AIB MORTGAGE BANK u.c.

(a public unlimited company incorporated under the laws of Ireland with registration number 404926)

€20,000,000,000

MORTGAGE COVERED SECURITIES PROGRAMME

The Issuer is a designated mortgage credit institution for the purposes of the ACS Act. The Securities will constitute mortgage covered securities for the purposes and with the benefit of the ACS Act.

See *Definitions and Interpretation* for definitions of defined terms used in, and rules of interpretation applying to, this Base Prospectus. Under the Programme, the Issuer may from time to time issue the Securities denominated in any currency agreed between the Issuer and the relevant Dealer and subject to the minimum denomination of any Security to be admitted to trading on a regulated market for the purposes of the Prospectus Regulation or offered to the public in a Member State of the EEA being €100,000 (or the equivalent thereof in another currency).

Securities may be issued in bearer or registered form (respectively, Bearer Securities and Registered Securities). The maximum aggregate nominal amount of all Securities from time to time outstanding under the Programme will not exceed €20,000,000,000 (or its equivalent in other currencies calculated as described herein), subject to increase as described herein. Securities may be issued on a continuing basis to one or more of the Dealers, which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Securities.

See *Risk Factors* for a discussion of certain risk factors to be considered in connection with an investment in Securities.

This Base Prospectus is valid for a period of twelve months from the date hereof. The obligation to supplement this Base Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when the Base Prospectus is no longer valid. This Base Prospectus constitutes a base prospectus for the purposes of Article 8 of the Prospectus Regulation and has been approved by the Central Bank, as competent authority under the Prospectus Regulation. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Securities that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Securities. Such approval relates only to the Securities which are to be admitted to trading on a regulated market or which are to be offered to the public in any Member State of the EEA. Application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin, for the Securities issued under the Programme to be admitted to the Official List and to trading on its regulated market. The Programme provides that Securities may be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) or market(s) (including regulated markets) as may be agreed between the Issuer and the relevant Dealer. The Issuer may also issue unlisted Securities and/or Securities not admitted to trading on any market.

Amounts payable under the Securities may be calculated by reference to EURIBOR, SONIA and SOFR as specified in the applicable Final Terms and each as defined in the Conditions. As at the date of this Base Prospectus, EMMI (as administrator of EURIBOR) appears on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to Article 36 of the EU Benchmark Regulation. As at the date of this Base Prospectus, the administrators of SONIA and SOFR do not appear on ESMA's register of administrators and benchmarks pursuant to Article 36 of the EU Benchmark Regulation. As far as the Issuer is aware, SONIA and SOFR do not fall within the scope of the EU Benchmark Regulation.

Arrangers

AIB Bank J.P. Morgan

Dealers

AIB Bank J.P. Morgan

The date of this Base Prospectus is 27 September 2024.

INTRODUCTION

For the purposes of Article 11 of the Prospectus Regulation, the Issuer accepts responsibility for the information contained or incorporated by reference in this Base Prospectus. To the best of the knowledge of the Issuer, such information contained or incorporated by reference in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This declaration is included in this Base Prospectus in compliance with Article 8 of the Prospectus Regulation.

For the purposes of Article 11 of the Prospectus Regulation, AIB Bank accepts responsibility for the information contained or incorporated by reference in this Base Prospectus relating to AIB Bank and the Group (but excluding information specifically relating to the Issuer and the Securities). To the best of the knowledge of AIB Bank, such information (other than as aforesaid) is in accordance with the facts and does not omit anything likely to affect the import of such information. This declaration is included in this Base Prospectus in compliance with Article 8 of the Prospectus Regulation.

No Relevant Person accepts any responsibility for the contents of, or makes any representation or warranty as to the accuracy, completeness or fairness of any information in, this Base Prospectus or any Transaction Document. Each Relevant Person expressly disclaims any liability whatsoever for any loss howsoever arising from, or in reliance upon, the whole or any part of the contents of any Transaction Document. No Relevant Person has authorised or will authorise the contents of any Transaction Document, or has recommended or endorsed the merits of the offering of securities or any other course of action contemplated by any Transaction Document.

No person is or has been authorised by the Issuer, the Arrangers or the Dealers to give any information or to make any representation other than those contained in this Base Prospectus or which are incorporated by reference in this Base Prospectus and referred to below under *Documents Incorporated by Reference* and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arrangers or any of the Dealers.

None of the Dealers or the Arrangers have separately verified the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Arrangers or the Dealers or any of them as to the accuracy or completeness of the information contained or incorporated by reference, in this Base Prospectus or any other information provided by the Issuer or AIB Bank in connection with the Programme, any Securities or the distribution of any Securities. No Dealer or Arranger accepts liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer or AIB Bank in connection with the Programme.

None of the Dealers or the Arrangers shall be responsible for any matter which is the subject of any statement, representation, warranty, obligation or covenant of the Issuer contained in the Securities, the Transaction Documents or any other agreement or document relating to the Securities, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof, with respect to any person (other than the relevant Dealer and/or, as applicable, the relevant Arranger). Securities issued under the Programme will be liabilities only of the Issuer and not any other person, including the Dealers and the Arrangers. The Securities will not be guaranteed by the Government, any other organ or agency of the State, AIB Bank, AIB Group plc, the Dealers or the Arrangers.

An investment in Securities involves a reliance on the Pool and the creditworthiness of the Issuer. The Securities are not guaranteed by AIB Bank, AIB Group plc or by the Government or the State.

The Securities will not represent an obligation or be the responsibility of any person other than the Issuer. Although the Issuer is an unlimited company and AIB Bank is the sole member of the Issuer, AIB Bank will not be acting as a guarantor and Security holders will have no right of recourse against AIB Bank. Only the liquidator of the Issuer or the courts may proceed against AIB Bank to require it as a member of an unlimited company to make a contribution on the winding-up of the Issuer. No agency or organ of the State is a guarantor of the Securities.

An investment in Securities involves the risk that subsequent changes in the actual or perceived creditworthiness of the Issuer or other entities (including AIB Bank, AIB Group plc or the State) may adversely affect the market value of the relevant Securities.

Notice of the aggregate nominal amount of Securities, interest (if any) payable in respect of Securities, the issue price of Securities and any other terms and conditions not contained or incorporated by reference in this Base Prospectus which are applicable to each Tranche of Securities will be set out in the Final Terms which, with respect to Securities to be listed on the Official List of the Irish Stock Exchange plc, trading as Euronext Dublin and to be admitted to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin will be delivered to the Irish Stock Exchange plc, trading as Euronext Dublin.

The Issuer anticipates that Securities issued under the Programme may be issued and used by the Group as collateral for monetary policy operations. Accordingly, an issue of Securities by the Issuer and admission of such Securities to listing or trading on a regulated market should not necessarily be taken as an indication that there is an active and liquid market for such Securities at the time of issue, listing or admission to trading.

The Securities have not been and will not be registered under the Securities Act and may not be offered or sold in the US or to, or for the account or benefit of, US persons unless an exemption from the registration requirements of the Securities Act is available or in a transaction not subject to the registration requirements of the Securities Act. Accordingly, the Securities are being offered and sold only outside the US in reliance upon Regulation S of the Securities Act. The Securities are also subject to US tax law requirements. See *Form of the Securities, Issue Procedures and Clearing Systems* for a description of the manner in which Securities will be issued. Registered Securities are subject to certain restrictions on transfer; see *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements*.

Securities in bearer form are subject to US tax law requirements and may not be offered, sold or delivered within the US or its possessions or to US persons, except in certain transactions permitted by US tax regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code and the regulations promulgated thereunder.

The Issuer may agree with one or more Dealers that Securities may be issued in a form not contemplated by the Conditions, in which event, a supplementary base prospectus, if appropriate, will be made available which will describe the effect of the agreement reached in relation to such Securities.

Securities issued under the Programme may on issue be rated by Moody's and/or S&P and/or such other rating agency or agencies as may be appointed by the Issuer to rate the Securities, such rating(s) to be disclosed in the applicable Final Terms for the relevant Securities. The rating of Securities will not necessarily be the same as the rating applicable to the Issuer and/or the Group. A credit 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 organisation. The rating methodology employed by a rating agency when rating Securities is subject to change at any time at the discretion of that rating agency and may affect ratings attributed to Securities already issued under the Programme.

Where required, the applicable Final Terms will disclose whether or not each credit rating applied for in relation to relevant Securities is issued by a credit rating agency established in the EU or in the UK and registered under, as applicable, the EU CRA Regulation or the UK CRA Regulation.

In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EU and registered under the EU CRA Regulation. UK regulated investors are restricted under the UK CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by a credit rating agency established in the UK and registered under the UK CRA Regulation.

S&P is established in the EU, registered under the EU CRA Regulation and appears on the latest update of the list of registered credit rating agencies on the European Securities and Markets Authority website at https://www.esma.europa.eu/supervision/credit-rating-agencies/risk.

Moody's is established in the UK and registered under the UK CRA Regulation. The list of rating agencies registered under the UK CRA Regulation can be found at: https://register.fca.org.uk/s/. Moody's is not established in the EU and has not applied for registration under the EU CRA Regulation. The ratings issued by Moody's have been endorsed by Moody's Deutschland GmbH in accordance with the EU CRA Regulation. Moody's Deutschland GmbH is established in the EU and registered under the EU CRA Regulation. As such, Moody's

Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority.

