Agreement (each as defined in the terms and conditions of the Notes). Each Series may also be secured by an assignment of the Company's rights under a Swap Agreement and/or Option Agreement and/or Credit Support Document (each as defined in the terms and conditions of the Notes) and any additional security as may be described in the relevant Supplemental Programme Memorandum (together the 'Mortgaged Property'). Alternative Investments will be secured in the manner set out above in relation to Notes or in such other manner as may be set out in the relevant Supplemental Programme Memorandum. The Company is a limited recourse vehicle and the repayment of the Notes is dependent upon the performance of the underlying collateral. All substantial risks and rewards associated with the investment securities are ultimately borne by the noteholders. Therefore any change in risk variables would not affect the equity or the results of the Company.

At 31 December 2015, the fair value of the Company's total debt securities issued was EUR 3,071,824,156 (2014: EUR 3,197,512,168). The Company did not issue any notes during the year. (2014: Two new series issued). For detailed information on debt securities in issuance at the financial year end please refer to Note 11.

There were the following maturities, redemptions and credit events during the financial year:

Maturities and Redemptions in 2015

Matured	Apr-15	EUR	2010-001	76,000,000
Redemption	Jun-15	EUR	2005-071	75,000,000
Redemption	Dec-15	USD	2005-004	50,000,000
Redemption	Dec-15	USD	2005-069	23,279,340
Credit Event	Jun-15	EUR	2006-008	2,750,300
Credit Event	Dec-15	USD	2012-006	2,686,464

CLOVERIE PLC

DIRECTORS' REPORT - continued

The Directors do not intention to change the activity of the Company going forward and are looking for further opportunities for the issuance of new series.

RESULTS AND DIVIDENDS FOR THE FINANCIAL YEAR

The results for the financial year are set out in the Statement of Comprehensive Income on page 8. The Directors do not recommend the payment of a dividend.

KEY PERFORMANCE INDICATORS

The Company did not issue any notes during the year (2014: Series 2014-01 EUR 500,000,000 and Series 2014-02 USD 500,000,000).

Credit events have occurred in respect of various entities, some or all of which are included in the reference portfolio underlying one or more Series. The impact of the credit events have been incorporated in the fair values of the transactions at year end or in the redemption amounts. The calculation agent, Citibank Agency and Trust has determined that these credit events had no residual impact on the reported nominal values of the Series remaining at year end, outlined in Note 11.

In 2015 there is a fair value gain on the investment securities of EUR 67,871,661 (2014: gain of EUR 168,158,253), a loss on the derivatives of EUR 7,807,568 (2014: gain of EUR 2,849,041) and a corresponding fair value loss on the debt securities of EUR 60,064,093 (2014: loss of EUR 171,007,294).

At 31 December 2015, the fair value of the Company's total debt securities held was EUR 3,071,824,156 (2014: EUR3,197,512,168).

At 31 December 2015, the Company's total investment securities held was EUR 3,098,714,219 (2014: EUR 3,243,468,512).

ACCOUNTING RECORDS

The measures that the Directors have taken to secure compliance with the requirements of Sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records include the appointing of an Administrator, Capita International Financial Services (Ireland) Limited, which has accounting personnel with the appropriate expertise. The Company's accounting records are maintained at the Company's registered office at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2.

INDEPENDENT AUDITOR

Deloitte, Chartered Accountants and Statutory Audit Firm, has expressed its willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

EVENTS AFTER REPORTING PERIOD

Events after the reporting period are disclosed in Note 19 to the financial statements.

GOING CONCERN

The directors believe the Company is a going concern. The company has the funds to meet its obligations as they fall due for the foreseeable future. Also the limited recourse nature of the series in issue and the fact that a number of the series in issue have maturities dates well into the future.

PRINCIPAL RISKS AND UNCERTAINTIES

The key risks to the business relate to the use of financial instruments. A summary of these risks is set out in Note 17 to the financial statements.

DIRECTORS, SECRETARY AND THEIR INTERESTS

The directors and secretary who held office at any time during the financial year ended 31 December 2015 are listed on page 2.

The Directors and secretary who held office on 31 December 2015 did not hold any shares in the Company at that date or at any time during the financial year.

On 14 October, Adrian Masterson resigned as the Company Secretary and was replaced on the same day by Capita international Financial Services (Ireland) Limited.

CORPORATE ADMINISTRATOR

Capita International Financial Services (Ireland) Limited ('CIFS'), the Corporate Administrator, provides administration services to the Company at arm's length commercial rates.

CLOVERIE PLC

DIRECTORS' REPORT - continued

CORPORATE GOVERNANCE STATEMENT

Introduction

The Company is subject to and complies with the Companies Act 2014 and the listing rules of the Irish stock exchange, which are applicable to the debt listed companies.

Annual Corporate Governance Statement

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the company's share capital.

There are no restrictions on voting rights.

Appointment and replacement of directors and Amendments in the Articles of Association

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association and the Companies Acts 2014. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction of the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

Financial Reporting Process

The Board of Directors ('the Board') is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Capita International Financial Services Limited, to maintain the accounting records of the Company independently of the Arranger and the Custodian. The Administrator is contractually obliged to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger and the Custodian. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring that they are satisfied that there are processes in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Transfer of shares

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

CLOVERIE PLC

DIRECTORS' REPORT - continued

CORPORATE GOVERNANCE STATEMENT - continued

Capital Structure

No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Acts 2014 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the operations performed by the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Audit Committee

The Company has not established an audit committee under section 167 of the Companies Act 2014. The sole business of the Company relates to the issuing of asset-backed securities. It also enters into certain derivatives to hedge out interest rate exposure arising on investment securities and debt securities issued mismatches. Under Regulation 91(9)(d) of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulation 2010 ("the Regulations"), which were published by the Irish Minister for Enterprise, Trade and Innovation on 25 May 2010, such a Company may avail itself of an exemption from the requirement to establish an audit committee.

Given the functions performed by the Administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly the Company has availed itself of the exemption under Regulation 91(9)(d) of the Regulations.

On behalf of the Board

Adrian Masterson
Director

Date: 24 - NOV - 2016


Adrian Wrater
Director
Date:

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLOVERIE PLC

We have audited the financial statements of Cloverie Plc (the "Company") for the financial year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company'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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2015 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CLOVERIE PLC

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements and, based on the work undertaken in the course of the audit, the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the financial reporting process is consistent with the financial statements, and has been prepared in accordance with section 1373 Companies Act 2014. Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Brian O'Callaghan
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 24/11/16

CLOVERIE PLC

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2015

	Note	31 December 2015 EUR	31 December 2014 EUR
Interest income and similar income	3	160,033,176	152,257,618
Interest expense and similar charges	4	(160,033,176)	(152,254,618)
Fair value gain on investment securities	7	67,871,661	168,158,253
Fair value (loss) on debt securities	11	(60,064,093)	(171,007,294)
Fair value (loss)/gain on derivatives	8	<u>(7,807,568)</u>	<u>2,849,041</u>
OPERATING INCOME - CONTINUING OPERATIONS		<u>-</u>	<u>3,000</u>
Operating expenses	5	<u>-</u>	<u>-</u>
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>-</u>	<u>3,000</u>
Tax on profit on ordinary activities	6	<u>-</u>	<u>(375)</u>
RESULT FOR THE FINANCIAL YEAR		<u>-</u>	<u>2,625</u>

All items dealt with in arriving at the result for the financial year ended 31 December 2015 related to continuing operations.

The Company has no recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income.

The notes to the financial statements from pages 12 to 25 form an integral part of these financial statements.

CLOVERIE PLC

STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Note	31 December 2015 EUR	31 December 2014 EUR
ASSETS			
NON CURRENT ASSETS			
Investment securities designated at fair value through profit and loss	7	3,046,237,134	3,167,468,512
Derivative assets designated at fair value through profit and loss	8	<u>6,350,816</u>	<u>25,487,971</u>
TOTAL NON CURRENT ASSETS		<u>3,052,587,950</u>	<u>3,192,956,483</u>
CURRENT ASSETS			
Investment securities designated at fair value through profit and loss	7	52,477,085	76,000,000
Derivative assets	8	205,497	2,951,067
Debtors	9	42,149,742	43,952,462
Cash		<u>1,420,234</u>	<u>2,120,460</u>
TOTAL CURRENT ASSETS		<u>96,252,558</u>	<u>125,023,989</u>
TOTAL ASSETS		<u>3,148,840,508</u>	<u>3,317,980,472</u>
EQUITY AND LIABILITIES			
EQUITY			
Called up share capital - presented as equity	12	40,000	40,000
Retained earnings		<u>97,900</u>	<u>97,900</u>
TOTAL EQUITY		<u>137,900</u>	<u>137,900</u>
NON CURRENT LIABILITIES			
Debt securities designated at fair value through profit and loss	11	2,774,214,361	3,118,561,102
Derivative liabilities designated at fair value through profit and loss	8	<u>32,557,094</u>	<u>74,395,382</u>
TOTAL NON CURRENT LIABILITIES		<u>2,806,771,455</u>	<u>3,192,956,484</u>
CURRENT LIABILITIES			
Debt securities designated at fair value through profit and loss	11	297,609,795	78,951,066
Derivative liabilities	8	889,282	-
Other payables	10	<u>43,432,076</u>	<u>45,935,022</u>
TOTAL CURRENT LIABILITIES		<u>341,931,153</u>	<u>124,886,088</u>
TOTAL LIABILITIES		<u>3,148,702,608</u>	<u>3,317,842,572</u>
TOTAL EQUITY AND LIABILITIES		<u>3,148,840,508</u>	<u>3,317,980,472</u>

The notes to the financial statements from pages 12 to 25 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 24-Nov-2016 and signed on its behalf by:

Adrian Masterson
Director

Date: 26-NOV-2016

Adrian Wrafter
Director

Date:

CLOVERIE PLC

STATEMENT OF CHANGES IN EQUITY
as at 31 December 2015

	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2015	40,000	97,900	137,900
Total Comprehensive Income for the financial year	-	-	-
Balance at 31 December 2015	<u>40,000</u>	<u>97,900</u>	<u>137,900</u>
	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2014	40,000	95,275	135,275
Total Comprehensive Income for the financial year	-	2,625	2,625
Balance at 31 December 2014	<u>40,000</u>	<u>97,900</u>	<u>137,900</u>

CLOVERIE PLC

CASHFLOW STATEMENT
for the financial year ended 31 December 2015

	Note	31 December 2015 EUR	31 December 2014 EUR
NET CASH RECEIVED FROM OPERATING ACTIVITIES	15	<u>(700,226)</u>	<u>131,581</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investment securities	7	-	(926,695,706)
Redemption of investment securities	7	212,625,954	308,379,326
Interest paid		<u>(161,766,806)</u>	<u>(159,699,851)</u>
NET CASH (INFLOW)/OUTFLOW FROM INVESTING ACTIVITIES		<u>50,859,148</u>	<u>(778,016,231)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of debt securities	11	-	926,695,706
Redemption of debt securities	11	(185,752,105)	(273,655,074)
Net settlement of derivatives	8	(26,873,850)	(34,724,252)
Interest Received		<u>161,766,807</u>	<u>159,699,851</u>
NET CASH OUTFLOW(INFLOW) IN FINANCING ACTIVITIES		<u>(50,859,148)</u>	<u>778,016,231</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(700,226)	131,581
CASH AT BEGINNING OF FINANCIAL YEAR		<u>2,120,460</u>	<u>1,988,879</u>
CASH AT END OF FINANCIAL YEAR		<u><u>1,420,234</u></u>	<u><u>2,120,460</u></u>
RECONCILIATION OF NET CASH FLOW TO NET DEBT			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(700,226)	131,581
Decrease in total debt	14	125,688,012	(824,047,926)
NET DEBT AT BEGINNING OF FINANCIAL YEAR	14	<u>(3,195,391,708)</u>	<u>(2,371,475,363)</u>
NET DEBT AT END OF FINANCIAL YEAR		<u><u>(3,070,403,922)</u></u>	<u><u>(3,195,391,708)</u></u>

The notes to the financial statements from pages 12 to 25 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION

CORPORATE INFORMATION

Cloverie Plc is a limited liability company incorporated under the laws of Ireland with company number 374618. The Company was incorporated on 13 August 2003 and is domiciled in the Republic of Ireland.

The Company is a special purpose company that has been established to issue debt securities under a USD 25,000,000,000 Secured Note Issuance Programme.

The Company has no direct employees. (2014:NIL)

At 31 December 2015, Notes had been issued through seventeen (17) series in Euro, US Dollar, Japanese Yen and Chilean Peso.

Sixteen (16) of the Notes in issue at 31 December 2015 are listed on the main market of the Irish Stock Exchange and one (1) is listed on the Luxembourg Stock Exchange.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and accounting convention

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention except for assets and liabilities stated at fair value as explained below. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") as issued by the Financial Reporting Council in August 2014 but with the early application of the amendment to FRS 102 made in March 2016 in relation to fair value hierarchy disclosures. These are the Company's first financial statements prepared in accordance with FRS 102.

The Company transitioned from previously existing Old Irish GAAP to FRS 102 this year. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 21.

Based upon the Company's financial position, the directors are satisfied that the going concern basis of accounting is appropriate.

Due to the nature of the Company's business and the type of transactions the Company is engaged in, the Directors have adapted the Profit and Loss Account format to suit the circumstances of the business in accordance with Section 291(4) of the Companies Act 2014. The format and certain wording of the financial statements have been adapted from those contained in the Companies Act 2014 so that, in the opinion of the Directors, they more appropriately reflect the nature of the Company's business. In the opinion of the Directors, the financial statements with the noted changes provide the information required by the Companies Act 2014.

(b) Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of IAS 39 Financial Instruments: Recognition and Measurement to its financial instruments that fall in scope of Sections 11 and 12 of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by that latter standard.

The majority of the Company's financial instruments are classified in categories that require measurement at fair value through profit or loss, with basis for arriving at this position being set out below.

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value through the profit or loss:

- derivative financial instruments;
- investment securities designated as at fair value through profit or loss; and
- debt securities issued designated as at fair value through profit or loss.

(c) Functional and presentation currency

These financial statements are presented in Euro ("€"), which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which the entity operates. The issued share capital of the Company is denominated in Euro and the debt securities issued are also primarily denominated in Euro. The Directors of the Company believe that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions undertaken by the Company.

(d) Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 SIGNIFICANT ACCOUNTING POLICIES - continued

(d) Use of estimates and judgements - continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

Information in relation to significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in Note 17(a).

Key sources of estimation uncertainty: Fair value of financial instruments

Determining fair values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy (e) "Financial Instruments". For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgments in applying the Company's accounting policies

The Company's accounting policy on fair value measurements is discussed under Note (e) "Financial Instruments". The key accounting judgements relate to:

- The designation of financial assets and liabilities at fair value
- The choice of valuation methodology for these instruments

(e) Financial instruments

The financial instruments held by the Company include the following:

- Investment securities
- Derivative financial instruments
- Debt securities issued

Classification and measurement

Financial assets and liabilities are classified as financial assets and liabilities at fair value through profit or loss ("FVTPL"). The classification depends on the nature and purpose of the financial instruments and is determined at the time of initial recognition.

Financial assets and liabilities at FVTPL

The Company classifies its investments in debt and equity securities, issuance of debt securities and derivatives as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are either held for trading or designated by the directors at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future. All derivatives are also included in this category.

Designation

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis. Information about these financial assets and liabilities are evaluated by the directors on a fair value basis together with other relevant financial information.

Derivatives

Derivatives held for risk management purposes include all derivative assets and liabilities that are categorised as financial assets and liabilities held for trading, as the Company does not designate any derivatives as hedges for hedge accounting purposes. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value, with changes in the fair value recognised immediately in the Profit and Loss Account.

Recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. Purchases and sales of financial assets and financial liabilities are recognised using trade date accounting. From the trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Profit and Loss Account.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 SIGNIFICANT ACCOUNTING POLICIES - continued

(e) Financial instruments - continued

Subsequent Measurement

The fair value of investment securities at fair value through profit or loss, traded in an active market is based on quoted current bid prices at the balance sheet date. Such prices are obtained from the Bloomberg system. In situations where there is no active market, fair values have been estimated by the directors. The Directors estimates are based on prices obtained from the arranging investment bank. The valuation determined by the arranging investment bank may be based on assumptions of market conditions at the time of valuation, similar arms-length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow technique, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Derivatives are valued at fair value which has been estimated by management in the absence of readily determinable market prices. Management's estimates are based on values obtained from the swap counterparty, Citibank Plc. The valuation determined by the swap counterparty is based on assumptions of market conditions at the time of valuation, similar arms-length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices which may be obtained in actual market transactions. If other independent prices were available for the derivative instruments, they may be different to those presented and those differences could be material.

All derivatives are carried as assets when the fair value is positive and as liabilities when fair value is negative.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

(f) Foreign currency transaction

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currency are retranslated at the rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary items that are denominated in foreign currencies are recognised in profit or loss in the year. Foreign exchange gains and losses on financial assets and financial liabilities are included in the net foreign exchange gain/(loss).

(g) Operating income and expenses

Other income and expenses are accounted for on an accruals basis.

(h) Taxation

The Company meets the criteria for a "Section 110 vehicle" under the Taxes Consolidation Act, 1997 and is therefore subject to a special tax regime which potentially allows the Company to be tax neutral. Corporation tax is payable on profits at current rates applicable to the Company's activities.

NOTES TO THE FINANCIAL STATEMENTS - continued

2 SIGNIFICANT ACCOUNTING POLICIES - continued

(i) Cash at bank

Cash at bank includes cash in hand and deposit repayable without notice and without penalty. Cash at bank is carried at amortised cost in the balance sheet.

(j) Interest income and Interest expense

Interest income and interest expense on all financial instruments is recognised on an accrual basis, by reference to the principal outstanding and the effective interest rate applicable.

(k) Fair value gain/(loss) from investment securities designated as at fair value through profit or loss

Net gain/(loss) from investment securities designated as at fair value through profit or loss, relates to investments in bonds, receivables under total return swaps and asset backed securities and includes realised and unrealised fair value movements including foreign exchange differences.

(l) Fair value gain/(loss) from derivatives

Net gain/(loss) from derivatives relates to the fair value movements on swaps held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

(m) Fair value gain/(loss) on debt securities issued designated as at fair value through profit or loss

Net gain/(loss) on debt securities issued, designated as at fair value through profit or loss relates to debt securities issued includes realised and unrealised fair value changes and foreign exchange differences.

(n) Limited recourse and payable to Noteholders

The Company's obligation to the Noteholders in relation to a particular Series is limited to the net proceeds upon realisation of the collateral of that Series after settlement on any derivatives.

Should the net proceeds be insufficient to make all payments due in respect of a particular Series of Notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Debt Security Holders, the Swap Counterparty (where applicable) according to the established priorities.

Further details of financial risk management are included in note 17.

3 INTEREST INCOME AND SIMILAR INCOME

	2015 EUR	2014 EUR
Interest income on investment securities and swaps	159,960,568	152,178,826
Other Income received	72,608	78,792
	<u>160,033,176</u>	<u>152,257,618</u>

4 INTEREST EXPENSE AND SIMILAR CHARGES

	2015 EUR	2014 EUR
Interest expense on debt securities	(159,960,568)	(152,178,826)
Administration expenses	(72,608)	(75,792)
	<u>(160,033,176)</u>	<u>(152,254,618)</u>

5 OPERATING EXPENSES

All other operating expenses including auditor's remuneration and directors' remuneration are borne by Citi on behalf of the Company.

The Company had no employees during the financial year (2014: None).

Auditors' remuneration in respect of the financial year is as follows:

	2015 EUR	2014 EUR
Statutory audit fees	35,000	21,525
Tax advisory fees	4,000	4,000
Other assurance services	-	-
Other non audit services	-	-
	<u>39,000</u>	<u>25,525</u>

Auditors' remuneration for work carried out relate to fees payable to Deloitte, the Statutory audit firm. Fees are exclusive of VAT and include expenses.

NOTES TO THE FINANCIAL STATEMENTS - continued

5 OPERATING EXPENSES - continued

	2015 EUR	2014 EUR
Directors emoluments	42,250	42,250
	<u>42,250</u>	<u>42,250</u>

The directors received no contributions towards a pension scheme and do not hold any shares or share options during the year or in prior years.

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

Corporation tax has been calculated based on the results for the financial year at a rate of 25%. The company had taxable profits of NIL for the year (2014: €3,000) and a corporation tax charge of NIL (2014: €375)

7 INVESTMENT SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

	2015 EUR	2014 EUR
At the beginning of the financial year	3,243,468,512	2,456,993,879
Additions during the financial year	-	926,695,706
Redemptions during the financial year	(212,625,954)	(308,379,326)
Fair value gain on investment securities	67,871,661	168,158,253
Fair value at the end of the financial year	<u>3,098,714,219</u>	<u>3,243,468,512</u>
<i>Maturity analysis of the securities</i>		
Within 1 financial year	52,477,085	76,000,000
Greater than 1 financial year	3,046,237,134	3,167,468,512
	<u>3,098,714,219</u>	<u>3,243,468,512</u>

All fair value gains on assets are primarily attributable to market risk.

The carrying value of the assets represents their maximum exposure to market risk. The risk is eventually transferred to the noteholders through the individual terms of each series.

The financial assets are held as collateral for each series of debt securities issued by the company as per Note 11. Refer to Note 17 for a description of associated risks.

8 DERIVATIVE ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

	2015 EUR	2014 EUR
At the beginning of the financial year	(45,956,343)	(83,529,640)
Additions during the financial year	-	-
Redemptions during the financial year	26,873,848	34,724,253
Fair value gain on investment securities	(7,807,568)	2,849,044
Fair value at the end of the financial year	<u>(26,890,063)</u>	<u>(45,956,343)</u>
Fair value of interest rate swap	22,422,039	(33,368,554)
Fair value of credit default swap	(49,312,102)	(12,587,790)
Fair value at the end of the financial year	<u>(26,890,063)</u>	<u>(45,956,344)</u>
<i>Maturity analysis of the derivatives</i>		
Within 1 financial year	(683,784)	2,951,067
Greater than 1 financial year	(26,206,279)	(48,907,411)
	<u>(26,890,063)</u>	<u>(45,956,344)</u>

The derivatives at fair value are comprised of the following derivative assets and derivative liabilities as per Note 17.

Derivative assets - current	205,497	2,951,067
Derivative assets - non current	6,350,816	25,487,971
Derivative liabilities - current	(889,282)	-
Derivative liabilities - non current	(32,557,094)	(74,395,382)
	<u>(26,890,063)</u>	<u>(45,956,344)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

Interest Swap

Under the Interest Swap, any difference between the interest rate from interest expense on debt securities issued and interest income from investment securities will be borne by the swap counterparty.

Credit Default Swap

The majority of Series issued by the Company include a Credit Default Swap Agreement with Citibank. In exchange for the receipt of premium income for the relevant Series, the Company has sold credit protection on a number of reference entities (the 'Reference Obligations').

In the event of an issuance of a credit event notice with respect to the Reference Portfolio, the Company will pay an amount as defined in the Credit Default Swap Agreements from the assets of that series to which the Credit Default Swap Agreement relates. The aggregate liability of the Company under the Credit Default Swap Agreements for individual series shall not exceed the aggregate of the eligible investment securities for those Series.

9 DEBTORS

	2015 EUR	2014 EUR
Interest receivable	41,804,558	40,332,103
Corporation tax receivable	750	-
Other receivables	2,767	-
Amounts due from swap counterparty	<u>341,667</u>	<u>3,620,359</u>
	<u>42,149,742</u>	<u>43,952,462</u>

10 OTHER PAYABLES

	2015 EUR	2014 EUR
Other payables	-	(33,669)
Corporation tax payable	-	(750)
Note Accrued Interest Payable	(42,146,223)	(43,952,461)
Amounts due to swap counterparty	<u>(1,285,853)</u>	<u>(1,948,142)</u>
	<u>(43,432,076)</u>	<u>(45,935,022)</u>

11 DEBT SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS

	2015 EUR	2014 EUR
At the beginning of the financial year	3,197,512,168	2,373,464,242
Additions during the financial year	-	926,695,706
Redemptions during the financial year	(185,752,105)	(273,655,074)
Fair value loss on debt securities	<u>60,064,093</u>	<u>171,007,294</u>
Fair value at the end of the financial year	<u>3,071,824,156</u>	<u>3,197,512,168</u>
<i>Maturity analysis of the securities</i>		
Within 1 financial year	297,609,795	78,951,066
Greater than 1 financial year	<u>2,774,214,361</u>	<u>3,118,561,102</u>
	<u>3,071,824,156</u>	<u>3,197,512,168</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

11 DEBT SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS - continued

The Notes in issue are listed on the Irish Stock Exchange with the exception of one note which is listed on the Luxembourg Stock Exchange. The Notes are direct, secured, limited recourse obligations of the Company payable solely out of the assets charged by the Company in favour of the Trustee on behalf of the noteholders.

The Notes held at financial year end are as follows:

SERIES	ISIN	MATURITY	RATE	Currency	Nominal
Series 2005-72	XS0226017688	2025	Variable	EUR	€25,000,000
Series 2005-84	XS0235680807	2037	Variable	EUR	€100,000,000
Series 2006-09	XS0254340051	2016	Fixed 2.4 + 3Mth Euribor	EUR	€19,500,000
Series 2006-12	XS0271976390	2027	Variable	USD	\$10,000,000
Series 2006-13	XS0276533592	2016	Zero Coupon	USD	\$10,000,000
Series 2006-18	XS0276792420	2016	Zero Coupon	EUR	€20,700,000
Series 2007-27	XS0293944749	2017	Fixed 1.25 + 3Mth JPY Libor	JPY	JPY271,118,221
Series 2007-43	XS0307226125	2017	Variable	EUR	€50,000,000
Series 2007-44	XS0307226471	2017	Fixed 0.58 + 3Mth Euribor	EUR	€100,000,000
Series 2007-52	XS0329612237	2029	Variable	USD	\$10,000,000
Series 2007-53	XS0332142511	2033	Variable	CLP	CLP7,597,500,000
Series 2009-02	XS0442190855	2039	Fixed to Float	EUR	€425,000,000
Series 2012-01	XS0733071632	2099	Fixed	USD	\$500,000,000
Series 2012-02	XS0802738434	2042	Fixed	EUR	€500,000,000
Series 2012-06	XS0865552128	2017	Fixed	USD	\$19,500,000
Series 2014-01	XS1109950755	2024	Fixed	EUR	€500,000,000
Series 2014-02	XS1108784510	2044	Fixed	USD	\$500,000,000

The Notes issued in respect of each Series are secured by way of mortgages over the collateral pledged by the respective series, and by an assignment of a fixed first charge of the Company's rights, title and interest under the respective swap agreement for each Series.

12 CALLED UP SHARE CAPITAL - PRESENTED AS EQUITY

	2015 EUR	2014 EUR
Authorised		
40,000 Ordinary shares of €1 each	40,000	40,000
Issued and called-up		
40,000 Ordinary shares of €1 each	40,000	40,000

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 EUR	2014 EUR
Shareholders' funds at the beginning of the financial year	137,900	135,275
Profit for the financial year	-	2,625
Shareholders' funds at the end of the financial year	137,900	137,900

NOTES TO THE FINANCIAL STATEMENTS - continued

14 ANALYSIS OF CHANGES IN DEBT

For the financial year ending 31 December 2015:

	At beginning of the financial year	Movements	Fair value gain/(loss)	At end of the financial year
Cash	2,120,460	(700,226)	-	1,420,234
Debt securities issued designated at fair value through profit and loss	(3,197,512,168)	185,752,105	(60,064,093)	(3,071,824,156)
	<u>(3,195,391,708)</u>	<u>185,051,879</u>	<u>(60,064,093)</u>	<u>(3,070,403,922)</u>

For the financial year ending 31 December 2014:

	At beginning of the financial year	Movements	Fair value gain/(loss)	At end of the financial year
Cash	1,988,879	131,581	-	2,120,460
Debt securities issued designated at fair value through profit and loss	(2,373,464,242)	(653,040,632)	(171,007,294)	(3,197,512,168)
	<u>(2,371,475,363)</u>	<u>(652,909,051)</u>	<u>(171,007,294)</u>	<u>(3,195,391,708)</u>

15 NET CASH RECEIVED FROM OPERATING ACTIVITIES

	2015 EUR	2014 EUR
Operating profit	-	2,625
Decrease in debtors	3,275,175	(332,776)
(Decrease) in payables	(696,708)	137,075
Add back Interest Expense	(1,806,238)	(7,529,708)
Add back interest Income	(1,472,455)	7,854,365
Fair value (gain) on investment securities	(67,871,661)	(168,158,253)
Fair value loss on debt securities	60,064,093	171,007,294
Fair value (gain) on derivatives	7,807,568	(2,849,041)
	<u>(700,226)</u>	<u>131,581</u>

16 CHARGES

The Notes issued in respect of each Series are secured by way of mortgages over the Collateral pledged by the respective series, and by an assignment of a fixed first charge of the Company's rights, title and interest under the respective swap agreement for each Series.

