

Dated 15 December 2016

LIBRETTO CAPITAL P.L.C.

Secured Note Issuance Programme arranged by
CITIGROUP GLOBAL MARKETS LIMITED

SERIES PROSPECTUS

Libretto Capital P.L.C.
SERIES 2016-22
USD 10,000,000 Fixed to Floating Rate Credit Linked Secured Notes due
2026

Citi

This Series Prospectus, under which the Series 2016-22 USD 10,000,000 Fixed to Floating Rate Credit Linked Secured Notes due 2026 (the “**Notes**”) are issued, incorporates by reference, and should be read in conjunction with the Base Prospectus dated 29 July 2016 relating to the Secured Note Issuance Programme (the “**Programme**”) (the “**Base Prospectus**”), including in particular the Issuer Disclosure Annex relating to Libretto Capital P.L.C. (the “**Issuer**”) set out in Issuer Disclosure Annex 6 of the Base Prospectus. Terms defined in the Base Prospectus have the same meaning in this Series Prospectus. The Series Prospectus has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under Directive 2003/71/EC (such directive, as amended, including by Directive 2010/73/EU, the “**Prospectus Directive**”). The Central Bank only approves this 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 and Article 5 of the Prospectus Directive and for the purpose of giving information with regards 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 the Irish Stock Exchange (the “**ISE**”) for the Notes to be admitted to the official list (the “**Official List**”) of the ISE and to trading on its regulated market. There can be no assurance that such admission will be granted. This Series Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference.

The Notes are physically-settled credit linked notes. In connection with the Notes, the Issuer has entered into a swap confirmation (the “**Credit Default Swap Confirmation**”) documenting a credit default swap transaction referencing a Reference Entity (the “**Credit Default Swap**”) and a swap confirmation (the “**Interest Rate Swap Confirmation**”) and together with the Credit Default Swap Confirmation, the “**Swap Confirmations**”) documenting an interest rate swap transaction (the “**Interest Rate Swap**”) under the ISDA Master Agreement (the ISDA Master Agreement and the Swap Confirmations together, the “**Swap Agreement**”), with Citigroup Global Markets Limited (in such capacity, the “**Swap Counterparty**”).

The form of Credit Default Swap Confirmation and Interest Rate Swap Confirmation are as set out in Annex 4 and Annex 5 hereto.

The Scheduled Maturity Date of the Notes is the second Business Day after 1 October 2026. However, the actual maturity date of the Notes may be extended beyond the Scheduled Maturity Date in certain circumstances where the Swap Counterparty determines that a Credit Event or related events have occurred or may occur on or prior to the Scheduled Maturity Date and delivers a Potential Credit Event Notice or where the Termination Date of the Credit Default Swap falls after the Scheduled Termination Date of the Credit Default Swap. Noteholders will not receive any additional amounts in respect of any such postponement. See paragraph 39 of the Terms and Conditions of the Notes below.

Capitalised terms used but not otherwise defined herein or in the Base Prospectus have the meaning given to them in Annex 1 and, if not defined in Annex 1, such terms shall have the meaning given to them in the Swap Agreement. The Annexes to this Series Prospectus form part of, and should be read together with, this Series Prospectus.

Investors are advised to refer to the forms of the Credit Default Swap Confirmation and Interest Rate Swap Confirmation attached as Annexes 4 and 5 respectively.

If the Issuer is deemed to be a “covered fund” for the purposes of the Volcker Rule, then in the absence of regulatory relief, the provisions of the Volcker Rule and its related regulatory provisions, will impact the ability of U.S. banking institutions to hold an ownership interest in the

Issuer or enter financial transactions with the Issuer. Investors are required to independently consider the potential impact of the Volcker Rule in respect of any investment in the Notes. See Risk Factors “Modification to the Conditions and Transaction Documents or early redemption in relation to Regulatory Consequences” and “Volcker Rule” below.

The delivery of this Series Prospectus at any time does not imply that any information contained herein is correct at any time subsequent to the date hereof.

The Issuer accepts responsibility for the information contained in this Series Prospectus. 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 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 Series Prospectus in connection with the issue and sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or Citigroup Global Markets Limited (“**CGML**”, in such capacity, the “**Dealer**”).

The net proceeds of this issue were USD 10,000,000 and together with the initial payment by the Swap Counterparty to the Issuer under the Interest Rate Swap, were applied by the Issuer to purchase the Initial Collateral on the Issue Date.

The Notes have not been and will not be registered under the U.S. Securities Act of 1933 (the “**Securities Act**”), the operator of the Issuer is not registered as a commodity pool operator under the U.S. Commodity Exchange Act (as amended) and the rules of the Commodity Futures Trading Commission thereunder (the “**CFTC Rules**”), and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, (i) U.S. persons (as such term is defined under Rule 902(k)(1) of Regulation S under the Securities Act) or (ii) persons who are not 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 for qualified eligible persons who are not Non-United States persons). For a description of certain further restrictions on offers and sales of Notes and distribution of the Base Prospectus and the Series Prospectus, see “Subscription and Sale and Transfer Restrictions” in the Base Prospectus.

This Series Prospectus does not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Notes or the distribution of this Series Prospectus in any jurisdiction where such action is required.

The credit ratings included or referred to in the Series Prospectus have been either issued or endorsed by Moody’s Investors Service Limited (“**Moody’s**”), Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) and Fitch Ratings Limited (“**Fitch**”) unless otherwise stated. Moody’s, S&P and Fitch are established in the European Union and registered under Regulation (EC) 1060/2009 on credit rating agencies. 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.

In this Series Prospectus, references to “USD” are the lawful currency of the United States.

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Risk Factors

THE CONSIDERATIONS SET OUT BELOW ARE NOT, AND ARE NOT INTENDED TO BE, A COMPREHENSIVE LIST OF ALL CONSIDERATIONS RELEVANT TO A DECISION TO PURCHASE OR HOLD ANY NOTES.

The Issuer believes that the following risk factors may affect its ability to fulfil its obligations under the Notes. 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 the Notes are also described below.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Notes may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding the Notes are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Series 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 the Base Prospectus and, in particular, the considerations set forth below and in this Series Prospectus. Owing to the structured nature of the Notes, their price may be more volatile than that of unstructured securities.

Investors

The Base Prospectus, read together with this Series Prospectus, identify in general terms certain information that a prospective investor should consider prior to making an investment in the Notes. However, a prospective investor should, without any reliance on Citigroup Global Markets Limited or its affiliates, conduct its own thorough analysis (including its own accounting, legal and tax analysis) prior to deciding whether to invest in the Notes as any evaluation of the suitability for an investor of an investment in the Notes depends upon a prospective investor's particular financial and other circumstances, as well as on the specific terms of the Notes and, if it does not have experience in financial, business and investment matters sufficient to permit it to make such a determination, it should consult with its financial adviser prior to deciding to make an investment on the suitability of the Notes.

This Series Prospectus is not, and does not purport to be, investment advice, and neither the Issuer nor Citigroup Global Markets Limited makes any recommendation as to the suitability of the Notes. The provision of this Series Prospectus to prospective investors is not based on any

prospective investor's individual circumstances and should not be relied upon as an assessment of suitability for any prospective investor of the Notes. Even if the Issuer or Citigroup Global Markets Limited possesses limited information as to the objectives of any prospective investor in relation to any transaction, series of transactions or trading strategy, this will not be deemed sufficient for any assessment of suitability for such person of the Notes. Any trading or investment decisions a prospective investor takes are in reliance on its own analysis and judgement and/or that of its advisers and not in reliance on the Issuer, Citigroup Global Markets Limited or any of their respective affiliates.

In particular, each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes (i) is fully consistent with its (or, if it is acquiring the Notes in a fiduciary capacity, the beneficiary's) financial needs, objectives and condition, (ii) complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it (whether acquiring the Notes as principal or in a fiduciary capacity) and (iii) is a fit, proper and suitable investment for it (or, if it is acquiring the Notes in a fiduciary capacity, for the beneficiary), notwithstanding the clear and substantial risks inherent in investing in or holding the Notes.

Each prospective investor in the Notes should have sufficient financial resources and liquidity to bear all of the risks of an investment in the 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, (ii) if relevant, the Notes can be used as underlying securities for various types of borrowing, and (iii) other restrictions apply to its purchase or, if relevant, pledge of the 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 or the Swap Counterparty (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, 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 of any Collateral or the terms thereof or (except in the case of the Swap Counterparty) the Swap Counterparty.

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 or such Transaction Party.

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 the Notes makes any representation or warranty, express or implied, in respect of any Collateral or any issuer or obligor of any Collateral or (except in the case of the Swap Counterparty) of the Swap Counterparty or in respect of the Swap 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 (except in the case of the Swap Counterparty) of the Swap Counterparty or in respect of the Swap Agreement 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 or other obligations 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 it will not result in any rating assigned to the Notes being adversely affected, as affirmed in writing by the relevant rating agency, 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, 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, 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.

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 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 the Notes, in particular if the security in respect of the Notes 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 Supplemental Trust Deed) be subordinated to (i) 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, (ii) amounts owing to the Custodian and amounts owing to the Issuing and Paying Agents, (iii) amounts owing to any Swap Counterparty under the relevant Swap Agreement and (iv) the other claims as specified in the Supplemental Trust Deed 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 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

In respect of the Swap Agreement 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 (a) specified tax or legal reasons, as detailed in Condition 7.3 of the Terms and Conditions of

the Notes (but see “Risk Factors relating to the Swap Counterparty and the Swap Agreement” below for a description of how such redemption is effected where it results from termination of the Swap Agreement) 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 Collateral Entitlement as specified in the Final Terms. Such Collateral Entitlement is not principally protected and will be equal to the amount of those Collateral (if any) remaining following the sale by the Disposal Agent of sufficient Collateral to satisfy any Transaction Termination Amount payable by the Issuer, as detailed in the Final Terms.

Swap Counterparty exercise of discretion

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.

No protection under any deposit protection scheme

An investment in the Notes does not have the status of a bank deposit and is not within the scope of any deposit protection scheme.

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) 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 Notes, 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 or the Swap Agreement 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) and any waiver or authorisation of any breach or proposed breach of any of the Conditions or any provisions of the Trust Deed or the Swap Agreement that are in the opinion of the Trustee not materially prejudicial to the interest of the Noteholders or (iii) the substitution of another company as principal debtor under any Notes in place of the Issuer.

Collateral replacement

Subject to the provisions set out in the Series Prospectus, the Issuer may agree to substitute the Collateral with Replacement Collateral on the instruction of Noteholders holding more than 50 per cent. in principal amount of the outstanding Notes. The Issuer may only substitute the Collateral pursuant to a Noteholder Substitution Notice 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.

Modification to the Conditions and Transaction Documents or early redemption in relation to Regulatory Consequences

Investors in the Notes should be aware that if the performance of the Swap Counterparty's and/or its Affiliates' obligations under any Transaction Document (as defined in the Conditions), or any arrangement made to hedge such obligations has or will become unlawful, illegal or otherwise prohibited due to Regulatory Consequences, the Swap Counterparty has the right to terminate the Swap Agreement and this will cause the Notes to redeem early. 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.

Investors in the Notes should also be aware that the Swap Counterparty may, for the purposes of causing the transactions contemplated by the Transaction Documents to comply with or take into account Regulatory Consequences, make modification(s) to the Conditions and the Transaction Documents, at any time, at its own expense and, provided that such modifications satisfy certain criteria (as set out in the Conditions), such modifications shall be made without the need for the consent of any other party to such Transaction Documents or the Noteholders.

Risks relating to U.S. Volcker Rule

On 10 December 2013, the SEC, the CFTC and three U.S. banking regulators approved a final rule to implement Section 619 of the US Dodd-Frank Act (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. Even if an exception allows a banking entity to sponsor or invest in a covered fund, 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 affiliate of the Swap Counterparty were to be deemed to be a "sponsor" of the Issuer, the Swap Counterparty could be prohibited from entering into the 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.

Disposal of Collateral

If the Issuer becomes obliged under the Conditions or the Swap Agreement to sell Collateral in order for it to make a payment under the Conditions or the Swap Agreement, the Disposal Agent will use reasonable endeavours to seek firm bid quotes from five dealers in obligations of the type of the Collateral for the purchase of the Collateral (or relevant portion thereof) and will arrange the sale of such Collateral to the highest bidder if at least two bid quotations are received on the same Business Day. If the Disposal Agent is unable to obtain at least two bid quotations on a Business Day on or prior to the date falling two Business Days prior to the date on which the Issuer is required to make the relevant payment under the Conditions or the Swap Agreement, the Disposal

Agent will, if a single bid quotation is available on such date, arrange the sale of such Collateral at such bid quotation or, if no bid quotations are received by the Disposal Agent on such date, the Collateral will not be sold, but for the purposes of determining the Early Redemption Amount, the net realised proceeds of the sale of the Collateral will be deemed to be zero. The amount payable to Noteholders upon early redemption of the Notes will be affected by the ability of the Disposal Agent to obtain bid quotations in respect of the Collateral during the relevant disposal period and may be significantly reduced if no bid quotations are obtained during such period.

Risk Factors relating to Credit Linked Notes

Risk Factors relating to the Credit Default Swap

As at the Issue Date, the Reference Entity (as defined herein) is Commerzbank Aktiengesellschaft, the Reference Obligation is the Standard Reference Obligation and the Seniority Level of the Credit Default Swap is Senior Level, each as specified in Annex 4 (*Form of the Credit Default Swap Confirmation*). The list of Standard Reference Obligations is maintained and published by Markit Ltd.

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 or where on redemption the Issuer's obligation is to deliver certain specified obligations. 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 Issuer's obligation may be to deliver (or to pay an amount of principal 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 the Notes 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 the Notes 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 which in turn may be affected by the economic, financial and political events in one or more jurisdictions.

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 Notes. Any such determination may delay settlement in respect of the Notes 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 Notes and, in the case of payment of a cash amount, will affect the timing of the valuation of such Notes and as a result, the amount of principal payable on redemption.

The Issuer's obligations in respect of the Notes are irrespective of the existence or amount of the Issuer's credit exposure to the 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.

Credit Risk of the Reference Entity

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

Where cash settlement applies, the occurrence of a Credit Event in relation to the Reference Entity from time to time may result in a redemption of the Notes in a reduced principal amount or at zero and cessation of interest. Where physical settlement applies, the occurrence of a Credit Event may result in the redemption of the Notes based on the delivery of certain direct or indirect obligations of the Reference Entity (including asset packages deriving from such obligations) which may have a market value which is substantially less than their nominal amount.

Reference Obligations under the Swap Agreement

Under the Credit Default Swap terms, 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**"). 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.

Exposure to Credit Events may occur prior to the Trade Date

The Notes may be exposed to the occurrence of Credit Events 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 by consulting publicly available information. If a request to convene an ISDA Credit Derivatives Determinations Committee to determine whether a Credit Event has occurred with respect to the 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.

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.

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 Notes, including in particular the right to designate a Credit Event and the right to select obligations of the Reference Entity for valuation or delivery, 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 or delivery, as applicable, 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 Notes 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.

Corporate Actions of the Reference Entity may affect the value of the Notes

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

Asset Package Delivery

Under the Credit Default Swap, asset package delivery provisions may apply in respect of a financial reference entity (such term as used in the Credit Derivatives Physical Settlement Matrix) 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. Following a governmental intervention or a restructuring of a Reference Obligation in respect of a financial reference entity, 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"**), the assets which result from such Prior Deliverable Obligation 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 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 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.

Successors

Investors should note that, from time to time, the Reference Entity may be subject to change following the movement of its debt obligations (the direct or indirect successor(s), the **"Successor"** or **"Successors"**) and an event such as a consolidation, reconstitution or other corporate activity is no longer a pre-condition to a Successor determination. 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.

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 the 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 the 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).

Payments in the Notes 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 Notes, or (iii) pending a resolution of an

ISDA Credit Derivatives Determinations Committee, payment or delivery of the redemption amount of the Notes and/or interest on the Notes may be deferred for a material period in whole or part without compensation to Noteholders.

ISDA Credit Derivatives Determinations Committees

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 Notes 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 and deliveries on the Notes. 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 Notes resulting from or relating to any announcements, publications, determinations and resolutions made by ISDA and/or any ISDA Credit Derivatives Determinations Committee.

Potential conflicts of interest

The Calculation Agent (or, as the case may be, one of its affiliates) may 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 Notes.