IMPORTANT – PROHIBITION OF SALES TO EEA RETAIL INVESTORS – If the Final Terms in respect of any Securities includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II Directive; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II Directive; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by the PRIIPs Regulation for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – PROHIBITION OF SALES TO UK RETAIL INVESTORS – If the Final Terms in respect of any Securities includes a legend entitled "Prohibition of Sales to UK Retail Investors", the Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR; or (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation. Consequently, no key information document required by the UK PRIIPs Regulation for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II PRODUCT GOVERNANCE / TARGET MARKET – The Final Terms in respect of any Securities will include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities should take into consideration the target market assessment; however, a distributor subject to the MiFID II Directive is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each Tranche about whether, for the purpose of the MiFID Product Governance Rules, any Dealer in respect of the relevant Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

UK MIFIR PRODUCT GOVERNANCE / TARGET MARKET - The Final Terms in respect of any Securities will include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Securities and which channels for distribution of the Securities are appropriate. Any person subsequently offering, selling or recommending the Securities should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each Tranche about whether, for the purpose of the UK MiFIR Product Governance Rules, any Dealer in respect of the relevant Securities is a manufacturer in respect of such Securities, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

Singapore SFA Product Classification: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (as amended, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are 'prescribed capital markets products' (as defined in the CMP Regulations 2018)

and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

This Base Prospectus may only be used for the purposes for which it has been published. This Base Prospectus supersedes the base prospectus dated 19 May 2023 issued by the Issuer in connection with the Programme.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Securities (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer, the Arrangers or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Securities should purchase any Securities. Each investor contemplating purchasing any Securities should: (i) determine for itself the relevance of the information contained in (including incorporated by reference into) this Base Prospectus, (ii) make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer and such Securities and (iii) make its own determination of the suitability of any such investment in light of its own circumstances, with particular reference to its own investment objectives and experience, and any other factors that are relevant to it in connection with such investment, in each case, based upon such investigation as it deems necessary. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Securities constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers or the Arrangers to any person to subscribe for or to purchase any Securities.

In making an investment decision, investors must rely on their own examination of the terms of the relevant issue of Securities including the merits and risks involved. The contents of this Base Prospectus should not be construed as providing legal, business, accounting or tax advice. Each prospective investor should consult its own legal, business, accounting and tax advisers prior to making a decision to invest in the Securities.

Neither the delivery of this Base Prospectus nor the offering, sale or delivery of any Securities shall in any circumstances imply that the information contained or incorporated by reference herein concerning the Issuer and/or AIB Bank and/or the Group is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. Each potential or actual purchaser of Securities should determine the relevance of the information contained in this Base Prospectus or part hereof and the purchase of Securities should be based upon such investigation as each purchaser deems necessary. The Dealers and the Arrangers expressly do not undertake to review the financial condition or affairs of the Issuer or AIB Bank and/or the Group on or before the date of this Base Prospectus or during the life of the Programme or to advise any investor in the Securities of any information coming to their attention.

This Base Prospectus or any Final Terms does not constitute an offer to sell or a solicitation of an offer to buy any securities other than Securities or an offer to sell or a solicitation of any offer to buy any Securities in any circumstances in which such offer or solicitation is not authorised or is unlawful. The distribution of this Base Prospectus and the offer or sale of Securities may be restricted by law in certain jurisdictions. The Issuer, the Arrangers and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, save as indicated in the next sentence, no action has been taken by the Issuer, the Arrangers or the Dealers which would permit a public offering of any Securities outside the EEA or distribution of this document in any jurisdiction where action for that purpose is required.

This document has been approved by the Central Bank as competent authority under the Prospectus Regulation and application has been made to the Irish Stock Exchange plc, trading as Euronext Dublin, for approval for Securities issued under the Programme to be admitted to the Official List and trading on its regulated market. No Securities may be offered or sold, directly or distributed or published in any jurisdiction, and neither this Base Prospectus nor any advertisement or other offering material may be distributed in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Securities. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Securities in the US, the UK, to retail investors or to the public in the EEA, Japan, Republic of Italy, Ireland, Singapore and Switzerland. See *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements*.

None of the Dealers, the Arrangers, the Issuer, AIB Group plc or AIB Bank makes any representation to any prospective or actual investor or purchaser of the Securities regarding the legality of its investment therein by such prospective or actual investor or purchaser under applicable legal investment or similar laws or regulations. Any investor in the Securities should be able to bear the economic risk of an investment in the Securities for an indefinite period of time.

In the case of any Securities that are not listed on any recognised stock exchange and that do not mature within two years, the Issuer will not sell such Securities to Irish residents and the Issuer will not offer any such Securities in Ireland.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Securities to be issued under the Programme, prepare a supplement to this Base Prospectus or publish a new base prospectus for use in connection with any subsequent issue of Securities.

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Securities are legal investments for it, him or her, (2) Securities can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Securities under any applicable risk-based capital or similar rules.

A wide range of Securities may be issued under the Programme. Potential investors should consider the terms of Securities before investing.

Each potential investor in the Securities must determine the suitability of that investment considering its, his or her own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its, his or her particular financial situation, an investment in the Securities and the impact the Securities will have on its, his or her overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities including Securities with principal or interest payable in one or more currencies or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the Securities and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its, his or her investment and its, his or her ability to bear the applicable risks.

The past performance of Securities or other Mortgage Covered Securities issued by the Issuer may not be a reliable guide to future performance of Securities. The Securities may fall as well as rise in value. Income or gains from Securities may fluctuate in accordance with market conditions and taxation arrangements. Where Securities are denominated in a currency other than the reference currency used by the investor, changes in currency exchange rates may have an adverse effect on the value, price or income of the Securities. It may be difficult for investors in Securities to sell or realise the Securities and/or obtain reliable information about their value or the extent of the risks to which they are exposed (other than as set out in this Base Prospectus).

SUPPLEMENT TO THIS BASE PROSPECTUS

If at any time the Issuer shall be required to prepare a supplement to this Base Prospectus pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Base Prospectus as required by the Central Bank and such Article 23.

The Issuer has given an undertaking to the Dealers under the Programme Agreement that prior to the issue by the Issuer and purchase by any Dealer of, any Series or Tranche of Securities, the Issuer will update or amend this Base Prospectus by the publication of a supplement to this Base Prospectus or a new base prospectus if at the relevant time during the duration of the Programme there is a significant new factor, material mistake or inaccuracy relating to the information contained or incorporated by reference in this Base Prospectus which is capable of affecting the assessment of any Securities.

STABILISATION

In connection with the issue and distribution of any Tranche of Securities, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Securities (provided that, in the case of any Tranche of Securities to be listed on or admitted to trade on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin or any other regulated market in the EEA, the aggregate principal amount of Securities allotted does not exceed 105 percent of the aggregate principal amount of the relevant Tranche) or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the Final Terms of the offer of the relevant Tranche of Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Securities and 60 days after the date of the allotment of the relevant Tranche of Securities. Any stabilisation action or over-allotment is required to be conducted in accordance with all applicable laws and rules.

CONTENTS

OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Base Prospectus and any decision to invest in any Securities should be based on a consideration of this Base Prospectus as a whole including the documents incorporated by reference.

This overview is not a 'summary' for the purposes of the Prospectus Regulation, the EU Prospectus Regulations or the Irish Prospectus Regulations.

This overview constitutes a general description of the Programme for the purposes of Article 25.1(b) of the Commission Delegated Regulation (EU) 2019/980 supplementing the Prospectus Regulation.

This overview is qualified in its entirety by the rest of this Base Prospectus.

Capitalised terms used in this overview have the respective meanings given in the Definitions and Interpretation section of this Base Prospectus.

Issuer:	AIB Mortgage Bank u.c. See *Description of the Issuer*.
Issuer LEI:	549300CGO72ED3XVUZ04.
The Group:	The Issuer is a member of the Group as a wholly-owned subsidiary of AIB Bank which is a wholly-owned subsidiary of AIB Group plc. See *Description of the Group*.
Programme Description:	Mortgage Covered Securities Programme.
Risk Factors:	There are risk factors that may affect the Issuer's ability to fulfil its obligations under Securities issued under the Programme. In addition, there are risk factors which are material for the purpose of assessing the other risks associated with Securities issued under the Programme. See *Risk Factors*.
Arrangers:	AIB Bank and J.P. Morgan Securities plc
Dealers:	AIB Bank, J.P. Morgan Securities plc and any other Dealers appointed in accordance with the Programme Agreement.
Principal Paying Agent, Issuing Agent and (if applicable) Calculation Agent:	The Bank of New York Mellon, London Branch.
Transfer Agent:	The Bank of New York Mellon, London Branch.
Registrar:	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Cover-Assets Monitor:	Forvis Mazars. See *Cover-Assets Monitor*.
Irish Listing Agent:	McCann FitzGerald Listing Services Limited.
Programme Size:	Up to €20,000,000,000 (or its equivalent in other currencies) calculated as described below outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

	For the purpose of calculating the euro equivalent of the aggregate nominal amount of Securities outstanding under the Programme from time to time: (a) the euro equivalent of Securities denominated in another Specified Currency (as specified in the applicable Final Terms in relation to the Securities, see *Final Terms for Securities*) shall be determined, at the discretion of the Issuer, either as of the date on which agreement is reached for the issue of Securities or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case, on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation; and (b) the euro equivalent of Zero Coupon Securities (as specified in the applicable Final Terms in relation to the Securities, see *Final Terms for Securities*) and other Securities issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.
Distribution:	Securities may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. Securities will be issued only outside the US in reliance on Regulation S. See *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements*.
Currencies:	euro, Sterling, US dollars, Japanese Yen and, subject to any applicable legal or regulatory restrictions, any other currency agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).
Maturities:	Such maturities as may be agreed between the Issuer and the relevant Dealer(s) and as set out in the applicable Final Terms, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the Issuer or the relevant Specified Currency. See also *Extended Maturity Date.*
Issue Price:	Securities will be issued on a fully-paid basis and may be issued at an issue price which is at par or at a discount to, or premium over, par.
Form of Securities, Issue Procedures and Clearing Systems:	The Securities will be issued in bearer or registered form as described in *Form of the Securities, Issue Procedures and Clearing System*s. Registered Securities will not be exchangeable for Bearer Securities and vice versa.
Fixed Rate Securities:	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer(s) (as set out in the applicable Final Terms).