17 FINANCIAL RISK MANAGEMENT

(a) Fair value of financial instruments

Fair Value Measurement Principles

The fair value of investment securities at fair value through profit or loss, traded in an active market is based on the quoted current bid prices at the balance sheet date. Such prices are obtained from the Bloomberg system. In situations where there is no active market, fair values have been estimated by management. Management's estimates are based on prices obtained from the arranging investment bank. The valuation determined by the arranging investment bank may be based on assumptions of market conditions at the time of valuation, similar arms-length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow technique, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Derivatives

Derivatives are valued at fair value which has been estimated by management in the absence of readily determinable market prices. Management's estimates are based on values obtained from the swap counterparty, Citibank Plc. The valuation determined by the swap counterparty may be based on assumptions of market conditions at the time of valuation, similar arms-length market transactions if available, reference to the current fair value of similar instruments and a variety of different valuation techniques such as the discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. If other prices were available for the derivatives, the valuations may be different to those presented and those differences could be material.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 FINANCIAL RISK MANAGEMENT - continued

(a) Fair value of financial instruments - continued

The fair value of financial instruments carried at fair value is determined according to the following hierarchy:

(i) Level 1: Instruments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities and exchange traded derivatives. Quoted prices for these instruments are not adjusted.

(ii) Level 2: Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These include investment-grade corporate bonds and over-the-counter derivatives. As level 2 instruments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

(iii) Level 3: Instruments classified within level 3 have significant unobservable inputs, as they trade infrequently. Pricing inputs are unobservable and include situations where there is little, if any, market activity. As observable prices are not available for these instruments, the Company has used valuation techniques to derive the fair value, if applicable.

31 December 2015	Quoted price in active market	Valuation technique observable parameters	Valuation technique un-observable parameters	Total fair value
	Level 1 EUR	Level 2 EUR	Level 3 EUR	EUR
Investments				
Investment securities	-	3,098,714,219	-	3,098,714,219
Swap Assets				
CDS	-	-	205,497	205,497
IRS	-	35,616,396	-	35,616,396
	-	35,616,396	205,497	35,821,893
Swap Liabilities				
CDS	-	-	(49,517,599)	(49,517,599)
IRS	-	(13,194,357)	-	(13,194,357)
	-	(13,194,357)	(49,517,599)	(62,711,956)
Debts Securities Issued				
Notes	-	-	(3,071,824,156)	(3,071,824,156)
31 December 2014	Quoted price in active market	Valuation technique observable parameters	Valuation technique un-observable parameters	Total fair value
	Level 1 EUR	Level 2 EUR	Level 3 EUR	EUR
Investments				
Investment securities	60,356,923	3,183,111,589	-	3,243,468,512
Swap Assets				
CDS	-	-	27,917,563	27,917,563
IRS	-	23,130,146	-	23,130,146
	-	23,130,146	27,917,563	51,047,709
Swap Liabilities				
CDS	-	-	(40,505,352)	(40,505,352)
IRS	-	(56,498,700)	-	(56,498,700)
	-	(56,498,700)	(40,505,352)	(97,004,052)
Debts Securities Issued				
Notes	-	-	(3,197,512,168)	(3,197,512,168)

NOTES TO THE FINANCIAL STATEMENTS - continued

17 FINANCIAL RISK MANAGEMENT - continued

(a) Fair value of financial instruments - continued

Level 3	CDS	Debt	CDS	Debt
	Derivatives	Securities	Derivatives	Securities
	2015	Issued	2014	Issued
	EUR	EUR	EUR	EUR
Balance at beginning of financial year	(12,587,790)	(3,197,512,169)	(73,497,412)	(2,373,464,243)
Issued during the financial year	-	-	-	(926,695,706)
Redemptions during the financial year	26,431,086	185,752,105	31,480,621	273,655,074
Fair value movement	(63,155,398)	(60,064,092)	29,429,001	(171,007,294)
	<u>(49,312,102)</u>	<u>(3,071,824,156)</u>	<u>(12,587,790)</u>	<u>(3,197,512,169)</u>

(b) Capital risk management

The Company's overall strategy remains unchanged from 2014.

The capital structure of the Company consists of debt, which includes the Notes payable disclosed in Note 11, and equity comprising issued capital and as disclosed in Note 12.

The Company is not subject to any capital requirements, other than its share capital.

(c) Risk management

The Company is exposed to a variety of financial risks as a result of its activities. These risks include credit risk, market risk (including currency risk, interest rate risk and price risk), and liquidity risk.

The Company has attempted to match the properties of its financial liabilities to its assets, to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk.

The risk profile of the Company is such that market, credit, liquidity and other risks of the investment securities are borne fully by the holders of Notes issued. The Notes issued are initially recorded at the value of the net proceeds received and are carried as financial liabilities at fair value through profit or loss. The ultimate amount to be repaid to the noteholders will depend on the proceeds from the related collateral. All substantial risks and rewards associated with the investment securities and derivative transactions are ultimately borne by the noteholders. Therefore any change in risk variables would not affect the equity or the results of the Company.

There is a detailed analysis of each risk type outlined below.

(d) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the noteholders. The following table details the aggregate investment grade of the collateral in the investment portfolio, as rated by well known rating agency (Moody's in the cases below). In case the Moody's ratings were not available, equivalent ratings from other agencies are used.

RATING	Collateral	Collateral
	2015	2014
A1	0.00%	5.90%
A2	0.00%	20.69%
Aaa	0.00%	0.41%
Aa2	14.74%	0.00%
Baa1	9.03%	0.00%
Baa2	0.00%	6.85%
Baa3	1.54%	1.07%
BBB+	0.00%	0.11%
No ratings	74.69%	64.97%

For those investments not rated, the arranging investment bank monitors the risk of default throughout the individual trading desks.

Investments are clearly disclosed at the time of issue of each series and normally they cannot be substituted.

None of the collateral held is past due or impaired as at 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS - continued

17 FINANCIAL RISK MANAGEMENT - continued

(d) Credit risk - continued

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk in respect of non-derivative assets at the reporting date was:

	2015 EUR	2014 EUR
Investment securities	3,098,714,219	3,243,468,512
Cash and cash equivalents	1,420,234	2,120,460
Other receivables	42,149,742	43,952,462
	<u>3,142,284,195</u>	<u>3,289,541,434</u>

Cash and cash equivalents

The Company's cash balances are held mainly with AIB Bank plc which is rated Baa3 by Moody's in 2015 (2014: Ba2) and Citibank which is rated Baa1 by Moody's in 2015 (2014: Baa2).

Other receivables

The Company's other receivables balances relates in interest receivable on the Company's collateral and interest receivable from swap counterparties..

With respect to derivative financial instruments (see Note 8) credit risk arises from the potential failure of counterparties to meet their obligations under the contracts or arrangements and may be significantly greater than amounts recognised as a liability/asset. The credit default swaps in place create an exposure for the noteholders of each series to a range of financial risks. Due to the large number of series in issue and the variety of the underlying series in issue and the variety of the underlying reference exposures in place, it has been deemed not practical to the present this in the financial statements. The financial exposure under each series is comprehensively documented in the relevant prospectus document.

The Notes issued in each Series have limited recourse to the assets in each particular Series. Any defaults in the financial assets and derivative instruments are borne by the noteholders. Any reduction in value of the investments related to credit risk will be borne by the noteholders. The noteholders are fully exposed to the credit risk of the financial assets and derivative instruments and any change in credit risk would not affect the equity or the results of the Company.

(e) Concentration risk

At the reporting date, the Company's investment securities at fair value through profit or loss were concentrated in the following asset types:

	2015 EUR	%	2014 EUR	%
Bond investment securities	2,378,113,907	76.75%	2,378,246,006	73.33%
Securities - Citigroup	116,851,214	3.77%	113,003,628	3.48%
Cash collateral	-	0.00%	60,356,923	1.86%
Loans	603,749,098	19.48%	691,861,955	21.33%
	<u>3,098,714,219</u>	<u>100.00%</u>	<u>3,243,468,512</u>	<u>100.00%</u>

The Company holds bonds issued by Citibank. Citibank also acts as custodian to the other securities held by Cloverie plc. The other roles performed by Citibank are bank account services, trustee, paying agent, calculation agent and swap counterparty. There is therefore a concentration risk with Citibank.

(f) Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments. The noteholders are exposed to the market risk of the assets portfolio, the interest rate swaps and credit default swaps.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The noteholders receive the principal and interest repayments in the currency stated on the loan notes.

The Company has attempted to match the properties of its financial liabilities to its assets, to avoid significant elements of risk generated by mismatches. The company also manages their exposure to currency risk through the use of derivatives.

The foreign currency exposure of debt securities and investment securities in equivalent Euro is presented below:

NOTES TO THE FINANCIAL STATEMENTS - continued

17 FINANCIAL RISK MANAGEMENT - continued

(f) Market risk - continued

	2015		2014	
	Assets (Investment Securities & Cash) EUR	Liabilities (Debt Securities & Derivatives) EUR	Assets (Investment Securities & Cash) EUR	Liabilities (Debt Securities & Derivatives) EUR
Japanese Yen	2,306,069	1,630,160	2,071,126	1,113,697
US Dollar	1,134,621,847	1,115,587,093	1,095,044,040	1,059,551,413
Euro	1,963,094,798	1,954,606,903	2,148,361,807	2,136,847,058
Other	111,739	-	111,999	-
	<u>3,100,134,453</u>	<u>3,071,824,156</u>	<u>3,245,588,972</u>	<u>3,197,512,168</u>

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Company enters into interest rate swaps to manage the interest rate risk of the various Series.

The following table provides an analysis of the interest rate profile of the Company's portfolio as at 31 December 2015 on a fair value basis:

2015	Fixed Rate	Floating Rate	Non Interest Bearing	Total
	EUR	EUR	EUR	EUR
Investment securities	2,739,347,687	326,371,897	32,994,635	3,098,714,219
Debt securities issued	<u>(2,633,838,338)</u>	<u>(264,409,663)</u>	<u>(173,576,155)</u>	<u>(3,071,824,156)</u>
Net exposure	<u>105,509,349</u>	<u>61,962,234</u>	<u>(140,581,520)</u>	<u>26,890,063</u>
2014	Fixed Rate	Floating Rate	Non Interest Bearing	Total
	EUR	EUR	EUR	EUR
Investment securities	2,695,427,333	516,423,607	31,617,572	3,243,468,512
Debt securities issued	<u>(2,678,932,633)</u>	<u>(367,282,162)</u>	<u>(151,297,374)</u>	<u>(3,197,512,169)</u>
Net exposure	<u>16,494,700</u>	<u>149,141,445</u>	<u>(119,679,802)</u>	<u>45,956,343</u>

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

The Company has attempted to match the properties of its financial liabilities to its assets, to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. Any residual risks of the Company are absorbed by the noteholders.

Any changes in the prices/exchange rates/interest rates, would not have any effect on the equity or profit or loss of the Company as any fair value/interest rate/foreign exchange rate fluctuation are ultimately borne by the noteholders.

NOTES TO THE FINANCIAL STATEMENTS - continued

(g) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's obligations to the noteholders are directly secured and limited recourse with respect to the assets and cash flows of the Company. The Company tries to match the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations.

The following table details the Company's liquidity analysis for its financial liabilities. The table has been drawn up based on the net cash flows of the financial liabilities.

2015	< 3 Months	3 Months to 1 Year	1 - 5 Years	Over 5 Years	Total
	EUR	EUR	EUR	EUR	EUR
Debt securities	-	90,436,718	399,858,642	3,697,309,308	4,187,604,668
Other payables	-	43,432,076	-	-	43,432,076
Derivatives	-	24,398,819	39,328,683	3,279,885	67,007,387
	-	<u>158,267,613</u>	<u>439,187,325</u>	<u>3,700,589,193</u>	<u>4,298,044,131</u>
2014	< 3 Months	3 Months to 1 Year	1 - 5 Years	Over 5 Years	Total
	EUR	EUR	EUR	EUR	EUR
Debt securities	-	209,966,086	781,447,987	6,880,520,259	7,871,934,332
Other payables	-	45,935,022	-	-	45,935,022
Derivatives	-	87,034,232	297,454,011	1,380,096,852	1,764,585,095
	-	<u>342,935,340</u>	<u>1,078,901,998</u>	<u>8,260,617,111</u>	<u>9,682,454,449</u>

18 OWNERSHIP OF THE COMPANY

The principal shareholder of the Company is Sanne Trustee Services Limited, holding 39,994 shares in the company. Sanne Nominees Limited, Sanne Nominees 2 Limited, Sanne Nominees 3 Limited, Sanne Nominees 4 Limited, Sanne Nominees 5 Limited, Sanne Group Nominees 1 (UK), Sanne Trustee Services Limited hold one share each in the Company. The ultimate beneficial owner of the shares are Cloverie Charitable Trust.

19 POST BALANCE SHEET EVENTS

In March 2016, the Company issued Series 2016-01 USD 1,000,000,000 perpetual deferrable notes pursuant to its secured note issuance programme. The proceeds of the notes were used to purchase USD 1,000,000,000 in principal amount of fixed rate capital notes issued by the Zurich Insurance Company Ltd.

In June 2016, the listing and trading of Series 2006-008 Floating Rate Portfolio Credit Linked Note and Series 2006-009 Floating Rate Credit Linked Note were cancelled with immediate effect upon maturity on 20th June 2016.

In July 2016, the Company issued Series 2016-02 USD 1,000,000,000 perpetual deferrable notes pursuant to its secured note issuance programme. The proceeds of the notes were used to purchase USD 1,000,000,000 in principal amount of fixed rate capital notes issued by the Zurich Insurance Company Ltd.

On 27 September 2016 the company agreed it would buy back and cancel the Notes of Series 2005-72 EUR 25,000,000 Variable Rate Note due 2025 by taking delivery of the Redeemed Note with the full consent and agreement from the noteholder by paying EUR 23,787,500 to the Noteholders which is below par value. The associated interest rate and cross-currency swap will be terminated on the Repurchase date.

On 14 October 2016 Adrian Masterson resigned as the Company Secretary and was replaced on the same day by Capita International Financial Services (Ireland) Limited.

There have been no other post balance sheet events.

20 RELATED PARTY TRANSACTIONS

Transactions with Key management

The Director's Adrian Wrafter and Adrian Masterson were paid Director's fees of €42,250 in the current financial year (2014: €42,250).

Adrian Masterson is also the company secretary and he does not receive a fee for his role as company secretary.

21 TRANSITION TO FRS 102

The Company did not have any transition changes to take account of, and thus the Company's Statement of Comprehensive Income, Statement of financial Position and Statement of Changes in Equity did not have to be restated.

22 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised by the Board of Directors on 24-Nov-2016

ISSUER DISCLOSURE ANNEX 6

LIBRETTO CAPITAL PUBLIC LIMITED COMPANY (the “Issuer”)

The Issuer is a public limited company incorporated as a special purpose vehicle on 9 March 2005 and registered under the Irish Companies Act 2014 (as amended), registration number 398915. The Issuer has been incorporated for an indefinite period. The Registered Office of the Issuer is at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland (Tel: +353 1 224 0398). The authorised share capital of the Issuer is EUR 40,000 divided into 40,000 ordinary shares of EUR 1 each, all of which have been issued and fully paid up. 39,994 of the issued ordinary shares are held by Capita Trustee Services Limited as share trustee (the “Share Trustee”) and the remaining six are held by six nominee shareholders which hold such shares on trust for the Share Trustee. Under the terms of a declaration of trust (the “Declaration of Trust”) dated 17 August 2005, the Share Trustee holds all the issued shares held directly or indirectly by it on trust for Charities and Charitable purposes as defined in the Declaration of Trust. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer.

Business

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the accession to the Programme, the authorisation and issue of the Notes, the matters referred to or contemplated in the Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The principal objects of the Issuer are set forth in Clause 3.1 of its Memorandum of Association and include, *inter alia*, the management of financial assets, the purchase, transfer of, investment in and acquisition of, by any means of loans, bonds or other obligations, including the extension of credit and any security therefore and the raising and borrowing of money and the granting of security over its assets for such purposes. So long as any of the Obligations of the Issuer remain outstanding, the Issuer will not, *inter alia*, (a) enter into any business whatsoever, other than acquiring Mortgaged Property, issuing Notes or creating other Obligations or entering into a similar limited recourse transaction, entering into related agreements and transactions and performing any act incidental to or in connection with the foregoing, (b) have any subsidiaries, (c) have any employees or (d) dispose of any Mortgaged Property or any interest therein or create any mortgage, charge or security interest or right of recourse in respect thereof in favour of any person (other than contemplated by the Base Prospectus), provided that nothing shall limit the ability of either the Issuer or the Trustee on behalf of the Issuer from entering into any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or perform any act incidental or necessary thereto to comply with such agreement.

Authorised and Issued Share Capital

The following table sets forth the authorised and issued share capital of the Issuer as at the date of the Base Prospectus:

Shareholders' Funds	EUR
Share Capital	
Authorised:	40,000
Issued:	40,000

Directors

The Directors of the Issuer are as follows:

Name	Function	Business Address	Principal Occupation
Donald Bergin	Director	24 Eagle Valley, Enniskerry, County Wicklow, Ireland	Director

Thomas Joseph Geary Director

Olive Lodge, Monkstown Road,
Monkstown, County Dublin, Ireland

Director

Link IFS Limited of 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland is the corporate services provider for the Issuer. Its duties include the provision of certain administrative and related services including acting as company secretary. The appointment of the administrator may be terminated and the administrator may retire upon 90 days written notice subject to the appointment of an alternative administrator.

Financial Statements

The Issuer has prepared audited financial statements in respect of its financial years ending 31 December 2016 and 31 December 2015, which are appended to this Issuer Disclosure Annex and form part of the Base Prospectus approved by the Central Bank. The Issuer will prepare annually and publish audited financial statements, with explanatory notes. These financial statements will be available from the registered office of the Issuer and the office of the Issuing and Paying Agent. The auditors of the Issuer, Deloitte & Touche, Chartered Accountants and Registered Auditors of Deloitte & Touche House, Earlsfort Terrace, Dublin 2, are Chartered Accountants authorised and regulated by the Institute of Chartered Accountants in Ireland for designated investment business.

SCHEDULE 1 TO ISSUER DISCLOSURE ANNEX 6: ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Company Registration No: 398915

LIBRETTO CAPITAL PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 31 DECEMBER 2016

Libretto Capital PLC. Reports and Financial Statements
for the Financial Year Ended 31 December 2016

LIBRETTO CAPITAL PLC

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LIBRETTO CAPITAL PLC

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

Tom Geary (Irish)
Don Bergin (Irish)

COMPANY SECRETARY:

Link IFS Limited
2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

REGISTERED OFFICE:

2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

BANK:

Citigroup
CGC Centre
Canary Wharf
E14 5LB
London
United Kingdom

Allied Irish Banks plc
Ashford House
Tara Street
Dublin 2
Ireland

CUSTODIAN:

Citigroup N.A London Branch
Citigroup Centre, Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

CORPORATE ADMINISTRATOR:

Link IFS Limited
2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

INDEPENDENT AUDITOR:

Deloitte
Chartered Accountants & Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

SOLICITORS:

A & L Goodbody
IFSC
North Wall Quay
Dublin 1
Ireland

ARRANGER AND SWAP COUNTERPARTY:

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

TRUSTEE:

Citicorp Trustee Company Limited
Citigroup Centre
14th Floor
Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

LIBRETTO CAPITAL PLC

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Libretto Capital plc ('the Company' or the 'Issuer') for the financial year from 1 January 2016 to 31 December 2016.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Libretto Capital plc with a registered address of 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland was incorporated on the 28 September 2004 as a public limited company under the Irish Companies Acts 2014.

The Company, a special purpose securitisation vehicle, has acceded to a secured Note programme established by Jupiter Capital Limited, Jupiter Finance Limited, Jupiter International Co. Limited, Atlantic Capital International Limited and Cloverie plc. Under the programme it has altogether issued ninety four series of Notes, thirty seven of which remain in issue at year end. Three series were fully redeemed during the year under review (2015: Eight), no series was partially redeemed (2015: One) and twenty new series of Notes (2015: Nineteen), 2016-1, 2016-2, 2016-3, 2016-4, 2016-6, 2016-7, 2016-8, 2016-10, 2016-11, 2016-12, 2016-13, 2016-14, 2016-15, 2016-16, 2016-17, 2016-18, 2016-19, 2016-21, 2016-22 and 2016-24 were issued. The net proceeds of the Notes issued were used to purchase a portfolio of fixed rate and variable rate assets, and to enter into derivative financial instrument arrangements. The Company's debt is listed on the Irish Stock Exchange.

The Directors expect the present level of activity will be sustained for the foreseeable future.

GOING CONCERN

The Directors believe the Company is a going concern. This is due to the limited recourse nature of the series in issue and the fact that the series in issue have maturities extending to 2047. The Directors are not aware of any circumstances which raise concern over the preparation of the financial statements on a going concern basis and also anticipate that the financial assets will continue to generate enough cash flow on an on-going basis to meet the Company's liabilities as they fall due.

RESULTS AND DIVIDENDS FOR THE PERIOD

The results for the year are set out in the Statement of Comprehensive Income on page 8. The Directors do not recommend the payment of a dividend. (2015: Nil)

ACCOUNTING RECORDS

The measures taken by the directors to secure compliance with the requirements of section 281 to 285 of the Companies Act 2014 to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. To achieve this, the directors have appointed Link IFS Limited (formerly Capita International Financial Services (Ireland) Limited) to provide accounting services. The accounting records are kept at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2.

INDEPENDENT AUDITOR

Due to the impact of EU audit reform regulations, Deloitte, Chartered Accountants & Statutory Audit Firm, will not act as auditors for the financial year ended 31 December 2017, as they will have exceeded the maximum length of tenure.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are disclosed in note 18 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

BUSINESS RISKS

The key risks to the business relate to the use of financial instruments. A summary of these risks and how they are managed are set out in note 18 to the financial statements.

KEY PERFORMANCE INDICATORS

During the year:

- The Company made a profit after tax of €7,761 (2015: €7,127) ;
- The net fair value loss recognised on financial assets amounted to €11,156,247 (2015: gain of €11,250,886)
- The net fair value loss recognised on financial liabilities amounted to €7,292,499 (2015: gain of €6,724,615);
- The net fair value loss on derivative financial instruments amounted to €3,863,747 (2015: loss of €17,975,502);

As at 31 December 2016 :

- The fair value of the notes issued by the Company amounted to €557,528,809 (2015: €358,459,220).
- The proceeds on the redemption of the notes amounted to €28,485,000 (2015: €92,577,590);
- The fair value of the investment securities amounted to €603,399,585 (2015: €400,466,248); and
- The net fair value of the derivative financial instruments amounted to €45,870,776 liability (2015: €42,007,029 liability).

DIRECTORS, SECRETARY AND THEIR INTERESTS

The names of the current Directors and Secretary staff are listed on page 2. All directors served throughout the financial year. The Directors and Secretary who held office on 31 December 2016 did not hold any shares in the Company at that date, or during the financial year.

STATEMENT ON RELEVANT AUDIT INFORMATION

In the case of each of the persons who are Directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

- so far as each Director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

DIRECTORS' COMPLIANCE POLICY STATEMENT

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 of the Companies Act 2014 and hereby confirm that they have completed the following;

- Approved and adopted a Compliance Policy Statement, setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations
- Put in place appropriate arrangements and structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations; and
- Have conducted a review of the aforementioned arrangements and structures during the financial year ended 31 December 2016.

The Directors' note that the arrangements and structures, referred to above, are to be reviewed during each financial year.

DIRECTORS' REPORT - continued

CORPORATE GOVERNANCE STATEMENT

Introduction

The Company is subject to and complies with Irish Statute comprising of the Companies Act 2014 and the Listing rules of the Irish Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process

The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Link IFS Limited (formerly Capita International Financial Services (Ireland) Limited), to maintain the accounting records of the Company independent of the Arranger, Trustee and the Custodian. The Administrator is contractually obliged to assist the Company to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger, Trustee and the Custodian.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator maintains control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the operations performed by the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Acts, 2014 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking property of any part thereof and may delegate these powers to the Arranger.

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Audit Committee

The Company has not established an audit committee under section 167 of the Companies Act 2014. The sole business of the Company relates to the issuing of asset-backed securities. It also enters into certain derivatives to hedge out interest rate exposure arising on investment securities and debt securities issued mismatches. Under Regulation 91(9)(d) of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulation 2010 ("the Regulations"), which were published by the Irish Minister for Enterprise, Trade and Innovation on 25 May 2010, such a Company may avail itself of an exemption from the requirement to establish an audit committee.

Given the functions performed by the Administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly the Company has availed itself of the exemption under Regulation 91(9)(d) of the Regulations.

On behalf of the board

Tom Geary
Director
Date: 17 November 2017

Don Bergin
Director
Date: 17 November 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors' are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

Under company law the directors must not approve the Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing the Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with FRS102; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act, 2014 and the listing rules of the Irish Stock Exchange which enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Tom Geary
Director
Date: 17 November 2017

Don Bergin
Director
Date: 17 November 2017

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBRETTO CAPITAL PLC

We have audited the financial statements of Libretto Capital Plc (the "Company") for the financial year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company'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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2016 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements and, based on the work undertaken in the course of the audit, the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the financial reporting process is consistent with the financial statements, and has been prepared in accordance with section 1373 Companies Act 2014. Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Continued on next page/

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
LIBRETTO CAPITAL PLC**

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



John McCarroll
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 17th November 2017

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2016

	Note	Year ended 2016 EUR	Year ended 2015 EUR
Interest income and similar income	2	20,845,443	14,148,464
Interest expense and similar charges	3	(14,739,230)	(9,205,925)
Net derivative financial instruments expense	4	(6,106,213)	(4,942,538)
Fair value movement on financial assets	8	11,156,247	11,250,886
Fair value movement on derivative financial instruments	9	(3,863,747)	(17,975,502)
Fair value movement on financial liabilities issued	13	(7,292,499)	6,724,615
Other operating income	5	<u>168,082</u>	<u>111,304</u>
GROSS PROFIT		168,083	111,304
Other expenses	6	<u>(157,735)</u>	<u>(101,801)</u>
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		10,348	9,503
Tax on Ordinary Activities	7	<u>(2,587)</u>	<u>(2,376)</u>
TOTAL COMPREHENSIVE RESULT FOR THE FINANCIAL YEAR		<u><u>7,761</u></u>	<u><u>7,127</u></u>

All items dealt with in arriving at the result for the financial year ended 31 December 2016 related to continuing operations.

The Company has no recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income and accordingly no Statement of Total Recognised Gains and Losses has been presented.

The notes to the financial statements form an integral part of these financial statements.

LIBRETTO CAPITAL PLC

STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Note	Year ended 2016 EUR	Year ended 2015 EUR
ASSETS			
NON-CURRENT ASSETS			
Financial assets at fair value through the profit and loss	8	598,380,335	400,466,248
Derivative financial instruments at fair value	9	<u>21,678,967</u>	<u>1,440,507</u>
		620,059,302	401,906,755
CURRENT ASSETS			
Financial assets at fair value through the profit and loss	8	5,019,250	-
Derivative financial instruments at fair value	9	-	1,073,138
Cash at bank	10	53,172	46,830
Debtors	11	<u>9,342,183</u>	<u>4,604,520</u>
		14,414,605	5,724,488
CREDITORS (Amounts falling due within one year)			
Derivative financial instruments at fair value	9	(219,257)	-
Financial liabilities at fair value through profit and loss	13	(4,799,993)	-
Creditors	12	<u>(9,320,966)</u>	<u>(4,584,721)</u>
		14,414,605	5,724,488
NET CURRENT ASSETS			
		<u>74,389</u>	<u>1,139,767</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>620,133,691</u>	<u>403,046,522</u>
CREDITORS (Amounts falling due greater than one year)			
Derivative financial instruments at fair value	9	(67,330,486)	(44,520,674)
Financial liabilities at fair value through profit and loss	13	<u>(552,728,816)</u>	<u>(358,459,220)</u>
		(620,059,302)	(402,980,344)
NET ASSETS			
		<u><u>74,389</u></u>	<u><u>66,628</u></u>
CAPITAL AND RESERVES			
Share Capital	14	40,000	40,000
Retained earnings		<u>34,389</u>	<u>26,628</u>
SHAREHOLDER FUNDS			
		<u><u>74,389</u></u>	<u><u>66,628</u></u>

The notes to the financial statements form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 17 November 2017 and signed on its behalf by:

Tom Geary
Director
Date: 17 November 2017

Don Bergin
Director
Date: 17 November 2017

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2016

	Called up share capital EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2016	40,000	26,628	66,628
Total comprehensive result for the financial year	-	7,761	7,761
Balance at 31 December 2016	<u>40,000</u>	<u>34,389</u>	<u>74,389</u>

	Called up share capital EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2015	40,000	19,501	59,501
Total comprehensive result for the financial year	-	7,127	7,127
Balance at 31 December 2015	<u>40,000</u>	<u>26,628</u>	<u>66,628</u>

The notes to the financial statements form an integral part of these financial statements.