Noteholders will not be able to refer questions to the ISDA Credit Derivatives Determinations Committees

Noteholders, in their capacity as such, will not have the ability to refer questions to an ISDA Credit Derivatives Determinations Committee since the Notes are not a credit default swap transaction and the Notes do not incorporate, and are not deemed to have incorporated, the July 2009 Supplement or the 2014 Credit Derivatives Definitions. As a result, Noteholders will be dependent on other market participants to refer specific questions to the ISDA Credit Derivatives

Determinations Committees that may be relevant to the Noteholders. The Calculation Agent has no duty to the Noteholders to refer specific questions to the ISDA Credit Derivatives Determinations Committees.

Questions to the ISDA Credit Derivatives Determinations Committees

The ISDA Credit Derivatives Determinations Committees Rules provide 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 Notes.

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 Notes, 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 Notes and Noteholders are solely responsible for obtaining any such information.

Cash Settlement may adversely affect returns to Noteholders

If an Event Determination Date occurs but Physical Settlement does not apply, the Notes will be cash settled and the Calculation Agent will be required to seek quotations in respect of selected obligations of the Reference Entity (or, following an Asset Package Credit Event, a package of assets which a relevant obligation of the Reference Entity has been converted into or exchanged for, which may be nothing if the relevant obligation was appropriated without compensation). 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 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.

“Cheapest-to-Deliver” risk

Since the Swap Counterparty, as the buyer of protection, has discretion to choose the portfolio of obligations to be valued or delivered following a Credit Event in respect of the 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 Notes. This could result in a lower recovery value and hence greater losses for Noteholders.

Sale of Collateral and termination of Swap Agreement(s)

Following the occurrence of a Credit Event, unless Alternative Cash Settlement applies, (a) the Collateral will be sold and, if denominated in a different currency to the currency of the Notes, will be converted into the currency of the Notes at the then prevailing exchange rates; (b) under the Credit Default Swap, the Issuer will pay the Swap Counterparty the net realised proceeds of the sale of the Collateral; (c) the Interest Rate Swap will be terminated and a termination payment based on its mark-to-market value will be determined; and (d) under the Credit Default Swap, the Swap Counterparty will deliver to the Issuer such number of certain specified obligations of the Reference Entity, the nominal amount of which will be equal to the principal amount of the Notes, subject to the deduction of a number of specified obligations of the Reference Entity with a market value equal to (i) any costs incurred by the Swap Counterparty and the Issuer in connection with the redemption of the Notes, (ii) any termination payment payable by the Issuer to the Swap Counterparty under the Interest Rate Swap and (iii) any difference between the net realised proceeds of the sale of the Collateral and the principal amount of the Notes.

If Alternative Cash Settlement applies, (a) the Collateral will be sold and, if denominated in a different currency to the currency of the Notes, will be converted into the currency of the Notes

at the then prevailing exchange rates; (b) under the Credit Default Swap between the Issuer and the Swap Counterparty, the Issuer will pay the Swap Counterparty a cash settlement amount; and (c) the Interest Rate Swap will be terminated 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 (a) the sale proceeds of the Collateral may be less than the principal amount thereof, or of the Notes, as the case maybe, (b) the exchange rate for converting the sale proceeds of the Collateral into the currency of the Notes may be less favourable than the exchange rate on issue of the Notes, (c) payments may be due from the Issuer to the Swap Counterparty under the Interest Rate Swap and/or (d) the deduction of any costs incurred by the Swap Counterparty and the Issuer in connection with the redemption of the Notes, the specified obligations of the Reference Entity or Redemption Amount, as the case may be, received by the Noteholders in respect of a Note may be worth less than the principal amount of the Note multiplied by the final price of the Reference Entity.

The Swap Counterparty and/or the Calculation Agent may have dealings with the Reference Entity

The Swap Counterparty and/or the Calculation Agent and/or their respective affiliates may (i) deal in obligations of the Reference Entity, (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 the Reference Entity, or its affiliates or any other person or entity having obligations relating to the Reference Entity and (iii) act with respect to such business freely and without accountability to Noteholders in the same manner as if the Notes 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 the Reference Entity (or any obligations thereof) which is or may be material in the context of the Notes and which is or may not be known to the general public or Noteholders. The Notes 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.

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

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

The Notes do not represent an interest in obligations of the Reference Entity

The Notes do not represent or convey any interest in any obligations of the Reference Entity 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.

The value of the Notes may be adversely affected by illiquidity or cessation of indices

In determining the value of the Notes, 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 Notes may be adversely affected.

Historical performance may not predict future performance

The Reference Entity 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 the Reference Entity. Historical default statistics may not capture events that would constitute Credit Events for the purposes of the Notes.

Limited provision of information about the Reference Entity and the Obligations thereof

Investors should conduct their own investigation and analysis with respect to the creditworthiness of the Reference Entity 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 (as defined herein) thereof as that affects the amount that the Issuer will pay or deliver to 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.

The Reference Entity 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 Entity.

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 Entity or any of their obligations, including whether or not circumstances exist that give rise to the possibility of the occurrence of a Credit Event.

Cash settlement may be less advantageous than physical delivery of assets

Payments on the Notes following the occurrence of a Credit Event may be in cash and will reflect the value of relevant obligations of the 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 Reference Entity, whether by means of enforcement of rights following a default or receipt of distributions following an insolvency or otherwise.

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 Collateral and the creditworthiness of the issuers and obligors of the 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 the Swap Agreement or any other derivative transaction entered into by the Issuer or embedded in the Notes or the 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 English law in effect as at the Issue Date. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the Issue Date.

Provision of information

None of the Issuer, the Transaction Parties or any affiliate of such persons makes any representation as to the credit quality of any obligor of the Collateral. Any of such persons may have acquired, or during the term of the Notes may acquire, non-public information with respect to the Collateral. None of such persons is under any obligation to make such information directly available to Noteholders. None of such persons is under any obligation to make available any information relating to, or keep under review on the Noteholders' behalf, the business, financial conditions, 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 under "Subscription and Sale and Transfer Restrictions" in the Base Prospectus, which may further limit the liquidity of the Notes.

U.S. Withholding Tax on Dividend Equivalent Payments

U.S. Treasury Regulations that apply to "dividend equivalent" payments (generally payments that are contingent upon or determined by reference to the payment of a dividend from sources within the United States) may require withholding in respect of a payment to a non-U.S. person (including the Issuer) on the Notes or the Collateral or under the Swap Agreement at a rate of 30% (or a lower treaty rate) in certain circumstances. Please see the discussion under "*United States Withholding Taxes on Dividend Equivalent Payments*" for further discussion.

If the Issuer were subject to withholding on "dividend equivalent" payments it receives with respect to the Collateral or under the Swap 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 the Swap Agreement. No other funds would 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 the Noteholders. Additionally, if a payment in respect of the Notes to a non-U.S. Noteholder were subject to U.S. withholding tax as a “dividend equivalent” payment, neither the Issuer nor any other person would be obligated to pay any additional amounts to such non-U.S. Noteholder. If a non-U.S. Noteholder becomes subject to this withholding tax, the non-U.S. Noteholder may be able to claim any exemptions or reductions in tax available under its applicable double tax treaty.

As discussed below, FATCA would impose withholding at a rate of 30% on any “dividend equivalent” payments to persons that fail to meet certain certification, reporting or related requirements. While a payment could be subject to U.S. withholding both under FATCA and as a result of being treated as a “dividend equivalent” payment, the maximum rate of U.S. withholding on such payment may not exceed 30%.

The rules governing the U.S. withholding tax on “dividend equivalent” payments are particularly complex and significant aspects of when and how these rules apply remain unclear. Each Noteholder should consult its tax adviser about the implications of U.S. withholding taxes on “dividend equivalent” payments on an investment in the Notes.

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 Issuer expects to be treated as a foreign financial institution for these purposes. A number of jurisdictions (including 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 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 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 the Swap Agreement

If the Issuer fails to comply with its obligations under FATCA (including Ireland IGA 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 the Swap Agreement. 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 the Swap Agreement. 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 the Noteholders. Additionally, if payments to the 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 (*Redemption for taxation and other reasons*) of the Notes). No assurance can be given that the Issuer can or will comply with its obligations under FATCA or that the Issuer will not be subject to FATCA withholding.

Possible impact on payments on the Notes

Under the Ireland IGAs (and implementing legislation thereunder) as currently in effect, an Irish foreign financial institution 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 Issuer could be required to withhold amounts from the Noteholders that are foreign financial institutions that are not compliant with, or exempt from, FATCA or the Noteholders that do not provide the information, documentation or certifications required for the Issuer to comply with its obligations under FATCA.

FATCA is particularly complex and its application to the Issuer, the Notes and the 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, any Noteholder or beneficial owner of the Notes fails to provide any information so requested by the Issuer, the Issuer may withhold amounts from the Noteholders (including intermediaries through which the Notes are held) or the Notes 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 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 the 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, the 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.

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 issuer of the Collateral, the Trustee, the Issuing and Paying Agent, the Dealer, the Custodian, the Swap Counterparty, the Option Counterparty, the Loan Counterparty and/or any other entity involved in the Notes is subject to a Sanction that results in a Sanctions Event, causing payments under the Notes to that Noteholder to be suspended. 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.

Risk Factors relating to the Swap Counterparty and the Swap Agreement

The ability of the Issuer to meet its obligations under the Notes will depend on the receipt by it of payments under the Swap Agreement. Consequently, the Issuer is exposed not only to the occurrence of a payment default on the Collateral and to the occurrence of Credit Events in relation to the Reference Entity, but also to the ability of the Swap Counterparty to perform its obligations under the Swap Agreement. Default by the Swap Counterparty may result in the termination of the Swap Agreement and, in such circumstance, any amount due to the Issuer upon such termination may not be paid in full.

The receipt by the Issuer of payments under the Swap Agreement is also dependent on the timely payment by the Issuer of its obligations under the Swap Agreement. The ability of the Issuer to make timely payment of its obligations under the Interest Rate Swap depends on receipt by it of the scheduled payments under the Collateral. Consequently, the Issuer is also exposed to the ability of the Collateral Issuer to perform its obligations under the Collateral.

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 ("**Dodd-Frank**"), 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, Title VII 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 dealers and other major market 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 Title VII provided that it was to go into effect on 16 July 2011, the SEC and CFTC have repeatedly delayed compliance with many of Title VII's requirements through exemptive orders, no-action letters or other forms of relief. While the CFTC had adopted a number of regulations under Title VII and many of the obligations under those regulations have become effective, the SEC is significantly behind the CFTC and its rules are not yet in effect. As Title VII'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 Title VII, nor is there assurance that the Issuer would not be required to comply with additional regulation under the U.S. Commodity Exchange Act, as amended, including by Dodd-Frank (the "**CEA**"), as described immediately below. If the Issuer's Swap Agreements are treated as covered swaps under Title VII, 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)

Such additional regulations and/or registration requirements may result in, among other things, increased reporting obligations and also in extraordinary, non-recurring expenses of the Issuer thereby materially and adversely impacting a transaction's value. Any such 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 Dodd-Frank, the Swap Agreement entered into between the Issuer and the Swap Counterparty may be subject to mandatory execution, clearing and documentation requirements. 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. Any of the foregoing requirements and/or other requirements or obligations under Dodd-Frank could materially increase costs associated with the Programme and could materially and adversely affect the value of the Notes.

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. Dodd-Frank also expanded the definition of "commodity pool" to include 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 Dodd-Frank 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.

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”, 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 traditional 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.

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 depositary 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 depositaries 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 depositary 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 depositary 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 depositary 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.

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 (other than to pay to any Swap 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 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 the Swap Agreement (including any right to terminate the 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 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 Transaction Parties 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 issuer 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.

Early redemption for Collateral default

If, in respect of the Notes, any of the 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 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.

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

The Issuer, CGML and any of its affiliates may have existing or future business relationships with any Swap Counterparty or the issuer of the Collateral (including, but not limited to, lending, depository, risk management, advisory, sponsorship 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, CGML and any of its affiliates may make a market or hold positions in respect of the Collateral relating to any particular transaction. From time to time, CGML and its affiliates may own significant amounts of Notes.

CGML and its affiliates may act in a number of capacities in respect of the Notes including, without limitation, Dealer, Calculation Agent, Swap Counterparty and Disposal Agent. CGML and its affiliates acting in such capacities in connection with the 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. CGML 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 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

Application has been made to the ISE for the Notes to be admitted to the Official List of the ISE and to trading on its regulated market. 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.

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Notes in the currency of the 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 (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's

Currency-equivalent value of the principal payable on the Notes and (iii) 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 may involve the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

Risks relating to global events

General

Since mid-2007, the global economy and financial markets have experienced extreme levels of instability.

The initial trigger for the instability was a downturn in the U.S. housing market. By mid-2007, concerns about the value of mortgage assets held by global commercial banks, investment banks, government sponsored entities, hedge funds, structured investment vehicles and institutional investors led to a general tightening of available credit and liquidity in the global financial markets.

During 2008, the initial instability intensified into a severe global financial crisis.

In response to the crisis, various governments and central banks took substantial measures to ease liquidity problems and enacted fiscal stimulus packages and measures to support certain entities affected by the crisis. Such measures included establishing special liquidity schemes and credit facilities, bank recapitalisation programmes and credit guarantee schemes.

In an attempt to counteract recessionary pressures, the central banks of the U.S., the UK and certain other countries and the European Central Bank also lowered interest rates, in some cases to record low levels.

No assurance can be given that any recovery will be sustained or that certain economies will not encounter a "double dip" recession. In particular, a number of countries have accumulated significant levels of public debt both absolutely and relative to GDP. This has led to international "bail-outs" of certain countries and resulted in general concerns about sovereign credit defaults which could undermine any recovery and could have the effect of taking the credit crisis into a new recessionary phase.

The above factors have also led to substantial volatility in markets across asset classes, including (without limitation) stock markets, foreign exchange markets, fixed income markets and credit markets.

There can be no assurance that the steps taken by governments or international or supra-national bodies to ameliorate the global financial crisis will be successful or that any recovery will continue. The structure, nature and regulation of financial markets in the future may be fundamentally altered as a consequence of the global financial crisis, possibly in unforeseen ways. There can be no assurance that similar or greater disruption may not occur in the future for similar or other reasons. In addition, the attempts being taken to reduce the high level of sovereign debt may themselves contribute to a further global recession.

There can be no assurance as to how severe the global recession will be or as to how long it will last. There can be no assurance that government actions or the actions of international or

supra-national bodies to limit the impact of the crisis will be successful and that they will not instead lead or contribute to a deeper and/or longer-lasting recession. Economic prospects are subject to considerable uncertainty.

Prospective investors should ensure that they have sufficient knowledge and awareness of the global financial crisis and the response thereto and of the economic situation and outlook as they consider necessary to enable them to make their own evaluation of the risks and merits of an investment in the Notes. In particular, prospective investors should take into account the considerable uncertainty as to how the global financial crisis and the wider economic situation will develop over time.

Any person who had held securities during the periods considered above, particularly structured securities, would be highly likely to have suffered significant adverse effects as a result of such holding, including, but not limited to, major reductions in the value of those securities and a lack of liquidity. Prospective investors should consider carefully whether they are prepared to take on similar risks by virtue of an investment in the Notes.

Impact on liquidity

The events outlined above have had an extremely negative effect on the liquidity of financial markets generally and in the markets in respect of certain financial assets or in the obligations of certain obligors. This has particularly been the case with respect to the market for structured assets and the obligations of financial institutions and certain sovereigns. Such assets may either not be saleable at all or may only be saleable at significant discounts to their estimated fair value or to the amount originally invested. No assurance can be given that liquidity in the market generally, or in the market for any particular asset class or in the obligations of any particular financial institution or sovereign, will improve or that it will not worsen in the future. Such limited liquidity may have a negative impact on the value of the Notes, the value of the Collateral or the value of the Swap Agreement, both in terms of the assets or indices referenced and in terms of the value of the obligations of the Swap Counterparty. In particular, should the Notes be redeemed early, Noteholders will be exposed to the realisation value of the Collateral and the termination value of the Swap Agreement, which value might be affected (in some cases significantly) by such lack of liquidity.

Concerns about the creditworthiness of the Custodian and the Issuing and Paying Agent may also impact the value of the Notes.