Floating Rate Securities:

Floating Rate Securities will bear interest at a rate determined:

(i) on the same basis as the floating rate under a notional interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2021 ISDA Definitions (as published by ISDA and as amended and updated as at the issue date of the first Tranche of the Securities of the relevant Series); or

(ii) unless the reference rate specified in the applicable Final Terms for a particular Tranche of Floating Rate Securities is either SONIA or SOFR, on the basis of a reference rate appearing on the agreed screen page of a commercial quotation service; or

(iii) where the reference rate specified in the applicable Final Terms for a particular Tranche of Floating Rate Securities is either SONIA or SOFR, on the basis as specified in Condition 4(b)(ii)(C) (*Interest on Floating Rate Securities – Screen Rate Determination for Floating Rate Securities referencing Compounded SONIA*) or Condition 4(b)(ii)(D) (*Interest on Floating Rate Securities – Screen Rate Determination for Floating Rate Securities referencing Compounded SOFR*) as the case may be.

The margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Securities as set out in the applicable Final Terms.

Floating Rate Securities may also have a maximum rate of interest, a minimum rate of interest or both, as may be specified in the applicable Final Terms.

Benchmark Discontinuation:

In the event that a Benchmark Event occurs, such that any rate of interest (or any component part thereof) cannot be determined by reference to the original benchmark or screen rate (as applicable) specified in the applicable Final Terms, then the Issuer may (subject to certain conditions) be permitted to substitute such benchmark and/or screen rate (as applicable) with a successor, replacement or alternative benchmark and/or screen rate (with consequent amendment to the terms of such Tranche of Securities and, potentially, the application of an Adjustment Spread (which could be positive, negative or zero)). See Condition 4(c) (*Interest on Floating Rate Securities – Benchmark Discontinuation*) for further information.

Zero Coupon Securities:

Zero Coupon Securities will be offered and sold at a discount or premium to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms relating to each Tranche of Securities will indicate either that the relevant Securities cannot be redeemed prior to their stated maturity (unless the relevant Securities have been purchased by the Issuer) or that such Securities will be redeemable at the option of the Issuer and/or the holders of the Securities upon giving notice to the holders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the Issuer and the relevant Dealer(s). The applicable Final Terms may provide that Securities may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms. See also *Extended Maturity Date* below.

Extended Maturity Date:

The Final Terms shall specify whether an Extended Maturity Date applies to a Series of Securities. See also *Maturities*.

As regards redemption of Securities to which an Extended Maturity Date so applies, if (i) the Issuer fails to redeem the relevant Securities in full on the Maturity Date (or within two Business Days thereafter), or (ii) the Central Bank or a manager appointed to the Issuer under the ACS Act (see *Supervision and Regulation of Institutions/Managers – Power of the Central Bank to appoint the NTMA or a recommended person as manager of an Institution*) so directs, the maturity of the principal amount outstanding of the Securities not redeemed will automatically extend for one or more consecutive Interest Periods up to but, no later than, the Extended Maturity Date, as provided for in the applicable Final Terms. In that event the Issuer may redeem all or any part of the principal amount outstanding of the Securities on any Interest Payment Date after the Maturity Date up to and including the Extended Maturity Date as provided for in the applicable Final Terms.

As regards interest on Securities to which an Extended Maturity Date so applies, if the Issuer fails to redeem the relevant Securities in full on the Maturity Date (or within two Business Days thereafter), the Securities will bear interest, at the rate provided for in the applicable Final Terms, on the principal amount outstanding of the Securities from (and including) the Maturity Date to (but excluding) the earlier of the Interest Payment Date after the Maturity Date on which the Securities are redeemed in full or the Extended Maturity Date, which interest will be payable on each Interest Payment Date in respect of the Interest Period ending immediately prior to that Interest Payment Date in arrear.

In the case of a Series of Securities to which an Extended Maturity Date so applies, those Securities may for the purposes of the Programme be:

(a) Fixed Rate Securities, Zero Coupon Securities or Floating Rate Securities in respect of the period from the issue date to (and including) the Maturity Date; or

(b) Fixed Rate Securities or Floating Rate Securities in respect of the period from (but excluding) the Maturity Date to (and including) the Extended Maturity Date,

as set out in the applicable Final Terms.

In the case of Securities which are Zero Coupon Securities up to (and including) the Maturity Date and for which an Extended Maturity Date applies, the initial outstanding principal amount on the Maturity Date for the above purposes will be the total amount otherwise payable by the Issuer but unpaid on the relevant Securities on the Maturity Date.

Denomination of Securities:

Securities will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) save that the minimum denomination of each Security to be admitted to trading on a regulated market for the purposes of the MiFID II Directive or offered to the public in a Member State of the EEA will be €100,000 (or the equivalent thereof in another currency) or such higher denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the

	relevant Specified Currency or as may be required in order to avail of any applicable tax exemptions. In the case of Securities that are not listed on a recognised stock exchange (including Euronext Dublin), the minimum denomination of such Securities will be €500,000 if the relevant Securities are denominated in euro, US$500,000 if the relevant Securities are denominated in US dollars, or if the relevant Securities are denominated in a currency other than euro or US dollars, the equivalent of €500,000 at the date that the Programme was first publicised.
Taxation:	All payments in respect of the Securities will be made without deduction for, or on account of, withholding taxes imposed by any jurisdiction, unless the Issuer shall be obliged by law to make such deduction or withholding. The Issuer will not be obliged to make any additional payments in respect of any such withholding or deduction imposed. See *Taxation.*
Guarantor:	None.
Events of Default:	None.
Negative Pledge:	None.
Cross Default:	None.
Status of the Securities:	The Securities will constitute direct, unconditional and senior obligations of the Issuer and will rank *pari passu* among themselves. The Securities will be Mortgage Covered Securities issued in accordance with the ACS Act, will be secured on cover assets that comprise a Pool maintained by the Issuer in accordance with the terms of the ACS Act, and will rank *pari passu* with all other obligations of the Issuer under Mortgage Covered Securities issued or to be issued by the Issuer pursuant to the ACS Act. See *ACS Act.*
Listing and Admission to Trading:	Application has been made for Securities issued under the Programme during the period of twelve months from the date of this Base Prospectus to be listed on the Official List of Euronext Dublin and to be admitted to trading on the regulated market of Euronext Dublin. The Securities may also be listed on such other or further stock exchange(s) and/or admitted to trading on such other/further markets (including regulated markets) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each Series. Unlisted Securities and those not admitted to trading on any market may also be issued. The applicable Final Terms will state whether or not the relevant Securities are to be listed and/or admitted to trading and, if so, on which stock exchange(s) and/or market(s).
Ratings:	Securities issued under the Programme may on issue be rated by Moody's and/or S&P and/or such other rating agency or agencies as may be appointed by the Issuer to rate Securities, such rating(s) to be disclosed in the applicable Final Terms for the relevant Securities. The rating of Securities will not necessarily be the same as the rating applicable to the Issuer and/or AIB Bank and/or AIB Group plc. A credit 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 organisation. The rating methodology employed by a rating agency when rating Securities is subject to change at any time at the discretion of that rating agency and may affect ratings attributed to Securities issued under the Programme.
Governing Law/Jurisdiction:	The Securities will be governed by, and construed in accordance with, Irish law and subject to the jurisdiction of the courts of Ireland.
Terms and Conditions/Final Terms:	The applicable terms of any Securities will be agreed between the Issuer and the relevant Dealer prior to the issue of those Securities and will be set out in the Conditions (see *Terms and Conditions of the Securities)* endorsed on or attached to, or incorporated by reference in, the Securities as completed by the applicable Final Terms attached to, or endorsed on, such Securities, as more fully described under *Final Terms for Securities* below.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Securities in the US, the UK, to retail investors or to the public in the EEA, Japan, Italy, Ireland, Singapore and Switzerland and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Securities, see *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements*.
US Selling Restrictions:	The Securities have not been and will not be registered under the Securities Act and may not be offered or sold in the US or to, or for the account or benefit of, US persons unless an exemption from the registration requirements of the Securities Act is available or in a transaction not subject to the registration requirements of the Securities Act. Accordingly, the Securities are being offered and sold only outside the US in reliance upon Regulation S. There are also restrictions under US tax laws on the offer or sale of Bearer Securities to US persons; Bearer Securities may not be sold to US persons except in accordance with US treasury regulations as set forth in the applicable Final Terms – see *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements*.
Use of Proceeds:	Proceeds from the issue of Securities will be used to support the business of the Issuer permitted by the ACS Act. The Issuer may issue Securities as Green Securities or Social Securities (as indicated in the applicable Final Terms) and in the case of such Securities, an amount equal to the net proceeds from the issue of any Tranche of Securities will be allocated to an Eligible Green Mortgage Portfolio (as defined in *Green Bond Framework Overview*) or an Eligible Social Mortgage Portfolio (as defined in *Social Bond Framework Overview*) as applicable. Please see *Use of Proceeds, Green Bond Framework Overview* and *Social Bond Framework Overview* for further information.
ACS Act:	The ACS Act provides for a statutory framework for the issuance of covered bonds known as asset covered securities. Asset covered securities can only be issued by Irish credit institutions that are (i) registered under the ACS Act, (ii) have obtained permission from the Central Bank for a Covered Bond Programme and (iii) restrict their principal activities to public sector or property financing. Those credit institutions, such as the Issuer, that are registered under the ACS Act and restrict their principal activities for the main part to residential property sector financing, are called "designated mortgage credit

institutions" and issue asset covered securities known as "mortgage covered securities".

The ACS Act was amended with effect from 8 July 2022 by the Irish Covered Bonds Directive Implementing Regulations, which amendments were intended to ensure transposition of the Covered Bonds Directive into Irish law from that date. Certain of the amendments to the ACS Act effected by the Irish Covered Bonds Directive Implementing Regulations and which came into operation on 8 July 2022 do not apply in respect of Mortgage Covered Securities which have been issued before that date and which meet the criteria for bonds under Regulation 70(3)(a) of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as it applied on the date of the issue of the relevant Mortgage Covered Securities. Such Mortgage Covered Securities are referred to in this Base Prospectus as being "Grandfathered" with respect to the relevant amendments to the ACS Act. It is expected that Securities issued under the Programme before 8 July 2022 will be Grandfathered.

The ACS Act provides, among other things, for the registration of eligible credit institutions as Institutions, the maintenance by Institutions of a defined pool, known as a cover assets pool, of prescribed mortgage credit assets (including, with respect only to Grandfathered ACS, mortgage credit assets in securitised form) and limited classes of other assets (known as cover assets), and the issuance by Institutions of certain asset covered securities secured by a statutory preference under the ACS Act on the Cover Assets comprised in the Pool.