LIBRETTO CAPITAL PLC

STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2016

	Note	Year ended 2016 EUR	Year ended 2015 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		10,348	9,503
Adjustments For:			
Decrease/ (Increase) in other debtors	11	(56,610)	(7,164)
(Decrease)/ Increase in creditors - due within one year	12	55,190	(5,677)
Interest income		(20,845,443)	(14,148,464)
Interest expense		20,845,443	14,148,463
Interest Paid		<u>(2,587)</u>	<u>(2,375)</u>
NET CASH FROM OPERATING ACTIVITIES		<u>6,341</u>	<u>(5,714)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	8	(220,262,090)	(152,493,736)
Redemption of investments	8	28,485,000	103,881,548
Net cash flow on settlement of derivative transactions	9	-	(11,303,957)
Interest received		<u>17,598,653</u>	<u>15,393,084</u>
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(174,178,437)</u>	<u>(44,523,061)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of notes	13	220,262,090	152,493,735
Redemption of notes	13	(28,485,000)	(92,577,590)
Interest received		<u>(17,598,652)</u>	<u>(15,393,083)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		<u>6,342</u>	<u>(5,713)</u>
OPENING CASH AT BEGINNING OF THE FINANCIAL YEAR		<u>46,830</u>	<u>52,543</u>
CLOSING CASH AT THE END OF THE FINANCIAL YEAR		<u><u>53,172</u></u>	<u><u>46,830</u></u>

The notes to the financial statements form an integral part of these financial statements.

1 BASIS OF PREPARATION**Corporate information**

The Company is a limited liability company incorporated under the laws of Ireland with company number 398915. The Company was incorporated on the 28 September 2004 as a public limited company under the Irish Companies Acts 2014.

The registered office of the Company is 2 Grand Canal Square, Grand Canal Harbour, Dublin 2.

The Company, a special purpose securitisation vehicle, has acceded to a secured Note programme established by Jupiter Capital Limited, Jupiter Finance Limited, Jupiter International Co. Limited, Atlantic Capital International Limited and Cloverie plc. The Company's debt is listed on the Irish Stock Exchange.

Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention except for assets and liabilities stated at fair value as explained below. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") as issued by the Financial Reporting Council in August 2014 but with the early application of the amendment to FRS 102 made in March 2016 in relation to fair value hierarchy disclosures.

Based upon the Company's financial position, the Directors are satisfied that the going concern basis of accounting is appropriate.

Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of IAS 39 Financial Instruments: Recognition and Measurement to its financial instruments that fall in scope of Sections 11 and 12 of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by that latter standard.

The majority of the Company's financial instruments are classified in categories that require measurement at fair value through profit or loss, with basis for arriving at this position being set out below.

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value through the profit or loss:

- derivative financial instruments;
- investment securities designated as at fair value through profit or loss; and
- debt securities issued designated as at fair value through profit or loss.

Judgements made by management that have significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

The principal accounting policies adopted by the Company are set out below:

Functional and presentation currency

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements of the Company are presented in Euro ("EUR"), which is the Company's functional and presentation currency.

Foreign currency transactions

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary items that are denominated in foreign currencies are recognised in profit or loss in the period. Net foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are included in the net fair value gain/loss on those instruments.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

Net gain/loss from investment securities designated as at fair value through profit or loss

Net gain/loss from investment securities designated as at fair value through profit or loss includes realised and unrealised fair value movements including foreign exchange differences.

Net gain/loss from derivatives

Net gain/ loss on derivative financial instruments measured at fair value through profit or loss relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

Net gain/loss on debt securities issued designated as at fair value through profit or loss

Net gain/loss on debt securities issued, designated at fair value through profit or loss, relates to debt securities issued and includes financing costs (including coupon payments), unrealised fair value changes and foreign exchange differences.

Taxation

The Company meets the criteria for a "Section 110 vehicle" under the Taxes Consolidation Act, 1997 and is therefore subject to a special tax regime which potentially allows the Company to be tax neutral. Income tax expense comprises current tax. Income tax expense is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantially enacted at the Statement of Financial Position date, and adjusted to tax payable in respect of previous years.

1 BASIS OF PREPARATION- continued**Cash at bank**

Cash comprises of bank balances and bank overdrafts. Each of the Series Notes in place has a separate bank account with Citi Bank. The Note receipts and Collateral payments for each series are transacted through the individual Citi Bank account.

Financial Instruments**Classification and measurement**

Financial assets and liabilities are classified as financial assets and liabilities 'at fair value through profit or loss' (FVTPL). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets and liabilities at FVTPL

The Company classifies its investments in securities, debt securities issued and derivative financial instruments as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are either held for trading or designated by the Directors at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future. All derivatives are also included in this category.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis. Information about these financial assets and liabilities are evaluated by the Directors on a fair value basis together with other relevant financial information.

Financial assets and liabilities at FVTPL are stated at fair value, with any gain or loss arising from changes in fair value recognised in profit or loss.

Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The price transparency of a particular instrument will determine the degree of judgement involved in determining the fair value of the financial instrument. Level 1 financial instruments are actively quoted prices or have market data available or are derived from actively quoted prices or market data. Such instruments have a higher degree of price transparency.

Level 2 financial instruments that are thinly traded or not quoted will generally have little or no price transparency. Observable market prices and market data in an instrument (or a related instrument) may be used to derive a price without requiring significant judgement.

Level 3 financial instruments occur when, in certain markets observable market prices or market data are not available for all instruments, and fair value is determined using valuation techniques appropriate for each particular instrument. These valuation techniques involve some degree of judgement. The transparency of market prices and/or market data will determine the degree of judgement involved in determining the fair value of the Company's financial instruments.

In the case of financial instruments for which market observable prices or data are not available, management's estimates are based on values obtained from the arranging investment bank. These estimates may be determined in whole or in part using valuation techniques such as use of recent similar arm's length transactions if available, reference to the current fair value of an instrument that is substantially the same, discounted cash flow analysis or any other valuation technique that provides reliable estimates of prices obtainable in actual market transactions. If actual transaction prices were available for the financial instruments, or different assumptions were used, the valuations may be different to those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded.

Because of limited recourse, the fair value of the Notes issued by the Company is determined by reference to the fair value of the associated financial assets designated at FVTPL and the fair value of derivative financial instruments. Any future change in the fair value of financial assets and derivatives will have an equal but opposite impact on the fair value of the Notes.

Recognition and de-recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities designated as at fair value through profit or loss are recorded in the Statement of Comprehensive Income. Financial assets and liabilities not categorised at fair value through profit or loss are subsequently measured at amortised cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

NOTES TO THE FINANCIAL STATEMENTS- continued

2	INTEREST INCOME AND SIMILAR INCOME	Year ended 2016 EUR	Year ended 2015 EUR
	Coupon income	<u>20,845,443</u>	<u>14,148,464</u>
3	INTEREST EXPENSE AND SIMILAR CHARGES	Year ended 2016 EUR	Year ended 2015 EUR
	Coupon expense	<u>(14,739,230)</u>	<u>(9,205,925)</u>
4	NET DERIVATIVE FINANCIAL INSTRUMENTS EXPENSE	Year ended 2016 EUR	Year ended 2015 EUR
	Coupon expense	<u>(6,106,213)</u>	<u>(4,942,538)</u>
5	OTHER OPERATING INCOME	Year ended 2016 EUR	Year ended 2015 EUR
	Fees reimbursed by Citibank	<u>168,082</u>	<u>111,304</u>
		<u>168,082</u>	<u>111,304</u>

Under an arrangement between the Company and Citigroup Global Capital Markets Limited "Citigroup", Citigroup Global Capital Markets Limited has agreed to reimburse the Company against any costs, fees, expenses or out-goings incurred.

6	OTHER EXPENSES	Year ended 2016 EUR	Year ended 2015 EUR
	Administration fees	(55,608)	(55,799)
	Citi administration fees	(23,466)	-
	Directors fees	(20,000)	(20,000)
	Audit fees	(17,220)	(17,220)
	Tax fees	(6,150)	(6,150)
	Legal costs	(31,323)	-
	Other expenses	<u>(3,968)</u>	<u>(2,632)</u>
		<u>(157,735)</u>	<u>(101,801)</u>

The Company is administered by Link IFS Limited and has no employees. (2015: Nil)

AUDIT REMUNERATION

(All figures are exclusive of VAT)	2016 EUR	2015 EUR
Statutory audit fees	(17,220)	(14,020)
Tax advisory fees	(6,150)	(6,150)
Other assurance services	-	-
Other non audit services	-	-
	<u>(23,370)</u>	<u>(20,170)</u>

DIRECTORS REMUNERATION

	2016 EUR	2016 EUR
Emoluments in respect of qualifying services	20,000	20,000
Other emoluments	-	-
Company contributions in respect of qualifying services to Pension Scheme Fund, a defined contribution retirement benefit scheme	-	-
Compensation for loss of office of Director of the Company (paid by the Company)	-	-
	<u>20,000</u>	<u>20,000</u>

The Company has two non executive Directors who respectively receive a fee of €10,000 per annum (2015: €10,000 per annum). The Directors do not receive any other forms of benefits.

The Company has no employees during the financial year. (2015: Nil)

NOTES TO THE FINANCIAL STATEMENTS- continued

7 RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

The tax charge for the financial year is no different to the standard rate of corporation tax in Ireland, as explained below:

	Year ended 2016 EUR	Year ended 2015 EUR
Result on ordinary activities before tax	<u>10,348</u>	<u>9,503</u>
Current tax for the year at a rate of 25% (2015: 25%)	<u>(2,587)</u>	<u>(2,376)</u>

The Company will continue to be taxed at 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH THE PROFIT AND LOSS

	Year ended 2016 EUR	Year ended 2015 EUR
<i>Designated as at fair value through profit or loss</i>		
Investment Securities	<u>603,399,585</u>	<u>400,466,248</u>
	<u>603,399,585</u>	<u>400,466,248</u>

Movement in investment securities

At the beginning of the financial year	400,466,248	340,603,174
Additions during the financial year	220,262,090	152,493,736
Disposals during the financial year	(28,485,000)	(103,881,548)
Net fair value movement due to market risks	<u>11,156,247</u>	<u>11,250,886</u>

At the end of the year	<u>603,399,585</u>	<u>400,466,248</u>
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	2016 EUR	2015 EUR
Maturity Analysis		
Within 1 year	5,019,250	-
Between 2 to 5 years	198,068,824	48,268,880
Greater than 5 years	<u>400,311,511</u>	<u>352,197,368</u>
	<u>603,399,585</u>	<u>400,466,248</u>

Refer to note 18 where details regarding the risks inherent in the financial instruments and the management of the risks are discussed.

9 DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE

	Year ended 2016 EUR	Year ended 2015 EUR
Balance at the beginning of financial year	(42,007,029)	(35,335,484)
Settlements	-	11,303,957
Net fair value movement	<u>(3,863,747)</u>	<u>(17,975,502)</u>
Balance at end of financial year	<u>(45,870,776)</u>	<u>(42,007,029)</u>

Derivative CDS Assets	6,293,056	1,440,508
Derivative CDS Liabilities	(32,565,011)	(5,429,231)
Derivative IRS Assets	11,713,837	-
Derivative IRS Liabilities	(34,984,734)	(32,977,380)
Derivative Equity Option Assets	3,672,076	1,073,138
Derivative Equity Option Liability	-	(6,114,064)
	<u>(45,870,776)</u>	<u>(42,007,029)</u>

	2016 EUR	2015 EUR
Maturity analysis of derivative financial instruments assets		
Within 1 year	-	1,073,138
Between 2 to 5 years	13,869,065	372,203
Greater than 5 years	<u>7,809,902</u>	<u>1,068,304</u>
	<u>21,678,967</u>	<u>2,513,645</u>

	2016 EUR	2015 EUR
Maturity analysis of derivative financial instruments liabilities		
Within 1 year	(219,257)	-
Between 2 to 5 years	(40,740,855)	(4,413,282)
Greater than 5 years	<u>(26,589,631)</u>	<u>(40,107,392)</u>
	<u>(67,549,743)</u>	<u>(44,520,674)</u>

Refer to note 18 where details regarding the risks inherent in the financial instruments and the management of the risks are discussed.

10 CASH AT BANK

	Year ended 2016 EUR	Year ended 2015 EUR
Citi Bank accounts	8,604	8,950
AIB Bank accounts	<u>44,568</u>	<u>37,880</u>
	<u>53,172</u>	<u>46,830</u>

The Citibank balances held by the Company relate to an excess of Interest Income received by the Company during the course of the year. These balances will ultimately be paid to Citi bank and are not assets of the Company. There is a corresponding liability recorded in the accounts as a payable to Citibank (refer to note 12).

11 DEBTORS

	Year ended 2016 EUR	Year ended 2015 EUR
Coupon income receivable on financial assets	6,122,402	2,875,612
Coupon income receivable on swaps	3,090,381	1,656,118
Transaction fees receivable	44,500	34,500
Other operating income receivable	<u>84,900</u>	<u>38,290</u>
	<u>9,342,183</u>	<u>4,604,520</u>

NOTES TO THE FINANCIAL STATEMENTS- continued

12 CREDITORS	Year ended 2016 EUR	Year ended 2015 EUR
Coupon payable on financial liabilities	(2,427,434)	(1,052,532)
Coupon payable on swaps	(6,785,348)	(3,479,197)
Payable to Citibank - bank balances	(8,604)	(8,950)
Accrued expenses	(96,993)	(41,666)
Corporation tax payable	(2,587)	(2,376)
	<u>(9,320,966)</u>	<u>(4,584,721)</u>

13 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

	Year ended 2016 EUR	Year ended 2015 EUR
<i>Designated as at fair value through profit or loss</i>		
Debt securities - notes issued	<u>(557,528,809)</u>	<u>(358,459,220)</u>
	<u>(557,528,809)</u>	<u>(358,459,220)</u>

Movement in debt securities issued

At the beginning of the financial year	(358,459,220)	(305,267,690)
Issued during the financial year	(220,262,090)	(152,493,735)
Redeemed during the financial year	28,485,000	92,577,590
Net fair value movement	<u>(7,292,499)</u>	<u>6,724,615</u>

At the end of the financial year	<u>(557,528,809)</u>	<u>(358,459,220)</u>
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Maturity Analysis

	2016 EUR	2015 EUR
Within 1 year	(4,799,993)	-
Between 2 to 5 years	(171,197,037)	(44,227,801)
Greater than 5 years	<u>(381,531,779)</u>	<u>(314,231,419)</u>
	<u>(557,528,809)</u>	<u>(358,459,220)</u>

The Notes were issued as follows:

		2016 EUR	2015 EUR
Class	Coupon	Nominal	Nominal
Series 2007-3	USD Fixed – Zero Coupon	USD 5,650,000	USD5,650,000
Series 2007-7	EUR Variable – Index Linked	EUR 5,000,000	EUR 5,000,000
Series 2010-1	EUR Variable – Index Linked	EUR 62,000,000	EUR 62,000,000
Series 2011-2	EUR Fixed – 8%p.a.	EUR 700,000	EUR 700,000
Series 2013-8	USD Variable – Index Linked	USD10,000,000	USD10,000,000
Series 2013-10	USD Variable – Index Linked	USD10,000,000	USD10,000,000
Series 2014-1	EUR Variable – Index Linked	EUR 20,000,000	EUR 20,000,000
Series 2014-2	USD Fixed – 6.45%	USD10,000,000	USD10,000,000
Series 2014-3	USD Fixed – 5.85%	USD10,000,000	USD10,000,000
Series 2014-6	USD Fixed – 6.75%	USD10,000,000	USD10,000,000
Series 2014-8	EUR Variable – Index Linked	EUR 20,000,000	EUR 20,000,000
Series 2014-9	USD Variable – Index Linked	USD20,000,000	USD20,000,000
Series 2014-10	EUR Variable – Index Linked	EUR 20,000,000	EUR 20,000,000
Series 2014-11	USD Fixed – 5.00%	USD2,000,000	USD2,000,000
Series 2014-13	EUR Fixed - Zero Coupon	EUR 3,000,000	EUR 3,000,000
Series 2014-14	EUR Variable – Index Linked	EUR 20,000,000	EUR 20,000,000
Series 2014-16	USD Variable – Index Linked	USD10,000,000	USD10,000,000
Series 2014-17	USD Variable – Index Linked	USD10,000,000	USD10,000,000
Series 2014-19	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-1	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-2	EUR Fixed - 1.75%p.a	EUR 4,800,000	EUR 4,800,000
Series 2015-3	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-4	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-5	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-6	USD Variable – Index Linked	USD 5,000,000	USD 5,000,000
Series 2015-7	USD Variable – Index Linked	USD 5,000,000	USD 5,000,000
Series 2015-9	USD Variable – Index Linked	USD 5,000,000	USD 5,000,000
Series 2015-10	USD Variable – Index Linked	USD 5,000,000	USD 5,000,000
Series 2015-12	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-14	EUR Fixed - Zero Coupon	EUR 7,000,000	EUR 7,000,000
Series 2015-15	EUR Fixed - Zero Coupon	EUR 12,080,000	EUR 12,080,000
Series 2015-16	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-17	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-19	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-20	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-21	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2015-22	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2016-01	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-02	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-03	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-04	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-06	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-07	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-08	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-10	JPY Fixed – 0.70%	JPY 2,400,000,000	-
Series 2016-13	JPY Fixed – 1.00%	JPY 2,500,000,000	-
Series 2016-15	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-16	USD Variable – Index Linked	USD 20,000,000	-
Series 2016-17	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-18	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-19	USD Variable – Index Linked	USD 10,000,000	-
Series 2016-21	USD Fixed – 7.50%	USD 10,000,000	-
Series 2016-22	USD Fixed – 6.50%	USD 10,000,000	-
Series 2016-24	USD Fixed – 7.50%	USD 10,000,000	-

13 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS - continued

Notes	Issue Date	Maturity Date
Series 2007-3	14 March 2007	11 March 2047
Series 2007-7	25 October 2007	30 January 2017
Series 2010-1	07 April 2010	09 April 2025
Series 2011-2	24 October 2011	20 June 2018
Series 2013-8	12 November 2013	24 August 2020
Series 2013-10	09 December 2013	20 December 2020
Series 2014-1	21 February 2014	30 January 2020
Series 2014-2	01 April 2014	15 April 2021
Series 2014-3	08 April 2014	12 July 2021
Series 2014-6	05 May 2014	04 December 2022
Series 2014-8	10 June 2014	18 January 2021
Series 2014-9	20 June 2014	24 January 2022
Series 2014-10	08 July 2014	03 March 2021
Series 2014-11	08 July 2014	31 January 2019
Series 2014-13	01 August 2014	08 July 2024
Series 2014-14	19 August 2014	15 November 2022
Series 2014-16	01 December 2014	31 October 2024
Series 2014-17	16 December 2014	31 October 2024
Series 2014-19	15 January 2015	23 October 2024
Series 2015-1	16 February 2016	23 October 2024
Series 2015-2	26 March 2015	20 December 2024
Series 2015-3	16 April 2015	16 March 2025
Series 2015-4	21 May 2015	26 March 2025
Series 2015-5	02 June 2015	26 March 2025
Series 2015-6	02 June 2015	26 March 2025
Series 2015-7	02 June 2015	26 March 2025
Series 2015-9	02 July 2015	26 March 2025
Series 2015-10	03 July 2015	26 March 2025
Series 2015-12	21 July 2015	26 March 2025
Series 2015-14	12 October 2015	18 March 2021
Series 2015-15	16 October 2015	06 April 2021
Series 2015-16	04 November 2015	22 January 2022
Series 2015-17	04 November 2015	26 January 2022
Series 2015-19	13 November 2015	04 August 2025
Series 2015-20	25 November 2015	01 October 2025
Series 2015-21	04 December 2015	04 August 2025
Series 2015-22	04 December 2015	04 August 2025
Series 2016-01	25 January 2016	17 July 2025
Series 2016-02	25 January 2016	31 March 2025
Series 2016-03	04 February 2016	31 March 2025
Series 2016-04	04 February 2016	31 March 2025
Series 2016-06	11 February 2016	15 January 2026
Series 2016-07	26 February 2016	05 August 2025
Series 2016-08	26 February 2016	15 January 2026
Series 2016-10	03 March 2016	24 December 2020
Series 2016-13	18 March 2016	24 December 2020
Series 2016-15	30 March 2016	03 March 2021
Series 2016-16	11 April 2016	05 August 2025
Series 2016-17	04 May 2016	23 June 2021
Series 2016-18	04 May 2016	19 August 2020
Series 2016-19	12 July 2016	20 April 2026
Series 2016-21	19 July 2016	17 June 2026
Series 2016-22	15 September 2016	05 October 2026
Series 2016-24	13 October 2016	05 October 2026

The redemption of Notes during the financial year were as follows:

Notes	Notional	Issue Date	Redemption Date
Series 2016-11	USD 10,000,000	18 March 2016	23 December 2016
Series 2016-12	USD 10,000,000	21 March 2016	23 December 2016
Series 2016-14	USD 10,000,000	29 March 2016	23 December 2016

The repayment of the Notes and related interest by the Company is contingent upon the performance of the Collateral held. The Notes are exposed to the performance of the investments held and the derivative financial instruments and therefore there is no guarantee that the noteholder will receive the full principal amount of the Notes and interest thereon. All the risks affecting the Company are borne by the Noteholder due to the non-recourse nature of the investment.

14 SHARE CAPITAL	Year ended		
	2016	2015	
	EUR	EUR	
Authorised			
40,000 Ordinary shares of €1 each	40,000	40,000	
Issued and called-up and paid			
40,000 Ordinary shares of €1 each	<u>40,000</u>	<u>40,000</u>	
15 ANALYSIS OF CHANGES IN NET DEBT	At the beginning of the financial year	Movement	At the end of the financial year
	2015	2016	2016
	EUR	EUR	EUR
Cash at bank	46,830	6,342	53,172
Debt due	(358,459,220)	(199,069,589)	(557,528,809)
	<u>(358,412,390)</u>	<u>(199,063,247)</u>	<u>(557,475,637)</u>

NOTES TO THE FINANCIAL STATEMENTS- continued

16 OWNERSHIP OF THE COMPANY

The principal non-beneficial shareholder in the Company is Company is Link Trustee Services (Jersey) Limited (formerly Capita Trustee Services Limited) (39,994 shares). In addition, Forbrit Corporate Director 4 Limited, Forbrit Corporate Director 3 Limited, Link Nominee Services 2 Limited (formerly Capita Nominee Services 2 Limited), Link Nominee Services 3 Limited (formerly Capita Nominee Services 3 Limited), Link Foundations Services Limited (formerly Capita Foundation Services Limited) and Link Nominee Services Limited (formerly Capita Nominee Services Limited) hold one share each in the Company. The shareholders act solely as share trustees and have no beneficial ownership in the Company. All shares are held under the terms of declarations of trust dated 9 March 2009, under which the relevant share trustee holds the issued shares of the Company on trust for a charity.

17 CHARGES

The Series of Notes issued by the Company are secured by way of mortgage over the investments purchased in respect of that Series, and by the assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreements for each series.

18 FINANCIAL RISK MANAGEMENT

Introduction and overview

The principal activity of the Company, a special purpose vehicle, is the acquisition of a portfolio of investment securities and derivative financial instrument positions, funded through the issue of Notes denominated in EUR, USD and JPY. Therefore, the role of financial assets and financial liabilities is central to the activities of the Company. The notes issued have significantly provided the funding to purchase the Company's financial assets.

Financial assets and financial liabilities form the majority of the assets and liabilities of the Company and generate the majority of the income and expenses.

(a) Risk management

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (interest rate risk, currency risk and price risk), credit risk, liquidity risk and operational risk. The properties of the Company's financial liabilities, is matched to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. The potential adverse effects of these risks on the Company's financial performance are monitored and managed by appropriate methods as discussed below.

(b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced to Link IFS Limited.

(c) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Company's overall strategy remains unchanged from 2015.

The capital structure of the Company consists of debt, which includes the Notes payable disclosed in [Note 14](#), equity comprising issued capital and retained earnings as disclosed in the Statement of Changes in Equity.

(d) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Notes are limited recourse to the assets and therefore the Noteholders are exposed to the credit risk of the Swap Counterparty and the portfolio of financial assets. The Company limits its exposure to credit risk as the risk of default on these assets is borne by the Noteholders in accordance with their respective agreements.

The Company's exposure and the credit ratings of its counterparties are continuously monitored by the Directors and the Arrangers. The following table details the aggregate investment grade of the debt instruments in the portfolio, as rated by well-known rating agencies approved by the Directors, or in the case of an unrated debt instrument, the rating as assigned by the Board of Directors using an approach consistent with that of the respective rating agencies:

NOTES TO THE FINANCIAL STATEMENTS- continued

18 FINANCIAL RISK MANAGEMENT - continued

(d) Credit risk - continued

	2016	2015
	%	%
Rating		
AA	-	5.00
AA-	1.69	2.50
A	9.75	10.00
A-	15.87	7.50
BBB+	41.96	62.50
BBB	4.23	5.00
BBB-	10.24	2.50
Unrated	16.26	5.00
	<u>100.00</u>	<u>100.00</u>

Due to limited recourse and the ring fenced nature of the debt securities issued under each series, the Directors believe that including a geographical concentration analysis of the investment securities issued on an overall basis will provide very little, if any, benefit to the users of the financial statements.

Cash at bank:

The Company's cash is held mainly with AIB bank which has a short term credit rating of A-1 from Standard and Poor's as at 31 December 2016 (2015: A-1).

Derivatives:

Derivative financial instruments are transacted with Citigroup Global Markets Limited which has a short term credit rating of A-2 from Standard and Poor's as at 31 December 2016 (2015: A-1).

As part of certain Series under the programme, the Company has entered into swap agreements with a credit exposure to the Swap Counterparty. In exchange for the receipt of income for the relevant Series, the Company has sold credit protection on reference assets. By entering into the credit agreements, the Company is exposed to the risk that the reference assets underperform resulting in a default.

The Noteholders are exposed to the performance of the reference assets. That is, the ability of the Company to meet its obligations under the Notes will depend on the receipt by it of payments of interest and principal under the Collateral Assets, as well as payments owed to the Company by the Swap Counterparty under the terms of the swap. Consequently, an investor is exposed not only to the occurrence of Credit Events in relation to any of the reference assets comprised in the Specified Portfolio, but also to the ability of the Asset Issuer, the Swap Counterparty and the Swap Guarantor to perform their respective obligations to make payments to the Company.

In the event of an issuance of a credit event notice with respect to the reference assets, the Company will pay an amount as defined in the swap agreements from the assets of that Series to which the swap agreement relates. The aggregate liability of the Company under the swap agreements for individual Series shall not exceed the aggregate of the eligible investment securities for those Series.

Under the credit swaps agreements, there is exposure to a wide range of countries and various industries. Details of these exposures are outlined in detail in the prospectus for each Series.

Other assets:

The other assets mainly include income receivable from instruments held by the Company as at year end.

(e) Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Noteholders receive the principal and interest repayments in the currency stated on the loan notes. The currency risk arising from portfolio instruments, cash and settlement balances denominated in currencies other than the functional currency of the Company are managed by matching the denominations of the financial assets and liabilities and the use of swaps.

The financial instrument foreign currency exposure of the Company's assets and liabilities, excluding derivative financial instruments, in EUR equivalent is presented below:

	2016	2016
	Assets	Liabilities
USD	379,333,250	357,013,902
EUR	183,591,061	175,862,830
JPY	40,475,274	24,652,077
Total	<u>603,399,585</u>	<u>557,528,809</u>
	2015	2015
	Assets	Liabilities
USD	259,010,588	197,915,996
EUR	141,455,660	160,543,224
Total	<u>400,466,248</u>	<u>358,459,220</u>

18 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Sensitivity analysis

The impact of any change in the exchange rates on the financial assets is partly passed to the swap counterparty, where relevant, through the swaps in place and the rest is borne by the Noteholders.

At 31 December 2016, had the EUR strengthened against the above currencies by 10% with all other variables held constant, the fair value of notes issued would have decreased by EUR 35,701,390 (2015: a decrease of EUR 19,791,560).