Impact on credit

The events outlined above have negatively affected the creditworthiness of a number of entities or governments, in some cases to the extent of collapse or requiring rescue from governments or international or supra-national bodies. Such credit deterioration has and may continue to be widespread. The value of the Notes or of the amount of payments under them may be negatively affected by such widespread credit deterioration. Prospective investors should note that recoveries on assets of affected entities have, in some cases, been de minimis and that similarly low recovery levels may be experienced with respect to other entities or governments in the future which may include the obligors of the Collateral (or any guarantor or credit support provider in respect thereof) and the Swap Counterparty. Prospective investors should also consider the impact of a default by a Custodian or Issuing and Paying Agent and possible delays and costs in being able to access property held with a failed custodian.

Impact on valuations and calculations

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.

Furthermore, 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 events since 2007 have seen 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 have imposed stricter regulatory controls around certain financial activities and/or have indicated that they intend to impose such controls in the future. The United States, the European Union and other jurisdictions are actively considering or are in the process of implementing various reform measures. Such regulatory changes and the method of their implementation may have a significant impact on the operation of the financial markets. It is uncertain how a changed regulatory environment will affect the Issuer, the treatment of instruments such as the Notes, the Arranger, the Swap Counterparty and the other Transaction Parties. In addition, governments have shown an increased willingness, wholly or partially, to nationalise financial institutions, corporates and other entities in order to support the economy. Such nationalisation may impact adversely on the value of the stock or other obligations of any such entity. In addition, in order to effect such nationalisation, existing obligations or stock might have their terms mandatorily amended or be forcibly redeemed. To the extent that the obligors of the Collateral (or any guarantor or credit support provider in respect thereof), the Swap Counterparty or any other person or entity connected with the Notes is subject to nationalisation or other government intervention, it may have an adverse effect on a holder of a Note.

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 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.

Incorporation by Reference

The provisions of the Base Prospectus, which constitutes a Base Prospectus for the purposes of the Prospectus Directive, shall be deemed to be incorporated into and form part of this Series Prospectus in its entirety, save that any statement contained in the Base Prospectus shall be deemed to be modified or superseded for the purpose of this Series Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Series Prospectus. This Series Prospectus must be read in conjunction with the Base Prospectus and full information on the Issuer and the offer of the Notes is only available on the basis of the combination of the provisions set out within this document and the Base Prospectus.

The Base Prospectus is available for viewing at, and copies may be obtained free of charge from, the office of the Issuer in Ireland specified below.

The Base Prospectus (including in particular the Issuer Disclosure Annex relating to the Issuer set out in Issuer Disclosure Annex 6 of the Base Prospectus) is available for viewing on the website of the ISE using the following link:

http://www.ise.ie/debt_documents/Base%20Prospectus_e00b6c47-b6dc-4bcc-8688-7e501db79012.PDF

The Issuer's audited financial statements in respect of its financial year ending 31 December 2015 are set out in the section titled "Audited Financial Statements of the Issuer for the Financial Year Ending 31 December 2015" at the end of this Series Prospectus.

Pages 198 to 200 of the Citigroup, Inc. Form 10-Q (filed with the SEC in respect of the quarterly period ended 30 September 2016), containing the disclosures with respect to "Contingencies" in respect of such Form 10-Q, are also deemed to be incorporated into and form part of this Information Memorandum, and are available for viewing on the website of Citigroup, Inc. using the following link:

<http://www.citigroup.com/citi/investor/data/q1603c.pdf?ieNocache=895>

Terms and Conditions of the Notes

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. References in the Base Prospectus to terms set out in the Authorised Offering Document shall be deemed to refer to the terms set out below.

Provisions appearing on the face of the Notes

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| 1 | Issuer: | Libretto Capital P.L.C. |
| 2 | Relevant Dealer/Lead Manager (including Stabilisation Manager (if any) and, if Syndicated Issue, Managers): | Citigroup Global Markets Limited (" CGML ") |
| 3 | Series: | 2016-22 |
| 4 | Tranche No: | 1 |
| 5 | ISIN: | XS1481585419 |
| 6 | Common Code: | 148158541 |
| 7 | Currency (or Currencies in the case of Dual Currency Notes): | U.S. Dollars (" USD ") |
| 8 | Principal Amount: | <p>USD 10,000,000.</p> <p>Following any purchase and cancellation of the Notes pursuant to Condition 7.4 (<i>Purchases</i>), the Principal Amount shall be reduced accordingly to the product of the Denomination and the Number of Notes outstanding.</p> <p>As soon as practicable following receipt by the Issuer of a Credit Event Notice and (if applicable) a Notice of Publicly Available Information from the Swap Counterparty under the Credit Default Swap, notice of the same shall be given by or on behalf of the Issuer to the Noteholders in accordance with Condition 16 (<i>Notices</i>).</p> |
| 9 | (i) Issue Date: | 15 September 2016 |
| | (ii) Date Board approval for issuance of Notes obtained: | 12 September 2016 |
| 10 | Issue Price: | 100 per cent. |

Provisions appearing on the back of the Notes

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| 11 | Form of the Notes: | Registered |
| 12 | Denomination(s): | USD 1,000,000. The Notes shall not be sub-divided into smaller amounts. |
| 13 | Status: | Secured and limited recourse obligations of the Issuer, |

secured as provided in paragraph 72 below (under the heading “The Security Arrangements”).

14	Interest Commencement Date (if different from Issue Date):	Issue Date
15	Interest Basis:	<p>Fixed Rate in respect of the Fixed Rate Period and subsequently Floating Rate, as described in paragraphs 16 and 35.</p> <p>Terms specified herein as applying to Fixed Rate Notes shall be deemed to apply to the Fixed Rate Period.</p> <p>Terms specified herein as applying to Floating Rate Notes shall be deemed to apply to Interest Accrual Periods falling after the Fixed Rate Period.</p>
16	Interest Rate:	<p>In respect of the Interest Accrual Periods ending on the Interest Period Dates falling on 15 December 2016, 15 March 2017, 15 June 2017 and 15 September 2017 (together, the “Fixed Rate Period”): 6.50 per cent.</p> <p>In respect of all other Interest Period Dates: the Benchmark for the Specified Duration plus the Margin per annum.</p>
17	Interest Payment Date(s):	Two Business Days after each Interest Period Date.
18	Relevant Time (Floating Rate Notes):	11:00 a.m. London time
19	Determination Date(s) (if applicable):	Not applicable
20	Interest Determination Date (Floating Rate Notes):	The date that is the second Business Day prior to each Interest Period Date.
21	Primary Source for Floating Rate (Floating Rate Notes):	Reuters Screen LIBOR01 Page
22	Reference Banks (Floating Rate Notes):	As set out in the Conditions
23	Relevant Financial Centre (Floating Rate Notes):	Not applicable
24	Benchmark (Floating Rate Notes):	USD LIBOR
25	Broken Amount (Fixed Rate Notes):	Not applicable
26	Representative Amount (Floating Rate Notes):	Not applicable
27	Relevant Currency (Floating Rate Notes):	Not applicable
28	Effective Date (Floating Rate Notes):	Not applicable

29	Specified Duration (Floating Rate Notes):	3 months
30	Margin (Floating Rate Notes):	Plus 2.00 per cent. per annum
31	Rate Multiplier (if applicable):	Not applicable
32	Maximum/Minimum Interest Rate (if applicable):	Minimum Interest Rate: Zero per cent. per annum Maximum Interest Rate: 6.00 per cent. per annum
33	Maximum/Minimum Instalment Amount (if applicable):	Not applicable
34	Maximum/Minimum Redemption Amount (if applicable):	Not applicable
35	Interest Amount:	<p>The Interest Amount payable in respect of each Note shall be an amount in USD calculated by the Calculation Agent as being equal to the product of (a) the Denomination; (b) the Interest Rate; and (c) the Day Count Fraction.</p> <p>Interest will be payable in arrear on the Interest Payment Dates.</p> <p>The Interest Amount will cease to accrue from and including the Interest Period Date immediately preceding (i) an Event Determination Date (as defined in the Credit Default Swap), (ii) the date of delivery of a Mandatory Redemption Notice under Condition 7.2 in respect of an early redemption under Condition 7.2, (iii) the Early Redemption Date in respect of an early redemption under Conditions 7.3 or 7.12, (iv) the Optional Redemption Date in respect of an optional redemption under Condition 7.7 or (v) the date of payment of the Early Redemption Amount in respect of an acceleration of the Notes under Condition 11 (or if there is no preceding Interest Period Date, the Interest Commencement Date).</p> <p>If the Swap Counterparty notifies the Issuer that a Credit Event (as defined in the Credit Default Swap) may have occurred prior to an Interest Period Date but no Event Determination Date has yet been determined (for example, if a request has been made to ISDA (in its capacity as secretary of the relevant Credit Derivatives Determinations Committee, the “DC Secretary”) to convene a Credit Derivatives Determinations Committee to consider whether a Credit Event has occurred but no Credit Event Resolution has yet been made in respect of that request), payment of the Interest Amount on the Interest Payment Date relating to such Interest Period Date shall be postponed until the Swap Counterparty confirms whether or not a Credit Event has</p>

occurred. If no Credit Event has occurred, the Issuer will pay the Noteholders the postponed Interest Amount two Business Days after the Swap Counterparty makes such confirmation without any additional interest in respect of such postponement.

- 36** Day Count Fraction: In respect of the Fixed Rate Period: 30/360.
In respect of all other Interest Accrual Periods: Actual/360.
- 37** Interest Period Date(s) (if applicable): 15 March, 15 June, 15 September and 15 December in each year, commencing on 15 December 2016 up to and including 15 September 2026, and 1 October 2026, provided that:
- (i) in respect of Interest Period Dates falling within the Fixed Rate Period, such dates are not adjusted in accordance with any Business day Convention; and
 - (ii) in respect of all other Interest Period Dates, such dates are as adjusted in accordance with the Modified Following Business Day Convention for which the Business Days are London, New York and Hong Kong.
- 38** Redemption Amount:
- (a) Redemption Amount payable on final maturity pursuant to Condition 7.1: An amount per Note in USD equal to (a) the Principal Amount divided by (b) the Number of Notes.
No additional amounts shall be payable by the Issuer or the Swap Counterparty as a result of the redemption of the Notes falling on a date after the Scheduled Maturity Date.
 - (b) Redemption Amount payable on mandatory redemption pursuant to Condition 7.2: **Delivery of Collateral**
The Notes will, subject as provided below, be redeemed by delivery of the relevant Collateral Entitlement on the Early Redemption Date. In addition, where the Transaction Termination Amount is a negative amount, the Issuer shall pay the pro rata share of the absolute value of the Transaction Termination Amount, as determined by the Calculation Agent in its absolute discretion, to the Noteholders on the Early Redemption Date.
In order for Notes to be redeemed by delivery of the relevant Collateral Entitlement, Noteholders must present to the Issuing and Paying Agent an irrevocable delivery instruction certificate (in the form set out in Schedule 2 of the Supplemental Trust Deed, copies of which are available at the specified office of the Issuing and Paying Agent) (the **"Delivery Instruction Certificate"**) and must make presentation and delivery of the Notes held, not later than 5.00 p.m., London time, on the third London Business Day prior to the Early Redemption Date. If such Notes and

Delivery Instruction Certificate are presented to the Issuing and Paying Agent after 5.00 p.m., London time, on the day of presentation or if the day of presentation is not a London Business Day, such Notes and Delivery Instruction Certificate shall be deemed to have been presented before 5.00 p.m., London time, on the next following London Business Day. The Issuing and Paying Agent to which such Notes and Delivery Instruction Certificate are surrendered shall acknowledge receipt by issuing to the holder of such Notes as a receipt for such Notes a copy of such Delivery Instruction Certificate duly marked with the Issuing and Paying Agent's stamp and the date and time of receipt and shall deliver to the Custodian, the Issuer and the Swap Counterparty a copy of such Delivery Instruction Certificate as soon as practicable after receipt thereof. A copy of the Delivery Instruction Certificate shall act as a receipt for both the Notes and the Delivery Instruction Certificate. Such copy shall be non-transferable and shall be *prima facie* evidence of entitlement of the person named therein to the Collateral Entitlement in respect of the Notes specified therein. However, the records of the Issuing and Paying Agent shall be conclusive evidence of such entitlement.

Noteholders should note, in relation to Notes held in Euroclear or Clearstream, Luxembourg, that such Notes will be presented and surrendered and the Delivery Instruction Certificate in respect thereof delivered, on behalf of Noteholders by Euroclear or Clearstream, Luxembourg, as the case may be, and that holders of Notes held in Euroclear or Clearstream, Luxembourg will be required to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to present such Notes and to deliver such Delivery Instruction Certificate not later than 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Clearance System Business Day prior to the date on which such Delivery Instruction Certificate is to be delivered. For these purposes, "Clearance System Business Day" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

Partial Cash Settlement due to impossibility/illegality

If the Calculation Agent determines, in its absolute discretion, that, due to an event beyond the control of the Issuer, it is impossible or illegal for the Issuer to deliver to, or to the order of, any Noteholder or it is impossible or illegal for such Noteholder to receive delivery of, any Collateral Entitlement on the Early Redemption Date, the Issuer shall on the Business Day following the Early Redemption Date deliver or cause to be delivered to such Noteholder such

Noteholder's Collateral Entitlement as may be delivered and in respect of each Note pay an amount in USD equal to a pro rata share (converted into USD if necessary by the Calculation Agent acting in its sole discretion, at the then prevailing spot rate and rounded to the nearest cent., half of a cent. being rounded downwards) of the net realised proceeds of the sale of such Collateral Entitlement which were not delivered.

For the avoidance of doubt, failure by a Noteholder to present a Delivery Instruction Certificate to any Issuing and Paying Agent on or before 5.00 p.m. London time, on the third London Business Day prior to the Early Redemption Date shall be deemed to render delivery of the relevant Collateral Entitlement to such Noteholder impossible for the purposes of this paragraph 38(b).

The Issuer reserves all rights as to the manner of delivery of any Collateral Entitlement and the Issuer shall have no responsibility for the capacity of Noteholders to take delivery of such Collateral Entitlement or for any other matter which may affect the ability of the Noteholders to take delivery of such Collateral Entitlement.

Notes held by a Noteholder shall be aggregated for the purpose of determining the aggregate Collateral Entitlement of that Noteholder.

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| (c) | Redemption Amount payable on mandatory redemption pursuant to Condition 7.3: | The provisions in paragraph 38(b) shall apply as if references therein to "paragraph 38(b)" are to "paragraph 38(c)". |
| (d) | Redemption Amount payable on exercise of Issuer's option pursuant to Condition 7.6: | <p>An amount per Note in USD equal to the sum of:</p> <p>(a) the Principal Amount divided by the Number of Notes; and</p> <p>(b) the interest accrued on such Note from, and including, the Interest Period Date immediately preceding the Issuer's Optional Redemption Date to and excluding the date which is Two Business Days prior to the Issuer's Optional Redemption Date.</p> |
| (e) | Redemption Amount payable on exercise of Noteholder's option pursuant to Condition 7.7: | The provisions in paragraph 38(b) shall apply as if references therein to "paragraph 38(b)" are to "paragraph 38(e)". |
| (f) | Redemption Amount payable on redemption pursuant | The provisions in paragraph 38(b) shall apply as if references therein to "paragraph 38(b)" are to "paragraph 38(f)". |

to Condition 7.12:

- (g) Redemption Amount payable where an Event Determination Date has occurred in accordance with the Credit Default Swap: If a Credit Event occurs at any time from and including the Credit Linkage Start Date (as defined in Annex 1) to and including the Credit Linkage End Date (as defined in Annex 1) and an Event Determination Date has occurred and has not been subsequently reversed prior to the occurrence of the Physical Settlement Date, Valuation Date or Termination Date (as applicable) in accordance with the terms of the Credit Default Swap, subject to the paragraph below with regard to M(M)R Restructuring or Multiple Successors, each Note will, subject as provided below, be redeemed by delivery of the relevant Physical Settlement Entitlement on the Physical Settlement Date. In addition, where the Unwind Amount is a negative amount, the Issuer shall pay the pro rata portion of the absolute value of the Unwind Amount, as determined by the Calculation Agent in its absolute discretion, to the Issuer on the Physical Settlement Date.
- In order for Notes to be redeemed by delivery of the relevant Physical Settlement Entitlement, Noteholders must present to the Issuing and Paying Agent an irrevocable delivery instruction certificate (in the form set out in Schedule 2 of the Supplemental Trust Deed, copies of which are available at the specified office of the Issuing and Paying Agent) (the **"Delivery Instruction Certificate"**) and must make presentation and delivery of the Notes held, not later than 5.00 p.m., London time, on the third London Business Day prior to the Physical Settlement Date. If such Notes and Delivery Instruction Certificate are presented to the Issuing and Paying Agent after 5.00 p.m., London time, on the day of presentation or if the day of presentation is not a London Business Day, such Notes and Delivery Instruction Certificate shall be deemed to have been presented before 5.00 p.m., London time, on the next following London Business Day. The Issuing and Paying Agent to which such Notes and Delivery Instruction Certificate are surrendered shall acknowledge receipt by issuing to the holder of such Notes as a receipt for such Notes a copy of such Delivery Instruction Certificate duly marked with the Issuing and Paying Agent's stamp and the date and time of receipt and shall deliver to the Custodian, the Issuer and the Swap Counterparty a copy of such Delivery Instruction Certificate as soon as practicable after receipt thereof. A copy of the Delivery Instruction Certificate shall act as a receipt for both the Notes and the Delivery Instruction Certificate. Such copy shall be non-transferable and shall be *prima facie* evidence of entitlement of the person named therein to the Physical Settlement Entitlement in respect of the Notes specified therein. However, the records of the Issuing and Paying

Agent shall be conclusive evidence of such entitlement.