The ACS Act also makes provision for the inclusion in the Pool as Cover Assets of certain hedging contracts which are called cover assets hedge contracts and makes provision for Pool Hedge Collateral and the maintenance by Institutions of a register in respect of Pool Hedge Collateral. The ACS Act also varies the general provisions of Irish insolvency law which would otherwise apply with respect to an Institution, Cover Assets, cover assets hedge contracts, Pool Hedge Collateral and Mortgage Covered Securities on the insolvency of the Institution and replaces them with a special insolvency regime applicable to Institutions.

The ACS Act further provides for the supervision and regulation of Institutions by the Central Bank, for the role of a Monitor in respect of each Institution and the Pool maintained by it, for restrictions on the types and status of Cover Assets which may be included in the Pool (including the LTV restrictions and duration restrictions), for asset/liability management between the Pool and Mortgage Covered Securities, for overcollateralisation of the Pool with respect to Mortgage Covered Securities, for transfers between an Institution and other credit institutions (including another Institution) of assets and/or business, and, in certain circumstances, for the role with respect to an Institution, and its Pool and Mortgage Covered Securities of the NTMA or a manager appointed by the Central Bank.

See *Cover Assets Pool*, *The Cover-Assets Monitor*, *Insolvency of Institutions*, *Supervision and Regulation of Institutions/Managers*, *Transfers of a Business or Assets under the ACS Act involving an Institution* and *Registration of Institutions/Revocation of Registration*.

	The Securities will qualify as Mortgage Covered Securities for the purposes of the ACS Act. See *Status of the Securities*. In the event of an insolvency of an Institution, the holders of Mortgage Covered Securities issued by an Institution together with limited categories of other preferred and (with respect only to Grandfathered ACS) super-preferred creditors have recourse under the ACS Act to Cover Assets included in the Pool in priority to other creditors (whether secured or unsecured) of the Institution who are not preferred under the ACS Act. See *Insolvency of Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution* for further information.
Representation of holders of Securities:	There is no provision for representation of holders of Securities.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Securities. All of these factors are contingencies which may or may not occur and which may impact on the Issuer's and/or, as applicable, the Group's business, financial condition, results of operations and prospects.

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

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the Issuer may be unable to pay interest, principal or other amounts on or in connection with any Securities for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.

The Issuer's activities are outsourced to the Group under the Outsourcing Agreement. The Group, as service agent for the Issuer, originates residential mortgage loans through its retail branch network and other distribution channels in Ireland, services the residential mortgage loans, and provides treasury services in connection with financing as well as a range of other support services.

The Issuer is reliant upon the Group to perform these services to a satisfactory level in line with the Outsourcing Agreement. Any failure in the capacity of the Group to continue to provide these services to the required level of performance, may negatively impact the Issuer. In this context, the risk factors below address risks specific to the Issuer, however they also include risks which impact the Group. The latter could indirectly impact the Issuer to the extent that they may impact the ability of the Group to effectively provide services to the Issuer to the required level of performance under the Outsourcing Agreement.

Each risk factor below has been allocated to one of five risk categories; Macroeconomic and Geopolitical Risks; Business Risks; Governance, Operations & Internal Controls; Regulatory and Legal Risk; and Risks Relating to the Securities, with the most material risk factors appearing first in each of the categories.

Macro-economic and Geopolitical Risks

1 The Issuer's and the Group's business may be adversely affected by any deterioration in Irish, UK or global economic conditions

The Issuer's business activities are entirely based in the Irish market and the Group's business activities are almost entirely based in the Irish and UK markets. A deterioration in the performance of the Irish, UK, EU or other relevant economies could adversely affect the Group's overall financial condition and performance. This could result in reductions in business activity, lower demand for the Group's products and services, reduced availability of credit, increased funding costs, decreased asset values in areas such as property prices and an increased risk of loan defaults.

In relation to residential property, the Central Bank reviewed its mortgage measures framework and decided that "targeted changes were appropriate" which entail, inter alia, restricting the maximum loan amount for first time borrowers to 4 times gross annual income (3.5 times gross income for second/subsequent buyers) and raising the loan to value ratio for second time and subsequent buyers from 80 percent to 90 percent. The ECB further reduced its official interest rates from 18 September 2024 in addition to the cuts implemented from 12 June 2024 (this follows a period of successive increases). The ECB, however, is likely to remain cautious about the pace of further policy easing given the uncertainty regarding the inflation outlook. Their goal is to set interest rates at a level that will help achieve a 2 percent inflation target in the medium term. As a result, Irish mortgaged households in aggregate will continue to experience relatively higher mortgage repayment burdens compared to recent years due to a combination of higher market interest rates and changes in the loan to income rules. These developments could result in higher rates of mortgage arrears by some of the Group's customers.

Ireland is a small open economy which could be adversely affected by a deterioration in global economic conditions. Renewed inflationary pressures, e.g. as a result of supply chain disruptions or a further energy price shock, combined with a slowdown in economic growth in the UK or other key global markets, could act as a strong headwind to domestic economic activity. Moreover, current negotiations in relation to reforming

international corporate taxation policy, such as the OECD Base Erosion and Profit Shifting (BEPS) initiative (that were adopted by the Irish and British parliaments in 2023) and potential future US government corporate tax measures, could result in the loss of foreign direct investment in Ireland. This could result in reduced economic activity, including lower employment, decreased tax revenue, slower growth in new lending, and declining portfolio quality for Irish banks including the Group (see Risk Factor 3 "*The Issuer and the Group may be adversely affected by the budgetary and taxation policies of the Irish, UK and other governments through changes in taxation law and policy*"). No assurance can be given that the Irish economy or the Group's business, financial condition, operating results and prospects would remain immune to any such external adverse developments.

Since Brexit, there has been a significant fall-off in trade between the EU and UK, which has had a negative effect on the British economy. In the medium- to long-term, the negative impact on trade flows, migration and productivity are likely to have implications on output in both of the Group's core markets of Ireland and the UK. The Office for Budget Responsibility projects a 4 percent reduction in the UK's gross domestic product ("**GDP**") over a 10-year period due to the UK's withdrawal from the EU. This decrease in economic growth is partially attributed to trade frictions and supply chain disruptions, as well as persistent inflationary pressures. The Windsor Framework, which came into effect on 1 October 2023, replaces the Northern Ireland Protocol with the wider goal of reducing UK-EU trade friction and reducing policy uncertainty. However, there can be no assurance that it will be effective in doing so, and if it does not, the Group's operations could be adversely affected. The change of government following the UK general election on 4 July 2024 will bring a reset of EU-UK relations, and is likely to foster enhanced co-operation particularly on economic matters and will help mitigate this risk.

A deterioration in the economic and market conditions in which the Group operates could negatively impact the Group's income, lead to higher expected credit losses and put additional pressure on the Group to more aggressively manage its cost base. This could have negative consequences for the Group to the extent that strategic investments are de-scoped or de-prioritised and could increase operational risk. Market conditions are also impacted by the competitive environment in which the Group operates.

2 Geopolitical developments, particularly in Europe, the United States and the Middle East, could have repercussions that could have a negative impact on global economic growth, disrupt markets and adversely affect the Issuer and the Group

Geopolitical developments, such as risks of an escalation in the Israel/Hamas conflict to the wider Middle East and the war in Ukraine, could give rise to significant market volatility and have an adverse impact on global economic activity. These risks could be further heightened by the significant number of national elections taking place globally in 2024. In particular, the potential for significant swings in US economic policy with negative spillovers to the rest of the world, has raised the uncertainty around the global economic outlook. In addition, a rise in sovereign borrowing from pandemic-related fiscal measures and policies to alleviate the cost of living 'squeeze' have compounded public debt burdens in many economies (see Risk Factor 1 "*The Issuer's and the Group's business may be adversely affected by any deterioration in Irish, UK or global economic conditions*") Moreover, the unwinding of an extended period of loose financial conditions and rising asset prices (including residential real estate), with record levels of high yield corporate bond issuance and leveraged loans, could exacerbate the risk of a prolonged slowdown.

An escalation of the conflict in the Middle East could drive up global energy prices, given that the region accounts for 30 percent of global oil production. Supply chain issues arising from attacks in the Red Sea, that have disrupted shipping through the Suez Canal, and from the war in Ukraine, may once again generate sharp increases in prices across a broad range of commodities. This, combined with concerns over the potential erosion of fiscal discipline in some countries, may act as triggers for a reassessment of corporate and sovereign risk by market participants leading to further sharp re-pricing of financial assets and a rise in risk premia. A more protracted and severe economic downturn than expected, if coupled with higher sovereign borrowing costs, may result in unsustainable public finances in some countries, including Member States of the Eurozone.

Increases in official interest rates in key markets over the course of 2022 and 2023 have created further challenges for some of the Group's customers. There is a risk that a combination of excessive tightening and adverse economic consequences of conflicts in the Middle East or Ukraine could precipitate a recession in parts of the global economy. There is also a risk of a contagion effect spilling over into the wider banking sector leading to a marked tightening of financial conditions.

The Group closely monitors the situation in the Middle East and Ukraine, given the potential impacts they may have on the Group's business, although the Group has negligible direct credit exposure to the affected geographic

areas. Risk assessments of the impacts on the Group has identified the key risks as being the implementation of complex sanctions regimes in the Group's operations, the potential for an increase in cyberattacks and financial and market risks arising from volatility in asset values, interest rates or foreign exchange markets.

In addition, the growing popularity of anti-EU and anti-establishment political parties as well as a rise in separatist and protectionist sentiment across the EU may also give rise to further political instability and uncertainty.

Furthermore, trade tensions remain high, particularly between the US and China. There is a risk that these developments could prompt a further deglobalisation. A greater focus on more secure local supply chains (re-shoring and or "friend-shoring") could give rise to geo-economic fragmentation emerging as a risk in the medium-term. As Ireland is a highly open economy, with exports and imports comprising a very large proportion of GDP, economic activity could be adversely affected, with knock-on effects on the Group's financial performance and profitability.