A 10% weakening of the EUR against the above currencies would have had an equal but opposite effect on the fair value of notes issued.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The following table provides an analysis of the interest rate profile of the Company's financial instruments as at 31 December 2016 and 31 December 2015 on a fair value basis, excluding derivative financial instruments and other debtors and creditors:

	2016 EUR	2015 EUR
Assets		
Non interest bearing	70,923,711	21,126,070
Fixed interest rate debt securities	532,475,874	364,658,802
Floating rate debt securities	-	14,681,376
Cash and cash equivalents	53,172	46,830
Total	<u>603,452,757</u>	<u>400,513,078</u>
Liabilities		
Non interest bearing	2,653,854	3,048,671
Fixed interest rate debt securities	106,140,188	48,115,044
Floating rate debt securities	448,734,767	307,295,505
Total	<u>557,528,809</u>	<u>358,459,220</u>

Sensitivity analysis

All interest received on the underlying assets is passed to the Swap Counterparty in exchange for the required payments to the relevant Noteholders, therefore the Company does not bear any interest rate risk.

The sensitivity analysis below has been determined based on the Noteholder's exposure to interest rates for interest bearing assets and liabilities (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates.

At 31 December 2016 the Company had exposure to floating rate notes as per the amounts indicated above.

If interest rates had been 10% higher and all other variables were held constant, the interest income would increase by €10,614,019 (2015: €4,811,504) with a corresponding offset in movement in interest expense to the noteholders and the swap counterparty.

A decrease of 10% in interest rates, with all the other variables held constant, would result in an equal but opposite effect.

A 10% increase or decrease represents management's assessment of a reasonably possible change in interest rates.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Company's overall market positions are monitored by the Directors.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The price transparency of a particular instrument will determine the degree of judgement involved in determining the fair value of the financial instrument. Level 1 financial instruments are actively quoted prices or have market data available or are derived from actively quoted prices or market data. Such instruments have a higher degree of price transparency. By contrast, Level 2 financial instruments that are thinly traded or not quoted will generally have little or no price transparency. Observable market prices and market data in an instrument (or a related instrument) may be used to derive a price without requiring significant judgement.

Level 3 financial instruments occurs when, in certain markets observable market prices or market data are not available for all instruments, and fair value is determined using valuation techniques appropriate for each particular instrument. These valuation techniques involve some degree of judgement. The transparency of market prices and/or market data will determine the degree of judgement involved in determining the fair value of the Company's financial instruments.

In the case of financial instruments for which market observable prices or data are not available, management's estimates are based on values obtained from the arranging investment bank. These estimates may be determined in whole or in part using valuation techniques such as use of recent similar arm's length transactions if available, reference to the current fair value of an instrument that is substantially the same, discounted cash flow analysis or any other valuation technique that provides reliable estimates of prices obtainable in actual market transactions. If actual transaction prices were available for the financial instruments, or different assumptions were used, the valuations may be different to those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded. The ultimate outcome of these uncertainties cannot at present be determined.

NOTES TO THE FINANCIAL STATEMENTS- continued

18 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Price risk - continued

The fair value of the Notes issued by the Company is determined by reference to the fair value of the associated financial assets designated at FVTPL due to limited resources, and the fair value of derivative financial instruments. Any future change in the fair value of financial assets and derivatives will have an equal but opposite impact on the fair value of the Notes.

Sensitivity analysis

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the Noteholders. As at 31 December 2016, the Noteholders' exposure to other price risk relates to the value of financial assets amounting to EUR 603,399,585 (2015: EUR 400,466,248) and derivative financial instruments of EUR 47,870,776 (2015: EUR 42,007,029). Price risk is managed by investing in a diversified portfolio of investments with credit ratings at the acquisition date of BB or higher.

An increase of 10% in the market price of the financial assets, with all other variables held constant at the reporting date, would result in an increase of €60,339,959 (2015: €40,046,625) in the fair value of the financial assets issued. A decrease of 100 basis points in the market prices of the financial assets at the reporting date would result in an equivalent decrease in the fair values of the financial assets.

Fair value hierarchy

31 December 2016	Quoted price in active market	Valuation technique observable parameters	Valuation technique un- observable parameters	Total fair value
	Level 1 EUR	Level 2 EUR	Level 3 EUR	EUR
Financial assets	-	603,399,585	-	603,399,585
Derivative financial instruments assets	-	21,678,967	-	21,678,967
Derivative financial instruments liabilities	-	(67,549,743)	-	(67,549,743)
Financial liabilities	-	-	(557,528,809)	(557,528,809)
	-	557,528,809	(557,528,809)	-
31 December 2015	Quoted price in active market Level 1 EUR	Valuation technique observable Level 2 EUR	Valuation technique un- observable Level 3 EUR	Total fair value EUR
Financial assets	-	400,466,248	-	400,466,248
Derivative financial instruments assets	-	2,513,645	-	2,513,645
Derivative financial instruments liabilities	-	(44,520,674)	-	(44,520,674)
Financial liabilities	-	-	(358,459,220)	(358,459,220)
	-	358,459,219	(358,459,220)	-

Reconciliation of movement in Level 3 financial instruments

31 December 2016	Debt Securities	
	EUR	
Balance at the beginning of the financial year	(358,459,220)	
Additions	(220,262,090)	
Disposals	28,485,000	
Fair value movements	(7,292,499)	
Balance at the end of the financial year	(557,528,809)	

There were no transfers of financial instruments between the levels during the financial year.

31 December 2015	Debt Securities	
	EUR	
Balance at the beginning of the financial year	(305,267,690)	
Additions	(152,493,735)	
Disposals	92,577,590	
Fair value movements	6,724,615	
Balance at the end of the financial year	(358,459,220)	

There were no transfers of financial instruments between the levels during the financial year.

NOTES TO THE FINANCIAL STATEMENTS- continued

18 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Price risk - continued

Although the Directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimated cashflows etc and therefore, cannot be determined with precision.

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value will be borne by the noteholders due to the limited recourse nature of the debt issued by the Company.

(f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company tries to match the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations.

The following table details the company's liquidity analysis for its financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the financial liabilities that settle on a net basis and the undiscounted gross cash flows on those financial liabilities that require gross settlement.

The following are the contractual maturities of the financial liabilities at 31 December 2016:

	Carrying amount	Gross contractual cashflows	Less than one year	Two to five years	Greater than five years
31 December 2016	EUR	EUR	EUR	EUR	EUR
Derivative liabilities	67,549,743	67,549,743	219,257	67,330,486	-
Debt securities	552,728,816	801,504,170	61,085,637	364,274,800	376,143,734
Creditors	9,320,966	9,320,966	9,320,966	-	-
	<u>629,599,525</u>	<u>878,374,879</u>	<u>70,625,860</u>	<u>431,605,286</u>	<u>376,143,734</u>
31 December 2015	EUR	EUR	EUR	EUR	EUR
Derivative liabilities	44,520,674	44,520,674	-	4,413,282	40,107,392
Debt securities	358,459,220	399,368,640	9,971,040	59,024,575	330,373,025
Creditors	4,584,721	4,584,721	4,584,721	-	-
	<u>407,564,615</u>	<u>448,474,035</u>	<u>14,555,761</u>	<u>63,437,857</u>	<u>370,480,417</u>

19 EVENTS AFTER THE REPORTING PERIOD

Since the year end the following series of Notes were issued.

Series	Amount Issued	Issue Date	Maturity Date
2017-01	USD 10,000,000	13 February 2017	13 January 2027
2017-02	USD 10,000,000	23 March 2017	12 January 2027
2017-05	USD 20,000,000	11 July 2017	23 March 2027
2017-06	USD 20,000,000	18 July 2017	23 March 2027
2017-07	EUR 12,900,000	12 July 2017	28 July 2022
2017-08	EUR 5,000,000	17 October 2017	22 June 2020

Since the year end the following series of Notes were fully redeemed.

Series	Amount Redeemed	Issue Date	Redemption Date
2007-07	EUR 5,000,000	25 October 2007	30 January 2017
2014-09	USD 20,000,000	20 June 2014	24 January 2017
2014-11	USD 2,000,000	09 July 2014	24 January 2017
2015-16	USD 10,000,000	04 November 2015	08 May 2017
2015-17	USD 10,000,000	04 November 2015	08 May 2017
2016-7	USD 10,000,000	26 February 2016	15 February 2017

Since the year end the following series of Notes were partially redeemed.

Series	Amount Redeemed	Issue Date	Redemption Date
2014-13	EUR 1,000,000	10 July 2014	05 January 2017

Since the year ended 31 December 2016, the Company's corporate service provider, Capita International Financial Services (Ireland) Limited, was acquired by Link Group and renamed Link IFS Limited.

20 TRANSACTIONS WITH RELATED PARTIES AND THE ARRANGERS

Transactions with Citigroup have been outlined in Notes 8, 9 and 18 to the financial statements.

The Company's corporate administrator receives fees of €12,500 base fee per annum (2015: €12,500) plus €1,000 per annum per issue fees (2015: €1,000).

21 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised by the Board of Directors on 17 November 2017.


SCHEDULE 2 TO ISSUER DISCLOSURE ANNEX 6: ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

LIBRETTO CAPITAL PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR END 31 DECEMBER 2015

CERTIFIED TO BE TRUE COPIES OF THE
FINANCIAL STATEMENTS AS LAID BEFORE
THE MEMBERS AT THE ANNUAL GENERAL
MEETING


.....
SECRETARY/~~DIRECTOR~~

CERTIFIED TO BE TRUE COPIES OF THE
FINANCIAL STATEMENTS AS LAID BEFORE
THE MEMBERS AT THE ANNUAL GENERAL
MEETING


.....
~~SECRETARY~~/DIRECTOR

.....
FOR AND ON BEHALF OF
CAPITA INTERNATIONAL FINANCIAL
SERVICES (IRELAND) LIMITED
AS COMPANY SECRETARY

Libretto Capital PLC. Reports and Financial Statements
for the Financial Year Ended 31 December 2015

LIBRETTO CAPITAL PLC

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LIBRETTO CAPITAL PLC

DIRECTORS AND OTHER INFORMATION

DIRECTORS:	Tom Geary Don Bergin	(Irish) (Irish)
COMPANY SECRETARY:	Capita International Financial Services (Ireland) Limited 2 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland	
REGISTERED OFFICE:	2 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland	
BANK:	Citigroup CGC Centre Canary Wharf E14 5LB London	
	Allied Irish Banks plc Ashford House Tara Street Dublin 2 Ireland	
CUSTODIAN:	Citigroup N.A London Branch Citigroup Centre, Canada Square Canary Wharf London E14 5LB	
CORPORATE ADMINISTRATOR:	Capita International Financial Services (Ireland) Limited 2 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland	
INDEPENDENT AUDITOR:	Deloitte Chartered Accountants & Statutory Audit Firm Deloitte & Touche House Earlsfort Terrace Dublin 2 Ireland	
SOLICITORS:	A & L Goodbody IFSC North Wall Quay Dublin 1 Ireland	
ARRANGER AND SWAP COUNTERPARTY:	Citigroup Global Markets Limited Citigroup Centre Canada Square Canary Wharf London E14 5LB	
TRUSTEE:	Citicorp Trustee Company Limited Citigroup Centre 14th Floor Canada Square Canary Wharf London E14 5LB	

LIBRETTO CAPITAL PLC

DIRECTORS' REPORT

The Directors present their report and the audited financial statements of Libretto Capital plc ('the Company' or the 'Issuer') for the financial year from 1 January 2015 to 31 December 2015.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Libretto Capital plc with a registered address of 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland was incorporated on the 28 September 2004 as a public limited company under the Irish Companies Acts 2014.

The Company, a special purpose securitisation vehicle, has acceded to a secured Note programme established by Jupiter Capital Limited, Jupiter Finance Limited, Jupiter International Co. Limited, Atlantic Capital International Limited and Cloverie plc. Under the programme it has altogether issued seventy four series of Notes, thirty seven of which remain in issue at year end. Eight series were fully redeemed during the year under review, one series was partially redeemed and nineteen new series of Notes, 2014-19, 2015-1, 2015-2, 2015-3, 2015-4, 2015-5, 2015-6, 2015-7, 2015-9, 2015-10, 2015-12, 2015-14, 2015-15, 2015-16 2015-17, 2015-19, 2015-20, 2015-21 and 2015-22 were issued. The net proceeds of the Notes issued were used to purchase a portfolio of fixed rate and variable rate assets, and to enter into derivative financial instrument arrangements. The Company's debt is listed on the Irish Stock Exchange.

The Directors expect the present level of activity will be sustained for the foreseeable future.

GOING CONCERN

The Directors believe the Company is a going concern. This is due to the limited recourse nature of the series in issue and the fact that the series in issue have maturities extending to 2047. The Directors are not aware of any circumstances which raise concern over the preparation of the financial statements on a going concern basis and also anticipate that the financial assets will continue to generate enough cash flow on an on-going basis to meet the Company's liabilities as they fall due.

RESULTS AND DIVIDENDS FOR THE PERIOD

The results for the year are set out in the Statement of Comprehensive Income on page 8. The Directors do not recommend the payment of a dividend. (2014: Nil)

ACCOUNTING RECORDS

The measures taken by the directors to secure compliance with the requirements of section 281 to 285 of the Companies Act 2014 to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. To achieve this, the directors have appointed Capita International Financial Services (Ireland) Limited to provide accounting services. The accounting records are kept at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2.

INDEPENDENT AUDITOR

Deloitte, Chartered Accountants and Statutory Audit Firm have signified their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

EVENTS AFTER THE REPORTING PERIOD

Events after the reporting period are disclosed in note 20 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

BUSINESS RISKS

The key risks to the business relate to the use of financial instruments. A summary of these risks and how they are managed are set out in note 19 to the financial statements.

KEY PERFORMANCE INDICATORS

During the year:

- The Company made a profit after tax of €7,127 (2014: €4,875) ;
- The net fair value gain recognised on financial assets amounted to €11,250,886 (2014: gain of €40,953,066)
- The net fair value gain recognised on financial liabilities amounted to €6,724,615 (2014: gain of €16,602,528);
- The net fair value loss on derivative financial instruments amounted to €17,975,502 (2014: loss of €57,555,594);

As at 31 December 2015 :

- The fair value of the notes issued by the Company amounted to €358,459,220 (2014: €305,267,690).
- The proceeds on the redemption of the notes amounted to €92,577,590 (2014: €18,423,619);
- The fair value of the investment securities amounted to €400,466,248 (2014: €340,603,174); and
- The net fair value of the derivative financial instruments amounted to €42,007,029 liability (2014: €35,335,484 liability).

DIRECTORS, SECRETARY AND THEIR INTERESTS

The names of the current directors and secretary staff are listed on page 2. All directors served throughout the year. The Directors and secretary who held office on 31 December 2015 did not hold any shares in the Company at that date, or during the financial year.

DIRECTORS' REPORT - continued

CORPORATE GOVERNANCE STATEMENT

Introduction

The Company is subject to and complies with Irish Statute comprising of the Companies Act 2014 and the Listing rules of the Irish Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process

The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Capita International Financial Services (Ireland) Limited, to maintain the accounting records of the Company independent of the Arranger, Trustee and the Custodian. The Administrator is contractually obliged to assist the Company to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger, Trustee and the Custodian.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator maintains control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the operations performed by the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Acts, 2014 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking property of any part thereof and may delegate these powers to the Arranger.

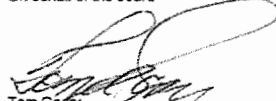
The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

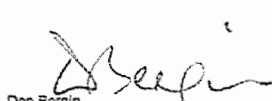
Audit Committee

The Company has not established an audit committee under section 167 of the Companies Act 2014. The sole business of the Company relates to the issuing of asset-backed securities. It also enters into certain derivatives to hedge out interest rate exposure arising on investment securities and debt securities issued mismatches. Under Regulation 91(9)(d) of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulation 2010 ("the Regulations"), which were published by the Irish Minister for Enterprise, Trade and Innovation on 25 May 2010, such a Company may avail itself of an exemption from the requirement to establish an audit committee.

Given the functions performed by the Administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly the Company has availed itself of the exemption under Regulation 91(9)(d) of the Regulations.

On behalf of the board


Tom Geary
Director
Date: 29 November 2016


Don Bergin
Director
Date: 29 November 2016

LIBRETTO CAPITAL PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors' are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

Under company law the directors must not approve the Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing the Company financial statements, the directors are required to:

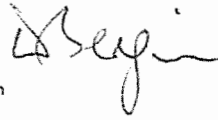
- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with FRS102; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act, 2014 and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



Tom Geary
Director
Date: 29 November 2016



Don Bergin
Director
Date: 29 November 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBRETTO CAPITAL PLC

We have audited the financial statements of Libretto Capital Plc (the "Company") for the financial year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company'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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2015 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LIBRETTO CAPITAL PLC

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements and, based on the work undertaken in the course of the audit, the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the financial reporting process is consistent with the financial statements, and has been prepared in accordance with section 1373 Companies Act 2014. Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Brian O'Callaghan
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 29/11/16

LIBRETTO CAPITAL PLC

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2015

	Note	Year ended 2015 EUR	Restated Year ended 2014 EUR
Interest income and similar income	3	14,148,464	11,086,348
Interest expense and similar charges	4	(9,205,925)	(9,478,462)
Net derivative financial instruments expense	5	(4,942,538)	(1,607,885)
Fair value movement on financial assets	9	11,250,886	30,023,417
Fair value movement on derivative financial instruments	10	(17,975,502)	(57,555,594)
Fair value movement on financial liabilities issued	14	6,724,615	27,532,177
Other operating income	6	<u>111,304</u>	<u>80,942</u>
GROSS PROFIT		111,304	80,943
Other expenses	7	<u>(101,801)</u>	<u>(74,443)</u>
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		9,503	6,500
Tax on Ordinary Activities	8	<u>(2,376)</u>	<u>(1,625)</u>
TOTAL COMPREHENSIVE RESULT FOR THE FINANCIAL YEAR		<u>7,127</u>	<u>4,875</u>

All items dealt with in arriving at the result for the financial year ended 31 December 2015 related to continuing operations.

The Company has no recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income and accordingly no Statement of Total Recognised Gains and Losses has been presented.

The notes to the financial statements form an integral part of these financial statements.

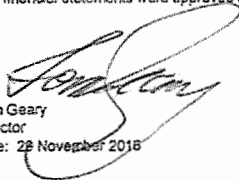
LIBRETTO CAPITAL PLC

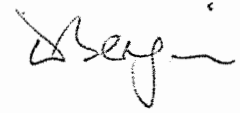
STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Note	Year ended 2015 EUR	Restated Year ended 2014 EUR
ASSETS			
FIXED ASSETS			
Financial assets at fair value through the profit and loss	9	400,466,248	340,603,174
CURRENT ASSETS			
Derivative financial instruments at fair value	10	1,440,508	6,952,832
Cash at bank	11	46,830	52,543
Debtors	12	4,604,520	5,543,540
		6,091,858	12,548,915
CREDITORS (Amounts falling due within one year)			
Creditors	13	(4,584,721)	(5,536,562)
NET CURRENT ASSETS		<u>1,507,137</u>	<u>7,012,333</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>401,973,385</u>	<u>347,615,507</u>
CREDITORS (Amounts falling due greater than one year)			
Derivative financial instruments at fair value	10	(43,447,537)	(42,266,316)
Financial liabilities at fair value through profit and loss	14	(358,459,220)	(305,267,690)
NET ASSETS		<u>66,628</u>	<u>59,501</u>
CAPITAL AND RESERVES			
Share Capital	15	40,000	40,000
Retained earnings		26,628	19,501
SHAREHOLDER FUNDS		<u>66,628</u>	<u>59,501</u>

The notes to the financial statements form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 29 November 2016 and signed on its behalf by:


Tom Geary
Director
Date: 29 November 2016


Don Bergin
Director
Date: 29 November 2016

LIBRETTO CAPITAL PLC

STATEMENT OF CHANGES IN EQUITY
for the financial year ended 31 December 2015

	Called up share capital EUR	Retained earnings EUR	Total EUR
Balance at 1 January 2015	40,000	19,501	59,501
Total comprehensive result for the year	-	7,127	7,127
Balance at 31 December 2015	<u>40,000</u>	<u>26,628</u>	<u>66,628</u>

	Restated Called up share capital EUR	Restated Retained earnings EUR	Restated Total EUR
Balance at 1 January 2014	40,000	14,626	54,626
Total comprehensive result for the year	-	4,875	4,875
Balance at 31 December 2014	<u>40,000</u>	<u>19,501</u>	<u>59,501</u>

The notes to the financial statements form an integral part of these financial statements.

These financial statements for the year ended 31 December 2015 are the Company's first set prepared under FRS 102. No adjustments to the shareholders' equity arise from the transition date of 1 January 2015.

LIBRETTO CAPITAL PLC

STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2015

	Note	Year ended 2015 EUR	Restated Year ended 2014 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		9,503	6,500
<i>Adjustments For:</i>			
Decrease/ (Increase) in other debtors		(7,164)	(39,201)
(Decrease)/ Increase in creditors - due within one year		(5,677)	34,982
Interest income		(14,148,464)	(11,086,348)
Interest expense		14,148,463	11,086,347
Interest Paid		<u>(2,375)</u>	<u>(1,625)</u>
NET CASH FROM OPERATING ACTIVITIES		<u>(5,714)</u>	<u>655</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	9	(152,493,736)	(154,658,019)
Redemption of investments	9	103,881,548	14,906,535
Net cash flow on settlement of derivative transactions	10	(11,303,957)	3,517,083
Interest received		<u>15,393,084</u>	<u>9,134,112</u>
NET CASH (USED IN) INVESTING ACTIVITIES		<u>(44,523,061)</u>	<u>(127,100,289)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Issuance of notes	14	152,493,735	154,658,018
Redemption of notes	14	(92,577,590)	(18,423,619)
Interest received		<u>(15,393,083)</u>	<u>(9,134,112)</u>
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		<u>(5,713)</u>	<u>653</u>
OPENING CASH AT BEGINNING OF THE FINANCIAL YEAR		<u>52,543</u>	<u>51,890</u>
CLOSING CASH AT THE END OF THE FINANCIAL YEAR		<u>46,830</u>	<u>52,543</u>

The notes to the financial statements form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1 BASIS OF PREPARATION**Corporate information**

The Company is a limited liability company incorporated under the laws of Ireland with company number 398915. The Company was incorporated on the 28 September 2004 as a public limited company under the Irish Companies Acts 2014.

The registered office of the Company is 2 Grand Canal Square, Grand Canal Harbour, Dublin 2.

The Company, a special purpose securitisation vehicle, has acceded to a secured Note programme established by Jupiter Capital Limited, Jupiter Finance Limited, Jupiter International Co. Limited, Atlantic Capital International Limited and Cloverie plc. The Company's debt is listed on the Irish Stock Exchange.

Statement of compliance

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention except for assets and liabilities stated at fair value as explained below. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") as issued by the Financial Reporting Council in August 2014 but with the early application of the amendment to FRS 102 made in March 2016 in relation to fair value hierarchy disclosures. These are the Company's first financial statements prepared in accordance with FRS 102.

The Company transitioned from previously existing Old Irish GAAP to FRS 102 this year. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 2.

Based upon the Company's financial position, the directors are satisfied that the going concern basis of accounting is appropriate.

Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of IAS 39 Financial Instruments: Recognition and Measurement to its financial instruments that fall in scope of Sections 11 and 12 of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by that latter standard.

The majority of the Company's financial instruments are classified in categories that require measurement at fair value through profit or loss, with basis for arriving at this position being set out below.

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value through the profit or loss:

- derivative financial instruments;
- investment securities designated as at fair value through profit or loss; and
- debt securities issued designated as at fair value through profit or loss.

Judgements made by management that have significant effects on the financial statements are disclosed, where applicable, in the relevant notes to the financial statements.

The principal accounting policies adopted by the Company are set out below:

Functional and presentation currency

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements of the Company are presented in Euro ("EUR"), which is the Company's functional and presentation currency.

Foreign currency transactions

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the Statement of Financial Position date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary items that are denominated in foreign currencies are recognised in profit or loss in the period. Net foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are included in the net fair value gain/loss on those instruments.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

Net gain/loss from investment securities designated as at fair value through profit or loss

Net gain/loss from investment securities designated as at fair value through profit or loss includes realised and unrealised fair value movements including foreign exchange differences.

Net gain/loss from derivatives

Net gain/loss on derivative financial instruments measured at fair value through profit or loss relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

Net gain/loss on debt securities issued designated as at fair value through profit or loss

Net gain/loss on debt securities issued, designated at fair value through profit or loss, relates to debt securities issued and includes financing costs (including coupon payments), unrealised fair value changes and foreign exchange differences.

Taxation

The Company meets the criteria for a "Section 110 vehicle" under the Taxes Consolidation Act, 1997 and is therefore subject to a special tax regime which potentially allows the Company to be tax neutral. Income tax expense comprises current tax. Income tax expense is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantially enacted at the Statement of Financial Position date, and adjusted to tax payable in respect of previous years.

1 BASIS OF PREPARATION- continued**Cash at bank**

Cash comprises of bank balances and bank overdrafts. Each of the Series Notes in place has a separate bank account with Citi Bank. The Note receipts and Collateral payments for each series are transacted through the individual Citi Bank account.

Financial Instruments**Classification and measurement**

Financial assets and liabilities are classified as financial assets and liabilities 'at fair value through profit or loss' (FVTPL). The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets and liabilities at FVTPL

The Company classifies its investments in securities, debt securities issued and derivative financial instruments as financial assets or financial liabilities at fair value through profit or loss. These financial assets and financial liabilities are either held for trading or designated by the Directors at fair value through profit or loss at inception.

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future. All derivatives are also included in this category.

Financial assets and financial liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis. Information about these financial assets and liabilities are evaluated by the Directors on a fair value basis together with other relevant financial information.

Financial assets and liabilities at FVTPL are stated at fair value, with any gain or loss arising from changes in fair value recognised in profit or loss.

Determination of fair value

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The price transparency of a particular instrument will determine the degree of judgement involved in determining the fair value of the financial instrument. Level 1 financial instruments are actively quoted prices or have market data available or are derived from actively quoted prices or market data. Such instruments have a higher degree of price transparency. By contrast, Level 2 financial instruments that are thinly traded or not quoted will generally have little or no price transparency. Observable market prices and market data in an instrument (or a related instrument) may be used to derive a price without requiring significant judgement.

Level 3 financial instruments occur when, in certain markets observable market prices or market data are not available for all instruments, and fair value is determined using valuation techniques appropriate for each particular instrument. These valuation techniques involve some degree of judgement. The transparency of market prices and/or market data will determine the degree of judgement involved in determining the fair value of the Company's financial instruments.

In the case of financial instruments for which market observable prices or data are not available, management's estimates are based on values obtained from the arranging investment bank. These estimates may be determined in whole or in part using valuation techniques such as use of recent similar arm's length transactions if available, reference to the current fair value of an instrument that is substantially the same, discounted cash flow analysis or any other valuation technique that provides reliable estimates of prices obtainable in actual market transactions. If actual transaction prices were available for the financial instruments, or different assumptions were used, the valuations may be different to those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded.

Because of limited recourse, the fair value of the Notes issued by the Company is determined by reference to the fair value of the associated financial assets designated at FVTPL and the fair value of derivative financial instruments. Any future change in the fair value of financial assets and derivatives will have an equal but opposite impact on the fair value of the Notes.

Recognition and de-recognition

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities designated as at fair value through profit or loss are recorded in the Statement of Comprehensive Income. Financial assets and liabilities not categorised at fair value through profit or loss are subsequently measured at amortised cost.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting financial instruments

Financial assets and liabilities are set off and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

NOTES TO THE FINANCIAL STATEMENTS- continued

2 Transition to FRS 102

The Company did not have any transition changes to take account of, and thus the Company's Statement of Comprehensive Income, Statement of Financial Position and Statement of Changes in Equity did not have to be restated.

However, in the preparation of the current year financial statements management became aware that a more liquid price was available for one collateral asset position. This is further disclosed in Note 20.

3 INTEREST INCOME AND SIMILAR INCOME

	Year ended 2015 EUR	Year ended 2014 EUR
Coupon income	<u>14,148,464</u>	<u>11,086,348</u>

4 INTEREST EXPENSE AND SIMILAR CHARGES

	Year ended 2015 EUR	Year ended 2014 EUR
Coupon expense	<u>(9,205,925)</u>	<u>(9,478,462)</u>

5 NET DERIVATIVE FINANCIAL INSTRUMENTS EXPENSE

	Year ended 2015 EUR	Year ended 2014 EUR
Coupon expense	<u>(4,942,538)</u>	<u>(1,607,885)</u>

6 OTHER OPERATING INCOME

	Year ended 2015 EUR	Year ended 2014 EUR
Fees reimbursed by Citibank	<u>111,304</u>	<u>80,942</u>
	<u>111,304</u>	<u>80,942</u>

Under an arrangement between the Company and Citigroup Global Capital Markets Limited "Citigroup", Citigroup Global Capital Markets Limited has agreed to reimburse the Company against any costs, fees, expenses or out-goings incurred.