Noteholders should note, in relation to Notes held in Euroclear or Clearstream, Luxembourg, that such Notes will be presented and surrendered and the Delivery Instruction Certificate in respect thereof delivered, on behalf of Noteholders by Euroclear or Clearstream, Luxembourg, as the case may be, and that holders of Notes held in Euroclear or Clearstream, Luxembourg will be required to instruct Euroclear or Clearstream, Luxembourg, as the case may be, to present such Notes and to deliver such Delivery Instruction Certificate not later than 10.00 a.m., Brussels or Luxembourg time, as the case may be, on the Clearance System Business Day prior to the date on which such Delivery Instruction Certificate is to be delivered. For these purposes, "Clearance System Business Day" means a day on which Euroclear and Clearstream, Luxembourg are open for business.

Each of the Issuer and the Swap Counterparty reserves all rights as to the manner of delivery of any Deliverable Obligations to which Noteholders are entitled and each of the Issuer and the Swap Counterparty shall have no responsibility for the capacity of Noteholders to take delivery of such Deliverable Obligations or for any other matter which may affect the ability of the Noteholders to take delivery of such Deliverable Obligations.

Alternative Cash Settlement

If Alternative Cash Settlement applies under the Credit Default Swap, subject to the paragraphs below with regard to (i) a specified Exercise Amount which is less than the outstanding principal amount of the Notes; and (ii) Multiple Successors, each Note will redeem at the Cash Settlement Entitlement on the date falling two Business Days after the Settlement Date. Notes held by a Noteholder shall be aggregated for the purpose of determining the aggregate Physical Settlement Entitlement or Cash Settlement Entitlement, as the case may be, of that Noteholder.

M(M)R Restructuring or Multiple Successors

Where with respect to the Credit Default Swap the Credit Event is an M(M)R Restructuring (as defined in the Credit Default Swap), upon the occurrence of such M(M)R Restructuring during the term of the Notes, the Swap Counterparty may deliver multiple Credit Event Notices with respect to such M(M)R Restructuring, each such Credit Event Notice setting forth the amount of the outstanding principal amount of the Notes to which such Credit Event Notice applies (the "**Exercise Amount**"), which may be less

than the outstanding principal amount of the Notes.

Where an Event Determination Date has occurred and either:

- (a) the Credit Event is an M(M)R Restructuring and the Exercise Amount is less than the outstanding principal amount of the Notes (a “**Partial Restructuring Exercise**”); or
- (b) more than one Successor (each a “**Multiple Successor**”) has been identified and the relevant Event Determination Date relates to a Multiple Successor, each Note shall be redeemed in part, not in whole (except where the Credit Event relates to the only Multiple Successor that has not already suffered a Credit Event) and:
 - (I) *Principal Amount to be redeemed*: the principal amount of each Note to be redeemed (the “**Allocated Principal Amount**”) shall be:
 - (i) in the case of a Partial Restructuring Exercise, a portion of the outstanding principal amount of such Note equal to the Exercise Amount divided by the Number of Notes; or
 - (ii) in the case of an Event Determination Date in relation to a Multiple Successor, a portion of the corresponding principal amount of such Note equal to the outstanding principal amount of such Note allocated to the relevant Reference Entity immediately prior to such Succession Date divided by the number of Multiple Successors,

and the aggregate principal amount of the Notes redeemed shall be equal to the Allocated Principal Amount multiplied by the Number of Notes (the “**Aggregate Allocated Principal Amount**”);

- (II) *Cessation of Interest*: interest shall cease to accrue on the Allocated Principal Amount of the Notes from and including the Interest Period Date immediately preceding the relevant Event Determination Date;
- (III) *Sale of Initial Collateral*: the Disposal Agent on behalf of the Issuer shall dispose of a portion of the Initial Collateral bearing the same proportion to the Initial Collateral as the Aggregate Allocated Principal Amount bears to the Principal Amount outstanding;
- (IV) *Partial Physical Settlement Entitlement*

deliverable or Cash Settlement Entitlement payable: in such circumstances each Note will be redeemed by delivery of the Physical Settlement Entitlement or payment of the Cash Settlement Entitlement, as the case may be, determined with respect to such Allocated Principal Amount on the Physical Settlement Date or the day falling two Business Days after the relevant Settlement Date, as the case may be. More than one Physical Settlement Entitlement or Cash Settlement Entitlement, as the case may be, may be payable on the same day in respect of different Multiple Successors or different Partial Restructuring Exercises but, subject to the provisions of paragraphs 38(g)(I) and (II) above, not more than one Event Determination Date resulting in a Credit Event may occur (or deemed to occur) in relation to a single Multiple Successor, different Partial Restructuring Exercises or a particular principal amount of Notes.

Following a partial redemption pursuant to this paragraph 38(g), the Calculation Agent may make such modifications to the Conditions as it considers necessary in its sole discretion to preserve the economic effects of the continuing notes.

Noteholders should note that in the event that the Notes are redeemed pursuant to this paragraph 38(g), the market value of any Physical Settlement Entitlement or Cash Settlement Entitlement may be less than the outstanding principal amount of the Notes and may be zero.

- (h) Redemption Amount payable upon the acceleration of the Notes following the occurrence of an Event of Default pursuant to Condition 11:

Early Redemption Amount

Noteholders may receive different distributions and/or payments as a result of roundings effected by the Calculation Agent. In the event that the Notes are redeemed prior to the Maturity Date, the amount deliverable or payable by the Issuer may be worth more or less than the principal amount of the Notes and may be zero.

39 Maturity Date:

Two Business Days following 1 October 2026 (which is, for the avoidance of doubt, as at the date of this Series Prospectus, scheduled to fall on 5 October 2026) (such date being the “**Scheduled Maturity Date**”) or, if applicable, the later of each of the dates as determined below (each event causing an extension to the Maturity Date of the Notes, a “**Maturity Date Extension Event**”):

- (a) if an Event Determination Date or DC Credit Event Question Dismissal (each as defined in the Credit Default Swap) has occurred or if, for any reason, the Extension Date (as defined in the Credit Default Swap) does not fall on the Scheduled Termination Date of the Credit Default Swap, two Business Days following the Termination Date of the Credit Default Swap (or, if later, two Business Days following the date on which the Calculation Agent has determined that the Termination Date of the Credit Default Swap has occurred);
- (b) if the Swap Counterparty notifies the Issuer pursuant to the Credit Default Swap (such notice, a **“Potential Credit Event Notice”**) at any time on or prior to the Scheduled Maturity Date of its determination (which shall be exercisable in its sole and absolute discretion) that a Credit Event may have occurred in the period from and including the Credit Linkage Start Date to and including the Credit Linkage End Date in respect of which an Event Determination Date has not occurred, or will not be determined in accordance with the terms of the Credit Default Swap on or before the Scheduled Maturity Date, the Maturity Date shall be postponed until the date falling two Business Days following the later of the final day of (i) the Notice Delivery Period; and (ii) the Post Dismissal Additional Period (if any); and
- (c) if, with respect to a Reference Entity, an Event Determination Date occurs and the Physical Settlement Date in respect of the relevant Credit Event has not occurred by the Scheduled Maturity Date or the Cash Settlement Amount, if applicable, in respect of the relevant Credit Event has not been determined as of the Scheduled Maturity Date, then the Maturity Date shall be postponed until the Physical Settlement Date or the date falling two Business Days following the relevant Settlement Date, as the case may be.

For the avoidance of doubt, the Termination Date of the Credit Default Swap may be postponed following a public announcement by the DC Secretary that a DC Resolution (as defined in the Credit Default Swap) will be passed by the relevant Credit Derivatives Determinations Committee. See “Payments in the Notes may be deferred or suspended” risk factor in “Risk Factors” above.

Notice of any Potential Credit Event Notice will be given to the Noteholders in accordance with Condition 16 (*Notices*) by the Issuer promptly after receipt by the Issuer thereof

from the Swap Counterparty. In addition, notice of the postponed Maturity Date will be given to the Noteholders in accordance with Condition 16 (*Notices*) by the Issuer promptly after the postponed Maturity Date is determined.

The Swap Counterparty may send more than one Potential Credit Event Notice during the term of the Notes and in the event of the occurrence of more than one Maturity Date Extension Event the Maturity Date shall be postponed until the latest of the dates determined pursuant to each Maturity Date Extension Event described above.

No additional amounts of interest or otherwise will be payable by the Issuer or the Swap Counterparty as a result of any postponement of the Maturity Date.

Capitalised terms used but not otherwise defined in this paragraph 39 shall have the meanings given to such terms in the Credit Default Swap.

40	Redemption for taxation reasons permitted on days other than Interest Payment Dates:	Yes
41	Index/Formula (Indexed Notes):	Not applicable
42	Calculation Agent:	<p>For the purposes of the calculations described in paragraphs 38(b) to (h), CGML, and otherwise, Citibank, N.A. London Branch.</p> <p>The Calculation Agent may in good faith make such amendment to, or supplement, the Conditions following the announcement or publication by the International Swaps and Derivatives Association, Inc. of any provision, standard protocol or material relating to credit derivatives transactions which, by agreement or otherwise, affects the Notes, the Credit Default Swap or any hedge transaction related to the Notes or the Swap Agreement entered into by the Issuer, the Swap Counterparty or any of its affiliates as the Calculation Agent determines appropriate to take into account the effect of such provision, standard protocol or material.</p>
43	Dual Currency Notes:	Not applicable
44	Partly-Paid Notes:	Not applicable
45	Amortisation Yield (Zero Coupon Notes):	Not applicable
46	Redemption at the option of the Issuer or other Issuer's option (if applicable):	On any Business Day, the Swap Counterparty shall have the right, but not the obligation, to instruct the Issuer, by delivering a notice of such instruction to the Issuer, copying the Issuing and Paying Agent, the Calculation Agent and the Trustee (the " Swap Counterparty Call Notice "), to exercise

the Issuer's option to redeem the Notes in whole only. The Swap Counterparty Call Notice shall specify an Issuer's Optional Redemption Date (as set out below) and shall be delivered at least 7 Business Days prior to the specified Issuer's Optional Redemption Date. On receipt of the Swap Counterparty Call Notice, the Issuer shall deliver irrevocable notice to the Noteholders (the "**Issuer Optional Redemption Notice**") at least 5 Business Days prior to the Issuer's Optional Redemption Date specified in the notice to exercise such option to redeem the Notes.

The Issuer's option to early redeem the Notes pursuant to Condition 7.6 may only be exercised upon delivery to it of the Swap Counterparty Call Notice.

Any Swap Counterparty Call Notice and the related Issuer Optional Redemption Notice should prevail over any Put Notice (as set out in paragraph 47 below) which is delivered on or after the date of the Swap Counterparty Call Notice.

Issuer's Optional Redemption Date: As specified in the Issuer's notice to the Noteholders for exercising the Issuer's option in accordance with Condition 7.6; provided that the Issuer may only specify any Interest Payment Date in respect of an Interest Period Date which is either 15 September or 15 March during the period from, and including, 15 September 2017 to, and including, 15 September 2026 as an Issuer's Optional Redemption Date in the notice.

For the avoidance of doubt, the Redemption Amount payable on exercise of Issuer's option to redeem the Notes is set out in paragraph 38(d).

47 Redemption at the option of the Noteholders or other Noteholders' Option (if applicable):

Optional Redemption Date: Subject to the provisions below, any Business Day during the period from, and including, the fifth Business Day after the Issue Date to, and excluding, the Scheduled Maturity Date, as specified in the Noteholder's notice for exercising the Noteholder's option in accordance with Condition 7.7.

Without prejudice to Condition 7.7, subject to paragraph 38(e) above, the notice for exercising the option to redeem any of the Notes in accordance with Condition 7.7 (the "**Put Notice**") shall be given to the Registrar, the Transfer Agent and the Calculation Agent (with an email copy to Creditderiv structuring@citi.com and pecd.asia@citi.com) at least 5 Business Days prior to the Optional Redemption Date specified in the notice.

Notwithstanding any provision to the contrary in the Conditions, if the Swap Counterparty determines, in its sole and absolute discretion, that a Credit Event, a Credit Event

Resolution Request Date and/or an Event Determination Date has occurred and/or that a Potential Failure to Pay exists, in each case, on or before the Optional Redemption Date:

- (a) the Swap Counterparty shall immediately notify the Issuer, the Trustee, the Registrar and the Transfer Agent of such determination;
- (b) the Issuer shall not redeem the Notes in respect of which the Noteholder's option to redeem under Condition 7.7 has been exercised (the "**Relevant Notes**"); and
- (c) the Issuer shall notify the holder of the Relevant Notes that the Relevant Notes will not be early redeemed on the Optional Redemption Date. Physical Optional Early Redemption is not applicable (see paragraph 38(e) above)

48	Issuer's Option Period:	The period from, and including, the fifth Business Day prior to 15 September 2017 to, and excluding, the fifth Business Day prior to 15 September 2026. Please refer to paragraph 46 above regarding the dates that can be specified as the Issuer's Optional Redemption Date.
49	Noteholders' Option Period:	The period from, and excluding, the Issue Date to, and excluding, the fifth Business Day prior to the Maturity Date.
50	Instalment Date(s) (if applicable):	Not applicable
51	Instalment Amount(s) (if applicable):	Not applicable
52	Noteholders' option to exchange Notes for the Net Asset Amount:	Not applicable
53	Unmatured Coupons to become void upon early redemption in full:	Not applicable
54	Talons to be attached to Notes and, if applicable, the number of Interest Payment Dates between the maturity of each Talon (Bearer Notes):	Not applicable
55	Business Day Jurisdictions for Condition 8.8 (jurisdictions required to be open for payment):	London, New York and Hong Kong
56	Additional steps that may only be taken following approval by an Extraordinary	None

Resolution in accordance with Condition 13.1 (if applicable):

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|-----------|---|--|
| 57 | Details of any other additions or variations to the Conditions: | Not applicable |
| 58 | The Agents appointed in respect of the Notes are: | <p>Citibank, N.A. London Branch
 Citigroup Centre
 Canada Square
 Canary Wharf
 London E14 5LB
 as Issuing and Paying Agent, Calculation Agent and Custodian

 Citigroup Global Markets Limited
 Citigroup Centre
 Canada Square
 Canary Wharf
 London E14 5LB
 as Calculation Agent and Disposal Agent
 Citigroup Global Markets Deutschland AG
 Agency and Trust Department
 Reuterweg 16
 60323 Frankfurt
 Germany
 as Registrar

 Arthur Cox Listing Services Limited
 Earlsfort Centre
 Earlsfort Terrace
 Dublin 2
 as Irish Listing Agent</p> |
| 59 | Purchase by the Issuer of Notes: | The Issuer may purchase Notes |
| 60 | Settlement method: | Delivery free of payment |

Provisions applicable to Global Notes and Certificates

- | | | |
|-----------|---|---|
| 61 | How Notes will be represented on issue: | Global Certificate |
| 62 | Applicable TEFRA exemption: | Not applicable |
| 63 | Whether Temporary/ Permanent Global Note/ Global Certificate is exchangeable for Definitive Notes/Individual Certificates at the request of the holder: | Yes, in limited circumstances, for Individual Certificates. |

64	New Global Note:	No
65	Intended to be held in a manner which would allow Eurosystem eligibility:	No. Whilst the designation is specified as “no” at the date of this Series Prospectus, 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). 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

66	Details of any additions or variations to the Dealer Agreement:	Not applicable
67	(i) 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 (such directive, as amended, including by Directive 2010/73/EU, the “ Prospectus Directive ”). The Central Bank only approves this Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and trading on its regulated market.
	(ii) Estimate of total expenses related to admission to trading:	All such expenses are being paid by the Dealer.
68	Dealers’ commission (if applicable):	None. However, the re-offer price of the Notes will be lower than the Issue Price and can be provided to Noteholders on request.
69	Method of Issue:	Individual Dealer
70	The following Dealers are subscribing to the Notes:	CGML
71	Rating (if applicable):	Not applicable

The Security Arrangements

72	Mortgaged Property:	
	(a) Initial Collateral:	See Annex 2.
	(b) Security (order of priorities):	See Annex 2. The Trustee shall apply the Available Proceeds in connection with the realisation or enforcement

of the security constituted by or pursuant to the Trust Deed in accordance with Counterparty Priority A.