These geopolitical developments may adversely affect global economic growth, heighten trading tensions and disrupt markets, which could in turn have a material adverse effect on the Issuer's and the Group's business, financial condition, results of operations and prospects. To the extent there is a knock-on economic impact on conditions in the Irish market, in particular that impacts the residential mortgage market or residential property prices, there is likely to be a direct negative impact on the Issuer's business and operations.

3 The Issuer and the Group may be adversely affected by the budgetary and taxation policies of the Irish, UK and other governments through changes in taxation law and policy

Changes in taxation policy and other tax measures adopted by the Irish or UK Governments, or by international organisations such as the EU, may have an adverse impact on the Group, on economic activity generally, or on borrowers' ability to repay their loans which may have a material adverse effect on the Issuer's and/or on the Group's business, results of operations, financial condition and prospects. For example, the financial performance of the Issuer and/or the Group may be adversely affected by taxation measures introduced by the Irish Government, such as a change in the current Irish corporation tax rate of 12.5 percent. The Irish Finance (No. 2) Act 2023 introduced an increase in the bank levy for 2024. As a result, the levy payable by the Group is expected to increase from €37 million in 2023 to approximately €100 million in 2024. The Minister for Finance said in the Budget Speech that the bank levy would be reviewed again in 2024, which could lead to a further increase.

In December 2021, the OECD published model rules for a global minimum effective corporation tax rate of 15 percent ("**Pillar Two**"), and in December 2022 the EU Commission adopted a directive setting out how Pillar Two should be applied within the EU (the "**Minimum Tax Directive**"). Finance (No.2) Act 2023 of Ireland implemented the Minimum Tax Directive in Ireland. The rules aim to ensure that large groups (with a turnover of €750 million or more in at least two of the last four years) incur a minimum effective corporation tax rate of 15 percent on a jurisdiction-by-jurisdiction basis. The implementation of the 15 percent minimum effective tax rate applies to periods commencing on or after 31 December 2023. The Group's assessment indicates that it will not have a material additional tax expense under Pillar Two in the near term. Pillar Two may lead to an increase in the Group's effective tax rate in later years.

International initiatives in recent years could have impacts on economic activity generally. For example, Pillar Two and the various international initiatives in relation to the taxation of the digital economy could have a significant impact on a number of companies with a large presence in Ireland. These and any other similar actions could result in companies relocating from Ireland or deciding to invest in other jurisdictions, which could have an adverse impact on the Irish economy and, as a result, on the Issuer's and the Group's business.

Changes in tax legislation or the interpretation of such legislation, regulatory requirements, accounting standards or practices of relevant authorities could also adversely affect the basis for recognition of the value of deferred tax assets. In the UK, for instance, legislation was introduced in 2015 and 2016 to restrict the proportion of a bank's taxable profit that can be offset by certain carried forward losses to 50 percent and to 25 percent, respectively. If similar legislation were to be introduced in Ireland, this could have a further adverse impact on the value of the Group's deferred tax assets, which could adversely affect the Group's business, results of operations, financial condition and prospects. Amendments to IAS 12 Income Taxes have been adopted, introducing a mandatory temporary exception to the usual requirement for accounting for deferred tax, specifically regarding taxes arising under Pillar Two. For so long as this temporary exception remains applicable, Pillar Two will have no impact on the value of the Group's deferred tax assets. As at 30 June 2024, the Group had €2,496

million of net deferred tax assets on its statement of financial position, substantially all of which related to unused tax losses.

Risks relating to business

4 The Issuer and the Group are subject to the risk that criticised loans and non-performing exposures on their statements of financial position are more than expected in the future. The management of criticised loans and non-performing exposures also gives rise to risks, including the vulnerability to challenge by customers and/or third parties, re-default, changes in the regulatory regime, further losses, costs and the diversion of management attention and other resources from the Issuer's and the Group's business

For the Issuer and the Group criticised loans and NPEs are defined as loans requiring additional management attention over and above that normally required for the loan type. Criticised loans are accounts of lower quality and include "criticised watch" and "criticised recovery", and NPEs are accounts which have defaulted.

As at 31 December 2023, the Issuer had total criticised loans amounted to €0.5 billion, of which €0.4 billion were "criticised watch" and €0.1 billion were "criticised recovery" (31 December 2022: €0.6 billion, of which €0.4 billion were "criticised watch" and €0.2 billion were "criticised recovery"). The credit quality of the portfolio has improved slightly in the year.

In addition, the Issuer had a further €0.2 billion in NPEs on its balance sheet representing 1.2 percent of total gross loans to customers, which have remained unchanged in the year (31 December 2022: €0.2 billion and 1.2 percent of total gross loans to customers).

Further NPE reduction continues to remain a priority of the Group given the impact of holding NPEs has on the Group's costs, capital requirements and balance sheet resilience. NPEs are defined by the EBA to include material exposures which are more than 90 days past due and/or exposures in respect of which the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past due amount or the number of days the exposure is past due.

The Group has been proactive in managing its criticised loans and NPEs, in particular through restructuring activities and the Mortgage Arrears Resolution Process that was introduced in order to comply with the Central Bank's Code of Conduct on Mortgage Arrears. The management of criticised loans and NPEs also gives rise to risks, including the protracted resolution of NPEs, increased levels of re-default, and the diversion of management attention and other resources from the business. Any of the foregoing risks could have a material adverse effect on the Group's business, financial condition and results of operations, which could lead to an underperformance of the provision of services by the Group to the Issuer under the Outsourcing Agreement.

While the Group has made significant progress in reducing the level of NPEs below 3.2 percent of gross loans to customers at 30 June 2024, the impact of the volatility in economic conditions will continue to be closely monitored throughout the second half of 2024 and beyond. The current macroeconomic outlook is for a slight improvement in conditions due to easing inflation and expected cuts to interest rates. This should support economic activity in the short term, although, challenges remain. As a result, there can be no assurance that the Group will continue to be successful in reducing the level of its criticised loans and NPEs.

5 The Issuer and the Group are subject to credit risks in respect of customers and counterparties, including risks arising due to concentration of exposures across their loan books, and any failure to manage these risks effectively could have a material adverse effect on their business, financial condition, results of operations and prospects

Risks arising from changes in credit quality and the recoverability of loans and other amounts due from customers and counterparties are inherent in the Issuer and a wide range of the Group's businesses. The Issuer's credit exposures are predominantly loans to individuals, while the wider Group also has exposure to credit risk arising from loans to SMEs, corporates, financial institutions, its trading portfolio, investment securities, derivatives and from off-balance sheet guarantees and commitments including potential obligations due to membership of the Group under certain card schemes. Due to the nature of their business, the Issuer and the Group have extensive exposure to the Irish property market, both because of mortgage lending activities and the Group's property and construction loan book. Accordingly, any development that adversely affects the Irish property market could have a significant impact on the Issuer and the Group.

As at 30 June 2024, based on geographic concentration of gross loans and advances to customers, 81 percent of the Group's loans and advances to customers were in the Republic of Ireland, 12 percent in the UK and 7 percent in other jurisdictions. Also, as at 30 June 2024, residential mortgages represented 52 percent of gross loans (i.e., loans comprising of all capital outstanding and interest accrued prior to the deduction of impairment charges) and advances to customers. The Issuer accounts for 27 percent of the total of the Group's loans and advances to customers. As at 30 June 2024, the Issuer's gross loans and advances to customers were 100 percent to residential mortgage customers in Ireland with the majority of these residential mortgages concentrated in Ireland's main urban centres and the greater Dublin commuter area.

The Issuer's and the Group's monitoring of their loan portfolios is dependent on the effectiveness, and efficient operation, of its processes including credit grading and scoring systems and there is a risk that these systems and processes may not be effective in evaluating credit quality. If the Issuer and the Group are unable to manage credit risk effectively, their business, results of operations, financial condition and prospects could be materially adversely affected.

The Group disclosed a €63 million net credit impairment charge in the half-year to 30 June 2024, of which a €7 million net credit impairment writeback related to the Issuer. The €63 million net credit impairment charge comprised a net remeasurement of ECL allowance charge of €77 million and recoveries of amounts previously written-off of €14 million.

The key drivers of the net remeasurement of ECL allowance charge of €77 million consist of the following components and activity:

- an ECL charge of €160 million occurred due to underlying credit management activity and a slight deterioration in credit parameters which reflects the manifestation of risks for which post model adjustments were in place.

- The impact of model and overlay changes resulted in a writeback of €48 million. The reduction primarily reflects the partial unwind of certain post model adjustments as risks are captured in the modelled outcome.

- Within the IFRS 9 models, €35 million ECL writeback has been observed due to macroeconomic factors. This writeback reflects a reduction in the severe scenario weighting (10% to 5%) as the macroeconomic scenarios have been updated to reflect a slight improvement in the economic backdrop due to easing inflation and expected cuts to interest rates to support economic activity in the short term.

Asset quality remains a priority as the Group continues to carefully manage the loan portfolio, particularly those sectors impacted by inflationary pressures and higher interest rates. The Group continues to believe that the ECLs reflect a comprehensive approach in assessing the credit environment, ensuring the level of ECL stock remains conservatively appropriate.

6 Loan-to-value ("LTV")/Loan-to-income ("LTI") related regulatory restrictions on residential mortgage lending may restrict the Issuer's and the Group's mortgage lending activities and balance sheet growth generally

In 2015, the Central Bank imposed residential mortgage restrictions on Irish residential mortgage lending, under the LTV/LTI Regulations, which include LTV rules which set a minimum deposit requirement for the purchase of property, and LTI rules which set a maximum residential mortgage value which could be borrowed, measured against the borrower's gross salary. Specific LTV and LTI limits were introduced for purchasers of their PDH including separate rules for FTBs, as well as those purchasing BTL properties. These macro-prudential measures are subject to annual review by the Central Bank. The Issuer and the Group were compliant across all LTV and LTI regulatory limits in 2023. Following the Central Bank's release of the Mortgage Measures Framework Review, some significant changes came into effect on 1 January 2023, including an increase in borrowing limits to four times LTI for first time buyers and to 90 percent LTV for second time and subsequent buyers. Uptake was initially slow with first time buyers, but following a 5 percent decrease in the net disposable income limit (effective May 2023), there has been a gradual increase in interest. Uptake has been strong with second time buyers across the Group from the outset.