7 OTHER EXPENSES

	Year ended 2015 EUR	Year ended 2014 EUR
Administration fees	(55,799)	(28,689)
Directors fees	(20,000)	(19,960)
Audit fees	(17,220)	(17,220)
Tax fees	(6,150)	(6,135)
Other expenses	<u>(2,632)</u>	<u>(2,439)</u>
	<u>(101,801)</u>	<u>(74,443)</u>

The Company is administered by Capita International Financial Services (Ireland) Limited and has no employees. (2014: zero)

AUDIT REMUNERATION

(All figures are exclusive of VAT)	2015 EUR	2014 EUR
Statutory audit fees	(14,020)	(14,020)
Tax advisory fees	(6,150)	(6,135)
Other assurance services	-	-
Other non audit services	-	-
	<u>(20,170)</u>	<u>(20,155)</u>

DIRECTORS REMUNERATION

	2015 EUR	2014 EUR
Emoluments in respect of qualifying services	20,000	19,960
Other emoluments	-	-
Company contributions in respect of qualifying services to Pension Scheme Fund, a defined contribution retirement benefit scheme	-	-
Compensation for loss of office of Director of the Company (paid by the Company)	-	-
	<u>20,000</u>	<u>19,960</u>

The Company has two non executive directors who respectively receive a fee of €10,000 per annum. The directors do not receive any other forms of benefits

NOTES TO THE FINANCIAL STATEMENTS- continued

8 RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION

The tax charge for the financial year is no different to the standard rate of corporation tax in Ireland, as explained below:

	Year ended 2015 EUR	Year ended 2014 EUR
Result on ordinary activities before tax	9,503	6,500
Current tax for the year at a rate of 25% (2014: 25%)	<u>(2,376)</u>	<u>(1,625)</u>

The Company will continue to be taxed at 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH THE PROFIT AND LOSS

	Year ended 2015 EUR	Restated Year ended 2014 EUR
<i>Designated as at fair value through profit or loss</i>		
Investment Securities	<u>400,466,248</u>	<u>340,603,174</u>
	<u>400,466,248</u>	<u>340,603,174</u>
Movement in investment securities		
At the beginning of the financial year	340,603,174	170,828,274
Additions during the financial year	152,493,736	154,658,019
Disposals during the financial year	(103,881,548)	(14,906,535)
Net fair value movement due to market risks	<u>11,250,886</u>	<u>30,023,416</u>
At the end of the year	<u>400,466,248</u>	<u>340,603,174</u>

Refer to note 19 where details regarding the risks inherent in the financial instruments and the management of the risks are discussed.

10 DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE

	Year ended 2015 EUR	Year ended 2014 EUR
Balance at the beginning of financial year	(35,335,484)	25,737,193
Settlements	11,303,957	(3,517,083)
Net fair value movement	<u>(17,975,502)</u>	<u>(57,555,594)</u>
Balance at end of financial year	<u>(42,007,029)</u>	<u>(35,335,484)</u>
Derivative CDS Assets	1,440,508	6,952,832
Derivative CDS Liabilities	(5,429,231)	(3,081,031)
Derivative IRS Liabilities	(32,977,380)	(38,647,022)
Derivative Equity Option Liabilities	<u>(5,040,926)</u>	<u>(560,263)</u>
	<u>(42,007,029)</u>	<u>(35,335,484)</u>
Analysed by counterparty:		
Citibank	<u>(42,007,029)</u>	<u>(35,335,484)</u>
	<u>(42,007,029)</u>	<u>(35,335,484)</u>

Refer to note 19 where details regarding the risks inherent in the financial instruments and the management of the risks are discussed.

11 CASH AT BANK

	Year ended 2015 EUR	Year ended 2014 EUR
Citi Bank accounts	8,950	9,259
AIB Bank accounts	<u>37,880</u>	<u>43,284</u>
	<u>46,830</u>	<u>52,543</u>

The Citibank balances held by the Company relate to an excess of Interest Income received by the Company during the course of the year. These balances will ultimately be paid to Citi bank and are not assets of the Company. There is a corresponding liability recorded in the accounts as a payable to Citibank (refer to note 13).

12 DEBTORS

	Year ended 2015 EUR	Year ended 2014 EUR
Coupon income receivable on financial assets	2,875,612	4,120,232
Coupon income receivable on swaps	1,656,118	1,357,682
Transaction fees receivable	34,500	25,000
Prepaid expenses	-	12,997
Other operating income receivable	<u>38,290</u>	<u>27,629</u>
	<u>4,604,520</u>	<u>5,543,540</u>

LIBRETTO CAPITAL PLC

NOTES TO THE FINANCIAL STATEMENTS- continued

13 CREDITORS	Year ended 2015 EUR	Year ended 2014 EUR
Coupon payable on financial liabilities	(1,052,532)	(1,224,901)
Coupon payable on swaps	(3,479,197)	(4,253,012)
Payable to Citibank - bank balances	(8,950)	(9,259)
Accrued expenses	(41,666)	(46,660)
Corporation tax payable	(2,376)	(2,750)
	<u>(4,584,721)</u>	<u>(5,536,582)</u>

14 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS

	Year ended 2015 EUR	Restated Year ended 2014 EUR
<i>Designated as at fair value through profit or loss</i>		
Debt securities - notes issued	<u>(358,459,220)</u>	<u>(305,267,690)</u>
	<u>(358,459,220)</u>	<u>(305,267,690)</u>

Movement in debt securities issued

At the beginning of the financial year	(305,267,690)	(196,565,468)
Issued during the financial year	(152,493,735)	(154,658,018)
Redeemed during the financial year	92,577,590	18,423,619
Net fair value movement	<u>6,724,615</u>	<u>27,532,177</u>

At the end of the financial year	<u>(358,459,220)</u>	<u>(305,267,690)</u>
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The Notes were issued as follows:

Class	Coupon	2015 EUR	2014 EUR
		Nominal	Nominal
Series 2007-3	USD Fixed – Zero Coupon	USD5,650,000	USD5,650,000
Series 2007-7	EUR Variable – Index Linked	EUR 5,000,000	EUR 5,000,000
Series 2010-1	EUR Variable – Index Linked	EUR 62,000,000	EUR 62,000,000
Series 2011-2	EUR Fixed – 8%p.a.	EUR 700,000	EUR 700,000
Series 2012-3	GBP Fixed - Zero Coupon	-	GBP£469,000
Series 2013-1	EUR Variable – Index Linked	-	EUR 20,000,000
Series 2013-2	EUR Variable – Index Linked	-	EUR 20,000,000
Series 2013-4	EUR Fixed - 2.52%p.a.	-	EUR 20,000,000
Series 2013-6	USD Variable – Index Linked	-	USD10,000,000
Series 2013-7	USD Variable – Index Linked	-	USD10,000,000
Series 2013-8	USD Variable – Index Linked	USD10,000,000	USD10,000,000
Series 2013-9	EUR Fixed - Zero Coupon	-	EUR 3,100,000
Series 2013-10	USD Variable – Index Linked	USD10,000,000	USD10,000,000
Series 2014-1	EUR Variable – Index Linked	EUR 20,000,000	EUR 20,000,000
Series 2014-2	USD Fixed – 6.45%	USD10,000,000	USD10,000,000
Series 2014-3	USD Fixed – 5.85%	USD10,000,000	USD10,000,000
Series 2014-4	USD Fixed – 5.80%	-	USD10,000,000
Series 2014-6	USD Fixed – 6.75%	USD10,000,000	USD10,000,000
Series 2014-8	EUR Variable – Index Linked	EUR 20,000,000	EUR 20,000,000
Series 2014-9	USD Variable – Index Linked	USD20,000,000	USD20,000,000
Series 2014-10	EUR Variable – Index Linked	EUR 20,000,000	EUR 20,000,000
Series 2014-11	USD Fixed – 5.00%	USD2,000,000	USD2,000,000
Series 2014-13	EUR Fixed - Zero Coupon	EUR 3,000,000	EUR 3,000,000
Series 2014-14	EUR Variable – Index Linked	EUR 20,000,000	EUR 20,000,000
Series 2014-16	USD Variable – Index Linked	USD10,000,000	USD10,000,000
Series 2014-17	USD Variable – Index Linked	USD10,000,000	USD10,000,000
Series 2014-19	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-1	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-2	EUR Fixed - 1.75%p.a.	EUR 4,800,000	-
Series 2015-3	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-4	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-5	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-6	USD Variable – Index Linked	USD 5,000,000	-
Series 2015-7	USD Variable – Index Linked	USD 5,000,000	-
Series 2015-9	USD Variable – Index Linked	USD 5,000,000	-
Series 2015-10	USD Variable – Index Linked	USD 5,000,000	-
Series 2015-12	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-14	EUR Fixed - Zero Coupon	EUR 7,000,000	-
Series 2015-15	EUR Fixed - Zero Coupon	EUR 12,080,000	-
Series 2015-16	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-17	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-19	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-20	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-21	USD Variable – Index Linked	USD 10,000,000	-
Series 2015-22	USD Variable – Index Linked	USD 10,000,000	-

14 FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS - continued

Notes	Issue Date	Maturity Date
Series 2007-3	14 March 2007	11 March 2047
Series 2007-7	25 October 2007	30 January 2017
Series 2010-1	07 April 2010	09 April 2025
Series 2011-2	24 October 2011	20 June 2018
Series 2013-8	12 November 2013	24 August 2020
Series 2013-10	09 December 2013	20 December 2020
Series 2014-1	21 February 2014	30 January 2020
Series 2014-2	01 April 2014	15 April 2021
Series 2014-3	08 April 2014	12 July 2021
Series 2014-6	05 May 2014	04 December 2022
Series 2014-8	10 June 2014	18 January 2021
Series 2014-9	20 June 2014	24 January 2022
Series 2014-10	08 July 2014	03 March 2021
Series 2014-11	08 July 2014	31 January 2019
Series 2014-13	01 August 2014	08 July 2024
Series 2014-14	19 August 2014	15 November 2022
Series 2014-16	01 December 2014	31 October 2024
Series 2014-17	16 December 2014	31 October 2024
Series 2014-19	15 January 2015	23 October 2024
Series 2015-1	16 February 2016	23 October 2024
Series 2015-2	26 March 2015	20 December 2024
Series 2015-3	16 April 2015	16 March 2025
Series 2015-4	21 May 2015	26 March 2025
Series 2015-5	02 June 2015	26 March 2025
Series 2015-6	02 June 2015	26 March 2025
Series 2015-7	02 June 2015	26 March 2025
Series 2015-9	02 July 2015	26 March 2025
Series 2015-10	03 July 2015	26 March 2025
Series 2015-12	21 July 2015	26 March 2025
Series 2015-14	12 October 2015	18 March 2021
Series 2015-15	16 October 2015	06 April 2021
Series 2015-16	04 November 2015	22 January 2022
Series 2015-17	04 November 2015	26 January 2022
Series 2015-19	13 November 2015	04 August 2025
Series 2015-20	25 November 2015	01 October 2025
Series 2015-21	04 December 2015	04 August 2025
Series 2015-22	04 December 2015	04 August 2025

The repayment of the Notes and related interest by the Company is contingent upon the performance of the Collateral held. The Notes are exposed to the performance of the investments held and the derivative financial instruments and therefore there is no guarantee that the noteholder will receive the full principal amount of the Notes and interest thereon. All the risks affecting the Company are borne by the Noteholder due to the non-recourse nature of the investment.

15	SHARE CAPITAL	Year ended 2015 EUR	Year ended 2014 EUR
	Authorised		
	40,000 Ordinary shares of €1 each	40,000	40,000
	Issued and called-up and paid		
	40,000 Ordinary shares of €1 each	40,000	40,000
16	ANALYSIS OF CHANGES IN NET DEBT		
	At the beginning of the financial year	Movement	At the end of the financial year
	2014	2015	2015
	EUR	EUR	EUR
	Cash at bank	(5,713)	46,830
	Debt due	(53,191,530)	(358,459,220)
	<u>(305,215,147)</u>	<u>(53,197,243)</u>	<u>(358,412,390)</u>
17	OWNERSHIP OF THE COMPANY		

The principal non-beneficial shareholder in the Company is Capita Trustee Services limited (39,994 shares). In addition, Forbrit Corporate Director 4 Limited, Forbrit Corporate Director 3 Limited, Capita Nominee Services 2 Limited, Capita Nominee Services 3 Limited, Capita Foundations Services Limited and Capita Nominee Services Limited hold one share each in the Company. The shareholders act solely as share trustees and have no beneficial ownership in the Company. All shares are held under the terms of declarations of trust dated 9 March 2009, under which the relevant share trustee holds the issued shares of the Company on trust for a charity.

NOTES TO THE FINANCIAL STATEMENTS- continued

18 CHARGES

The Series of Notes issued by the Company are secured by way of mortgage over the investments purchased in respect of that Series, and by the assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreements for each series.

19 FINANCIAL RISK MANAGEMENT

Introduction and overview

The principal activity of the Company, a special purpose vehicle, is the acquisition of a portfolio of investment securities and derivative financial instrument positions, funded through the issue of Notes denominated in EUR, USD, and GBP. Therefore, the role of financial assets and financial liabilities is central to the activities of the Company. The notes issued have significantly provided the funding to purchase the Company's financial assets.

Financial assets and financial liabilities form the majority of the assets and liabilities of the Company and generate the majority of the income and expenses.

(a) Risk management

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (interest rate risk, currency risk and price risk), credit risk, liquidity risk and operational risk. The properties of the Company's financial liabilities, is matched to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. The potential adverse effects of these risks on the Company's financial performance are monitored and managed by appropriate methods as discussed below.

(b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards to corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced to Capita International Financial Services (Ireland) Limited.

(c) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Company's overall strategy remains unchanged from 2014.

The capital structure of the Company consists of debt, which includes the Notes payable disclosed in Note 14, equity comprising issued capital and retained earnings as disclosed in the Statement of Changes in Equity.

(d) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Notes are limited recourse to the assets and therefore the Noteholders are exposed to the credit risk of the Swap Counterparty and the portfolio of financial assets. The Company limits its exposure to credit risk as the risk of default on these assets is borne by the Noteholders in accordance with their respective agreements.

The Company's exposure and the credit ratings of its counterparties are continuously monitored by the Directors and the Arrangers. The following table details the aggregate investment grade of the debt instruments in the portfolio, as rated by well-known rating agencies approved by the Directors, or in the case of an unrated debt instrument, the rating as assigned by the Board of Directors using an approach consistent with that of the respective rating agencies:

NOTES TO THE FINANCIAL STATEMENTS- continued

19 FINANCIAL RISK MANAGEMENT - continued

(d) Credit risk - continued

	2015	2014
	%	%
Rating		
AA	5.00	4.16
AA-	2.50	4.17
A	10.00	33.33
A-	7.50	12.50
BBB+	62.50	29.17
BBB	5.00	4.17
BBB-	2.50	-
Unrated	5.00	12.50
	<u>100.00</u>	<u>100.00</u>

Due to limited recourse and the ring fenced nature of the debt securities issued under each series, the Directors believe that including a geographical concentration analysis of the investment securities issued on an overall basis will provide very little, if any, benefit to the users of the financial statements.

Cash at bank:

The Company's cash is held mainly with AIB bank which has a short term credit rating of A-1 from Standard and Poor's as at 31 December 2015 (2014: A-1).

Derivatives:

Derivative financial instruments are transacted with Citigroup Global Markets Limited which has a short term credit rating of A-1 from Standard and Poor's as at 31 December 2015 (2014: A-1).

As part of certain Series under the programme, the Company has entered into swap agreements with a credit exposure to the Swap Counterparty. In exchange for the receipt of income for the relevant Series, the Company has sold credit protection on reference assets. By entering into the credit agreements, the Company is exposed to the risk that the reference assets underperform resulting in a default.

The Noteholders are exposed to the performance of the reference assets. That is, the ability of the Company to meet its obligations under the Notes will depend on the receipt by it of payments of interest and principal under the Collateral Assets, as well as payments owed to the Company by the Swap Counterparty under the terms of the swap. Consequently, an investor is exposed not only to the occurrence of Credit Events in relation to any of the reference assets comprised in the Specified Portfolio, but also to the ability of the Asset Issuer, the Swap Counterparty and the Swap Guarantor to perform their respective obligations to make payments to the Company.

In the event of an issuance of a credit event notice with respect to the reference assets, the Company will pay an amount as defined in the swap agreements from the assets of that Series to which the swap agreement relates. The aggregate liability of the Company under the swap agreements for individual Series shall not exceed the aggregate of the eligible investment securities for those Series.

Under the credit swaps agreements, there is exposure to a wide range of countries and various industries. Details of these exposures are outlined in detail in the prospectus for each Series.

Other assets:

The other assets mainly include income receivable from instruments held by the Company as at year end.

(e) Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Noteholders receive the principal and interest repayments in the currency stated on the loan notes. The currency risk arising from portfolio instruments, cash and settlement balances denominated in currencies other than the functional currency of the Company are managed by matching the denominations of the financial assets and liabilities and the use of swaps.

The financial instrument foreign currency exposure of the Company's assets and liabilities, excluding derivative financial instruments, in EUR equivalent is presented below:

	2015	2015
	Assets	Liabilities
USD	259,010,588	197,915,996
EUR	141,455,660	160,543,224
GBP	-	-
Total	<u>400,466,248</u>	<u>358,459,220</u>
	2014	2014
	Assets	Liabilities
USD	109,352,644	94,269,177
EUR	231,250,530	210,330,989
GBP	-	667,524
Total	<u>340,603,174</u>	<u>305,267,690</u>

19 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Sensitivity analysis

The impact of any change in the exchange rates on the financial assets is partly passed to the swap counterparty, where relevant, through the swaps in place and the rest is borne by the Noteholders.

At 31 December 2015, had the EUR strengthened against the above currencies by 10% with all other variables held constant, the fair value of notes issued would have decreased by EUR 19,791,560 (2014: a decrease of EUR 9,493,670).

A 10% weakening of the EUR against the above currencies would have had an equal but opposite effect on the fair value of notes issued.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The following table provides an analysis of the interest rate profile of the company's financial instruments as at 31 December 2015 and 31 December 2014 on a fair value basis, excluding derivative financial instruments and other debtors and creditors:

	2015 EUR	2014 EUR
Assets		
Non interest bearing	21,126,070	59,289,355
Fixed interest rate debt securities	364,658,802	277,886,769
Floating rate debt securities	14,681,376	3,427,050
Cash and cash equivalents	46,830	52,543
Total	<u>400,513,078</u>	<u>340,655,717</u>
Liability		
Non interest bearing	3,048,671	6,750,302
Fixed interest rate debt securities	48,115,044	56,891,653
Floating rate debt securities	307,295,505	241,625,735
Total	<u>358,459,220</u>	<u>305,267,690</u>

Sensitivity analysis

All interest received on the underlying assets is passed to the Swap Counterparty in exchange for the required payments to the relevant Noteholders, therefore the Company does not bear any interest rate risk.

The sensitivity analysis below has been determined based on the Noteholder's exposure to interest rates for interest bearing assets and liabilities (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting year in the case of instruments that have floating rates.

At 31 December 2015 the Company had exposure to floating rate notes as per the amounts indicated above.

If interest rates had been 10% higher and all other variables were held constant, the interest income would increase by €4,811,504 (2014: €5,689,165) with a corresponding offset in movement in interest expense to the noteholders and the swap counterparty.

A decrease of 10% in interest rates, with all the other variables held constant, would result in an equal but opposite effect.

A 10% increase or decrease represents management's assessment of a reasonably possible change in interest rates.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Company's overall market positions are monitored by the Directors.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The price transparency of a particular instrument will determine the degree of judgement involved in determining the fair value of the financial instrument. Level 1 financial instruments are actively quoted prices or have market data available or are derived from actively quoted prices or market data. Such instruments have a higher degree of price transparency. By contrast, Level 2 financial instruments that are thinly traded or not quoted will generally have little or no price transparency. Observable market prices and market data in an instrument (or a related instrument) may be used to derive a price without requiring significant judgement.

Level 3 financial instruments occurs when, in certain markets observable market prices or market data are not available for all instruments, and fair value is determined using valuation techniques appropriate for each particular instrument. These valuation techniques involve some degree of judgement. The transparency of market prices and/or market data will determine the degree of judgement involved in determining the fair value of the Company's financial instruments.

In the case of financial instruments for which market observable prices or data are not available, management's estimates are based on values obtained from the arranging investment bank. These estimates may be determined in whole or in part using valuation techniques such as use of recent similar arm's length transactions if available, reference to the current fair value of an instrument that is substantially the same, discounted cash flow analysis or any other valuation technique that provides reliable estimates of prices obtainable in actual market transactions. If actual transaction prices were available for the financial instruments, or different assumptions were used, the valuations may be different to those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded. The ultimate outcome of these uncertainties cannot at present be determined.

19 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Price risk - continued

The fair value of the Notes issued by the Company is determined by reference to the fair value of the associated financial assets designated at FVTPL due to limited resources, and the fair value of derivative financial instruments. Any future change in the fair value of financial assets and derivatives will have an equal but opposite impact on the fair value of the Notes.

Sensitivity analysis

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the Noteholders. As at 31 December 2015, the Noteholders' exposure to other price risk relates to the value of financial assets amounting to EUR 400,466,248 (2014: EUR 340,603,174) and derivative financial instruments of EUR 42,007,029 (2014: EUR 35,335,484). Price risk is managed by investing in a diversified portfolio of investments with credit ratings at the acquisition date of BB or higher.

An increase of 10% in the market price of the financial assets, with all other variables held constant at the reporting date, would result in an increase of €40,046,625 (2014: €34,060,317) in the fair value of the financial assets issued. A decrease of 100 basis points in the market prices of the financial assets at the reporting date would result in an equivalent decrease in the fair values of the financial assets.

Fair value hierarchy

31 December 2015	Quoted price in active market	Valuation technique observable parameters	Valuation technique un- observable parameters	Total fair value
	Level 1 EUR	Level 2 EUR	Level 3 EUR	EUR
Financial assets	-	400,466,248	-	400,466,248
Derivative financial instruments	-	(42,007,029)	-	(42,007,029)
Financial liabilities	-	-	(358,459,220)	(358,459,220)
	-	358,459,219	(358,459,220)	-

31 December 2014	Quoted price in active market	Valuation technique observable parameters	Valuation technique un- observable parameters	Total fair value
	Level 1 EUR	Level 2 EUR	Level 3 EUR	EUR
Financial assets	-	340,603,174	-	340,603,174
Derivative financial instruments	-	(35,335,484)	-	(35,335,484)
Financial liabilities	-	-	(305,267,690)	(305,267,690)
	-	305,267,690	(305,267,690)	-

Reconciliation of movement in Level 3 financial instruments

31 December 2015

	Debt Securities
	EUR
Balance at the beginning of the financial year	(305,267,690)
Additions	(152,493,735)
Disposals	92,577,590
Fair value movements	6,724,615
Balance at the end of the financial year	(358,459,220)

There were no transfers of financial instruments between the levels during the financial year.

31 December 2014

	Debt Securities
	EUR
Balance at the beginning of the financial year	(196,565,468)
Additions	(154,658,018)
Disposals	18,423,619
Fair value movements	27,532,177
Balance at the end of the financial year	(305,267,690)

There were no transfers of financial instruments between the levels during the financial year.

NOTES TO THE FINANCIAL STATEMENTS- continued

19 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Price risk - continued

Although the Directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimated cashflows etc and therefore, cannot be determined with precision.

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value will be borne by the noteholders due to the limited recourse nature of the debt issued by the Company.

(f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company tries to match the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations.

The following table details the company's liquidity analysis for its financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the financial liabilities that settle on a net basis and the undiscounted gross cash flows on those financial liabilities that require gross settlement.

The following are the contractual maturities of the financial liabilities at 31 December 2015:

	Carrying amount	Gross contractual cashflows	Less than one year	Two to five years	Greater than five years
	EUR	EUR	EUR	EUR	EUR
31 December 2015					
Derivative liabilities	43,447,537	43,447,537	43,447,537		
Debt securities	358,459,220	399,368,640	9,971,040	59,024,575	330,373,025
Creditors	4,584,721	4,584,721	4,584,721		
	<u>406,491,478</u>	<u>447,400,898</u>	<u>58,003,298</u>	<u>59,024,575</u>	<u>330,373,025</u>
31 December 2014					
Derivative liabilities	42,288,316	42,288,316	42,288,316		
Debt securities	305,267,690	318,418,625	9,819,767	97,411,885	211,186,973
Creditors	5,536,582	5,536,582	5,536,582		
	<u>353,092,588</u>	<u>366,243,523</u>	<u>57,644,665</u>	<u>97,411,885</u>	<u>211,186,973</u>

20 Restated financial statements

Statement of Comprehensive Income

	Reported as at 31 December 2014	Adjustments	Restated as at 31 December 2014
Fair value movement on financial assets	2,265,566	27,757,851	30,023,417
Fair value movement on financial liabilities issued	55,290,028	(27,757,851)	27,532,177
	<u>57,555,594</u>	<u>-</u>	<u>57,555,594</u>

Statement of Financial Position

	Reported as at 31 December 2014	Adjustments	Restated as at 31 December 2014
Financial assets at fair value through the profit and loss	301,915,674	38,687,500	340,603,174
Financial liabilities at fair value through profit and loss	(266,580,190)	(38,687,500)	(305,267,690)
	<u>35,335,484</u>	<u>-</u>	<u>35,335,484</u>

Statement of Financial Position

	Reported as at 1 January 2014	Adjustments	Restated as at 1 January 2014
Financial assets at fair value through the profit and loss	159,898,625	10,929,649	170,828,274
Financial liabilities at fair value through profit and loss	(185,635,819)	(10,929,649)	(196,565,468)
	<u>(25,737,194)</u>	<u>-</u>	<u>(25,737,194)</u>

During the preparation of the current year financial statements, Management became aware that a more liquid price was available for one of the collateral assets positions, thus resulting in the financial assets being recorded at fair value through the profit and loss being understated by EUR 38,687,500. As a result, there was a corresponding understatement of the financial liabilities at fair value through the profit and loss.

The material error was detected during the current financial year and in accordance with the requirement stated in FRS 102 Section 10 - Accounting Policies, Estimates and Errors, the fair value adjustment is now recognised retrospectively and the comparative figures have been restated and disclosed above.

The above restatement has had no impact on the profit or equity position of the Company.

21 SUBSEQUENT EVENTS

Since the year end the following series of Notes were issued.

Series	Amount Issued	Issue Date	Maturity Date
2016-01	USD 10,000,000	25 January 2016	17 July 2025
2016-02	USD 10,000,000	25 January 2016	31 March 2025
2016-03	USD 10,000,000	05 February 2016	26 March 2025
2016-04	USD 10,000,000	04 February 2016	26 March 2025
2016-06	USD 10,000,000	11 February 2016	15 January 2026
2016-07	USD 10,000,000	26 February 2016	05 August 2025
2016-08	USD 10,000,001	26 February 2016	15 January 2026
2016-10	JPY 2,400,000,000	03 March 2016	24 December 2020
2016-11	USD 10,000,000	15 March 2016	20 December 2020
2016-12	USD 10,000,000	21 March 2016	21 December 2020
2016-13	JPY 2,500,000,000	18 March 2016	24 December 2020
2016-14	USD 10,000,000	30 March 2016	04 March 2021
2016-15	USD 10,000,000	30 March 2016	03 March 2021
2016-16	USD 20,000,000	11 April 2016	01 August 2025
2016-17	USD 10,000,000	04 May 2016	23 June 2021
2016-18	USD 10,000,000	04 May 2016	19 August 2020
2016-19	USD 10,000,000	12 July 2016	20 April 2026
2016-21	USD 10,000,000	19 July 2016	17 June 2026
2016-22	USD 10,000,000	15 September 2016	05 October 2026
2016-24	USD 10,000,000	13 October 2016	05 October 2026

Since the year end there was no redemption of any series of Notes.

22 TRANSACTIONS WITH RELATED PARTIES AND THE ARRANGERS

Transactions with Citigroup have been outlined in Notes 9, 10 and 19 to the financial statements.

The Company's corporate administrator receives fees of €12,500 per annum (base fee) plus €1,000 per annum (per issue fees).

23 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised by the Board of Directors on 29 November 2016.

ISSUER DISCLOSURE ANNEX 7

STARLING FINANCE PUBLIC LIMITED COMPANY (the “Issuer”)

The Issuer is a public limited company incorporated as a special purpose vehicle on 9 March 2005 and registered under the Irish Companies Act 2014 (as amended), registration number 398937. The Issuer has been incorporated for an indefinite period. The Registered Office of the Issuer is at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland (Tel: +353 1 224 0398). The authorised share capital of the Issuer is EUR 40,000 divided into 40,000 ordinary shares of EUR 1 each, all of which have been issued and fully paid up. 39,994 of the issued ordinary shares are held by Capita Trustee Services Limited as share trustee (the “Share Trustee”) and the remaining six are held by six nominee shareholders which hold such shares on trust for the Share Trustee. Under the terms of a declaration of trust (the “Declaration of Trust”) dated 21 April 2005, the Share Trustee holds all the issued shares held directly or indirectly by it on trust for Charities and Charitable purposes as defined in the Declaration of Trust. The Share Trustee has no beneficial interest in and derives no benefit (other than its fees for acting as Share Trustee) from its holding of the shares of the Issuer.