	(c) Swap Agreement (if applicable):	See Annexes 3, 4 and 5.
	Swap Counterparty(ies):	Citigroup Global Markets Limited, whose registered office is Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB.
	Credit Support Annex:	Not Applicable
	(d) Option Agreement (if applicable):	Not applicable
	Option Counterparty(ies):	Not applicable
	(e) Details of Credit Support Document (if applicable):	Not applicable
	Credit Support Provider:	Not applicable
	(f) Details of Securities Lending Agreement:	Not applicable
	Loan Counterparty(ies):	Not applicable
	(g) Details of Other Security Document(s) (if applicable):	Not applicable
73	Noteholder Substitution of Initial Collateral:	Applicable

Annex 1

Defined Terms

“Business Day” means a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in London, New York and Hong Kong.

“Cash Settlement Entitlement” means, in respect of each Note and subject to a minimum Cash Settlement Entitlement of zero, a *pro rata* share of (i) the net realised proceeds of the sale of the Initial Collateral (converted, where necessary, into the currency in which the Notes are denominated at the then prevailing exchange rate) or, to the extent the Initial Collateral has been redeemed in full, the proceeds of redemption of the Initial Collateral, minus (ii) the Cash Settlement Amount, 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) (iii) the early termination payment due from or payable to the Swap Counterparty under the Interest Rate Swap calculated in accordance with Section 6(e) of the ISDA Master Agreement, minus (iv) the Unwind Costs, calculated by reference to the aggregate number of Notes held by the relevant Noteholder divided by the number of Notes outstanding, rounded down to the nearest USD 0.01. Notes held by a Noteholder shall be aggregated for the purposes of determining the aggregate Cash Settlement Entitlement of that Noteholder.

“Collateral Entitlement” means, in respect of each Note, a *pro rata* share of the amount of the Net Collateral Portfolio, to which a Noteholder may be entitled, calculated by reference to the aggregate number of Notes then outstanding. If the aggregate Collateral Entitlement of a Noteholder in respect of all of its Notes is not a transferable amount of the Collateral, the Issuer shall deliver an amount of Collateral equal to such Collateral Entitlement rounded down to the nearest whole transferable amount of the Collateral and shall pay such Noteholder a cash amount (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) equal to the net realised proceeds of the sale of the remainder of the Collateral Entitlement (converted, where necessary, into the currency in which the Notes are denominated at the then prevailing exchange rate) and references to the “Collateral Entitlement” shall include any such cash amount.

“Credit Linkage End Date” means the Termination Date (as defined in the Credit Default Swap).

“Credit Linkage Start Date” means the earlier to occur of the Credit Event Backstop Date and the Trade Date (each as defined in the Credit Default Swap).

“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 2004/39/EC 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.

“Net Collateral Portfolio” means the Collateral (if any) remaining following the sale by the Disposal Agent of sufficient Collateral to satisfy any positive Transaction Termination Amount payable by the Issuer.

“Number of Notes” means, as at the Issue Date, 10 and, following any purchase and cancellation of any Notes by the Issuer pursuant to Condition 7.4 (*Purchases*), such lesser number of Notes outstanding.

“Physical Settlement Date” means the date on which the Portfolio (as defined in the Credit Default Swap) is delivered by Buyer to Seller under the Credit Default Swap.

“Physical Settlement Entitlement” means, in respect of each Note, a *pro rata* share of the amount of the Deliverable Obligations deliverable to, or to the order of, the Issuer pursuant to the Credit Default Swap. If the aggregate Physical Settlement Entitlement of a Noteholder in respect of all of its Notes is not a transferable amount of the Deliverable Obligations, the Issuer shall deliver an amount of Deliverable Obligations equal to such Physical Settlement Entitlement rounded down to the nearest whole Deliverable Obligation and shall pay such Noteholder a cash amount (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) equal to the market value of the remainder of the Physical Settlement Entitlement, as determined by the Swap Counterparty in its absolute discretion and references to the “Physical Settlement Entitlement” shall include any such cash amount.

“Regulatory Consequences” means any 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, which affects the Swap Counterparty and/or its affiliates arising out of, or in connection with, the Dodd-Frank Wall Street Reform and Consumer Protection Act and/or any EU Regulation as may be in force, or due to come into force, from time to time.

“Settlement Date” means the date on which a Cash Settlement Amount is paid by Seller to Buyer under the Credit Default Swap.

“Swap Termination Value” means the aggregate of the early termination payments due from or payable to the Swap Counterparty under the Swap Agreement, the calculation of which is described under “Consequences of Early Termination” in Annex 3 to the Series Prospectus. For the avoidance of doubt, the termination payment under the Credit Default Swap and the Interest Rate Swap shall be calculated in accordance with Section 6(e) of the ISDA Master Agreement. For the avoidance of doubt, the Swap Termination Value will be calculated in the currency in which the Notes are denominated and may be zero.

“Transaction Termination Amount” means the (i) Unwind Costs and (ii) plus (where the payment is due from the Issuer to the Swap Counterparty) or, as the case may be, minus (where the payment is due from the Swap Counterparty to the Issuer) the Swap Termination Value.

“Unwind Costs” means the value of the fees, costs, charges, expenses and liabilities incurred by the Swap Counterparty and the Issuer in connection with the redemption of the Notes in the circumstances described in paragraphs 38(b), (c), (e), (f) and (g) of the terms and conditions of the Notes above.

Annex 2

Security and Initial Collateral

Description of the Initial Collateral

On the Issue Date, the Issuer will purchase USD 10,000,000 in principal amount of the USD 3,000,000,000 2.95 per cent. Fixed Rate Notes due 2026 issued by JPMorgan Chase & Co. and having the ISIN US46625HRV41 (the “**Securities**”).

The Securities will constitute the “**Initial Collateral**” as at the Issue Date and, at any time thereafter, the “**Initial Collateral**” shall be such Securities as are held by the Custodian for the account of the Issuer at such time.

The following summary of the Securities is qualified by reference to the detailed terms and conditions of the Securities (the “**Initial Collateral Terms**”). The Initial Collateral Terms do not form part of this Series Prospectus.

Title:	USD 3,000,000,000 2.95 per cent. Fixed Rate Notes due 2026 issued by JPMorgan Chase & Co.
Initial Collateral Issuer:	JPMorgan Chase & Co.
Place of Incorporation of Initial Collateral Issuer:	United States
Registered Office of Initial Collateral Issuer:	270 Park Avenue, New York, New York 10017-2070, U.S.A.
Principal Amount:	USD 10,000,000
Denomination:	USD 2,000 and integral multiples of USD 1,000 in excess thereof
Issue Date:	21 July 2016
Maturity Date:	1 October 2026, subject to adjustment in accordance with the Initial Collateral Terms
Interest Rate:	2.95 per cent. per annum
Interest Payment Date:	1 April and 1 October each year, commencing on 1 October 2016, subject to adjustment in accordance with the Initial Collateral terms
Day Count Convention	30/360
Listing:	The Securities are listed on the open market of the Berlin Stock Exchange, amongst other securities exchanges.
Governing law:	New York law
ISIN:	US46625HRV41
Ratings:	The Initial Collateral has been assigned ratings of “A3” by Moody's, “A-” by S&P and “A+” by Fitch

Ranking:	The Initial Collateral will constitute direct, unsecured and general obligations of the Initial Collateral Issuer, and will have the same rank as all of the Initial Collateral Issuer's other unsecured, unsubordinated debt.
Redemption Option:	The Initial Collateral Issuer has the option to redeem the Securities, in whole or in part, on or after 21 January 2017 and prior to 1 July 2026 subject to having given at least 30 days but not more than 60 days prior notice to the holders of records of the Securities.

Security Arrangements

Subject as set out below, the obligations of the Issuer under the Notes are secured pursuant to the Trust Deed by:

- (i) a first fixed charge over the Collateral in favour of the Trustee;
- (ii) an assignment by way of security in favour of the Trustee of all the Issuer's rights, title and interest attaching to or relating to the Collateral and all sums derived therefrom including, without limitation, any right to delivery thereof or, in the case of Collateral in the form of Securities, to an equivalent number or nominal value thereof which arises in connection with any such assets being held in a clearing system or through a financial intermediary;
- (iii) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest against the Custodian and the Disposal Agent, to the extent that they relate to the Collateral;
- (iv) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under and in respect of the Agency Agreement, to the extent that they relate to the Notes;
- (v) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under and in respect of the Custody Agreement, to the extent that they relate to the Notes;
- (vi) an assignment by way of security in favour of the Trustee of the Issuer's rights, title and interest under the Swap Agreement and in respect of any sums and securities received thereunder; and
- (vii) a first fixed charge in favour of the Trustee of (a) all sums held by the Issuing and Paying Agent and the Custodian to meet payments due in respect of the obligations and duties of the Issuer under the Trust Deed, the Swap Agreement, the Agency Agreement, the Custody Agreement and the Notes, (b) all sums held by the Disposal Agent under the Agency Agreement, and (c) any sums received by the Issuing and Paying Agent under the Swap Agreement,

(the rights and assets of the Issuer referred to in this paragraph being the "**Mortgaged Property**").

In circumstances where the Collateral is held by or through the Custodian in a clearing system, the security will take the form of an assignment of the Issuer's contractual rights against the Custodian rather than a charge over the Collateral.

A charge, although expressed in words which would suffice to create a fixed charge, may be treated as a floating charge, particularly if it appears that it was intended that the chargor should

have licence to dispose of the assets charged in the course of its business without the consent of the chargee.

The Custodian, acting on behalf of the Issuer, may procure the realisation of the equivalent proportion of the Collateral in connection with any purchase and cancellation of the Notes by the Issuer in accordance with Condition 7.4.

In the event that the Mortgaged Property described above is realised by the Trustee on behalf of the Noteholders, there can be no assurance that the proceeds of realisation thereof will be sufficient to repay the principal amount and any other amount that is due under the Notes.

The Custodian

A description of the Custodian is set out in the section entitled "Description of Citibank, N.A." in the Base Prospectus.

Description of the Collateral Issuer

The Collateral Issuer is JPMorgan Chase & Co. The Collateral Issuer is a financial holding company and was incorporated under Delaware law on 28 October 1968 and its principal executive office is located at 270 Park Avenue, New York, New York 10017-2070, U.S.A.. The Collateral Issuer's principal bank subsidiaries are JPMorgan Chase Bank, National Association and Chase Bank USA, National Association and its principal nonbank subsidiary is J.P. Morgan Securities LLC. One of the Collateral Issuer's principal operating subsidiaries in the United Kingdom is J.P. Morgan Securities plc, a subsidiary of JPMorgan Chase Bank, N.A.

JPMorgan Chase & Co. has securities listed on the New York Stock Exchange.

Annex 3

The Swap Agreement

The description of the Swap Agreement set out below is a summary of certain features of the Swap Agreement and is qualified by reference to the detailed provisions of the Swap Agreement.

Payments under the Swap Agreement

Under a 2002 ISDA Master Agreement deemed entered into between the Issuer and the Swap Counterparty and dated as of 15 September 2016 (including the Schedule (as defined in the ISDA Master Agreement) in the form of Part A of the Swap Terms (July 2016 version) relating to the Programme (as such Schedule may have been amended by the Swap Confirmations)) as amended and restated from time to time (the **"ISDA Master Agreement"**), the Issuer and the Swap Counterparty have entered into a swap confirmation (the **"Credit Default Swap Confirmation"**) which constitutes a credit default swap transaction with an effective date of the Issue Date of the Notes (the **"Credit Default Swap"**) (into which the 2014 ISDA Credit Derivatives Definitions are incorporated by reference) a swap confirmation (the **"Interest Rate Swap Confirmation"** and together with the Credit Default Swap Confirmation, the **"Swap Confirmations"**) which constitutes an interest rate swap transaction with an effective date of the Issue Date of the Notes (the **"Interest Rate Swap"**) (into which the 2006 ISDA Definitions are incorporated by reference) (the ISDA Master Agreement together with the Swap Confirmations, the **"Swap Agreement"**).

Pursuant to the Credit Default Swap, the Swap Counterparty has the right to exercise the credit default provisions under the Credit Default Swap immediately upon (and, subject as set out below, at any time subsequent to) the occurrence of a Credit Event during the period from and including the Credit Linkage Start Date to and including the Credit Linkage End Date. When serving notice of the occurrence of a Credit Event, the Swap Counterparty may provide the Issuer with the Notice of Publicly Available Information (it will not need to do so if a Credit Derivatives Determinations Committee resolves that a Credit Event has occurred). Subject to Alternative Cash Settlement, on the Physical Settlement Date, the Issuer will pay the Swap Counterparty the Physical Settlement Amount and the Swap Counterparty will deliver to the Issuer the Portfolio.

Under the Interest Rate Swap, if the initial exchange amount (being an amount equal to the purchase price of the Collateral minus the issue proceeds of the Notes as determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner) is a positive number, the Swap Counterparty will pay such initial exchange amount to the Issuer; if the initial exchange amount is a negative number, the Issuer will pay the absolute value thereof to the Swap Counterparty. In addition, the Issuer will pay to the Swap Counterparty periodic amounts equal to the interest receivable on the Collateral and all fixed amounts received from the Swap Counterparty under the Credit Default Swap and the Swap Counterparty will pay to the Issuer periodic amounts equal to the amount due on each Interest Payment Date under the Notes.

In addition, the Issuer will pay to the Swap Counterparty (or the Swap Counterparty will pay to the Issuer, as the case may be) the termination amounts in connection with the termination of the Swap Agreement whether in whole or in part (as further described in "Consequences of Early Termination" below).

Termination of the Swap Agreement

Except as stated in the following paragraphs, the Credit Default Swap is scheduled to terminate on 1 October 2026 and the Interest Rate Swap is scheduled to 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) if the Issuer or the Calculation Agent determines that the performance of the Issuer's obligations under the Notes 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 determination made by any relevant regulatory authority or for any other reason;
- (iii) if at any time the Swap Counterparty determines that the performance of the Swap Counterparty's and/or its Affiliates' obligations under the Swap Agreement, the Trust Deed or under any other Transaction Document or any arrangement made to hedge such obligations has or will become unlawful, illegal or otherwise prohibited due to a Regulatory Consequence and that, if applicable, a transfer of the Swap Agreement to an Affiliate of the Swap Counterparty will not be timely, practical or desirable for any reason, all determined in its sole and absolute discretion;
- (iv) 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;
- (v) if withholding taxes are imposed on any of the 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 in respect of any Transaction under any Swap Agreement (see "Transfer to avoid Termination Event" below);
- (vi) 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
- (vii) if any Swap Agreement is terminated early for whatever reason, the other Swap Agreement shall automatically terminate.

Consequences of Early Termination

Upon any early termination of any Swap Agreement in the circumstances set out in subparagraphs (i) to (vii) 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).

Unless otherwise provided in the Swap Confirmations, 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).