The Issuer's and the Group's risk appetite has continued to evolve particularly as a result of the increasing inflationary environment and rising interest rates. This has resulted in tightened credit management relating to net

disposable income parameters within Credit Policy. The Group will ensure regulatory compliance with Central Bank macro-prudential limits, by prioritising consistent and fair customer outcomes over maximising the usage of these limits.

The Issuer is reliant upon the Group to ensure compliance with these regulations. The Group needs to ensure that it dedicates sufficient resources, and has the necessary procedures and controls in place, to ensure that the exception levels permitted under the regulations are monitored and not breached. These restrictions may adversely affect the level of new residential mortgage lending the Issuer and the Group can undertake and the costs of administering its residential mortgage lending, and hence may have a material adverse effect on its business, results of operations, financial condition and prospects.

7 Capital implications to ensure minimum coverage levels on long term NPEs due to ECB guidance may continue to negatively impact the Issuer's and the Group's financial condition

The ECB published guidance to banks on NPEs in March 2017. The ECB's objective in issuing the guidance was to drive strategic and operational focus on the reduction of NPEs, together with further harmonisation and common definitions of NPEs and forbearance measures. The ECB published the "Addendum to the ECB Guidance to banks on non-performing exposures: supervisory expectations for prudential provisioning of non-performing exposures" in March 2018, which proposed the phasing in of stricter provisioning or capital guidance in any future Group SREP if the Group does not continue to execute its NPEs deleveraging strategy. On 4 April 2019, the European Council adopted a "prudential backstop" for NPEs complementing the existing prudential rules (which was subsequently revised in August 2019). The purpose of this requirement is to ensure sufficient coverage for NPEs which could require the Issuer or the Group to have higher provision coverage for NPEs in the future or make a deduction from own funds and given the quantum of NPEs currently on the Issuer's and the Group's balance sheets this could have a material impact on the financial condition or results of operations. As a result of the SREP guidance, the Group incurred a €71 million CET1 deduction at 30 June 2024 (31 December 2023: €77 million) which reflects the difference between the SREP recommended minimum coverage levels on long term NPE exposures and the International Financial Reporting Standard ("IFRS") 9 ECL NPE cover. Continued delivery of the Group's NPE strategy is key to minimising the impact on capital throughout the remainder of 2024.

8 The Issuer and the Group are subject to credit risks arising due to the impact of climate change on the Issuer's and the Group's customers such as extreme weather events and the transition to a low carbon economy

Climate risk refers to the potential negative impacts on the Group as a result of climate change. This includes risks posed by direct exposure to climate change, and indirect exposure through customers and suppliers. This also includes the impact that the Group and its customers and suppliers have on the climate and the impact from the climate on the Group and its customers and suppliers. Environmental risk refers to the potential negative impact of the activities or actions of the Group, its customers or suppliers, directly or indirectly to the naturally occurring living and non-living components of the earth (i.e. the biophysical environment) together with the potential negative impact on the Group, its customers or suppliers as a result of changes to factors in the biophysical environment upon which they are directly or indirectly dependent.

By increasing incidence of extreme and unseasonal weather conditions, climate risk may impact the Issuer via damage to collateral held as security or a reduction in the desirability of collateral held, which reduces its value. A transition to a low carbon economy may impact the Issuer through increased costs on household borrowers as a result of either retrofitting to renewable energy sources or through carbon taxes impacting energy costs which reduce their repayment capacity. The Group's commercial portfolio may also be impacted by climate and environmental risk, which varies per sector. The extent of such risks depends upon supply chains together with transition risk as we move to a low carbon economy (related to carbon intensity of businesses and their supply chains).

In December 2023, the Group approved a formal Climate and Environmental Risk Framework and Policy, which was formally approved by the Issuer in May 2024. The framework defines how the Group identifies, assesses, mitigates, measures and reports on climate and environmental risk. A dedicated climate and environmental change risk team within the Risk Group has been established to provide oversight, embed the framework and support integration across the Group. Climate and Environmental risk appetite is managed in line with the Group's risk appetite policy. Articulation of the Group's climate and environment risk appetite and tolerance is expressed through qualitative statements about the nature and type of risk that the Group is willing to accept and quantitative limits and thresholds that define the range of acceptable risk. This includes a quantitative metric in relation to

lending to energy efficient homes which directly relates to the Issuer's business. Due to the broad nature of environmental risk, and its impact on other material risks, climate risk management is considered and incorporated within all relevant risk frameworks, policies and processes. Given the evolving nature of climate risks, an agile risk management approach has been adopted. The Group has committed to continued learning and development associated with environmental risks.

The Issuer currently has no exposure, and the Group currently has limited exposure to what would be considered "carbon intensive sectors" within the exploration and extraction sectors. However, the impact of climate and environmental risk on the Group's overall portfolio, including the Issuer's, continues to be closely monitored and garners elevated prominence within the Group. Future impacts could have a material adverse effect on the Group's financial condition or results of operations.

9 The Issuer and/or the Group may have insufficient capital to meet increased minimum regulatory requirements or to support their business, which could negatively impact their business, results of operations, financial condition or prospects

The Issuer and the Group aim at all times to comply with all regulatory capital requirements and to ensure that they have sufficient capital to cover the current and future risk inherent in their business and to support their future development. Failure to maintain adequate levels of capital and meet minimum regulatory requirements may threaten the viability of the Issuer and/or the Group and may trigger actions by management (under management's recovery plan for the purposes of the Banking Recovery and Resolution Directive (Directive 2014/59/EU as amended by way of Directive (EU) 2019/879 ("**BRRD II**") (as so amended, the "**BRRD**")) or the resolution authority (under relevant provisions of the BRRD) to restore the Group to viability which may impact the Issuer's or the Group's operations and/or results from financial operations. A lack of sufficient capital to conduct its business activities or meet its minimum capital requirements could ultimately lead to the resolution and/or insolvency of the Group.

The Group is subject to minimum capital requirements as set out in the CRD IV, the CRD V, which includes amendments to CRD IV, and implemented under the SSM. The Group's minimum capital requirement is currently set at 16.03 percent at 30 June 2024, comprising a Pillar 1 requirement of 8.00 percent, Pillar 2 requirement of 2.6 percent (of which 1.46 percent must be held in CET1), a Capital Conservation Buffer of 2.50 percent, an O-SII buffer of 1.50 percent and a CCyB of 1.43 percent, which is comprised of ROI CCyB of 1.03 percent, UK CCyB of 0.34 percent and other CCyB of 0.06 percent.

The Issuer is subject to minimum capital requirements as set out in CRD. The Issuer's minimum capital requirement is 12 percent comprising a Pillar 1 requirement of 8.0 percent a CCB of 2.5 percent and a CCyB of 1.5 percent.

As a result of these and other regulatory requirements, banks in the EU have been, and could continue to be, required to increase the quantity and the quality of their regulatory capital. Regulators in other jurisdictions may in future increase CCyB or other buffer requirements on banks, such as a systemic risk buffer.

Given this regulatory context and the levels of uncertainty in the current economic environment, there is a possibility that the economic output over the Group's capital planning period may be materially worse than expected and/or that losses on the Group's credit portfolio may be above forecast levels. Were such losses to be significantly greater than currently forecast, or capital requirements for other material risks, such as operating or financial risks, to increase significantly, there is a risk that the Group's capital position could be eroded to the extent that it would have insufficient capital to meet all or some of its regulatory requirements and expectations and to support the current and future risk inherent in its business and its future development which may affect the Issuer.

In addition to the minimum capital requirements as set out in CRD, the Group's capital position may also be impacted by other regulatory processes, such as the redevelopment of internal ratings based ("IRB") models and calendar provisioning which is a SREP recommendation to ensure minimum coverage levels on long term NPEs. The difference between the SREP recommended coverage levels and the IFRS 9 ECL coverage was taken as a CET1 deduction of €71 million as at June 2024.

10 Constraints on the Group's access to liquidity and funding, including a loss of confidence by depositors or curtailed access to wholesale funding markets, may impair the Issuer's ability to issue Mortgage Covered Securities and may result in the Group being required to seek alternative sources of funding

and/or may result in the Issuer and/or the Group not being able to meet their obligations as they fall due without incurring unacceptable costs and being required to seek alternative sources of funding

Financial/macro-economic/geopolitical volatility is a key risk driver as a negative macro-economic environment can lead to market instability and increased liquidity and funding risk. Consequently, the Group's ability to monetise assets (marketable and non-marketable assets) without incurring a loss could be compromised amid the market volatility that would exist against such a backdrop.

The Issuer and the Group could be negatively affected by actual or perceived deterioration in the soundness of other financial institutions and counterparties. This risk is sometimes referred to as "systemic risk" and may adversely affect financial intermediaries, such as clearing agencies, industry payment systems, clearing houses, banks, securities firms and exchanges with whom the Group interacts on a daily basis. This could impact the Group's ability to meet its intraday liquidity requirements as the failure of a market participant to meet its payment, clearing, and settlement obligations can have a material impact on connected counterparties, and ultimately lead to systemic disruption.

Conditions may arise which would constrain liquidity or funding opportunities for the Group on commercially practicable terms over the longer term. Currently, the Group funds its lending activities primarily from customer accounts. Consequently, a loss of confidence by depositors in the overall banking system, the Group, the Irish banking industry or the Irish economy, could ultimately lead to a reduction in the availability and/or increase in the cost of funding or liquidity resources and may affect the Issuer. This could impact the Group's ability to have the necessary resources in place to fund net outflows in the major currencies in which it operates which in turn would put added pressure on cross currency funding.

The Group's funding ratios remain above regulatory minimums (as at 30 June 2024 liquidity coverage ratio of 204 percent and net stable funding ratio of 163 percent). In addition, the Group's loan to deposit ratio was 63 percent as at 30 June 2024.