Business

The Issuer has not engaged, since its incorporation, in any activities other than those incidental to its incorporation, the accession to the Programme, the authorisation and issue of the Notes, the matters referred to or contemplated in the Base Prospectus and the authorisation, execution, delivery and performance of the other documents to which it is or will be a party and matters which are incidental or ancillary to the foregoing. The principal objects of the Issuer are set forth in Clause 3.1 of its Memorandum of Association and include, *inter alia*, the management of financial assets, the purchase, transfer of, investment in and acquisition of, by any means of loans, bonds or other obligations, including the extension of credit and any security therefore and the raising and borrowing of money and the granting of security over its assets for such purposes. So long as any of the obligations of the Issuer remain outstanding, the Issuer will not, *inter alia*, (a) enter into any business whatsoever, other than acquiring Mortgaged Property, issuing Notes or creating other obligations or entering into a similar limited recourse transaction, entering into related agreements and transactions and performing any act incidental to or in connection with the foregoing, (b) have any subsidiaries, (c) have any employees or (d) dispose of any Mortgaged Property or any interest therein or create any mortgage, charge or security interest or right of recourse in respect thereof in favour of any person (other than contemplated by the Base Prospectus), provided that nothing shall limit the ability of either the Issuer or the Trustee on behalf of the Issuer from entering into any agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended, or perform any act incidental or necessary thereto to comply with such agreement.

Authorised and Issued Share Capital

The following table sets forth the authorised and issued share capital of the Issuer as at the date of the Base Prospectus:

Shareholders' Funds	EUR
Share Capital	
Authorised:	40,000
Issued:	40,000

Directors

The Directors of the Issuer are as follows:

Name	Function	Business Address	Principal Occupation
Donald Bergin	Director	24 Eagle Valley, Enniskerry, Country	Director

		Wicklow, Ireland	
Thomas Joseph Geary	Director	Olive Lodge, Monkstown Road, Monkstown, County Dublin, Ireland	Director

Link IFS Limited of 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland is the corporate services provider for the Issuer. Its duties include the provision of certain administrative and related services including acting as company secretary. The appointment of the administrator may be terminated and the administrator may retire upon 90 days written notice subject to the appointment of an alternative administrator.

Financial Statements

The Issuer has prepared audited financial statements in respect of its financial years ending 31 December 2016 and 31 December 2015, which are appended to this Issuer Disclosure Annex and form part of the Base Prospectus approved by the Central Bank. The Issuer will prepare annually and publish audited financial statements, with explanatory notes. These financial statements will be available from the registered office of the Issuer and the office of the Issuing and Paying Agent. The auditors of the Issuer, Deloitte & Touche, Chartered Accountants and Registered Auditors of Deloitte & Touche House, Earlsfort Terrace, Dublin 2, are Chartered Accountants authorised and regulated by the Institute of Chartered Accountants in Ireland for designated investment business.

SCHEDULE 1 TO ISSUER DISCLOSURE ANNEX 7: ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

Company Registration No: 398937

STARLING FINANCE PLC

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

STARLING FINANCE PLC

Reports And Financial Statements For The Financial Year Ended 31 December 2016

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STARLING FINANCE PLC

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

Tom Geary (Irish)
Don Bergin (Irish)

COMPANY SECRETARY:

Link IFS Limited
2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

REGISTERED OFFICE:

2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

BANKS:

Citigroup
CGC Centre
Canary Wharf
E14 5LB
London
United Kingdom

Allied Irish Banks plc
Ashford House
Tara Street
Dublin 2
Ireland

CUSTODIAN:

Citigroup N.A London Branch
Citigroup Centre, Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

CORPORATE ADMINISTRATOR:

Link IFS Limited
2 Grand Canal Square
Grand Canal Harbour
Dublin 2
Ireland

INDEPENDENT AUDITOR:

Deloitte
Chartered Accountants & Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

SOLICITORS:

A & L Goodbody
IFSC
North Wall Quay
Dublin 1
Ireland

ARRANGER AND SWAP COUNTERPARTY:

Citigroup Global Markets Limited
Citigroup Centre, Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

TRUSTEE:

Citicorp Trustee Company Limited
Citigroup Centre
14th Floor
Canada Square
Canary Wharf
London
E14 5LB
United Kingdom

STARLING FINANCE PLC

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of Starling Finance plc ('the Company' or the 'Issuer') for the financial year from 1 January 2016 to 31 December 2016.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company, a special purpose vehicle, has been established to issue floating rate credit-linked notes. The notes are credit-linked to a portfolio of Reference Entities by way of a credit default swap between the Company and Citibank N.A.

The net proceeds of the notes have been used to accede to a EUR 25,000,000,000 secured note programme established by Jupiter Capital Limited, Jupiter Finance Limited, Jupiter International Company Limited, Atlantic Capital International Limited and Cloverie Plc.

During the financial year, Series 2007-07 (€100,000) was fully redeemed on 13 September 2016. In the prior year, Series 2006-05 (€15m) was fully redeemed in December 2015 and Series 2007-07 (€1m) was partially redeemed in August 2015. There were no new series of Notes issued during the financial year (2015: Nil). The Company's debt is listed on the Irish Stock Exchange.

The Directors expect the present level of activity will be sustained for the foreseeable future.

GOING CONCERN

The Directors believe the Company is a going concern. This is due to the limited recourse nature of the series in issue and the fact that the series in issue have maturities extending to 2019. The Directors are not aware of any circumstances which raise concern over the preparation of the financial statements on a going concern basis and also anticipate that the financial assets will continue to generate enough cash flow on an on-going basis to meet the Company's liabilities as they fall due.

RESULTS AND DIVIDENDS FOR THE PERIOD

The results for the financial year are set out in the Statement of Comprehensive Income on page 9. The Directors do not recommend the payment of a dividend (2015: EUR Nil).

ACCOUNTING RECORDS

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 281 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed Link IFS Limited ("Link IFS") (formerly Capita International Financial Services (Ireland) Limited) to provide accounting services, who report to the Board and ensure that the requirements of Section 281 of the Companies Act 2014, are complied with. The books of account of the Company are maintained at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland.

INDEPENDENT AUDITOR

Due to the impact of EU audit reform regulations, Deloitte, Chartered Accountants & Statutory Audit Firm, will not act as auditors for the financial year ended 31 December 2017, as they will have exceeded the maximum length of tenure.

EVENTS AFTER THE REPORTING PERIOD

Since the year ended 31 December 2016, the Company's corporate service provider, Capita International Financial Services (Ireland) Limited, was acquired by Link Group and renamed Link IFS Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

BUSINESS RISKS

The key risks to the business relate to the use of financial instruments. A summary of these risks and how they are managed are set out in Note 19 to the financial statements.

KEY PERFORMANCE INDICATORS

During the financial year:

- Result after tax of nil (2015: EUR Nil);
- The net fair value gain recognised on investment securities amounted to EUR 4,457,041 (2015: gain of EUR 1,090,831);
- The net fair value loss recognised on debt securities amounted to EUR 3,148,487 (2015: gain of EUR 2,830,235); and
- The net fair value loss on derivative financial instruments amounted to EUR 1,308,554 (2015: loss of EUR 3,921,066);

As at 31 December 2016 :

- The fair value of the notes issued by the Company amounted to EUR 56,409,676 (2015: EUR 53,361,189);
- The payments on the redemption of the notes amounted to EUR 100,000 (2015: EUR 16,000,000);
- The fair value of the investment securities amounted to EUR 58,188,789 (2015: EUR 53,831,748); and
- The net fair value of the derivative financial instruments amounted to EUR 1,779,113 liability (2015: EUR 470,559 liability).

DIRECTORS, SECRETARY AND THEIR INTERESTS

The names of the current Directors and Secretary are listed on page 2. All Directors have served throughout the financial year.

The Directors and Secretary who held office on 31 December 2016 did not hold any shares in the Company at that date, or during the financial year.

CORPORATE GOVERNANCE STATEMENT

Introduction

The Company is subject to and complies with Irish Statute comprising the Companies Act 2014 and the Listing rules of the Irish Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

DIRECTORS' REPORT - continued

CORPORATE GOVERNANCE STATEMENT - continued

Financial Reporting Process

The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Link IFS Limited, to maintain the accounting records of the Company independent of the Arranger, Trustee and the Custodian. The Administrator is contractually obliged to assist the Company to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger, Trustee and the Custodian.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator maintains control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the operations performed by the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Act 2014 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking property of any part thereof and may delegate these powers to the Arranger.

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Audit Committee

Statutory audits in Ireland are regulated by the European Communities (Statutory audits) (Directive 2006/43/EC, as amended by Directive 2014/56/EU, and Regulation (EU) No 537/2014) Regulations, 2016 (S.I. 312). According to the regulations, if the sole business of the Irish SPV relates to the issuing of asset backed securities, the SPV is exempt from the requirement to establish an audit committee (under Regulation 91(9) (d) of the Regulations).

Given the contractual obligations of the Administrator and the limited recourse nature of the securities the Company may participate in, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Company has availed itself of the exemption under Regulation 91(9)(d) of the regulations.

DIRECTORS' REPORT - continued

DIRECTORS' COMPLIANCE POLICY STATEMENT

The Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations as defined in section 225 of the Companies Act 2014 and hereby confirm that they have completed the following;

- Approved and adopted a Compliance Policy Statement, setting out the Company's policies (that, in the Directors' opinion, are appropriate to the Company) respecting compliance by the Company with its relevant obligations
- Put in place appropriate arrangements and structures that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations; and
- Have conducted a review of the aforementioned arrangements and structures during the year ended 31 December 2016.

The Directors' note that the arrangements and structures, referred to above, are to be reviewed during each financial year.

STATEMENT ON RELEVANT AUDIT INFORMATION

In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

- (a) so far as each director is aware, there is no relevant audit information of which the Company's statutory auditors are unaware, and
- (b) each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information.

On behalf of the board:

Tom Geary
Director
Date: 17 November 2017

Don Bergin
Director
Date: 17 November 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors' are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing the financial statements of the Company, the Directors are required to:

- select suitable accounting policies for the Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act, 2014 and the listing rules of the Irish Stock Exchange which enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STARLING FINANCE PLC

We have audited the financial statements of Starling Finance Plc for the financial year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, The Statement of Changes in Equity, the Statement of Cash Flows, and the related notes 1 to 23. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2014 and Accounting Standards issued by the Financial Reporting Council, and promulgated by the Institute of Chartered Accountants in Ireland for periods beginning before 1 January 2015 ("relevant financial reporting framework").

This report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company'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 Company and the Company'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

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as 31 December 2016 and of the result for the period then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

Continued on next page/

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STARLING FINANCE PLC

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements and, based on the work undertaken in the course of the audit, the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the financial reporting process is consistent with the financial statements, and has been prepared in accordance with section 1373 Companies Act 2014. Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.

Brian O'Callaghan
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date

STATEMENT OF COMPREHENSIVE INCOME
 for the financial year ended 31 December 2016

	Note	Year ended 2016 EUR	Year ended 2015 EUR
Net gain from investment securities	3	1,679,927	2,194,880
Net finance loss on debt securities issued	4	(2,763,845)	(2,727,700)
Net gain on derivative financial instruments	5	1,083,918	532,820
Fair value movement on investment securities	9	4,457,041	1,090,831
Fair value movement on derivative financial instruments	10	(1,308,554)	(3,921,066)
Fair value movement on debt securities issued	14	(3,148,487)	2,830,235
OPERATING RESULT - CONTINUING OPERATIONS		-	-
Other income	6	76,415	92,208
Other expenses	7	(76,416)	(92,208)
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1)	-
Tax on ordinary activities	8	-	-
RESULT ON ORDINARY ACTIVITIES AFTER TAXATION		(1)	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE RESULT FOR THE YEAR		-	-

All items dealt with in arriving at the result for the financial year ended 31 December 2016 related to continuing operations.

The Company has no recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income above.

The notes to the financial statements from page 13 to 24 form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
as at 31 December 2016

	Note	2016 EUR	2015 EUR
ASSETS			
NON CURRENT ASSETS			
Financial assets - Investment securities	9	48,340,017	53,831,748
Derivative financial instruments at fair value	10	-	412,087
TOTAL NON CURRENT ASSETS		<u>48,340,017</u>	<u>54,243,835</u>
CURRENT ASSETS			
Financial assets - Investment securities	9	9,848,772	-
Derivative financial instruments at fair value	10	77,527	-
Cash at bank	11	52,810	55,263
Other assets	12	1,185,372	1,147,315
TOTAL CURRENT ASSETS		<u>11,164,481</u>	<u>1,202,578</u>
LIABILITIES			
CREDITORS: amounts falling due within one year			
Derivative financial instruments at fair value	10	(417,176)	(8,147)
Debt securities issued	14	(9,509,123)	-
Other liabilities	13	(1,186,932)	(1,151,328)
NET CURRENT ASSETS		<u>51,250</u>	<u>43,103</u>
CREDITORS: amounts falling due greater one year			
Derivative financial instruments at fair value	10	(1,439,464)	(874,499)
Debt securities issued	14	(46,900,553)	(53,361,189)
NET ASSETS		<u>51,250</u>	<u>51,250</u>
CAPITAL AND RESERVES			
Share Capital	15	40,000	40,000
Profit and loss account		11,250	11,250
SHAREHOLDER'S FUNDS		<u>51,250</u>	<u>51,250</u>

The notes to the financial statements from page 13 to 24 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 17 November 2017 and signed on its behalf by:

Tom Geary
Director

Don Bergin
Director

Date: 17 November 2017

Date: 17 November 2017

STATEMENT OF CHANGES IN EQUITY
as at 31 December 2016

	Note	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2016	15	40,000	11,250	51,250
Issue of share capital		-	-	-
Total Comprehensive result for the year		-	-	-
Balance at 31 December 2016		<u>40,000</u>	<u>11,250</u>	<u>51,250</u>

	Note	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2015	15	40,000	11,250	51,250
Issue of share capital		-	-	-
Total Comprehensive result for the year		-	-	-
Balance at 31 December 2015		<u>40,000</u>	<u>11,250</u>	<u>51,250</u>

All equity is attributable to the holders of the ordinary shares in the Company.

The notes to the financial statements from page 13 to 24 form an integral part of these financial statements.

STARLING FINANCE PLC

STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2016

	Note	Year ended 2016 EUR	Year ended 2015 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Result for the financial year		-	-
Adjustments For:			
Decrease/(increase) in other debtors		(5,608)	26,119
(Decrease)/increase in creditors - due within one financial year		3,155	(12,740)
Interest Income		(2,763,845)	(2,727,700)
Interest Expense		2,763,845	2,727,700
NET CASH FROM OPERATING ACTIVITIES		<u>(2,453)</u>	<u>13,379</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of investments	9	100,000	16,000,000
Interest Received		2,763,723	2,747,198
NET CASH FROM INVESTING ACTIVITIES		<u>2,863,723</u>	<u>18,747,198</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of notes	14	(100,000)	(16,000,000)
Interest Paid		(2,763,723)	(2,747,198)
NET INCREASE IN CASH AND CASH EQUIVALENTS		(2,453)	13,379
OPENING CASH AT BEGINNING OF THE FINANCIAL YEAR		<u>55,263</u>	<u>41,884</u>
CLOSING CASH AT THE END OF THE FINANCIAL YEAR		<u>52,810</u>	<u>55,263</u>

The notes to the financial statements from page 13 to 24 form an integral part of these financial statements.

1 BASIS OF PREPARATION

Basis of preparation and accounting convention

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention except for assets and liabilities stated at fair value as explained below. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") as issued by the Financial Reporting Council in August 2014 but with the early application of the amendment to FRS 102 made in March 2016 in relation to fair value hierarchy disclosures.

Based upon the Company's financial position, the Directors are satisfied that the going concern basis of accounting is appropriate.

Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of IAS 39 Financial Instruments: Recognition and Measurement to its financial instruments that fall in scope of Sections 11 and 12 of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by that latter standard.

The majority of the Company's financial instruments are classified in categories that require measurement at fair value through profit or loss, with basis for arriving at this position being set out below.

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value through the profit or loss:

- derivative financial instruments;
- investment securities designated as at fair value through profit or loss; and
- debt securities issued designated as at fair value through profit or loss.

Functional and presentation currency

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates. The financial statements of the Company are presented in Euro (EUR), which is the Company's functional and presentation currency.

Foreign currency transactions

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary items that are denominated in foreign currencies are recognised in profit or loss in the period. Net foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are included in the net fair value gain/loss on those instruments.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

Information in relation to significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 19, relating to the determination of fair values.

2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

The financial instruments held by the Company include the following:

- Investment securities
- Derivative financial instruments
- Debt securities issued
- Other receivables and payables

Categorisation

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated as at fair value through profit or loss.

The Company has designated all the investment securities and debt securities issued, as at fair value through profit or loss. Derivative financial instruments are carried at fair value through profit or loss.

Investment securities

All investment securities held by the Company, are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce an accounting mismatch, which would otherwise arise, in relation to derivative financial instruments and debt securities issued as explained below.

Derivative financial instruments

Derivative financial instruments for Series 2006-7 and 2012-1 include derivative assets and liabilities that are used to economically hedge each series from any interest rate and market fluctuations affecting the relevant collateral assets. For Series 2006-7, the Company also entered into a credit default swap agreement as noted in note 14.

The fair values of the Derivatives are provided by Citigroup Global Markets Limited, which is the Calculation Agent for each Series. The derivatives are not priced manually. Prices are generated by the valuation and risk management systems and models employed by Citigroup Global Markets Limited to determine the Fair Values of all its interest rate swaps.

Debt securities issued

The debt securities issued, are initially measured at fair value and are designated as liabilities at fair value through profit or loss when either it eliminates or significantly reduces an accounting mismatch or contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract. In the case of the Company, the debt securities issued are designated as at fair value as a result of derivatives in the debt securities issued.

Financial assets and liabilities that are not at fair value through profit or loss

Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash at bank, deposits with credit institutions and other assets, and are categorised as loans and receivables for measurement purposes. Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables and are categorised as other liabilities for measurement purposes.

Recognition and measurement

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities designated as at fair value through profit or loss are recorded in the Statement of Comprehensive Income. Financial assets and liabilities not categorised at fair value through profit or loss are subsequently measured at amortised cost.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Fair Value Measurement Principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets, where these are available. For all other financial instruments fair value is determined by using valuation techniques.

Refer to note 19 for further details.

2 Significant Accounting Policies - continued**(b) Financial liability and equity**

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

(c) Share Capital

Share Capital is issued in Euro. Dividends are recognised as a liability in the period in which they are approved.

(d) Cash at bank

Cash comprises of bank balances and bank overdrafts. Each of the Series Notes in place has a separate bank account with Citi Bank. The Note receipts and Collateral payments for each series are transacted through the individual Citi Bank account.

(e) Taxation

The Company meets the criteria for a "Section 110 vehicle" under the Taxes Consolidation Act, 1997 and is therefore subject to a special tax regime which potentially allows the Company to be tax neutral. Income tax expense comprises current tax. Income tax expense is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the financial year, using tax rates applicable to the Company's activities enacted or substantially enacted at the Statement of Financial Position date, and adjusted to tax payable in respect of previous years.

(f) Net gain/loss from investment securities designated as at fair value through profit or loss

Net gain/loss on investment securities designated at fair value relates to investments in corporate bonds and includes realised income (including coupon receipt), unrealised and realised fair value changes and foreign exchange differences.

(g) Net gain/ loss on derivative financial instruments measured at fair value through profit or loss

Net gain/ loss on derivative financial instruments measured at fair value through profit or loss relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

(h) Net gain/loss on debt securities issued designated as at fair value through profit or loss

Net gain/loss on debt securities issued, designated at fair value through profit or loss, relates to debt securities issued and includes financing costs (including coupon payments), unrealised fair value changes and foreign exchange differences.

(i) Operating income and expenses

Other income and expenses are accounted for on an accruals basis.

NOTES TO THE FINANCIAL STATEMENTS - continued

3	NET GAIN FROM INVESTMENT SECURITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS	2016 EUR	2015 EUR
	Coupon income	<u>1,679,927</u>	<u>2,194,880</u>
4	NET FINANCE LOSS ON DEBT SECURITIES ISSUED DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS	2016 EUR	2015 EUR
	Coupon expense	<u>(2,763,845)</u>	<u>(2,727,700)</u>
5	NET GAIN ON DERIVATIVE FINANCIAL INSTRUMENTS	2016 EUR	2015 EUR
	Net swap income	2,763,845	2,727,700
	Net swap expense	<u>(1,679,927)</u>	<u>(2,194,880)</u>
		<u>1,083,918</u>	<u>532,820</u>
6	OTHER INCOME	2016 EUR	2015 EUR
	Fees reimbursed by Citigroup	<u>76,415</u>	<u>92,208</u>
		<u>76,415</u>	<u>92,208</u>

Under an arrangement between the Company and Citigroup Global Capital Markets Limited ("Citigroup"), Citigroup has agreed to reimburse the Company against any costs, fees, expenses or out-goings incurred.

7	OTHER EXPENSES	2016 EUR	2015 EUR
	Administration fees	(34,891)	(50,683)
	Directors fees	(20,000)	(20,000)
	Audit fees	<u>(21,525)</u>	<u>(21,525)</u>
		<u>(76,416)</u>	<u>(92,208)</u>

The Company is administered by Link IFS Limited and has no employees (2015: Nil).

AUDIT REMUNERATION

	2016 EUR	2015 EUR
Statutory audit fees	(21,525)	(21,525)
Tax advisory fees	(7,995)	(7,995)
Other assurance services	-	-
Other non audit services	-	-
	<u>(29,520)</u>	<u>(29,520)</u>

DIRECTORS REMUNERATION

	2016 EUR	2015 EUR
Emoluments in respect of qualifying services	20,000	20,000
Other emoluments	-	-
Company contributions in respect of qualifying services to Pension Scheme Fund, a defined contribution retirement benefit scheme	-	-
Compensation for loss of office of Director of the Company (paid by the Company)	-	-
	<u>20,000</u>	<u>20,000</u>

The Company has two non executive Directors who respectively receive a fee of €10,000 per annum (2015: €10,000 per annum). The Directors do not receive any other forms of benefits.

The Company has no employees during the financial year. (2015: Nil)

NOTES TO THE FINANCIAL STATEMENTS - continued

8 TAX ON ORDINARY ACTIVITIES

The tax charge for the financial year is explained below:

	2016 EUR	2015 EUR
Result on ordinary activities before tax	-	-
Current tax for the period at a rate of 25%	-	-

The Company will continue to be taxed at 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

9 INVESTMENT SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2016 EUR	2015 EUR
Investment securities	58,188,789	53,831,748
	<u>58,188,789</u>	<u>53,831,748</u>
Movement during the year		
Balance at the beginning of the financial year	53,831,748	68,740,917
Disposals during the financial year	(100,000)	(16,000,000)
Net fair value movement due to market risks	4,457,041	1,090,831
	<u>58,188,789</u>	<u>53,831,748</u>
Maturity analysis of the investment securities		
Due within one year	9,848,772	-
Due between one and two years	48,340,017	9,949,909
Due between two and five years	-	43,881,839
Due after five years	-	-
	<u>58,188,789</u>	<u>53,831,748</u>

The maturity analysis is disclosed based on the nominal values of the investment securities.

The Investment Securities held by the Company as at 31 December 2016 consist of the following:

Series	2006-7	2012-01
Investment securities	USD 10,000,000 (ISIN:	EUR 40,000,000
Issuing Company	Citigroup Inc 211117	BTSP I/L
Nominal Value	USD 10,000,000	EUR 40,000,000
Maturity	23 November 2017	17 September 2019
Interest terms	6.125%	6.35%
2016 Agency & Rating	NR	NR
2015 Agency & Rating	NR	NR

The carrying value of the assets of the Company represents their maximum exposure to credit risk. The credit risk is eventually transferred to the swap counterparty or the Noteholders.

Refer to Note 19 where details regarding the risks inherent in the financial instruments and the management of the risks are discussed.

10 DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE

	2016 EUR	2015 EUR
Balance at the beginning of the financial year	(470,559)	3,450,507
Payments on settlement of derivative instruments	-	-
Net fair value movement	(1,308,554)	(3,921,066)
	<u>(1,779,113)</u>	<u>(470,559)</u>
Index Linked Derivative IRS assets	-	412,087
Index Linked Derivative IRS liabilities	(1,856,640)	(798,560)
Index Linked Derivative CDS assets	77,527	-
Index Linked Derivative CDS liabilities	-	(84,086)
	<u>(1,779,113)</u>	<u>(470,559)</u>
Maturity analysis of derivative financial instruments assets		
Due within one year	77,527	-
Due between two and five years	-	412,087
	<u>77,527</u>	<u>412,087</u>
Maturity analysis of derivative financial instruments liabilities		
Due within one year	(417,176)	(8,147)
Due between two and five years	(1,439,464)	(874,499)
	<u>(1,856,640)</u>	<u>(882,646)</u>

Refer to Note 19 where details regarding the risks inherent in the financial instruments and the management of the risks are discussed.

NOTES TO THE FINANCIAL STATEMENTS - continued

11 CASH AT BANK

	2016 EUR	2015 EUR
Citigroup accounts	353	792
AIB Bank accounts	52,457	54,471
	<u>52,810</u>	<u>55,263</u>

The Citigroup balances held by the Company relate to an excess of Interest Income received by the Company during the course of the financial year. These balances will ultimately be paid to Citigroup and are not assets of the Company. There is a corresponding liability recorded in the accounts as a payable to Citigroup (refer to note 13).

12 OTHER ASSETS - AMOUNTS RECEIVABLE WITHIN 1 YEAR

	2016 EUR	2015 EUR
Coupon income receivable on financial assets	364,699	332,372
Coupon income receivable on swaps	748,421	748,299
Transaction fees receivable	72,252	66,644
	<u>1,185,372</u>	<u>1,147,315</u>

13 OTHER LIABILITIES - AMOUNTS DUE WITHIN 1 YEAR

	2016 EUR	2015 EUR
Coupon payable on financial liabilities	(748,421)	(748,299)
Coupon payable on swaps	(364,699)	(332,372)
Other payables - Citigroup	(792)	(792)
Accrued expenses	(73,020)	(69,865)
	<u>(1,186,932)</u>	<u>(1,151,328)</u>

14 DEBT SECURITIES ISSUED DESIGNATED AS AT FAIR VALUE THROUGH THE STATEMENT OF COMPREHENSIVE INCOME

	2016 EUR	2015 EUR
<i>Designated as at fair value through profit or loss</i>		
Debt securities - notes issued	(56,409,676)	(53,361,189)
	<u>(56,409,676)</u>	<u>(53,361,189)</u>
Movement in debt securities issued:		
Balance at the beginning of the financial year	53,361,189	72,191,424
Redeemed during the financial year	(100,000)	(16,000,000)
Net fair value movement	3,148,487	(2,830,235)
	<u>56,409,676</u>	<u>53,361,189</u>
Balance at the end of the financial year	56,409,676	53,361,189
Maturity analysis of the debt securities		
Due within one year	9,509,123	-
Due between one and two years	46,900,553	9,067,264
Due between two and five years	-	44,293,925
Due after five years	-	-
	<u>56,409,676</u>	<u>53,361,189</u>

The maturity analysis is disclosed based on the nominal values of the investment securities.