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” and “Transfer by the Swap Counterparty to its Affiliates” 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 (*Suspension of Obligations following a Sanctions Event*) 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 Agreement, then the Swap Counterparty shall, at its sole option, have the right to require the Issuer:

- (a) to transfer all of its interest and obligations under the Swap Agreement together with its interests and obligations under the Notes, the Trust Deed, the Dealer Agreement and the Agency Agreement to another entity, whether or not in the same tax jurisdiction as the Issuer, which would not have any obligation to withhold or deduct (if the Issuer is or would be required to make such withholding or deduction) or to which the Swap Counterparty would be entitled to make payments free from the relevant withholding or deduction and/or not to be subject to any gross-up obligations (if the Swap Counterparty is or would otherwise be required to make such withholding or deduction), subject to obtaining the prior written consent of the Trustee; or
- (b) to transfer its residence for tax purposes to another jurisdiction, subject to obtaining the prior written consent of the Trustee.

If the Issuer is unable to transfer its interests to another party or to transfer its tax residence in accordance with the preceding provisions prior to the 30th calendar day following the date of imposition of such withholding taxes or, if earlier, the 10th calendar day prior to the first date on which it or the Swap Counterparty would otherwise be required to make a payment net of withholding taxes or subject to gross-up, the Swap Counterparty may terminate the swap transaction under the Swap Agreement.

Transfer by the Swap Counterparty to its Affiliates

The Swap Counterparty may, at any time, at its own expense and without the need for the consent of the Issuer, transfer to any of its Affiliates (the “**Transferee**”) all or part of its interests and obligations under the 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 to any of its Affiliates upon providing at least five Business Days' prior written notice to the Issuer and the Trustee provided that:

- (a) 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 Agreement;
- (b) a Termination Event or an Event of Default will not occur under the Swap Agreement as a result of such transfer; and
- (c) 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 Agreement as a result of such transfer.

Provided that the criteria set out in (a) to (c) above are satisfied, no consent shall be required from the Issuer or the Trustee to such transfer and the Issuer and Trustee shall promptly take such action and execute all documentation as the Swap Counterparty may reasonably require to effect such transfer.

The Swap Counterparty

A description of the Swap Counterparty is set out in the section entitled "Citigroup Global Markets Limited" in the Base Prospectus.

Description of the Reference Entity

Commerzbank Aktiengesellschaft is the parent company of the Commerzbank Group. The focus of the activities of the Commerzbank Group is on the provision of a wide range of financial services to private, small and medium-sized corporate and institutional customers in Germany, including account administration, payment transactions, lending, savings and investment products, securities services, and capital market and investment banking products and services.

Commerzbank Aktiengesellschaft has securities listed on the regulated market of the Frankfurt Stock Exchange.

The address of the Reference Entity is as follows:

Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz),
60311 Frankfurt am Main,
Germany

EMIR Portfolio Reconciliation and Dispute Resolution Deed

The Issuer and the Swap Counterparty have entered into an EMIR Portfolio Reconciliation and Dispute Resolution Deed dated 4 April 2014 as amended and restated on 30 April 2014 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.

Annex 4

Form of the Credit Default Swap Confirmation

Set out below is the form of the Credit Default Swap Confirmation

Date: 15 September 2016

To: Libretto Capital P.L.C.

From: Citigroup Global Markets Limited

Re: Credit Default Swap relating to Libretto Capital P.L.C. Series: 2016-22 USD
10,000,000 Fixed to Floating Rate Credit Linked Secured Notes due 2026 (the
“Notes”).

Dear Sirs,

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the Credit Default Swap entered into between us on the first day on which this Confirmation has been signed by both Party A and Party B (the “**Transaction**” and such date the “**Signing Date**”). This Confirmation constitutes a “Confirmation” as referred to in the 2002 ISDA Master Agreement specified below.

The definitions and provisions contained in the 2014 ISDA Credit Derivatives Definitions (the “**Credit Derivatives Definitions**”), as published by the International Swaps and Derivatives Association, Inc., as amended herein, are incorporated into this Confirmation. In the event of any inconsistency between the Credit Derivatives Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 2002 ISDA Master Agreement dated 15 September 2016 (the “**Agreement**”) deemed entered into between Citigroup Global Markets Limited (“**Party A**”) and Libretto Capital P.L.C. (“**Party B**”) in respect of which the Schedule to such 2002 ISDA Master Agreement (the “**Schedule**”) is in the form of Part A of the Swap Terms (July 2016 version) (a copy of which Party A has provided to Party B and Party B acknowledges it has receipt of), modified as set out herein and in the Supplemental Trust Deed. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Party A and Party B have entered into a related interest rate swap by means of a confirmation under the Agreement on the Effective Date (the “**Interest Rate Swap**” and, together with this Transaction, the “**Swap Agreement**”).

Party A represents and warrants that it has the capacity and powers to enter into this Agreement and that the entry into this Agreement has been validly authorised, executed and delivered by it.

Capitalised terms used but not defined herein will have the meanings given to them in (or incorporated by reference into) the Series Prospectus dated 15 December 2016, as amended and supplemented from time to time, relating to the issue of the Notes (the “**Series Prospectus**”).

In this Confirmation, references to the “**Conditions**” are to the terms and conditions of the Notes as set out in or incorporated by reference into the Series Prospectus.

In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Conditions, the terms as defined in the Conditions shall govern. In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Interest Rate Swap, the terms as defined in this Confirmation shall govern.

The terms of the Credit Derivative Transaction to which this Confirmation relates are as follows:

1 General Terms

Trade Date:	25 August 2016 Notwithstanding Section 1.13 of the Credit Derivatives Definitions, the Parties agree that they have entered into the Transaction to which this Confirmation relates on the Signing Date.
Effective Date:	15 September 2016
Scheduled Termination Date:	1 October 2026
Floating Rate Payer:	Libretto Capital P.L.C. (the “ Seller ”)
Fixed Rate Payer:	Citigroup Global Markets Limited (the “ Buyer ”)
Calculation Agent:	Party A
Calculation Agent City:	London
Business Days:	London and New York and Hong Kong (unless otherwise specified)
Business Day Convention:	Modified Following (which subject to Sections 1.14, 1.39, 2.2(k), 3.33(a) and 12.10 of the Credit Derivatives Definitions, shall apply to any date referred to in the Confirmation that falls on a day that is not a Business Day).
Reference Entity:	Commerzbank Aktiengesellschaft and any Successor
Standard Reference Obligation:	Applicable
Seniority Level:	Senior Level
Transaction Type:	European Financial Corporate
Financial Reference Entity Terms	Applicable
All Guarantees:	As set out in the Credit Derivatives Physical Settlement Matrix (the “ ISDA Matrix ”) corresponding to the relevant Transaction Type.

2 Fixed Amounts

Fixed Rate Payer Calculation Amount:	Initially USD 10,000,000 and thereafter the Principal Amount of the Notes from time to time.
Fixed Rate Payer Payment Dates:	15 March, 15 June, 15 September and 15 December in each year, from and including 15 December 2016 to and including 15 September 2026, and 1 October 2026, in each case as adjusted in accordance with the Business Day Convention.
Fixed Rate Payer Period End Dates:	15 March, 15 June, 15 September and 15 December in each year, from and including 15 December 2016 to and

including 15 September 2026, and 1 October 2026, such dates subject to adjustment in accordance with the Business Day Convention.

Initial Fixed Rate Payer Calculation Period:	From and including the Effective Date to but excluding 15 December 2016.
Fixed Rate:	1.515 per cent. per annum
Fixed Rate Day Count Fraction:	Actual/360

3 Floating Amounts

Floating Rate Payer Calculation Amount:	Initially USD 10,000,000 and thereafter the Principal Amount of the Notes from time to time.
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Notifying Party:	Buyer
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Notice of Publicly Available Information:	Specified Number of Public Sources: Two
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The parties agree that, subject to Sections 1.19 and 10.2 of the Credit Derivatives Definitions, an Event Determination Date may occur on one occasion only with respect to each Reference Entity except in certain circumstances following a Succession Date or in the case of a M(M)R Restructuring (if M(M)R Restructuring is Applicable as set out in the ISDA Matrix), where the Buyer may deliver multiple Credit Event Notices with respect of the relevant Reference Entity. Each such Credit Event Notice must specify the amount of the Floating Rate Payer Calculation Amount of the Reference Entity to which such Credit Event Notice applies (the “**Exercise Amount**”), which shall be equal to the Floating Rate Payer Calculation Amount unless the relevant Credit Event is an M(M)R Restructuring. When such Credit Event Notice specifies an Exercise Amount less than the Floating Rate Payer Calculation Amount for the Reference Entity, such Reference Entity shall continue to be a Reference Entity for the purpose of the Notes and, for such Reference Entity, further Credit Event Notices may be given and an Event Determination Date may occur again in respect of such Credit Event Notices, but the Floating Rate Payer Calculation Amount for such Reference Entity will be reduced by the Exercise Amount.

“**Credit Event Notice**” means an irrevocable notice (which Party A has the right but not the obligation to deliver) from Party A (which may be oral including by telephone to be confirmed in writing) to Party B (with a copy to the Issuing and Paying Agent) during the Notice Delivery Period (or any other period permissible

pursuant to the terms of the Credit Default Swap) that describes a Credit Event that occurred on or after the Credit Linkage Start Date to and including the Extension Date or (if applicable and earlier) the Early Redemption Date, each as determined by reference to Greenwich Mean Time.

A Credit Event Notice that describes a Credit Event other than an M(M)R Restructuring must be in respect of the full Floating Rate Payer Calculation Amount.

A Credit Event Notice must contain a description in reasonable detail of the facts relevant to the determination that a Credit Event has occurred. The Credit Event that is the subject of the Credit Event Notice need not be continuing on the date the Credit Event Notice is effective.

If a Credit Event Notice contains the information required in the Notice of Publicly Available Information, such Credit Event Notice shall be deemed to be both a Credit Event Notice and a Notice of Publicly Available Information.

Credit Events:	As set out in the ISDA Matrix corresponding to the relevant Transaction Type.
Obligations Category:	As set out in the ISDA Matrix corresponding to the relevant Transaction Type.
Obligation Characteristics:	As set out in the ISDA Matrix corresponding to the relevant Transaction Type.
Excluded Obligations:	For the purposes of Section 3.6(a) of the Credit Derivatives Definitions: None

4 Settlement Terms

Settlement Method:	<p>Physical Settlement, provided that if the Calculation Agent determines, in its absolute discretion, that any Deliverable Obligation (or, in the case of an Asset Package Credit Event, the relevant Asset Package) is not capable of being delivered to, or to the order of, Seller (including, without limitation, delivery to, or to the order of, the Noteholders) within the Physical Settlement Period due to reasons beyond the control of Buyer and the Calculation Agent gives a written notice of such determination to Seller during the Physical Settlement Period (the date of such notice, the “Settlement Change Date”), Alternative Cash Settlement shall apply.</p> <p>Sections 9.1, 9.7 and 9.8 of the Credit Derivatives Definitions shall not apply to this Transaction.</p>
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Reference Price:	100 per cent.
Terms Relating to Physical Settlement:	
Payment of Physical Settlement Amount:	Notwithstanding any provision of the Credit Derivatives Definitions to the contrary, but subject as provided below, Seller shall pay the Physical Settlement Amount to Buyer on the Physical Settlement Date.
Physical Settlement Amount:	Notwithstanding any provision of the Credit Derivatives Definitions to the contrary, an amount equal to the Collateral Proceeds.
Delivery of Deliverable Obligations:	<p>Buyer shall Deliver to Seller on the Physical Settlement Date the whole of the Portfolio.</p> <p>Notwithstanding any provision of the Credit Derivatives Definitions to the contrary, the portfolio of obligations to be Delivered by Buyer (the “Portfolio”) shall be such number of Deliverable Obligations, the nominal amount of which, as determined by Buyer in its absolute discretion, shall be equal to the Floating Rate Payer Calculation Amount (if necessary, converted into the currency of the Deliverable Obligations by Buyer at the then prevailing spot rate) subject, where the Unwind Amount is a positive amount, to the deduction of a number of Deliverable Obligations with a market value, as determined by Buyer in its sole and absolute discretion (who may, but is not obliged to, reference prices obtained in a dealer poll or the Auction Final Price (if any)), equal to the Unwind Amount.</p> <p>To the extent that the amount of Deliverable Obligations deliverable by Buyer to, or to the order of, Seller is not an entire multiple of the Deliverable Obligations, Buyer shall deliver such amount of Deliverable Obligations as correspond to the nearest whole Deliverable Obligation and shall pay an amount in cash equal to the market value of the remaining amount of Deliverable Obligations (converted if necessary into the currency of issue of the Notes at the then prevailing spot rate) as determined by Buyer in its absolute discretion.</p> <p>Notwithstanding anything to the contrary, references in the above two paragraphs to “Deliverable Obligations” shall, if Asset Package Delivery is applicable, be construed as including, in lieu of the Prior Deliverable Obligation, an Asset Package.</p>
Unwind Amount:	The (i) Unwind Costs, (ii) plus (where the payment is due from the Issuer to the Swap Counterparty) or, as the case may be, minus (where the payment is due from the Swap Counterparty to the Issuer) the termination

payment in respect of the Interest Rate Swap and (iii) plus (where the amount is positive) or, as the case may be, minus (where the amount is negative) the Collateral MTM.

Where the Unwind Amount is a negative amount, Buyer shall pay an amount equal to the absolute value of the Unwind Amount to Seller on the Physical Settlement Date.

Collateral Proceeds: The net realised proceeds of the sale or redemption of the Collateral.

Collateral MTM: The Floating Rate Payer Calculation Amount minus the Collateral Proceeds.

Physical Settlement Period: 30 Business Days.

Deliverable Obligations: Deliverable Obligation Category: As set out in the ISDA Matrix corresponding to the relevant Transaction Type.

Deliverable Obligation Characteristics: As set out in the ISDA Matrix corresponding to the relevant Transaction Type.

Escrow: Not applicable

Fallback Settlement Method: Not applicable

Alternative Cash Settlement: If Alternative Cash Settlement applies, Seller shall pay to Buyer the Cash Settlement Amount on the Cash Settlement Date.

Terms relating to Alternative Cash Settlement (if applicable)

Valuation Obligation: Any obligation of the Reference Entity chosen by the Calculation Agent in its sole discretion pursuant to Section 3.2 of the Credit Derivatives Definitions, for which purpose the Deliverable Obligation Category and Deliverable Obligation Characteristics are as set out in the ISDA Matrix corresponding to the relevant Transaction Types and there are no Excluded Deliverable Obligations specified for the purposes of Section 3.7(a) of the Credit Derivatives Definitions. References in Article VII of the Credit Derivatives Definitions to "Reference Obligation" shall be construed as references to "Valuation Obligation".

For the avoidance of doubt:

- (i) the Deliverable Obligation Characteristics "Assignable Loan" and "Consent Required Loan" shall apply only to Valuation Obligations that are Loans and Valuation Obligations must satisfy either (but not both) of the Deliverable Obligation

	<p>Characteristics “Assignable Loan” and “Consent Required Loan” and the Deliverable Obligation Characteristics “Transferable” and “Not Bearer” shall apply only to Valuation Obligations that are Bonds; and</p> <p>(ii) if Asset Package Delivery is applicable, the Valuation Obligation may be, in lieu of the Prior Deliverable Obligation, an Asset Package.</p>
Valuation Date:	Single Valuation Date: the fifth Business Day following the Settlement Change Date.
Valuation Time:	Any time (as selected by the Calculation Agent in its sole discretion) on the applicable Valuation Date during the hours that the Dealers customarily quote prices for the relevant Valuation Obligation.
Quotation Method:	Bid
Quotation Amount:	An amount selected by the Calculation Agent greater than or equal to USD 1,000,000 (the “ Minimum Quotation Amount ”) subject to a maximum of 100 per cent. of the Floating Rate Payer Calculation Amount, or the equivalent in the applicable currency selected by the Calculation Agent in its sole discretion.
Valuation Method:	Highest
Settlement Currency:	USD
Quotations:	<p>Subject to “Asset Package Quotations” below, each Full Quotation or other quotation, excluding accrued interest, expressed as a percentage of the Valuation Obligation’s Outstanding Principal Balance or Due and Payable Amount, as applicable, with respect to a Valuation Date. The Calculation Agent shall attempt to obtain Full Quotations from at least five Dealers on the Scheduled Valuation Date. If fewer than five Full Quotations are available, but at least two Full Quotations are available, the Calculation Agent shall determine the Final Price on the basis of the available Full Quotations.</p> <p>If at least two Full Quotations are not available on the Scheduled Valuation Date, but a Weighted Average Quotation is available then such Weighted Average Quotation will be used, on the Scheduled Valuation Date, to determine the Final Price. If both two Full Quotations and a Weighted Average Quotation are not available, but a single Full Quotation is available, such single Full Quotation will be used, on the Scheduled Valuation Date, to determine the Final Price.</p> <p>If a single Full Quotation is also not available, but one or more firm quotations for an amount equal to or more than the Minimum Quotation Amount is available, then</p>

the weighted average of such firm quotations with respect to the aggregate portion of the Quotation Amount for which such quotations were obtained and a quotation deemed to be zero for the balance of the Quotation Amount for which firm quotations were not obtained will be used on the Scheduled Valuation Date to determine the Final Price. If one or more firm quotations for an amount equal to or more than the Minimum Quotation Amount are not available, the Quotation will be zero.