Concerns around inflation, a slowdown in economic growth, expectations around further tightening of monetary policy, debt sustainability and sovereign downgrades in the Eurozone could impact the Group's deposit base which could impact the Issuer and could impede access to wholesale funding markets, adversely impacting the ability of the Issuer and the Group to issue debt securities or regulatory capital instruments to the market. Furthermore, execution risk in respect of the Group's MREL issuance plan may arise in light of unexpected market volatility. The Group's plans for MREL issuance continue to be reviewed to align to the regulatory requirements regarding the BRRD.

In March 2024, the SRB determined the MREL for the Group on a consolidated basis at the level of its resolution group as 24.6 percent of total risk exposure amount ("**TREA**") and 7.6 percent of Leverage Ratio Exposure ("**LRE**"), applicable as of 1 January 2024. This requirement, including the combined buffer, is 30.0 percent. As at 30 June 2024, the Group had an actual MREL ratio of 33.2 percent of TREA, which is in excess of its 1 January 2024 binding target (the Group's current MREL ratio based on LRE of 14.4 percent is also in excess of the Group's 1 January 2024 requirement).

Like all major financial institutions, the Group is also dependent on the short- and long-term wholesale funding markets for liquidity. A stable and sustainable customer deposit base has allowed the Group to reduce its wholesale funding requirements over the last several years. This, in turn, has facilitated an increase in the Group's unencumbered assets. The Group recognises the restrictions on the transfer of liquidity between jurisdictions and separately monitors asset encumbrance by jurisdiction. The Group has also identified certain management and mitigating actions which could be considered on the occurrence of a liquidity stress event. However, in the unlikely event that the Group exhausted these sources of liquidity it would be necessary to seek alternative sources of funding from monetary authorities.

Financial institutions are still at an early stage of use of big data, machine learning, artificial intelligence and blockchain technology. There is a risk that developments in the FinTech space and Open Banking could create increased competition for new business and could challenge the Issuer and the Group's ability to retain existing customers. This could impact the Group's ability to maintain pace in its digital services offering to customers and could ultimately lead to a reduction in the availability and/or increase in the cost of funding or liquidity resources.

Unexpected events such as the conflicts between Israel/Hamas and Russia and Ukraine could lead to a material decline in global economic growth. This could lead to a negative impact on supply chains, commodities and a

drop in tourism. Consequently, market confidence may falter and this could lead to a reduction in liquidity resources and a loss in liquidity value of marketable assets.

The Group is required to comply with the liquidity requirements of the SSM/Central Bank and also with the requirements of local regulators in jurisdictions in which it operates. Additional liquidity requirements or guidance and other requirements, whether based on an interpretation of current rules or the application of new rules or guidance being proposed by EU legislators, could be imposed on the Group, including as a result of the SREP carried out under the SSM or stress testing by the ECB and the EBA. Such additional requirements could include a revision of the level of Pillar 2 add-ons as the Pillar 2 add-on requirements or guidance are a point-in-time assessment and therefore subject to change over time, or changes to the combined buffer requirements applicable.

Additional liquidity requirements could lead to increased costs for the Group, limitations on the Group's capacity to lend and further restructuring of the Group which could have a material adverse effect on the business, financial condition, results of operations and/or prospects of the Group and which may affect the Issuer.

11 Downgrades to the Issuer's, Ireland's sovereign or other Irish bank credit ratings or outlook could impair the Issuer's access to private sector funding, trigger additional collateral requirements and weaken its financial position

If sentiment towards financial institutions operating in Ireland, including the Group, were to deteriorate, or if the Group's ratings and/or the ratings of the sector were to be adversely affected, this may have a materially adverse impact on the Group. In addition, any such change in sentiment or further reduction in ratings could result in an increase in the costs of, and a reduction in the availability of, wholesale market funding across the financial sector which could have a material adverse effect on the liquidity and funding of all Irish financial services institutions, including the Group.

As at the date of this Base Prospectus, AIB Bank's long-term senior unsecured debt is rated A (stable outlook) by S&P (from June 2023), A1 (positive outlook) by Moody's (from December 2023).

S&P is registered in accordance with the EU CRA Regulation. Moody's is not established in the EU but the credit ratings assigned by Moody's are endorsed by Moody's Deutschland GmbH, which is established in the EU and registered under the EU CRA Regulation.

Any declines in those aspects of the Issuer's or the Group's business identified by the rating agencies as significant could adversely affect the rating agencies' perception of the Issuer's or the Group's credit and cause them to take negative ratings actions. Any downgrade in the Issuer's or the Group's credit ratings could:

- adversely impact the volume and pricing of its wholesale funding and its financial position;
- trigger material collateral requirements or associated obligations in other secured funding arrangements or derivative contracts;
- make ineligible or lower the liquidity value of pledged securities and weaken the Group's competitive position in certain markets;
- restrict its access to the debt capital and funding markets; and
- restrict the range of counterparties willing to enter into transactions with it.

Furthermore, as a consequence of the Issuer's and the Group's operations being focused on the Irish market, any downgrade of Ireland's sovereign credit rating or the perception that such a downgrade may occur, would be likely to depress consumer confidence, impair the Issuer's and the Group's access to private sector funding, increase its cost of funding and weaken the Issuer's and the Group's financial position. In addition, instability within global financial markets might lead to instability in Ireland, which could have a materially adverse impact on the Issuer's and the Group's performance.

12 The Issuer and the Group face risks associated with the level of, and changes in, interest rates, as well as certain other market risks

The Issuer is exposed to interest rate risk arising from residential mortgage lending activities and the issuance of Mortgage Covered Securities, and this risk is managed using interest rate swaps transacted with AIB Bank allowing the transfer of the interest rate sensitivity out of the Issuer to AIB Bank. This interest rate risk transfer is performed in accordance with the ACS Act.

There is some immaterial residual interest rate risk in the Issuer. This residual interest rate risk is managed by Treasury and subject to oversight by AIB Group ALCo. Treasury proactively manages the market risk on AIB Bank's balance sheet, which is managed against a range of limits approved at AIB Group ALCo, incorporating forward-looking measures such as VaR limits and stress test limits and financial measures such as embedded value limits.

The Issuer is not permitted to engage in proprietary trading and it is not directly exposed to any other market risks, i.e. foreign exchange rates or equity prices.

According to the ACS Act, the net present value changes on the Issuer balance sheet arising from (i) 100 bps upward shift, (ii) 100 bps downward shift and (iii) 100 bps twist, in the yield curve, must not exceed 10 percent of the Issuer's total own funds at any time. This test is applied to the residual open risk left on the Issuer's balance sheet.

At December 2023, this limit was €161.0 million (the Issuer's total own funds was €1.614 billion, so the limit is 10 percent of €1.61 billion which is €161 million). The 100 bps downward rate shift and the CB Twist Flattening (Up) scenarios produced the largest interest rate sensitivity of €10.86 million (minus 0.67 percent of own funds), which is in compliance with the ACS Act.

The following market risks arise in the normal course of the Group's banking business: interest rate risk, credit spread risk (including sovereign credit spread risk), foreign exchange rate risk, equity risk and inflation risk. Unexpected events such as geopolitical tensions or conflict could significantly increase market volatility which may impact and increase the likelihood and effect of any or all of these risks. Such events typically result in a withdrawal of market liquidity and an increase in risk aversion which may result in sharp falls in the prices of assets such as equity and fixed income securities and may lead to capital losses on the Group's trading book and through its fair-valued investment securities in its banking book. The Group's earnings are exposed to interest rate risk including basis risk, i.e. an imperfect correlation in the adjustment of the rates earned and paid on different products with otherwise similar repricing characteristics. Elevated inflation and interest rates can affect the affordability of the Group's products to customers in this way could lead to an increase in default or re-default rates among customers with variable rate obligations without sufficient improvements in customers' earning levels. Widening credit spreads could adversely impact the value of the Group's hold-to-collect-and-sell bond positions.

Trading book risks predominantly result from supporting client businesses with small residual discretionary positions remaining. Credit valuation adjustment and funding valuation adjustments to derivative valuations arising from customer activity have potentially the largest trading book derived impact on earnings.

Changes in foreign exchange rates, particularly the euro-sterling rate, affect the value of assets and liabilities denominated in foreign currency and the reported earnings of the Group's non-Irish subsidiaries. Any failure to manage market risks to which the Group is exposed could have a material adverse effect on its business, financial conditions and prospects.

13 The Issuer's and the Group's strategies may not be optimal and/or successfully implemented which may negatively affect the Issuer's and the Group's business, results of operations, financial condition or prospects

The Irish mortgage market is of strategic importance to the Group. The Issuer's strategy is formed in the context of the overall Group strategy and the board of directors of the Issuer is responsible for defining its strategy in the context of the wider Group and overseeing the implementation of the agreed strategy in line with best governance practice. The Group and/or the Issuer may not identify, or may not take appropriate action in response to, changes in the Irish mortgage market. For example, the Issuer operates in a highly competitive market with two significant competitors recently exiting the market for a variety of reasons. These exits could have longer term structural implications for the functioning of the mortgage market in Ireland. A failure of the Issuer or the Group to optimise its strategy or failure to successfully implement its strategy, may lead to a loss of competitiveness which may ultimately lead to financial underperformance, and the diverting of management attention and resources.

The strategic direction of the Group can be summarised as concentrating on three core initiatives (Customer First, Greening the Loan Book and Operational Efficiency) and is focused on upgrading the Group's digital offerings and the sustainable growth of the new "Climate Capital" reporting segments. However, the Group's strategy may prove to be based on flawed assumptions regarding the pace and direction of future change across the banking

sector. In addition, the Group may not be successful in implementing its strategy in a cost-effective manner. The Group's business, results of operations, financial condition and prospects could be materially adversely affected if any or all of these strategy-related risks were to materialise.

The Group operates in competitive markets in Ireland, the UK and the United States of America with market share and associated profits depending on a combination of factors including product range, quality and pricing, reputation, brand performance and relative sales and distribution strength, among others.