The Notes were issued as follows:

Class	Coupon	2016 Nominal	2015 Nominal
Series 2006-7	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2007-7	EUR Variable - Index Linked	-	EUR 100,000
Series 2012-1	EUR Variable - Index Linked	EUR 40,000,000	EUR 40,000,000
Notes		Issue Date	Maturity Date
Series 2006-7		21 March 2006	23 November 2017
Series 2012-1		15 June 2012	17 September 2019

NOTES TO THE FINANCIAL STATEMENTS - continued

15 SHARE CAPITAL

	2016 EUR	2015 EUR
Authorised:		
40,000 Ordinary shares of €1 each	<u>40,000</u>	<u>40,000</u>
Issued and called-up and paid:		
40,000 Ordinary shares of €1 each	<u>40,000</u>	<u>40,000</u>

16 ANALYSIS OF CHANGES IN NET DEBT

	At the beginning of the financial year EUR	Movement EUR	At the end of the financial year EUR
Cash at bank	55,263	(2,453)	52,810
Debt due within one financial year	-	(9,509,123)	(9,509,123)
Debt due after more than one financial year	<u>(53,361,189)</u>	<u>6,460,636</u>	<u>(46,900,553)</u>
	<u>(53,305,926)</u>	<u>(3,050,940)</u>	<u>(56,356,866)</u>

17 OWNERSHIP OF THE COMPANY

The principal non-beneficial shareholder in the Company is Company is Link Trustee Services (Jersey) Limited (formerly Capita Trustee Services Limited)(39,994 shares). In addition, Forbrit Corporate Director 4 Limited, Forbrit Corporate Director 3 Limited, Link Nominee Services 2 Limited (formerly Capita Nominee Services 2 Limited), Link Nominee Services 3 Limited (formerly Capita Nominee Services 3 Limited), Link Foundations Services Limited (formerly Capita Foundation Services Limited) and Link Nominee Services Limited (formerly Capita Nominee Services Limited) hold one share each in the Company. The shareholders act solely as share trustees and have no beneficial ownership in the Company. All shares are held under the terms of declarations of trust dated 21 April 2005, under which the relevant share trustee holds the issued shares of the Company on trust for a charity.

18 CHARGES

The Series of Notes issued by the Company are secured by way of mortgage over the investments purchased in respect of that Series, and by the assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreements for each series.

19 FINANCIAL RISK MANAGEMENT

Introduction and overview

The principal activity of the Company, a special purpose vehicle, is the acquisition of a portfolio of investment securities and derivative financial instrument positions, funded through the issue of Notes denominated in EUR and USD. Therefore, the role of financial assets and financial liabilities is central to the activities of the Company. The notes issued have significantly provided the funding to purchase the Company's financial assets.

Financial assets and financial liabilities form the majority of the assets and liabilities of the Company and generate the majority of the income and expenses.

(a) Risk management

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (interest rate risk and price risk), credit risk, liquidity risk and operational risk. The properties of the Company's financial liabilities, is matched to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. The potential adverse effects of these risks on the Company's financial performance are monitored and managed by appropriate methods as discussed below.

NOTES TO THE FINANCIAL STATEMENTS - continued

19 FINANCIAL RISK MANAGEMENT - continued

(b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced to Link IFS Limited.

(c) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Company's overall strategy remains unchanged from 2015.

The capital structure of the Company consists of debt, which includes the notes payable, equity comprising issued capital and retained earnings as disclosed in Statement of Changes in Equity.

(d) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Notes are limited recourse to the assets and therefore the Noteholders are exposed to the credit risk of the Swap Counterparty and the portfolio of financial assets for each respective series. The Company limits its exposure to credit risk as the risk of default on these assets is borne by the Noteholders in accordance with their respective agreements.

The Company's exposure and the credit ratings of its counterparties are continuously monitored by the Directors and the Arrangers. The following table details the aggregate investment grade of the debt instruments in the portfolio, as rated by Standard and Poor approved by the Directors, or in the case of an unrated debt instrument, the rating as assigned by the Board of Directors using an approach consistent with that of the respective rating agencies:

Rating	2016 %	2015 %
Unrated	100	100
	<u>100</u>	<u>100</u>

Due to limited recourse and the ring fenced nature of the debt securities issued under each series, the Directors believe that including a geographical concentration analysis of the investment securities issued on an overall basis will provide very little, if any, benefit to the users of the financial statements.

Cash at bank:

The Company's cash is held mainly with AIB bank which has a short term credit rating of A-1 from Standard and Poor's as at 31 December 2016 (2015: A-1).

Derivatives:

Derivative financial instruments are transacted with Citigroup which has a short term credit rating of A-2 from Standard and Poor's as at 31 December 2016 (2015: A-1).

As part of certain Series under the programme, the Company has entered into swap agreements with a credit exposure with the Swap Counterparty. In exchange for the receipt of income for the relevant Series, the Company has sold credit protection on reference assets. By entering into the credit agreements, the Company is exposed to the risk that the reference assets underperform resulting in a default.

The Noteholders are exposed to the performance of the reference assets. That is, the ability of the Company to meet its obligations under the Notes will depend on the receipt by it of payments of interest and principal under the Collateral Assets, as well as payments owed to the Company by the Swap Counterparty under the terms of the swap. Consequently, an investor is exposed not only to the occurrence of Credit Events in relation to any of the reference assets comprised in the Specified Portfolio, but also to the ability of the Asset Issuer, the Swap Counterparty and the Swap Guarantor to perform their respective obligations to make payments to the Company.

In the event of an issuance of a credit event notice with respect to the reference assets, the Company will pay an amount as defined in the swap agreements from the assets of that Series to which the swap agreement relates. The aggregate liability of the Company under the swap agreements for individual Series shall not exceed the aggregate of the eligible investment securities for those Series.

Under the credit swap agreements, there is exposure to a wide range of countries and various industries. Details of these exposures are outlined in detail in the prospectus for each Series.

Under the index-linked swaps, there is exposure to a wide range of countries and various industries. Details of these exposures are outlined in detail in the prospectus for each Series.

Other assets:

The other assets mainly include income receivable from instruments held by the Company as at financial year end. The credit rating and concentration of the investment securities as at the financial year end are disclosed above under investment securities and derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS - continued

19 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments. The Noteholders are exposed to the market risk on the portfolio. The Company enters into a variety of derivative financial instruments to manage the Noteholder's exposure.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Noteholders receive the principal and interest repayments in the currency stated on the loan notes. The currency risk arising from portfolio instruments cash and settlement balances denominated in currencies other than the functional currency of the Company are managed by matching the denominations of the financial assets and liabilities and the use of swaps.

The financial instrument foreign currency exposure of the Company's assets and liabilities, excluding derivative financial instruments, in EUR equivalent is presented below:

	2016	2016
	Assets	Liabilities
USD	9,848,772	9,848,772
Total	<u>9,848,772</u>	<u>9,848,772</u>
	2015	2015
	Assets	Liabilities
USD	9,248,352	9,248,352
Total	<u>9,248,352</u>	<u>9,248,352</u>

Sensitivity analysis

The impact of any change in the exchange rates on the financial assets is partly passed to the Swap Counterparty, where relevant, through the swaps in place and the rest is borne by the Noteholders.

Due to the hedging of currencies, no sensitivity analysis is required for the Company.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

In the case of most series, the interest received on the underlying assets is passed to the Swap Counterparty in exchange for the required payments to the relevant Noteholders, therefore the Company does not bear any interest rate risk.

The following table provides an analysis of the interest rate profile of the Company's financial instruments as at 31 December 2016 and 31 December 2015 on a fair value basis, excluding derivative financial instruments:

	2016	2015
	EUR	EUR
Assets		
Non interest bearing	1,185,372	1,147,315
Fixed interest rate debt securities	58,188,789	53,831,748
Derivatives	77,527	412,087
Cash and cash equivalents	52,810	55,263
Total	<u>59,504,498</u>	<u>55,034,326</u>
Liabilities		
Non interest bearing	1,160,380	1,151,328
Fixed interest rate debt securities	46,900,553	44,384,945
Floating rate debt securities	9,509,123	8,976,244
Derivatives	1,856,640	882,646
Total	<u>59,426,696</u>	<u>54,983,076</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

19 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Interest rate risk - continued

Sensitivity analysis

In the case of most series, the interest received on the underlying assets is passed to the Swap Counterparty in exchange for the required payments to the relevant Noteholders, therefore the Company does not bear any interest rate risk.

The sensitivity analysis below has been determined based on the Noteholder's exposure to interest rates for interest bearing assets and liabilities (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting financial year in the case of instruments that have floating rates.

At 31 December 2016 the Company had exposure to floating rate notes as per the amounts indicated above.

If interest rates had been 100 basis points higher and all other variables were held constant, the interest income would increase by EUR 167,993 (2015: EUR 219,488) with a corresponding offset in movement in interest expense to the noteholders and the Swap Counterparty.

A decrease of 100 basis points in interest rates, with all the other variables held constant, would result in an equal but opposite effect.

A 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Company's overall market positions are monitored by the Directors.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The price transparency of a particular instrument will determine the degree of judgement involved in determining the fair value of the financial instrument. Level 1 financial instruments are actively quoted prices or have market data available or are derived from actively quoted prices or market data. Such instruments have a higher degree of price transparency. By contrast, Level 2 financial instruments that are thinly traded or not quoted will generally have little or no price transparency. Observable market prices and market data in an instrument (or a related instrument) may be used to derive a price without requiring significant judgement.

Level 3 financial instruments occurs when, in certain markets observable market prices or market data are not available for all instruments, and fair value is determined using valuation techniques appropriate for each particular instrument. These valuation techniques involve some degree of judgement. The transparency of market prices and/or market data will determine the degree of judgement involved in determining the fair value of the Company's financial instruments.

In the case of financial instruments for which market observable prices or data are not available, management's estimates are based on values obtained from the arranging investment bank. These estimates may be determined in whole or in part using valuation techniques such as use of recent similar arm's length transactions if available, reference to the current fair value of an instrument that is substantially the same, discounted cash flow analysis or any other valuation technique that provides reliable estimates of prices obtainable in actual market transactions. If actual transaction prices were available for the financial instruments, or different assumptions were used, the valuations may be different to those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded. The ultimate outcome of these uncertainties cannot at present be determined.

Due to the limited recourse, the fair value of the Notes issued by the Company is determined by reference to the fair value of the associated financial assets designated at FVTPL and the fair value of derivative financial instruments. Any future change in the fair value of financial assets and derivatives will have an equal but opposite impact on the fair value of the Notes.

Sensitivity analysis

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the Noteholders. As at 31 December 2016, the Noteholders' exposure to other price risk relates to the value of financial assets amounting to EUR 58,188,789 (2015: EUR 53,831,748) and derivative financial instruments of EUR 1,779,113 (2015: EUR 470,559 asset). Price risk is managed by investing in a portfolio of investments with credit ratings at the acquisition of BB or higher.

An increase of 10% in the market prices of the financial assets, with all other variables held constant at the reporting date, would result in an increase of EUR 5,818,879 (2015: EUR 5,383,175) in the fair value of the financial assets issued. A decrease of 10% in the market prices of the financial assets at the reporting date would result in an equivalent decrease in the fair values of the financial assets.

19 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Price risk - continuedFair Value Hierarchy

31 December 2016	Quoted price in active market Level 1 EUR	Valuation technique observable parameters	Valuation technique un-observable parameters	Total fair value EUR
		Level 2 EUR	Level 3 EUR	
Financial assets	-	58,188,789	-	58,188,789
Derivative financial instruments assets	-	-	77,527	77,527
Derivative financial instruments liabilities	-	(1,856,640)	-	(1,856,640)
Financial liabilities	-	-	(56,409,676)	(56,409,676)
	-	56,332,149	(56,332,149)	-

31 December 2015	Quoted price in active market Level 1 EUR	Valuation technique observable parameters	Valuation technique un-observable parameters	Total fair value EUR
		Level 2 EUR	Level 3 EUR	
Financial assets	-	53,831,748	-	53,831,748
Derivative financial instruments	-	(386,473)	(84,086)	(470,559)
Financial liabilities	-	-	(53,361,189)	(53,361,189)
	-	53,445,275	(53,445,275)	-

Reconciliation of movement in Level 3 financial instruments

31 December 2016	Derivative Financial Instruments	Debt Securities
	EUR	EUR
Balance at the beginning of the financial year	(84,086)	(53,361,189)
Settlements	-	100,000
Disposals	-	-
Fair value movements	161,613	(3,148,487)
Transfer between levels	-	-
Balance at the end of the financial year	77,527	(56,409,676)

There were no transfers between levels during the financial year ended 31 December 2016.

31 December 2015	Derivative Financial Instruments	Debt Securities
	EUR	EUR
Balance at the beginning of the financial year	(107,855)	(72,191,424)
Settlements	-	16,000,000
Disposals	-	-
Fair value movements	23,769	2,830,235
Transfer between levels	-	-
Balance at the end of the financial year	(84,086)	(53,361,189)

There were no transfers between levels during the financial year ended 31 December 2015.

Although the Directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimated cashflows etc and therefore, cannot be determined with precision.

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value will be borne by the noteholders due to the limited recourse nature of the debt issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued

19 FINANCIAL RISK MANAGEMENT - continued

(f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company tries to match the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations.

The following table details the Company's liquidity analysis for its financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the financial liabilities that settle on a net basis and the undiscounted gross cash flows on those financial liabilities that require gross settlement.

The following are the contractual maturities of the financial liabilities at 31 December 2016 and at 31 December 2015:

	Carrying amount EUR	Gross contractual cashflows EUR	Less than one financial year EUR	Two to five financial years EUR	Greater than five financial years EUR
31 December 2016					
Derivative liabilities	1,856,640	1,856,640	417,176	1,439,464	-
Debt securities	46,900,553	56,270,127	11,926,727	44,343,400	-
Creditors	1,186,932	1,186,932	1,186,932	-	-
	<u>49,944,125</u>	<u>59,313,699</u>	<u>13,530,835</u>	<u>45,782,864</u>	<u>-</u>
31 December 2015					
Derivative liabilities	470,559	470,559	470,559	-	-
Debt securities	53,361,189	64,461,455	15,044,887	49,416,568	-
Creditors	1,151,328	1,151,328	1,151,328	-	-
	<u>54,983,076</u>	<u>66,083,342</u>	<u>16,666,774</u>	<u>49,416,568</u>	<u>-</u>

20 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year the following series of Notes have been redeemed:

Series	Amount Redeemed	Issue Date	Redemption Date
2007-07	EUR 100,000	12 July 2007	26 August 2015

There were no other significant event during the financial year.

21 EVENTS AFTER THE REPORTING PERIOD

Since the year ended 31 December 2016, the Company's corporate service provider, Capita International Financial Services (Ireland) Limited, was acquired by Link Group and renamed Link IFS Limited.

22 TRANSACTIONS WITH RELATED PARTIES AND THE ARRANGERS

The Directors of the Company, Tom Geary and Don Bergin, are entitled to fees of EUR 10,000 per annum.

Transactions with Citigroup have been outlined in Notes 10 and 19 to the financial statements.

The Company's corporate administrator receives fees of EUR 12,500 per annum (base fee) plus EUR 1,000 per annum (per issue fees).

23 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised by the Board of Directors on 17 November 2017.

**SCHEDULE 2 TO ISSUER DISCLOSURE ANNEX 7: ANNUAL REPORT AND FINANCIAL
STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015**

Company Registration No: 398937

STARLING FINANCE PLC

DIRECTORS' REPORT AND AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

STARLING FINANCE PLC

Reports And Financial Statements For The Financial Year Ended 31 December 2015

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STARLING FINANCE PLC

DIRECTORS AND OTHER INFORMATION

DIRECTORS:

Tom Geary (Irish)
Don Bergin (Irish)

COMPANY SECRETARY:

Capita International Financial Services (Ireland) Limited
2 Grand Canal Square
Grand Canal Harbour
Dublin 2

REGISTERED OFFICE:

2 Grand Canal Square
Grand Canal Harbour
Dublin 2

BANKS:

Citigroup
CGC Centre
Canary Wharf
E14 5LB
London

Allied Irish Banks plc
Ashford House
Tara Street
Dublin 2

CUSTODIAN:

Citigroup N.A London Branch
Citigroup Centre, Canada Square
Canary Wharf
London
E14 5LB

CORPORATE ADMINISTRATOR:

Capita International Financial Services (Ireland) Limited
2 Grand Canal Square
Grand Canal Harbour
Dublin 2

INDEPENDENT AUDITOR:

Deloitte
Chartered Accountants & Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2

SOLICITORS:

A & L Goodbody
IFSC
North Wall Quay
Dublin 1

ARRANGER AND SWAP COUNTERPARTY:

Citigroup Global Markets Limited
Citigroup Centre, Canada Square
Canary Wharf
London
E14 5LB

TRUSTEE:

Citicorp Trustee Company Limited
Citigroup Centre
14th Floor
Canada Square
Canary Wharf
London
E14 5LB

STARLING FINANCE PLC

DIRECTORS' REPORT

The Directors present their annual report and the audited financial statements of Starling Finance plc ('the Company' or the 'Issuer') for the financial year from 1 January 2015 to 31 December 2015.

PRINCIPAL ACTIVITIES, BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The company, a special purpose vehicle, has been established to issue floating rate credit-linked notes. The notes are credit-linked to a portfolio of Reference Entities by way of a credit default swap between the company and Citibank N.A.

The net proceeds of the notes have been used to accede to a EUR 25,000,000,000 secured note programme established by Jupiter Capital Limited, Jupiter Finance Limited, Jupiter International Company Limited, Atlantic Capital International Limited and Cloverie Plc.

During the financial year, Series 2006-05 (€15m) was fully redeemed in December 2015 and Series 2007-07 (€1m) was partially redeemed in August 2015. In the prior year, Series 2006-12 (\$15m) was fully redeemed in February 2014 and Series 2007-07 (€2.8m) was partially redeemed in January 2014. There were no new series of Notes issued. The Company's debt is listed on the Irish Stock Exchange.

The Directors expect the present level of activity will be sustained for the foreseeable future.

GOING CONCERN

The Directors believe the company is a going concern. This is due to the limited recourse nature of the series in issue and the fact that the series in issue have maturities extending to 2019. The Directors are not aware of any circumstances which raise concern over the preparation of the financial statements on a going concern basis and also anticipate that the financial assets will continue to generate enough cash flow on an on-going basis to meet the Company liabilities as they fall due.

RESULTS AND DIVIDENDS FOR THE PERIOD

The results for the financial year are set out in the Statement of Comprehensive Income on page 8. The Directors do not recommend the payment of a dividend (2014: EUR Nil).

ACCOUNTING RECORDS

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 281 of the Companies Act 2014, are kept by the Company. To achieve this, the Directors have appointed Capita International Financial Services (Ireland) Limited ("Capita") to provide accounting services, who report to the board and ensure that the requirements of Section 281 of the Companies Act 2014, are complied with. The books of account of the Company are maintained at 2 Grand Canal Square, Grand Canal Harbour, Dublin 2, Ireland.

INDEPENDENT AUDITOR

Deloitte, Chartered Accountants & Statutory Audit Firm have indicated their willingness to continue in office in accordance with Section 383 (2) of the Companies Act 2014.

EVENTS AFTER THE REPORTING PERIOD

Events after the financial year end are disclosed in Note 22 to the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

BUSINESS RISKS

The key risks to the business relate to the use of financial instruments. A summary of these risks and how they are managed are set out in Note 20 to the financial statements.

KEY PERFORMANCE INDICATORS

During the financial year:

- The Company made a profit after tax of nil (2014: EUR Nil);
- The net fair value gain recognised on investment securities amounted to EUR 1,090,831 (2014: gain of EUR 5,551,534);
- The net fair value gain recognised on debt securities amounted to EUR 2,830,235 (2014: loss of EUR 13,407,791); and
- The net fair value loss on derivative financial instruments amounted to EUR 3,921,066 (2014: gain of EUR 7,856,257);

As at 31 December 2015 :

- The fair value of the notes issued by the Company amounted to EUR 53,361,189 (2014: EUR 72,191,424);
- The payments on the redemption of the notes amounted to EUR 16,000,000 (2014: EUR 15,642,671);
- The fair value of the investment securities amounted to EUR 53,831,748 (2014: EUR 68,740,917); and
- The net fair value of the derivative financial instruments amounted to EUR 470,559 liabilities (2014: EUR 3,450,507 asset).

DIRECTORS, SECRETARY AND THEIR INTERESTS

The names of the current directors and secretary are listed on page 2. All directors have served throughout the financial year.

The Directors and secretary who held office on 31 December 2015 did not hold any shares in the Company at that date, or during the financial year.

CORPORATE GOVERNANCE STATEMENT

Introduction

The Company is subject to and complies with Irish Statute comprising the Companies Act 2014 and the Listing rules of the Irish Stock Exchange. The Company does not apply additional requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

STARLING FINANCE PLC

DIRECTORS' REPORT - continued

CORPORATE GOVERNANCE STATEMENT - continued

Financial Reporting Process

The Board of Directors ("the Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Administrator, Capita International Financial Services (Ireland) Limited, to maintain the accounting records of the Company independent of the Arranger, Trustee and the Custodian. The Administrator is contractually obliged to assist the Company to maintain proper books and records as required by the Corporate Administration agreement. To that end the Administrator performs reconciliations of its records to those of the Arranger, Trustee and the Custodian.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and the Administrator's report to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

Control Activities

The Administrator maintains control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditor.

Given the operations performed by the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association, Irish Statute comprising the Companies Act 2014 and the Listing Rules of the Irish Stock Exchange. The Articles of Association themselves may be amended by special resolution of the shareholders.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions to the Administrator and other parties, subject to the supervision and direction by the Directors. The Directors have delegated the day to day administration of the Company to the Administrator.

The Articles of Association provide that the Directors may exercise all the powers of the Company to borrow money, to mortgage or charge its undertaking property of any part thereof and may delegate these powers to the Arranger.

The instrument of transfer of any share shall be executed by or on behalf of the transferor and, in cases where the share is not fully paid, by or on behalf of the transferee. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered on the register in respect thereof. The Directors in their absolute discretion and without assigning any reason therefore may decline to register any transfer of a share. If the Directors refuse to register a transfer they shall, within two months after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal.

Audit Committee

The sole business of the Company relates to the issuing of asset-backed securities. Under Regulation 91(9)(d) of the European Communities (Statutory Audits) (Directive 2006/43/EC) Regulation 2010 ("the Regulations"), which were published by the Irish Minister for Enterprise, Trade and Innovation on 25 May 2010, such a Company may avail itself of an exemption from the requirement to establish an audit committee.

Given the functions performed by the administrator and the limited recourse nature of the securities issued by the Company, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly the Company has availed itself of the exemption under Regulation 91(9)(d) of the Regulations.

On behalf of the board:



Tom Geary
Director

Date: 25 November 2016



Don Bergin
Director

Date: 25 November 2016

STARLING FINANCE PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors' are responsible for preparing the directors' report and the financial statements in accordance with the Companies Act 2014 and the applicable regulations.

Irish company law requires the Directors to prepare financial statements for each financial year. Under the law, the Directors have elected to prepare the financial statements in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the company as at the financial year end date and of the profit or loss of the company for the financial year and otherwise comply with the Companies Act 2014.

In preparing the financial statements of the Company, the Directors are required to:

- select suitable accounting policies for the Financial Statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and directors' report comply with the Companies Act, 2014 and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STARLING FINANCE PLC

We have audited the financial statements of Starling Finance Plc (the "Company") for the financial year ended 31 December 2015 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes 1 to 24. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework").

This report is made solely to the company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company'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 company and the company'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

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014. Our responsibility is to audit and express an opinion on the financial statements in accordance with the Companies Act 2014 and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 December 2015 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014.

Continued on next page/

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF STARLING FINANCE PLC

Matters on which we are required to report by the Companies Act 2014

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.
- In our opinion the information given in the Directors' Report is consistent with the financial statements and, based on the work undertaken in the course of the audit, the description in the Corporate Governance Statement of the main features of the internal control and risk management systems in relation to the financial reporting process is consistent with the financial statements, and has been prepared in accordance with section 1373 Companies Act 2014. Based on our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in this information.

Matters on which we are required to report by exception

We have nothing to report in respect of the provisions in the Companies Act 2014 which require us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions specified by law are not made.



Brian O'Callaghan
For and on behalf of Deloitte
Chartered Accountants and Statutory Audit Firm
Dublin

Date: 25/11/16

STARLING FINANCE PLC

STATEMENT OF COMPREHENSIVE INCOME
for the financial year ended 31 December 2015

	Note	Year ended 2015 EUR	Year ended 2014 EUR
Net gain from investment securities	4	2,194,880	1,521,122
Net finance loss on debt securities issued	5	(2,727,700)	(2,776,718)
Net gain on derivative financial instruments	6	532,820	1,255,596
Fair value movement on investment securities	10	1,090,831	5,551,534
Fair value movement on derivative financial instruments	11	(3,921,066)	7,856,257
Fair value movement on debt securities issued	15	2,830,235	(13,407,791)
OPERATING RESULT - CONTINUING OPERATIONS		-	-
Other income	7	92,208	78,220
Other expenses	8	(92,208)	(78,220)
RESULT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on ordinary activities	9	-	-
RESULT ON ORDINARY ACTIVITIES AFTER TAXATION		-	-
Other comprehensive income		-	-
TOTAL COMPREHENSIVE RESULT FOR THE YEAR		-	-

All items dealt with in arriving at the result for the financial year ended 31 December 2015 related to continuing operations.

The Company has no recognised gains or losses in the financial year other than those dealt with in the Statement of Comprehensive Income above.

The notes to the financial statements from page 12 to 23 form an integral part of these financial statements.


STARLING FINANCE PLC

STATEMENT OF FINANCIAL POSITION
as at 31 December 2015

	Note	2015 EUR	2014 EUR
ASSETS			
NON CURRENT ASSETS			
Financial assets - Investment securities	10	<u>53,831,748</u>	<u>68,740,917</u>
TOTAL NON CURRENT ASSETS		<u>53,831,748</u>	<u>68,740,917</u>
CURRENT ASSETS			
Derivative financial instruments at fair value	11	-	3,558,362
Cash at bank	12	55,263	41,884
Other assets	13	<u>1,147,315</u>	<u>1,167,942</u>
TOTAL CURRENT ASSETS		<u>1,202,578</u>	<u>4,768,188</u>
LIABILITIES			
CREDITORS: amounts falling due within one year			
Derivative financial instruments at fair value	11	(470,559)	(107,855)
Other liabilities	14	<u>(1,151,328)</u>	<u>(1,158,576)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(419,309)</u>	<u>3,501,757</u>
CREDITORS: amounts falling due greater one year			
Debt securities issued	15	<u>(53,361,189)</u>	<u>(72,191,424)</u>
NET ASSETS		<u>51,250</u>	<u>51,250</u>
CAPITAL AND RESERVES			
Share Capital	16	40,000	40,000
Profit and loss account		<u>11,250</u>	<u>11,250</u>
SHAREHOLDER'S FUNDS		<u>51,250</u>	<u>51,250</u>

The notes to the financial statements from page 12 to 23 form an integral part of these financial statements.

The financial statements were approved by the Board of Directors and authorised for issue on 25 November 2016 and signed on its behalf by:


Tom Geary
Director

Don Bergin
Director



Date: 25 November 2016

Date: 25 November 2016

STARLING FINANCE PLC

STATEMENT OF CHANGES IN EQUITY
as at 31 December 2015

	Note	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2015	16	40,000	11,250	51,250
Issue of share capital		-	-	-
Total Comprehensive result for the year		-	-	-
Balance at 31 December 2015		<u>40,000</u>	<u>11,250</u>	<u>51,250</u>

	Note	Share capital EUR	Retained earnings EUR	Total equity EUR
Balance at 1 January 2014	16	40,000	11,250	51,250
Issue of share capital		-	-	-
Total Comprehensive result for the year		-	-	-
Balance at 31 December 2014		<u>40,000</u>	<u>11,250</u>	<u>51,250</u>

All equity is attributable to the holders of the ordinary shares in the Company.

The notes on pages 12 to 23 form part of these financial statements.

STARLING FINANCE PLC

STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2015

	Note	Year ended 2015 EUR	Year ended 2014 EUR
CASH FLOWS FROM OPERATING ACTIVITIES			
Result for the year		-	-
<i>Adjustments For:</i>			
Decrease/(increase) in other debtors		26,119	(41,006)
(Decrease)/increase in creditors - due within one financial year		(12,740)	41,482
Interest Income		(2,727,700)	(2,776,718)
Interest Expense		2,727,700	2,776,718
NET CASH FROM OPERATING ACTIVITIES		13,379	476
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of investments	10	16,000,000	7,719,695
Net cash flow on settlement of derivative transactions	11	-	7,922,975
Interest Received		2,747,198	2,782,025
NET CASH FROM INVESTING ACTIVITIES		18,747,198	18,424,695
CASH FLOWS FROM FINANCING ACTIVITIES			
Redemption of notes	15	(16,000,000)	(15,642,671)
Interest Paid		(2,747,198)	(2,782,025)
NET INCREASE IN CASH AND CASH EQUIVALENTS		13,379	475
OPENING CASH AT BEGINNING OF THE FINANCIAL YEAR		41,884	41,409
CLOSING CASH AT THE END OF THE FINANCIAL YEAR		55,263	41,884

The notes to the financial statements from page 12 to 23 form an integral part of these financial statements.

1 BASIS OF PREPARATION

Basis of preparation and accounting convention

The financial statements have been prepared on a going concern basis and in accordance with the historical cost convention except for assets and liabilities stated at fair value as explained below. The financial reporting framework that has been applied in their preparation is the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") as issued by the Financial Reporting Council in August 2014 but with the early application of the amendment to FRS 102 made in March 2016 in relation to fair value hierarchy disclosures. These are the Company's first financial statements prepared in accordance with FRS 102.