Where a Quotation is sought in respect of a Valuation Obligation which is a Consent Required Loan, the Calculation Agent shall, to the extent practicable in connection with any requests for quotations in respect of such Valuation Obligation, inform the Dealers of the identity of the debtor, the governing law and jurisdiction of the relevant loan documentation, details of any guarantee and/or security, the main covenants contained within the relevant loan documentation, the maturity date of the loan and any amortisation, the interest rate of the loan, whether the loan is a revolving loan or a term loan, the amounts if any drawn down under the loan, any conditions to transfer and the date of the relevant loan agreement subject to not thereby breaching any duty of confidentiality the Calculation Agent or any Affiliate thereof may owe in respect of such Consent Required Loan. Any firm bid quotations received from Dealers in respect of such Valuation Obligation shall be treated as firm bid quotations notwithstanding that the Dealers express such firm bid quotations as being subject to the loan documentation.

For the purposes of this Transaction, the last sentence of Section 7.4 of the Credit Derivatives Definitions shall not apply.

Asset Package Quotations:

If an Asset Package Credit Event has occurred and the Valuation Obligation chosen by the Calculation Agent is an Asset Package, (i) valuation of the relevant Valuation Obligation will be satisfied by valuation of the related Asset Package, and such Asset Package shall be treated as having the same currency and Outstanding Principal Balance as the Prior Valuation Obligation to which it corresponds had immediately prior to the Asset Package Credit Event, (ii) if the Asset Package is zero, the Final Price shall be equal to zero, and (iii) for any other Asset Package, the Calculation Agent shall determine the value of the Asset Package in its sole and absolute discretion and a Full Quotation shall be deemed to have been obtained (for such valuation, the

Calculation Agent may obtain quotations for some or all of the components of the Asset Package and/or take account of any method for determining the Asset Market Value of any Asset that is a Non-Transferable Instrument or a Non-Financial Instrument that may be published by the DC Secretary).

Dealer: A dealer in obligations of the type of the Valuation Obligation for which Quotations are to be obtained as selected by the Calculation Agent in its sole and absolute discretion, which may include the Calculation Agent or any one Affiliate of the Calculation Agent (including the Swap Counterparty).

Cash Settlement Date: The fifth Business Day following the Valuation Date.

Cash Settlement Amount: The greater of:

- (a) an amount in USD payable equal to the product of (i) the Floating Rate Payer Calculation Amount and (ii) the Reference Price minus the Final Price; and
- (b) zero.

5 Amendments to the Credit Derivatives Definitions and Additional Definitions

Section 1.19 (*No Event Determination Date*) of the Credit Derivatives Definitions: Section 1.19 shall be amended by the insertion of the words “the Notifying Party has the option, in its sole discretion, to retract a Credit Event Notice and” after the words “Subject to Section 10.2(a)(i)(III),” in the first line thereto.

Fixed Payments: Section 12.9(b) of the Credit Derivatives Definitions shall be deleted and substituted with the following:

“(b) the final Fixed Rate Payer Calculation Period will end on, but exclude, the earlier to occur of the Scheduled Termination Date and the Fixed Rate Payer Period End Date immediately preceding the Event Determination Date.”

Notwithstanding anything to the contrary in the Credit Derivatives Definitions, no further Fixed Amounts shall be payable by the Buyer pursuant to this Transaction following the occurrence of an Event Determination Date, to the extent that such Event Determination Date is not subsequently reversed prior to the Physical Settlement Date, Valuation Date or Termination Date.

Section 11.4 of the Credit Derivatives Definitions: Section 11.4 of the Credit Derivatives Definitions shall not apply to this Transaction.

Potential Credit Event Notice: If the Buyer determines in its sole and absolute discretion that a Credit Event may have occurred in the

period from and including the Credit Linkage Start Date (as defined in the Conditions) to and including the Scheduled Termination Date in respect of which the Event Determination Date has not occurred or may not be determined on or before the Scheduled Maturity Date of the Notes, the Buyer undertakes to forthwith notify the Issuer, the Trustee and the Issuing and Paying Agent of the same.

Valuation Notice:

If the Calculation Agent determines that a Cash Settlement Amount greater than zero may be payable under this Transaction, then as soon as reasonably practicable following the determination of the Final Price, the Calculation Agent shall send a notice to the Swap Counterparty and the Issuer that contains the Quotations received, the Final Price and the calculation of the Cash Settlement Amount. Failure to send such a Valuation Notice shall not affect the Issuer's obligation to pay a Cash Settlement Amount under this Transaction.

General:

All references in the Credit Derivatives Definitions to consultation between the parties shall be deemed to be deleted and any determinations to be made under the Credit Derivatives Definitions by either party in connection with the other shall be made in the sole and absolute discretion of the Calculation Agent.

6 Additional Termination Event

- (a) The occurrence or designation of an Early Termination Date pursuant to the Interest Rate Swap (such date, the "**Interest Rate Swap Termination Date**") shall be an Additional Termination Event in respect of this Credit Default Swap (for which purpose the Affected Party shall be Party B, except if Party A is the Defaulting Party or the sole Affected Party in relation to the termination of the Interest Rate Swap, in which case the Affected Party hereunder shall be Party A) unless such occurrence or designation is due to the occurrence of the Physical Settlement Date, Valuation Date or Termination Date (as applicable) following the occurrence of an Event Determination Date. In such circumstances, the Interest Rate Swap Termination Date shall be deemed to have been designated as an Early Termination Date hereunder. For the avoidance of doubt if an event or circumstance which would otherwise constitute or give rise to this Additional Termination Event, would also constitute or give rise to any other Termination Event or Event of Default, it will be treated as only giving rise to such other Termination Event or Event of Default.
- (b) An Additional Termination Event (for which the Affected Party shall be Party B and all Transactions shall be Affected Transactions) shall occur if at any time Party A notifies Party B that it has determined that the performance of the Swap Counterparty's and/or its Affiliates' obligations under the Swap Agreement, the Trust Deed or under any other Transaction Document or any arrangement made to hedge such obligations has or will become unlawful, illegal or otherwise prohibited

due to a Regulatory Consequence and that, if applicable, a transfer of the Swap Agreement to an Affiliate of the Swap Counterparty will not be timely, practical or desirable for any reason, all determined in its sole and absolute discretion.

7 Other Provisions

- (a) Notwithstanding any other provision of the Agreement, if an Additional Termination Event with respect to this Transaction occurs as a result of the exercise by the Issuer of its option to redeem any of the Notes under Condition 7.6 (the Notes that are subject to such redemption, the “**Issuer Optional Early Redemption Notes**”), no Early Termination Amount shall be payable by either party on the Early Termination Date and (a) Party B shall pay Party A an amount equal to net realised proceeds of the sale or redemption of a portion of the principal amount of the Collateral as the principal amount of the Issuer Optional Early Redemption Notes bears to the principal amount of all Notes outstanding immediately prior to the redemption and (b) Party A shall pay Party B an amount equal to the Redemption Amount payable on exercise of Issuer’s option pursuant to Condition 7.6 in respect of the Issuer Optional Early Redemption Notes, in each case, on the second Business Day prior to the Issuer’s Optional Redemption Date.
- (b) For the purpose of determining any amounts payable pursuant to Section 6 (*Early Termination; Close-Out Netting*) of the Agreement in connection with an early termination of this Transaction, notwithstanding any other provision of the Agreement, all calculations and determinations that, under the Agreement, would otherwise be made by Party B shall be made by Party A.
- (c) Party A and Party B acknowledge and agree that this Transaction is not intended to constitute insurance business and is not a contract of insurance, assurance, suretyship or guarantee and payments may be made under this Transaction by each party independently and without proof of the economic loss (if any) of the other party.
- (d) For the purposes of any calculations, determinations and valuations referred to in this Confirmation, (a) all percentages resulting from such calculations, determinations or valuations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.) and (b) all amounts used in or resulting from such calculations, determinations or valuations will be rounded to the nearest USD 0.01 (with USD 0.005 being rounded upwards).
- (e) Notwithstanding Part 1, paragraph 11 (*Termination Currency*) of the Schedule, the Termination Currency for this Transaction shall be the currency in which the Notes are denominated.
- (f) Notwithstanding Part 1, paragraph 2 (*Breach of Agreement; Repudiation of Agreement*) of the Schedule, the “Breach of Agreement” provisions of Section 5(a)(ii) of the Agreement shall not apply to Party A or Party B.
- (g) Notwithstanding Part 1, paragraph 4 (*Misrepresentation*) of the Schedule, the “Misrepresentation” provisions of Section 5(a)(iv) of the Agreement shall not apply to Party A or Party B.

- (h) The Calculation Agent may in good faith make such amendment to, or supplement, the terms of this Transaction following the announcement or publication by the International Swaps and Derivatives Association, Inc. of any provision, standard protocol or material relating to credit derivatives transactions which, by agreement or otherwise, affects the Notes, this Transaction or any hedge transaction related to the Notes or the Swap Agreement entered into by Party B, Party A or any of its affiliates as the Calculation Agent determines appropriate to take into account the effect of such provision, standard protocol or material.

8 Third party rights

No person shall have any right to enforce any provision of this Transaction under the Contracts (Rights of Third Parties) Act 1999.

9 Relationship between parties

Each party represents to the other party that:

- (a) **Non-Reliance:** It is acting for its own account and it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction. It has not received from the other party any assurance or guarantee as to the expected results of this Transaction;
- (b) **Acceptance:** It accepts the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the financial and other risks of this Transaction;
- (c) **Status of Parties:** The other party is not acting as a fiduciary or an advisor for it in respect of this Transaction; and
- (d) **Risk Management:** It has entered into this Transaction for the purpose of (i) managing its borrowings or investments, (ii) hedging its underlying assets or liabilities or (iii) in connection with its line of business.

10 Account Details

USD Account details of Party A:	Bank: Citibank New York BIC:CITIUS33 (or ABA: 021000089) Beneficiary: Citigroup Global Markets Limited Account #: 30761652 Reference: Swap Operations
USD Account details of Party B:	Citibank, N.A., New York Branch Swift: CITIUS33 A/C of: Citibank, N.A. London Branch Swift: CITIGB2L A/C No: 10990765 Ref: GATS Libretto Capital P.L.C. Series 2016-22 ISIN: XS1481585419

This Confirmation and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

This Transaction has been arranged by Citigroup Global Markets Limited which is authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated by the Financial Conduct Authority (the “**FCA**”) and the PRA. Unless specified herein, information about the time of dealing and the amount or basis of any charges shared with any third party in connection with this Transaction will be made available on request.

Your counterparty to the Transaction is Citigroup Global Markets Limited, which is authorised by the PRA and regulated by the FCA and the PRA. In the event that you have dealt with employees of an affiliate of Citigroup Global Markets Limited in placing the order for or otherwise arranging the Transaction (which is likely if you are not a UK person), then the Transaction has been introduced to you, and arranged, by such affiliate. Such affiliate does not act as agent for Citigroup Global Markets Limited, which is the principal to the Transaction with you. In the European Union, such affiliate may be Citibank, N.A., London Branch (authorised by the PRA and regulated by the FCA and the PRA) or Citibank Europe plc (authorised and regulated by the Central Bank of Ireland).

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours faithfully,

CITIGROUP GLOBAL MARKETS LIMITED (AS PARTY A)

By:

Name:

Title:

Confirmed on the date first above written:

LIBRETTO CAPITAL P.L.C. (AS PARTY B)

By:

Name:

Annex 5

Form of the Interest Rate Swap Confirmation

Set out below is the form of the Interest Rate Swap Confirmation

Date: 15 September 2016

To: Libretto Capital P.L.C.

From: Citigroup Global Markets Limited

Re: Interest Rate Swap relating to Libretto Capital P.L.C. Series: 2016-22 USD 10,000,000 Fixed to Floating Rate Credit Linked Secured Notes due 2026 (the “**Notes**”).

Dear Sirs,

The purpose of this letter agreement (this “**Confirmation**”) is to confirm the terms and conditions of the interest rate swap transaction entered into between us on the first day on which this Confirmation has been signed by both Party A and Party B (the “**Transaction**” and such date the “**Signing Date**”). This Confirmation constitutes a “Confirmation” as referred to in the 2002 ISDA Master Agreement specified below.

The definitions and provisions contained in the 2006 ISDA Definitions (the “**2006 Definitions**”), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Confirmation. In the event of any inconsistency between the 2006 Definitions and this Confirmation, this Confirmation will govern.

This Confirmation supplements, forms a part of, and is subject to the 2002 ISDA Master Agreement dated 15 September 2016 (the “**Agreement**”) deemed entered into between Citigroup Global Markets Limited (“**Party A**”) and Libretto Capital P.L.C. (“**Party B**”) in respect of which the Schedule to such 2002 ISDA Master Agreement is in the form of Part A of the Swap Terms (July 2016 version) (a copy of which Party A has provided to Party B and Party B acknowledges it has receipt of), modified as set out herein and in the Supplemental Trust Deed. All provisions contained in the Agreement govern this Confirmation except as expressly modified below.

Party A and Party B have entered into a related credit default swap transaction by means of a confirmation under the Agreement on the Effective Date (the “**Credit Default Swap**”).

Party A represents and warrants that it has the capacity and powers to enter into this Agreement and that the entry into this Agreement has been validly authorised, executed and delivered by it.

Capitalised terms used but not defined herein will have the meanings given to such terms in the Credit Default Swap relating to the Notes or in (or incorporated by reference into) the Series Prospectus dated 15 December 2016, as amended and supplemented from time to time, relating to the issue of the Notes (the “**Series Prospectus**”).

In this Confirmation, references to the “**Conditions**” are to the terms and conditions of the Notes as set out in or incorporated by reference into the Series Prospectus.

In the event of any inconsistency between terms defined in this Confirmation and the corresponding terms in the Credit Default Swap or the Conditions, the terms as defined in the Credit Default Swap or the Conditions, as the case may be, shall govern.

The terms of the Transaction to which this Confirmation relates are as follows:

1 General Terms

Trade Date:	25 August 2016 Notwithstanding Section 3.7 of the 2006 Definitions, the Parties agree that they have entered into the Transaction to which this Confirmation relates on the Signing Date.
Effective Date:	15 September 2016
Termination Date:	The Maturity Date of the Notes
Calculation Agent:	Party A
Business Days:	London and New York and Hong Kong (unless otherwise specified)
Business Day Convention:	Modified Following (unless otherwise specified)

2 Initial Exchange

Initial Exchange Payer:	Party A, if the Initial Exchange Amount is a positive number; or Party B, if the Initial Exchange Amount is a negative number.
Initial Exchange Date:	The Effective Date
Initial Exchange Amount:	An amount equal to the purchase price of the Collateral minus the issue proceeds of the Notes, as determined by the Calculation Agent in its sole discretion acting in good faith and in a commercially reasonable manner. For the avoidance of doubt, if such amount is a positive number, it will be paid by Party A to Party B, if such amount is a negative number, the absolute value thereof will be paid by Party B to Party A.

3 Floating Amounts

Floating Amount Payer:	Party A
Floating Amount:	An amount equal to the aggregate coupon amount that is payable by Party B in respect of the corresponding Interest Payment Date of the Notes in respect of the Notes then outstanding.
Floating Amount Payer Payment Date(s):	15 March, 15 June, 15 September and 15 December in each year, from and including 15 December 2016 to and including 15 September 2026, and 1 October 2026, in each case as adjusted in accordance with the Business Day Convention. Notwithstanding Sections 4.13 and 4.9(a) of the 2006 Definitions, the final Floating Amount Payer Calculation

Period shall end on, but exclude, the final Floating Amount Payer Payment Date specified in the above paragraph.

4 Fixed Amounts 1

Fixed Amount 1 Payer:	Party B
Fixed Amount 1:	Any interest due in respect of the Initial Collateral (in accordance with the terms of the Initial Collateral as at the Trade Date) held by or on behalf of the Issuer from time to time under the terms of the Notes.
Fixed Amount 1 Payment Date(s):	<p>Each date on which payment of interest is due on the Initial Collateral in the period from and including the Effective Date to but excluding the Termination Date.</p> <p>For the avoidance of doubt, the initial Fixed Amount 1 shall be the interest due in respect of the Initial Collateral held by or on behalf of Party B under the terms of the Notes on or about 1 October 2016.</p>

5 Fixed Amounts 2

Fixed Amount 2 Payer:	Party B
Fixed Amount 2:	Any "Fixed Amount" (as defined under the Credit Default Swap) received by or on behalf of Party B under the Credit Default Swap.
Fixed Amount 2 Payment Date(s):	Each date on which a "Fixed Amount" (as defined under the Credit Default Swap) is paid by Party A to Party B under the Credit Default Swap.

6 Termination Amounts

Where a termination amount is to be calculated in respect of this Transaction in accordance with Section 6 of the Agreement, notwithstanding any other provision of the Agreement, such calculation shall:

- (a) not take into account the related early redemption of the Notes or occurrence of an Event Determination date (as applicable) in calculating the Floating Amounts, the Fixed Amount 1 or the Fixed Amounts 2;
- (b) assume that interest will be payable in respect of the Notes until (and including) the Scheduled Maturity Date of the Notes;
- (c) not take into account any sale by or on behalf of Party B of any Initial Collateral in connection with such related early redemption of the Notes or occurrence of an Event Determination Date in calculating the Fixed Amounts 1;
- (d) assume that interest will be payable on the Initial Collateral until the scheduled redemption date of the Initial Collateral; and

- (e) assume that “Fixed Amounts” under the Credit Default Swap will continue to be payable to and including 1 October 2026.

For the avoidance of doubt, in case Physical Settlement applies under the Credit Default Swap, where the termination amount in respect of this Transaction is already accounted for under the provisions relating to Physical Settlement under Credit Default Swap, no separate payment in respect of such termination amount (in duplication) shall be made by either Party A or Party B.

7 Additional Termination Event

- (a) The termination of the Credit Default Swap (including following a Credit Event) shall be an Additional Termination Event in respect of this Interest Rate Swap, for which purpose the Affected Party shall be Party B, except if Party A is the Defaulting Party or the sole Affected Party in relation to the termination of the Credit Default Swap, in which case the Affected Party hereunder shall be Party A. For the avoidance of doubt if an event or circumstance which would otherwise constitute or give rise to this Additional Termination Event, would also constitute or give rise to any other Termination Event or Event of Default, it will be treated as only giving rise to such other Termination Event or Event of Default.

If the Credit Default Swap has been deemed to have been divided into multiple credit default swap transactions following a Succession Date (as defined in the Credit Default Swap) for which multiple Successors have been identified or if a M(M)R Restructuring Credit Event has occurred in respect of which the Exercise Amount is less than Floating Rate Payer Calculation Amount (each as defined in the Credit Default Swap), the Additional Termination Event described in the above paragraph shall be deemed to apply in respect of a portion of this Transaction only (the “**Terminated Portion**”), bearing the same proportion to the whole Transaction as the Aggregate Allocated Principal Amount (as defined in the Conditions) bears to the Principal Amount outstanding, and the termination amount determined in accordance with Section 6(e) of the Agreement shall be determined only in respect of the Terminated Portion. The portion of this Transaction other than the Terminated Portion shall be deemed to continue as reduced by the Terminated Portion. The Calculation Agent may make such modifications to the terms of this Transaction as it considers necessary in its sole discretion to preserve the economic effects of this Transaction after any multiple Successor event or M(M)R Restructuring Credit Event in respect of which the Exercise Amount is less than the Floating Rate Payer Calculation Amount under the Credit Default Swap.

Terms used in this paragraph 7(a) and not defined herein shall have the meanings given to such terms in the Credit Default Swap.

- (b) An Additional Termination Event (for which the Affected Party shall be Party B and all Transactions shall be Affected Transactions) shall occur if at any time Party A notifies Party B that it has determined that the performance of the Swap Counterparty’s and/or its Affiliates’ obligations under the Swap Agreement, the Trust Deed or under any other Transaction Document or any arrangement made to hedge such obligations has or will become unlawful, illegal or otherwise prohibited due to a Regulatory Consequence and that, if applicable, a transfer of the Swap Agreement to an Affiliate of the Swap Counterparty will not be timely, practical or desirable for any reason, all determined in its sole and absolute discretion.

8 Other Provisions

- (a) Party A and Party B agree that Party A shall have the right, but not the obligation to instruct Party B to exercise the Issuer's option to redeem the Notes by delivery of a Swap Counterparty Call Notice, all in accordance with the Conditions of the Notes.
- (b) For the purpose of determining any amounts payable pursuant to Section 6 (*Early Termination; Close-Out Netting*) of the Agreement in connection with an early termination of this Transaction, notwithstanding any other provision of the Agreement:
 - (i) all calculations and determinations that, under the Agreement, would otherwise be made by Party B shall be made by Party A; and
 - (ii) the Party B Fixed Amounts shall be calculated without taking into account any sale by or on behalf of Party B of any Collateral in connection with such early termination or any related early redemption of the Notes.
- (c) Notwithstanding Part 1, paragraph 11 (*Termination Currency*) of the Schedule to the Agreement, the Termination Currency for this Transaction shall be the currency in which the Notes are denominated.
- (d) Notwithstanding Part 1, paragraph 2 (*Breach of Agreement; Repudiation of Agreement*) of the Schedule, the "Breach of Agreement" provisions of Section 5(a)(ii) of the Agreement shall not apply to Party A or Party B.
- (e) Notwithstanding Part 1, paragraph 4 (*Misrepresentation*) of the Schedule, the "Misrepresentation" provisions of Section 5(a)(iv) of the Agreement shall not apply to Party A or Party B.
- (f) The Calculation Agent may in good faith make such amendment to, or supplement, the terms of this Transaction following the announcement or publication by the International Swaps and Derivatives Association, Inc. of any provision, standard protocol or material relating to credit derivatives transactions which, by agreement or otherwise, affects the Notes, the Credit Default Swap or any hedge transaction related to the Notes or the Swap Agreement entered into by Party B, Party A or any of its affiliates as the Calculation Agent determines appropriate to take into account the effect of such provision, standard protocol or material.
- (g) For the avoidance of doubt, notwithstanding any other provision of the Agreement, if an Additional Termination Event with respect to this Transaction occurs as a result of the exercise by the Issuer of its option to redeem any of the Notes under Condition 7.6, paragraph 7(a) of the Credit Default Swap shall apply to the Agreement (including all transactions entered into thereunder).

9 Third party rights

No person shall have any right to enforce any provision of this Transaction under the Contracts (Rights of Third Parties) Act 1999.

10 Relationship between parties

Each party represents to the other party that:

- (a) **Non-Reliance:** It is acting for its own account and it is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction. It has not received from the other party any assurance or guarantee as to the expected results of this Transaction;
- (b) **Acceptance:** It accepts the terms, conditions and risks of this Transaction. It is also capable of assuming, and assumes, the financial and other risks of this Transaction;
- (c) **Status of Parties:** The other party is not acting as a fiduciary or an advisor for it in respect of this Transaction; and
- (d) **Risk Management:** It has entered into this Transaction for the purpose of (i) managing its borrowings or investments, (ii) hedging its underlying assets or liabilities or (iii) in connection with its line of business.

11 Account Details

USD Account details of Party A:	Bank: Citibank New York BIC: CITIUS33 (or ABA: 021000089) Beneficiary: Citigroup Global Markets Limited Account #: 30761652 Reference: Swap Operations
USD Account details of Party B:	Citibank, N.A., New York Branch Swift: CITIUS33 A/C of: Citibank, N.A. London Branch Swift: CITIGB2L A/C No: 10990765 Ref: GATS Libretto Capital P.L.C. Series 2016-22 ISIN: XS1481585419

This Confirmation and any non-contractual obligations arising out of or in connection with it shall be governed by English law.

This Transaction has been arranged by Citigroup Global Markets Limited which is authorised by the Prudential Regulation Authority (the “**PRA**”) and regulated by the Financial Conduct Authority (the “**FCA**”) and the PRA. Unless specified herein, information about the time of dealing and the amount or basis of any charges shared with any third party in connection with this Transaction will be made available on request.

Your counterparty to the Transaction is Citigroup Global Markets Limited, which is authorised by the PRA and regulated by the FCA and the PRA. In the event that you have dealt with employees of an affiliate of Citigroup Global Markets Limited in placing the order for or otherwise arranging the Transaction (which is likely if you are not a UK person), then the Transaction has been introduced to you, and arranged, by such affiliate. Such affiliate does not act as agent for Citigroup Global Markets Limited, which is the principal to the Transaction with you. In the European Union, such affiliate may be Citibank, N.A., London Branch (authorised by the PRA and regulated by the FCA and the PRA) or Citibank Europe plc (authorised and regulated by the Central Bank of Ireland).

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us by facsimile.

Yours faithfully,

CITIGROUP GLOBAL MARKETS LIMITED (AS PARTY A)

By:

Name:

Title:

Confirmed on the date first above written:

LIBRETTO CAPITAL P.L.C. (AS PARTY B)

By:

Name:

Description of the Swap Counterparty

The information referred to below in respect of Citigroup Global Markets Limited has been sourced from publicly available information. Such information has been accurately reproduced and, as far as the Issuer is aware and able to reasonably ascertain from information published by Citigroup Global Markets Limited, no facts have been omitted that would render the reproduced information inaccurate or misleading.

A description of the Swap Counterparty is set out in the section of the Base Prospectus entitled "Description of Citigroup Global Markets Limited".

Financial Statements

Citigroup Global Markets Limited has prepared audited financial statements in respect of its financial years ending 31 December 2015 and 31 December 2014. Such audited financial statements are available for viewing at the end of the section titled "Description of Swap Counterparty" in the Series Prospectus dated 12 December 2016 for series 2016-04 issued by Emerald Capital Designed Activity Company using the following link:

http://www.ise.ie/debt_documents/Prospectus%20-%20Series_39f88fb7-f82e-4144-8461-fdaa8578b31c.pdf

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 2015 (the date of its most recently prepared audited 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 2015 (the date of its most recently prepared audited financial statements).

Litigation

Save as disclosed in the Exhibit (entitled "Citigroup Contingencies") to the section of the Base Prospectus entitled "Description of Citigroup Global Markets Limited" and in the equivalent "Contingencies" section within the Citigroup, Inc. Form 10-Q (filed with the SEC in respect of the quarterly period ended 30 September 2016), 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 Information Memorandum which may have or have had in the recent past a significant effect on the financial position or profitability of Citigroup Global Markets Limited or Citigroup Global Markets Limited and its subsidiaries as a whole.

The disclosures with respect to "Contingencies" within the Citigroup, Inc. Form 10-Q (filed with the SEC in respect of the quarterly period ended 30 September 2016) are contained on pages 198 to 200 of such Form 10-Q that is available for viewing on the website of Citigroup, Inc. using the following link:

<http://www.citigroup.com/citi/investor/data/q1603c.pdf?ieNocache=895>

General Information

1. From the date of this Series Prospectus and for so long as the Notes remain outstanding, the following documents will be available for inspection 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:
 - (a) this Series Prospectus;
 - (b) the Supplemental Trust Deed in relation to the Notes;
 - (c) the audited financial statements of the Issuer in respect of its financial years ending 31 December 2013 and 31 December 2014;
 - (d) the audited consolidated financial statements of the Swap Counterparty in respect of the years ending 31 December 2014 and 31 December 2015; and
 - (e) the memorandum and articles of association of the Swap Counterparty.
2. The issue of the Notes was authorised by a resolution of the Board of Directors of the Issuer passed on 12 September 2016.
3. There has been no material adverse change in the financial position or prospects of the Issuer since 31 December 2015 (such date being the date of the Issuer's latest audited financial statements) which is material or significant.
4. The Issuer has not been involved in any litigation, arbitration or governmental proceedings (including such proceedings which are pending or threatened or of which the Issuer is aware during the 12 months preceding the date of the Series Prospectus) which may have or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
5. The Issuer does not intend to provide any post issuance transactional information on the Notes or the Collateral (as described in the Terms and Conditions above).
6. Arthur Cox Listing Services Limited has been appointed by the Issuer to act as its listing agent and as such is not seeking admission to listing of the Notes on the regulated market of the ISE for the purposes of the Prospectus Directive on its own behalf, but as an agent on behalf of the Issuer.

**Audited Financial Statements of the Issuer for the Financial Year Ending 31
December 2015**

[The audited financial statements of the Issuer commences from the following page. Page numbering in this section refers to pages in the audited financial statements.]

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LIBRETTO CAPITAL PLC

We have audited the financial statements of Starling Finance Plc for the financial year ended 31 December 2014 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Cash Flows, and the related notes 1 to 24. 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 at 31 December 2014 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.

LIBRETTO CAPITAL PLC
INDEPENDENT AUDITOR'S 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

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><u>7,127</u></u>	<u><u>4,875</u></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.

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	<u>4,604,520</u>	<u>5,543,540</u>
		6,091,858	12,548,915
CREDITORS (Amounts falling due within one year)			
Creditors	13	<u>(4,584,721)</u>	<u>(5,536,582)</u>
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)	(42,288,316)
Financial liabilities at fair value through profit and loss	14	<u>(358,459,220)</u>	<u>(305,267,690)</u>
NET ASSETS			
		<u>66,628</u>	<u>59,501</u>
CAPITAL AND RESERVES			
Share Capital	15	40,000	40,000
Retained earnings		<u>26,628</u>	<u>19,501</u>
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

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
	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>
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.

STATEMENT OF CASH FLOWS
for the financial year ended 31 December 2015

		Year ended 2015 EUR	Restated Year ended 2014 EUR
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		9,503	6,500
Adjustments For:			
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><u>46,830</u></u>	<u><u>52,543</u></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>
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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>

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>

The Notes were issued as follows:

		2015 EUR	2014 EUR
Class	Coupon	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	-

NOTES TO THE FINANCIAL STATEMENTS- continued

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 EUR	2015 EUR	2015 EUR
Cash at bank	52,543	(5,713)	46,830
Debt due	(305,267,690)	(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>
Liabilities		
Non interest bearing	3,048,671	6,750,302
Fixed interest rate debt securities	48,115,044	56,891,653
Floating rate debt securities	<u>307,295,505</u>	<u>241,625,735</u>
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.

NOTES TO THE FINANCIAL STATEMENTS- continued

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

	Quoted price in active market	Valuation technique observable parameters	Valuation technique un- observable parameters	Total fair value
31 December 2015				
	Level 1	Level 2	Level 3	
	EUR	EUR	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)
	-	<u>358,459,219</u>	<u>(358,459,220)</u>	-
31 December 2014				
	Quoted price in active market Level 1	Valuation technique observable Level 2	Valuation technique un- Level 3	
	EUR	EUR	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)
	-	<u>305,267,690</u>	<u>(305,267,690)</u>	-

Reconciliation of movement in Level 3 financial instruments

	Debt Securities
31 December 2015	
	EUR
Balance at the beginning of the financial year	(305,267,690)
Additions	(152,493,735)
Disposals	92,577,590
Fair value movements	<u>6,724,615</u>
Balance at the end of the financial year	<u>(358,459,220)</u>

There were no transfers of financial instruments between the levels during the financial year.

	Debt Securities
31 December 2014	
	EUR
Balance at the beginning of the financial year	(196,565,468)
Additions	(154,658,018)
Disposals	18,423,619
Fair value movements	<u>27,532,177</u>
Balance at the end of the financial year	<u>(305,267,690)</u>

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	<u>4,584,721</u>	<u>4,584,721</u>	<u>4,584,721</u>		
	<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	<u>5,536,582</u>	<u>5,536,582</u>	<u>5,536,582</u>		
	<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	<u>55,290,028</u>	<u>(27,757,851)</u>	<u>27,532,177</u>
	<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	<u>(266,580,190)</u>	<u>(38,687,500)</u>	<u>(305,267,690)</u>
	<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	<u>(185,635,819)</u>	<u>(10,929,649)</u>	<u>(196,565,468)</u>
	<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.

NOTES TO THE FINANCIAL STATEMENTS- continued

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.

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