The Company transitioned from previously existing Old Irish GAAP to FRS 102 this year. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 3.

Based upon the Company's financial position, the Directors are satisfied that the going concern basis of accounting is appropriate.

Basis of measurement

In accordance with FRS 102, the Company has opted to apply the recognition and measurement requirements of IAS 39 Financial Instruments: Recognition and Measurement to its financial instruments that fall in scope of Sections 11 and 12 of FRS 102. In addition, the presentation and disclosure requirements of FRS 102 have been applied as required by that latter standard.

The majority of the Company's financial instruments are classified in categories that require measurement at fair value through profit or loss, with basis for arriving at this position being set out below.

The financial statements have been prepared on the historical cost basis except for the following items which are measured at fair value through the profit or loss:

- derivative financial instruments;
- investment securities designated as at fair value through profit or loss; and
- debt securities issued designated as at fair value through profit or loss.

Functional and presentation currency

Items included in the financial statements of the Company are measured in the currency of the primary economic environment in which the Company operates. The financial statements of the Company are presented in Euro (EUR), which is the Company's functional and presentation currency.

Foreign currency transactions

Transactions in currencies other than Euro are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary items that are denominated in foreign currencies are recognised in profit or loss in the period. Net foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are included in the net fair value gain/loss on those instruments.

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and in future periods affected.

Information in relation to significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note 20, relating to the determination of fair values.

2 Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Financial instruments

The financial instruments held by the Company include the following:

- Investment securities
- Derivative financial instruments
- Debt securities issued
- Other receivables and payables

Categorisation

A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated as at fair value through profit or loss.

The Company has designated all the investment securities and debt securities issued, as at fair value through profit or loss. Derivative financial instruments are carried at fair value through profit or loss.

Investment securities

All investment securities held by the Company, are designated as at fair value through profit or loss at initial recognition when they eliminate or significantly reduce an accounting mismatch, which would otherwise arise, in relation to derivative financial instruments and debt securities issued as explained below.

Derivative financial instruments

Derivative financial instruments for Series 2006-7, 2007-7 and 2012-1 include derivative assets and liabilities that are used to economically hedge each series from any interest rate and market fluctuations affecting the relevant collateral assets. For Series 2006-7, the Company also entered into a credit default swap agreement as noted in note 15.

The fair values of the Derivatives are provided by Citigroup Global Markets Limited, which is the Calculation Agent for each Series. The derivatives are not priced manually. Prices are generated by the valuation and risk management systems and models employed by Citigroup Global Markets Limited to determine the Fair Values of all its interest rate swaps.

Debt securities issued

The debt securities issued, are initially measured at fair value and are designated as liabilities at fair value through profit or loss when either it eliminates or significantly reduces an accounting mismatch or contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract. In the case of the Company, the debt securities issued are designated as at fair value as a result of derivatives in the debt securities issued.

Financial assets and liabilities that are not at fair value through profit or loss

Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash at bank, deposits with credit institutions and other assets, and are categorised as loans and receivables for measurement purposes. Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables and are categorised as other liabilities for measurement purposes.

Recognition and measurement

The Company initially recognises all financial assets and liabilities on the trade date at which the Company becomes a party to the contractual provisions of the instruments. From trade date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities designated as at fair value through profit or loss are recorded in the Statement of Comprehensive Income. Financial assets and liabilities not categorised at fair value through profit or loss are subsequently measured at amortised cost.

Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting

Financial assets and liabilities are set off and the net amount presented in the Statement of Financial Position when, and only when, the Company has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions.

Fair Value Measurement Principles

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets, where these are available. For all other financial instruments fair value is determined by using valuation techniques.

Refer to note 20 for further details.

2 Significant Accounting Policies - continued

(b) Financial liability and equity

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and
- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability.

(c) Share Capital

Share Capital is issued in Euro. Dividends are recognised as a liability in the period in which they are approved.

(d) Cash at bank

Cash comprises of bank balances and bank overdrafts. Each of the Series Notes in place has a separate bank account with Citi Bank. The Note receipts and Collateral payments for each series are transacted through the individual Citi Bank account.

(e) Taxation

The Company meets the criteria for a "Section 110 vehicle" under the Taxes Consolidation Act, 1997 and is therefore subject to a special tax regime which potentially allows the Company to be tax neutral. Income tax expense comprises current tax. Income tax expense is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the financial year, using tax rates applicable to the Company's activities enacted or substantially enacted at the Balance Sheet date, and adjusted to tax payable in respect of previous years.

(f) Net gain/loss from investment securities designated as at fair value through profit or loss

Net gain/loss on investment securities designated at fair value relates to investments in corporate bonds and includes realised income (including coupon receipt), unrealised and realised fair value changes and foreign exchange differences.

(g) Net gain/ loss on derivative financial instruments measured at fair value through profit or loss

Net gain/ loss on derivative financial instruments measured at fair value through profit or loss relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

(h) Net gain/loss on debt securities issued designated as at fair value through profit or loss

Net gain/loss on debt securities issued, designated at fair value through profit or loss, relates to debt securities issued and includes financing costs (including coupon payments), unrealised fair value changes and foreign exchange differences.

(i) Operating income and expenses

Other income and expenses are accounted for on an accruals basis.

3 Transition to FRS 102

The Company did not have any transition changes to take account of, and thus the Company's Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows did not have to be restated.

STARLING FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued

4	NET GAIN FROM INVESTMENT SECURITIES DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS	2015	2014
		EUR	EUR
	Coupon income	<u>2,194,880</u>	<u>1,521,122</u>
5	NET FINANCE LOSS ON DEBT SECURITIES ISSUED DESIGNATED AS AT FAIR VALUE THROUGH PROFIT OR LOSS	2015	2014
		EUR	EUR
	Coupon expense	<u>(2,727,700)</u>	<u>(2,776,718)</u>
6	Net gain on derivative financial instruments	2015	2014
		EUR	EUR
	Net swap income	2,727,700	2,776,718
	Net swap expense	<u>(2,194,880)</u>	<u>(1,521,122)</u>
		<u>532,820</u>	<u>1,255,596</u>
7	OTHER INCOME	2015	2014
		EUR	EUR
	Fees reimbursed by Citigroup	<u>92,208</u>	<u>78,220</u>
		<u>92,208</u>	<u>78,220</u>

Under an arrangement between the Company and Citigroup Global Capital Markets Limited ("Citigroup"), Citigroup has agreed to reimburse the Company against any costs, fees, expenses or out-goings incurred.

8	OTHER EXPENSES	2015	2014
		EUR	EUR
	Administration fees	(50,683)	(36,695)
	Directors fees	(20,000)	(20,000)
	Audit fees	<u>(21,525)</u>	<u>(21,525)</u>
		<u>(92,208)</u>	<u>(78,220)</u>

The Company is administered by Capita International Financial Services (Ireland) Limited and has no employees (2014: zero).

AUDIT REMUNERATION

		2015	2014
		EUR	EUR
	Statutory audit fees	(21,525)	(21,525)
	Tax advisory fees	(7,995)	(7,995)
	Other assurance services	-	-
	Other non audit services	<u>-</u>	<u>-</u>
		<u>(29,520)</u>	<u>(29,520)</u>

9 TAX ON ORDINARY ACTIVITIES

The tax charge for the financial year is explained below:

	2015 EUR	2014 EUR
Result on ordinary activities before tax	-	-
Current tax for the period at a rate of 25%	-	-

The Company will continue to be taxed at 25% in accordance with Section 110 of the Taxes Consolidation Act, 1997.

10 INVESTMENT SECURITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	2015 EUR	2014 EUR
Investment securities	53,831,748	68,740,917
	<u>53,831,748</u>	<u>68,740,917</u>
<i>Movement during the year</i>		
Balance at the beginning of the financial year	68,740,917	70,909,078
Disposals during the financial year	(16,000,000)	(7,719,695)
Net fair value movement due to market risks	1,090,831	5,551,534
Balance at the end of the financial year	<u>53,831,748</u>	<u>68,740,917</u>
<i>Maturity analysis of the investment securities</i>		
Due within one year	-	15,000,000
Due between one and two years	8,336,554	12,236,622
Due between two and five years	40,000,000	40,000,000
Due after five years	-	12,354,933
	<u>48,336,554</u>	<u>79,591,555</u>

The maturity analysis is disclosed based on the nominal values of the investment securities.

The Investment Securities held by the Company as at 31 December 2015 consist of the following:

Series	2006-7	2007-7	2012-01
Investment securities	USD 10,000,000 (ISIN: XS0246523277)	EUR 100,000 (ISIN: XS0307766740)	EUR 40,000,000 (ISIN: XS0786249143)
Issuing Company	Citigroup Inc 211117	Citigroup Funding Inc	BTSP I/L
Nominal Value	USD 10,000,000	EUR 100,000	EUR 40,000,000
Maturity	23 November 2017	20 June 2017	17 September 2019
Interest terms	6.125%	NA	6.35%
2015 Agency & Rating	NR	AP ++	NR
2014 Agency & Rating	NR	AP ++	NR

The carrying value of the assets of the Company represents their maximum exposure to credit risk. The credit risk is eventually transferred to the swap counterparty or the Noteholders.

Refer to Note 20 where details regarding the risks inherent in the financial instruments and the management of the risks are discussed.

11 DERIVATIVE FINANCIAL INSTRUMENTS AT FAIR VALUE

	2015 EUR	2014 EUR
Balance at the beginning of the financial year	3,450,507	3,517,225
Payments on settlement of derivative instruments	-	(7,922,975)
Net fair value movement	(3,921,066)	7,856,257
Balance at the end of the financial year	<u>(470,559)</u>	<u>3,450,507</u>
Index Linked Derivative IRS (liabilities)/assets	(386,473)	3,558,362
Index Linked Derivative CDS liabilities	(84,086)	(107,855)
	<u>(470,559)</u>	<u>3,450,507</u>
<i>Analysed by counterparty:</i>		
Citigroup	<u>(470,559)</u>	<u>3,450,507</u>
	<u>(470,559)</u>	<u>3,450,507</u>

Refer to Note 20 where details regarding the risks inherent in the financial instruments and the management of the risks are discussed.

STARLING FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued

12 CASH AT BANK

	2015 EUR	2014 EUR
Citigroup accounts	792	737
AIB Bank accounts	54,471	41,147
	<u>55,263</u>	<u>41,884</u>

The Citigroup balances held by the Company relate to an excess of Interest Income received by the Company during the course of the financial year. These balances will ultimately be paid to Citigroup and are not assets of the Company. There is a corresponding liability recorded in the accounts as a payable to Citigroup (refer to note 14).

13 OTHER ASSETS - AMOUNTS RECEIVABLE WITHIN 1 YEAR

	2015 EUR	2014 EUR
Coupon income receivable on financial assets	332,372	288,215
Coupon income receivable on swaps	748,299	786,964
Transaction fees receivable	66,644	92,763
	<u>1,147,315</u>	<u>1,167,942</u>

14 OTHER LIABILITIES - AMOUNTS DUE WITHIN 1 YEAR

	2015 EUR	2014 EUR
Coupon payable on financial liabilities	(748,299)	(767,797)
Coupon payable on swaps	(332,372)	(307,382)
Other payables - Citigroup	(792)	(737)
Accrued expenses	(69,865)	(82,660)
	<u>(1,151,328)</u>	<u>(1,158,576)</u>

15 DEBT SECURITIES ISSUED DESIGNATED AS AT FAIR VALUE THROUGH THE STATEMENT OF COMPREHENSIVE INCOME

	2015 EUR	2014 EUR
<i>Designated as at fair value through profit or loss</i>		
Debt securities - notes issued	(53,361,189)	(72,191,424)
	<u>(53,361,189)</u>	<u>(72,191,424)</u>
<i>Movement in debt securities issued:</i>		
Balance at the beginning of the financial year	72,191,424	74,426,304
Redeemed during the financial year	(16,000,000)	(15,642,671)
Net fair value movement	(2,830,235)	13,407,791
	<u>53,361,189</u>	<u>72,191,424</u>
Balance at the end of the financial year	<u>53,361,189</u>	<u>72,191,424</u>
<i>Maturity analysis of the debt securities</i>		
Due within one year	-	15,000,000
Due between one and two years	8,336,554	9,336,622
Due between two and five years	40,000,000	40,000,000
Due after five years	-	12,354,933
	<u>48,336,554</u>	<u>76,691,555</u>

The maturity analysis is disclosed based on the nominal values of the investment securities.

The Notes were issued as follows:

Class	Coupon	2015 Nominal	2014 Nominal
Series 2006-7	USD Variable – Index Linked	USD 10,000,000	USD 10,000,000
Series 2007-7	EUR Variable - Index Linked	EUR 100,000	EUR 1,100,000
Series 2012-1	EUR Variable - Index Linked	EUR 40,000,000	EUR 40,000,000
Series 2006-5	EUR Variable - Index Linked	-	EUR 15,000,000
Notes		Issue Date	Maturity Date
Series 2006-7		21 March 2006	23 November 2017
Series 2007-7		12 July 2007	20 June 2017
Series 2012-1		15 June 2012	17 September 2019

STARLING FINANCE PLC

NOTES TO THE FINANCIAL STATEMENTS - continued

16 SHARE CAPITAL

	2015 EUR	2014 EUR
<i>Authorised:</i>		
40,000 Ordinary shares of €1 each	<u>40,000</u>	<u>40,000</u>
<i>Issued and called-up and paid:</i>		
40,000 Ordinary shares of €1 each	<u>40,000</u>	<u>40,000</u>

17 ANALYSIS OF CHANGES IN NET DEBT

	At the beginning of the financial year EUR	Movement EUR	At the end of the financial year EUR
Cash at bank	41,884	13,379	55,263
Debt due within one financial year	-	-	-
Debt due after more than one financial year	<u>(72,191,424)</u>	<u>18,830,235</u>	<u>(53,361,189)</u>
	<u>(72,149,540)</u>	<u>18,843,614</u>	<u>(53,305,926)</u>

18 OWNERSHIP OF THE COMPANY

The principal non-beneficial shareholder in the Company is Capita Trustee Services Limited (39,994 shares). In addition, Forbrit Corporate Director 4 Limited, Forbrit Corporate Director 3 Limited, Capita Nominee Services 2 Limited, Capita Nominee Services 3 Limited, Capita Foundations Services Limited and Capita Nominee Services Limited hold one share each in the Company. The shareholders act solely as share trustees and have no beneficial ownership in the Company. All shares are held under the terms of declarations of trust dated 21 April 2005, under which the relevant share trustee holds the issued shares of the Company on trust for a charity.

19 CHARGES

The Series of Notes issued by the Company are secured by way of mortgage over the investments purchased in respect of that Series, and by the assignment of a fixed first charge of the Company's rights, title and interest under the respective Swap Agreements for each series.

20 FINANCIAL RISK MANAGEMENT

Introduction and overview

The principal activity of the Company, a special purpose vehicle, is the acquisition of a portfolio of investment securities and derivative financial instrument positions, funded through the issue of Notes denominated in EUR and USD. Therefore, the role of financial assets and financial liabilities is central to the activities of the Company. The notes issued have significantly provided the funding to purchase the Company's financial assets.

Financial assets and financial liabilities form the majority of the assets and liabilities of the Company and generate the majority of the income and expenses.

(a) Risk management

The Company is exposed to a variety of financial risks as a result of its activities. These risks include market risk (interest rate risk and price risk), credit risk, liquidity risk and operational risk. The properties of the Company's financial liabilities, is matched to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations together with any maturity or interest rate risk. The potential adverse effects of these risks on the Company's financial performance are monitored and managed by appropriate methods as discussed below.

NOTES TO THE FINANCIAL STATEMENTS - continued

20 FINANCIAL RISK MANAGEMENT - continued

(b) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from external factors other than credit, markets and liquidity issues such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

Operational risks arise from all of the Company's operations. The Company was incorporated with the purpose of engaging in those activities outlined in the preceding paragraphs. All management and administration functions are outsourced to Capita International Financial Services (Ireland) Limited.

(c) Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern. The Company's overall strategy remains unchanged from 2014.

The capital structure of the Company consists of debt, which includes the notes payable, equity comprising issued capital and retained earnings as disclosed in Statement of Changes in Equity.

(d) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Notes are limited recourse to the assets and therefore the Noteholders are exposed to the credit risk of the Swap Counterparty and the portfolio of financial assets for each respective series. The Company limits its exposure to credit risk as the risk of default on these assets is borne by the Noteholders in accordance with their respective agreements.

The Company's exposure and the credit ratings of its counterparties are continuously monitored by the Directors and the Arrangers. The following table details the aggregate investment grade of the debt instruments in the portfolio, as rated by Standard and Poor approved by the Directors, or in the case of an unrated debt instrument, the rating as assigned by the Board of Directors using an approach consistent with that of the respective rating agencies:

	2015	2014
	%	%
Rating		
A	-	100
AP ++	-	-
Unrated	100	-
	<u>100</u>	<u>100</u>

Due to limited recourse and the ring fenced nature of the debt securities issued under each series, the Directors believe that including a geographical concentration analysis of the investment securities issued on an overall basis will provide very little, if any, benefit to the users of the financial statements.

Cash at bank:

The Company's cash is held mainly with AIB bank which has a short term credit rating of A-1 from Standard and Poor's as at 31 December 2015 (2014: A-1).

Derivatives:

Derivative financial instruments are transacted with Citigroup which has a short term credit rating of A-1 from Standard and Poor's as at 31 December 2015 (2014: A-2).

As part of certain Series under the programme, the Company has entered into swap agreements with a credit exposure with the Swap Counterparty. In exchange for the receipt of income for the relevant Series, the Company has sold credit protection on reference assets. By entering into the credit agreements, the Company is exposed to the risk that the reference assets underperform resulting in a default.

The Noteholders are exposed to the performance of the reference assets. That is, the ability of the Company to meet its obligations under the Notes will depend on the receipt by it of payments of interest and principal under the Collateral Assets, as well as payments owed to the Company by the Swap Counterparty under the terms of the swap. Consequently, an investor is exposed not only to the occurrence of Credit Events in relation to any of the reference assets comprised in the Specified Portfolio, but also to the ability of the Asset Issuer, the Swap Counterparty and the Swap Guarantor to perform their respective obligations to make payments to the Company.

In the event of an issuance of a credit event notice with respect to the reference assets, the Company will pay an amount as defined in the swap agreements from the assets of that Series to which the swap agreement relates. The aggregate liability of the Company under the swap agreements for individual Series shall not exceed the aggregate of the eligible investment securities for those Series.

Under the credit swap agreements, there is exposure to a wide range of countries and various industries. Details of these exposures are outlined in detail in the prospectus for each Series.

Under the index-linked swaps, there is exposure to a wide range of countries and various industries. Details of these exposures are outlined in detail in the prospectus for each Series.

Other assets:

The other assets mainly include income receivable from instruments held by the Company as at financial year end. The credit rating and concentration of the investment securities as at the financial year end are disclosed above under investment securities and derivative financial instruments.

20 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments. The Noteholders are exposed to the market risk on the portfolio. The Company enters into a variety of derivative financial instruments to manage the Noteholder's exposure.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Noteholders receive the principal and interest repayments in the currency stated on the loan notes. The currency risk arising from portfolio instruments cash and settlement balances denominated in currencies other than the functional currency of the Company are managed by matching the denominations of the financial assets and liabilities and the use of swaps.

The financial instrument foreign currency exposure of the Company's assets and liabilities, excluding derivative financial instruments, in EUR equivalent is presented below:

	2015 Assets	2015 Liabilities
USD	9,248,352	9,248,352
Total	<u>9,248,352</u>	<u>9,248,352</u>
	2014 Assets	2014 Liabilities
USD	8,240,582	8,240,582
Total	<u>8,240,582</u>	<u>8,240,582</u>

Sensitivity analysis

The impact of any change in the exchange rates on the financial assets is partly passed to the Swap Counterparty, where relevant, through the swaps in place and the rest is borne by the Noteholders.

Due to the hedging of currencies, no sensitivity analysis is required for the Company.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

In the case of most series, the interest received on the underlying assets is passed to the Swap Counterparty in exchange for the required payments to the relevant Noteholders, therefore the Company does not bear any interest rate risk.

The following table provides an analysis of the interest rate profile of the Company's financial instruments as at 31 December 2015 and 31 December 2014 on a fair value basis, excluding derivative financial instruments:

	2015 EUR	2014 EUR
Assets		
Non interest bearing	1,147,315	1,167,942
Fixed interest rate debt securities	53,831,748	68,740,917
Derivatives	-	3,558,362
Cash and cash equivalents	55,263	41,884
Total	<u>55,034,326</u>	<u>73,509,105</u>
Liabilities		
Non interest bearing	1,151,328	1,158,576
Fixed interest rate debt securities	44,384,945	61,017,145
Floating rate debt securities	8,976,244	11,174,279
Derivatives	470,559	107,855
Total	<u>54,983,076</u>	<u>73,457,855</u>

20 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Interest rate risk - continued

Sensitivity analysis

In the case of most series, the interest received on the underlying assets is passed to the Swap Counterparty in exchange for the required payments to the relevant Noteholders, therefore the Company does not bear any interest rate risk.

The sensitivity analysis below has been determined based on the Noteholder's exposure to interest rates for interest bearing assets and liabilities (included in the interest rate exposure tables above) at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting financial year in the case of instruments that have floating rates.

At 31 December 2015 the Company had exposure to floating rate notes as per the amounts indicated above.

If interest rates had been 100 basis points higher and all other variables were held constant, the interest income would increase by EUR 219,488 (2014: EUR 152,112) with a corresponding offset in movement in interest expense to the noteholders and the Swap Counterparty.

A decrease of 100 basis points in interest rates, with all the other variables held constant, would result in an equal but opposite effect.

A 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

Price risk

Price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market. The Company's overall market positions are monitored by the Directors.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties, in an arm's length transaction.

The Company's financial instruments carried at fair value are analysed below by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The price transparency of a particular instrument will determine the degree of judgement involved in determining the fair value of the financial instrument. Level 1 financial instruments are actively quoted prices or have market data available or are derived from actively quoted prices or market data. Such instruments have a higher degree of price transparency. By contrast, Level 2 financial instruments that are thinly traded or not quoted will generally have little or no price transparency. Observable market prices and market data in an instrument (or a related instrument) may be used to derive a price without requiring significant judgement.

Level 3 financial instruments occurs when, in certain markets observable market prices or market data are not available for all instruments, and fair value is determined using valuation techniques appropriate for each particular instrument. These valuation techniques involve some degree of judgement. The transparency of market prices and/or market data will determine the degree of judgement involved in determining the fair value of the Company's financial instruments.

In the case of financial instruments for which market observable prices or data are not available, management's estimates are based on values obtained from the arranging investment bank. These estimates may be determined in whole or in part using valuation techniques such as use of recent similar arm's length transactions if available, reference to the current fair value of an instrument that is substantially the same, discounted cash flow analysis or any other valuation technique that provides reliable estimates of prices obtainable in actual market transactions. If actual transaction prices were available for the financial instruments, or different assumptions were used, the valuations may be different to those presented and those differences could be material. Therefore, the realisable value of the financial instruments may differ significantly from the fair value recorded. The ultimate outcome of these uncertainties cannot at present be determined.

Due to the limited recourse, the fair value of the Notes issued by the Company is determined by reference to the fair value of the associated financial assets designated at FVTPL and the fair value of derivative financial instruments. Any future change in the fair value of financial assets and derivatives will have an equal but opposite impact on the fair value of the Notes.

Sensitivity analysis

Any changes in the prices of the financial assets at fair value through profit or loss would not have any effect on the equity or net profit or loss of the Company as any fair value fluctuations in prices are ultimately borne by the Noteholders. As at 31 December 2015, the Noteholders' exposure to other price risk relates to the value of financial assets amounting to EUR 53,831,748 (2014: EUR 68,740,917) and derivative financial instruments of EUR 470,559 (2014: EUR 3,450,507 asset). Price risk is managed by investing in a portfolio of investments with credit ratings at the acquisition of BB or higher.

An increase of 10% in the market prices of the financial assets, with all other variables held constant at the reporting date, would result in an increase of EUR 5,383,175 (2014: EUR 6,874,091) in the fair value of the financial assets issued. A decrease of 10% in the market prices of the financial assets at the reporting date would result in an equivalent decrease in the fair values of the financial assets.

NOTES TO THE FINANCIAL STATEMENTS - continued

20 FINANCIAL RISK MANAGEMENT - continued

(e) Market risk - continued

Price risk - continuedFair Value Hierarchy

31 December 2015	Quoted price in active market Level 1 EUR	Valuation technique observable parameters Level 2 EUR	Valuation technique un- observable parameters Level 3 EUR	Total fair value EUR
Financial assets	-	53,831,748	-	53,831,748
Derivative financial instruments	-	(386,473)	(84,086)	(470,559)
Financial liabilities	-	-	(53,361,189)	(53,361,189)
	-	53,445,275	(53,445,275)	-

31 December 2014	Quoted price in active market Level 1 EUR	Valuation technique observable parameters Level 2 EUR	Valuation technique un- observable parameters Level 3 EUR	Total fair value EUR
Financial assets	-	68,740,917	-	68,740,917
Derivative financial instruments	-	3,558,362	(107,855)	3,450,507
Financial liabilities	-	-	(72,191,424)	(72,191,424)
	-	72,299,279	(72,299,279)	-

Reconciliation of movement in Level 3 financial instruments

31 December 2015	Derivative Financial Instruments EUR	Debt Securities EUR
Balance at the beginning of the financial year	(107,855)	(72,191,424)
Settlements	-	16,000,000
Disposals	-	-
Fair value movements	23,769	2,830,235
Transfer between levels	-	-
Balance at the end of the financial year	(84,086)	(53,361,189)

There were no transfers between levels during the financial year ended 31 December 2015.

31 December 2014	Derivative Financial Instruments EUR	Debt Securities EUR
Balance at the beginning of the financial year	(745,681)	(74,426,304)
Settlements	8,819,695	-
Disposals	-	15,642,671
Fair value movements	(8,181,869)	(13,407,791)
Transfer between levels	-	-
Balance at the end of the financial year	(107,855)	(72,191,424)

There were no transfers between levels during the financial year ended 31 December 2014.

Although the Directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement e.g. interest rates, volatility, credit spreads, probability of defaults, estimated cashflows etc and therefore, cannot be determined with precision.

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value will be borne by the noteholders due to the limited recourse nature of the debt issued by the Company.

NOTES TO THE FINANCIAL STATEMENTS - continued

20 FINANCIAL RISK MANAGEMENT - continued

(f) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company tries to match the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations.

The following table details the Company's liquidity analysis for its financial liabilities. The table has been drawn up based on the undiscounted net cash flows on the financial liabilities that settle on a net basis and the undiscounted gross cash flows on those financial liabilities that require gross settlement.

The following are the contractual maturities of the financial liabilities at 31 December 2015 and at 31 December 2014:

	Carrying amount EUR	Gross contractual cashflows EUR	Less than one financial year EUR	Two to five financial years EUR	Greater than five financial years EUR
31 December 2015					
Derivative liabilities	470,559	470,559	470,559	-	-
Debt securities	53,361,189	64,461,455	15,044,887	49,416,568	-
Creditors	1,151,328	1,151,328	1,151,328	-	-
	<u>54,983,076</u>	<u>66,083,342</u>	<u>16,666,774</u>	<u>49,416,568</u>	<u>-</u>
31 December 2014					
Derivative liabilities	107,855	107,855	107,855	-	-
Debt securities	72,191,424	67,343,775	15,027,207	52,316,568	-
Creditors	1,158,576	1,158,576	1,158,576	-	-
	<u>73,457,855</u>	<u>68,610,206</u>	<u>16,293,638</u>	<u>52,316,568</u>	<u>-</u>

21 SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

During the financial year the following series of Notes have been redeemed:

Series	Amount Redeemed	Issue Date	Redemption Date
2006-05	EUR 15,000,000	16 January 2006	21 December 2015
2007-07	EUR 1,000,000	12 July 2007	26 August 2015

There were no other significant event during the financial year.

22 EVENTS AFTER THE REPORTING PERIOD

Since the financial year end the following series of Notes have been fully redeemed:

Series	Amount Redeemed	Issue Date	Redemption Date
2007-07	EUR 100,000	12 July 2007	21 September 2016

There were no other subsequent event after the financial year.

23 TRANSACTIONS WITH RELATED PARTIES AND THE ARRANGERS

The Directors of the Company, Tom Geary and Don Bergin, are entitled to fees of EUR 10,000 per annum.

Transactions with Citigroup have been outlined in Notes 11 and 20 to the financial statements.

The Company's corporate administrator receives fees of EUR 12,500 per annum (base fee) plus EUR 1,000 per annum (per issue fees).

24 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised by the Board of Directors on 25 November 2016.

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Pacific Capital International Limited
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