Medium-term competitive risks include, but are not limited to:

- more intense price-based competition from incumbent providers which could reduce market share in core products and ultimately impact on the Issuer and Group's financial prospects;
- an increase in the use of intermediaries in the residential mortgage market which could lead to a loss of competitiveness and ultimately result in financial underperformance of the Issuer and the Group;
- the emergence of new, lower-cost, competitors in the Irish residential mortgage market, particularly new entrants from the FinTech sector which could result in a loss of competitiveness and ultimately impact on the financial prospects of the Issuer and the Group;
- sustained disintermediation of traditional banks, including the Group, from specialist and generalist product lines which could substantially impact financial conditions and sustainability of the Issuer and the Group's business model;
- the internationalisation of supply and demand for low-complexity products such as deposits which could lead to a loss of competitiveness and ultimately result in financial underperformance of the Issuer and the Group;
- the successful establishment of virtual banks which could reduce the competitiveness of the Group in its core markets and ultimately impact on the Issuer and the Group's financial performance;
- the introduction of Directive (EU) 2015/2366 of the European Parliament and of the Council of 25 November 2015 on payment services in the internal market, which may enable the emergence of payment aggregators, which could in turn significantly reduce the relevance of traditional bank platforms and weaken brand relationships; and
- insufficient/ineffective implementation of artificial intelligence into Group operations relative to competitors leading to a loss of competitiveness of the Issuer and the Group.

In addition, the Central Bank is focused on the promotion of higher levels of competitive intensity in the banking market, in common with regulators in other European jurisdictions. The entry of bank and non-bank competitors into the Group's markets may put additional pressure on the Group's income streams and/or result in pressure to maintain market share, which may lead to reduced pricing and/or increased credit risk, which could have a negative impact on the asset quality of the Group's loan portfolios.

As at the date of this Base Prospectus, the Group has returned to majority private ownership with a free-float of approximately 78.15 percent following directed buybacks, share placements through an accelerated book-building process with institutional investors and disposals as part of a pre-arranged trading plan. As at the date of this Base Prospectus, the Irish State's shareholding stands at approximately 21.85 percent, which is significantly below the majority threshold of 50.0 percent. The Minister for Finance has previously announced an intention to further sell down the Irish State's shareholding and, as such, the Irish State's shareholding percentage is subject to frequent change. Through the AIB Relationship Framework which governs the Group's day to day engagement with the Irish State as a shareholder, the Irish State could exert a significant level of influence over the Group. Under the AIB Relationship Framework, while the authority and responsibility for strategy and commercial policies (including business plans and budgets) and the conduct of the Group's day-to-day operations rests in all cases with the Group Board and its management team, AIB Group plc, and, where relevant, AIB Bank are required, in connection with certain specified aspects of the Group's activities, to consult with the Minister. The AIB Relationship Framework also grants the Minister the right, at all times, to nominate up to two non-executive directors for appointment to the Group Board.

The composition of the Irish Government is subject to change depending on the ability of the Irish Government to arrive at and maintain an agreed position on its programme, policies and actions, the outcome of elections for the Oireachtas (being the Irish legislature) and support by the Oireachtas for that programme and those policies and actions. Such changes in Irish Government policy may include changes to AIB's Relationship Framework, which could result in a change in Group strategy directly or negatively affect its implementation. See also Risk Factor 3 "—*The Group may be adversely affected by the budgetary and taxation policies of the Irish, UK and*

other governments through changes in taxation law and policy" on risks to the Group posed by changes in government budgetary and taxation policy.

14 The Issuer operates under the Group's brand and therefore damage to the Group's brand or reputation could adversely affect its relationships with customers, staff, shareholders and regulators, and negatively impact the Issuer's and the Group's business, results of operations, financial condition or prospects

Damage to the Group's brand or reputation could adversely affect the Issuer's and the Group's relationships with customers, staff, shareholders and regulators, which may impact on its ability to attract and retain customers and conduct business with counterparties. The Issuer's and the Group's relationships with such stakeholders could be adversely affected by any circumstance that causes real or perceived damage to the Group's brands or reputation. In particular, any regulatory investigations, inquiries, litigation, actual or perceived misconduct or poor market practice in relation to customer-related issues could damage the Group's brands and/or reputation. Any damage to the Group's brand and/or reputation could have a material adverse effect on the Issuer's and the Group's business, results of operations, financial conditions or prospects.

Governance, Operations and Internal Controls

15 The Issuer may not receive the appropriate level of services from the Group under the Outsourcing Agreement, which could negatively impact the Issuer's business, results of operations, financial condition or prospects.

The Group provides services to the Issuer through the Outsourcing Agreement which is tracked by a formal managed services agreement. Services include the origination and servicing of Irish residential loans, administration and accounting services, treasury services, hedging arrangements, funding, liquidity, equity and regulatory capital and services relating to the issuance of the Securities. A failure or underperformance of these services could have a negative impact on the Issuer's ability to function and business model. Furthermore, a failure by the Group to provide sufficient risk management services to the Issuer under the Outsourcing Agreement may expose the Issuer to increased risk and/or insufficient data for the Issuer to make informed risk based decisions.

The Issuer may also outsource activities to entities who are not members of the Group.

The Group, in turn, is also dependent on the performance of third party service providers in the delivery of certain services. Any failure or detriment in the services provided by third party providers to the Group could have a knock-on impact on the services the Group provides to the Issuer.

The performance of each business area within the Group that provides services to the Issuer, is evaluated on an ongoing basis in line with the requirements of the Group's third party management risk process.

16 The Issuer and the Group may be subject to privacy or data protection failures, cybercrime and fraudulent activity in relation to relevant data subject (i.e. customer) personal data, which could result in investigations by regulators, liability to data subjects and/or reputational damage, which could negatively impact the Issuer's and the Group's business, results of operations, financial condition or prospects

The Group processes significant volumes of personal data relating to the Issuer's relevant data subjects (i.e. customers) (including name, address, identification and banking details) as part of the Issuer's business, some of which may also be classified under legislation as special category data. The Group therefore must comply with strict data protection and privacy laws and regulations, including the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011, as amended (the "**ePrivacy Regulations**"), the GDPR and the Data Protection Act 2018, as amended. The GDPR introduced substantial changes to data protection law, including an increased emphasis on businesses being able to demonstrate compliance with their data protection obligations, which required significant investment by the Group in its compliance strategies. In addition, relevant supervisory authorities are given the power to issue fines of up to 4 percent of an undertaking's annual global group turnover or €20 million (whichever is the greater) for failure to comply with certain provisions of the GDPR. The Presidency of the Council of the European Union released revised text of the proposed new ePrivacy Regulation (Regulation concerning the Respect for Private Life and the Protection of Personal Data in Electronic Communications and Repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications)) on 6 March 2020. A draft of the new ePrivacy

Regulation was put to the Council of Ministers of the European Union on 10 February 2021. However, as at the date of this Base Prospectus, negotiations as to the final content of the regulation between the EU Parliament, the European Commission and the European Council remain ongoing and it is unclear as to when resolution on the outstanding matters may occur.

The Issuer and the Group also face the risk of a breach in security of its systems, for example, from increasingly sophisticated attacks by cybercrime groups. Data pertaining to the Issuer is stored in the Group's IT systems. The storage, management and security of this data is operated by the Group under the Outsourcing Agreement. The Group's data protection policy is part of the Regulatory Compliance Risk Management Framework and defines the Group's approach to the effective management of its data protection risks. The policy aims to ensure that the Group complies with the spirit and the letter of all laws, codes and regulations that apply to the Group in relation to data protection and privacy laws. This policy applies to all staff, contractors, consultants, agents or other third parties which have access to personal data either directly or indirectly, in the capacity of a data controller and/or data processor. In addition, the Group continues to enhance security measures to help prevent cybercrime. Notwithstanding such efforts, the Group is exposed to the risk that relevant data subject personal data could be wrongfully appropriated, lost or disclosed, stolen or processed in breach of data protection and privacy laws and regulations including as a result of human error.

The Group relies on remote access services through the internet, or otherwise, by relevant data subjects including customers, employees and third-party service providers, and these services have seen increased use as a result of hybrid working arrangements. Failure of any of the foregoing parties to access the Group's systems on a systemic or large-scale basis could impact the Group's ability to operate. Remote access also increases inherent exposure to cybercrime, systems compromises or information leaks, in spite of any information security technology, protocols, policies or other controls which may be in place.

Any of the abovementioned events could result in the loss for the Group of the goodwill of its customers and deter new customers from availing of the services and products provided by the Group, which could have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

17 The Issuer and the Group face operational risks which could negatively impact the Issuer's and the Group's business, results of operations, financial condition or prospects

Operational risk is the risk arising from inadequate or failed internal processes, people and systems, or from external events. This includes legal risk but excludes strategic and reputational risk.

Examples of the types of risks that the Issuer and the Group face in this regard include, but are not limited to:

Change & Transformation Risk: The Group's strategy drives change across the organisation. It is critical that this change, and the risks, including transformation risk, associated with it, is managed in a consistent, effective and appropriate manner. It is essential that not only the risks within a programme or project to implement change are considered, but also the risks that the change may introduce to the wider operational risk profile, both during and after the lifecycle of the change. A lack of a strategic, coordinated and comprehensive approach to managing change could lead to significant business disruption, customer detriment, financial loss and/or reputational damage.

Continuity & Operational Resilience Risk: The risk of failing to identify, prepare for, respond, adapt to and recover and learn from operational disruptions resulting in a failure to deliver critical services during a disruption. This could have an adverse effect on the Issuer's and/or the Group's ability to deliver appropriate services to customers, threaten the stability and viability of the Group or orderly operation of the financial system and financial markets.

The Group has implemented a new model to manage operational resilience risk to align with the Prudential Regulation Authority's and the Financial Conduct Authority's Operational Resilience requirements in the UK as well as the Central Bank Cross Industry Guidance on Operational Resilience in Ireland.

Physical Safety & Property Risk: The Group's provision of products and services are dependent on staff and property infrastructure. The current or prospective risk of the loss or damage to the Group's property assets as well as the safety of staff and customers could affect the performance of these services negatively impacting its business, financial condition or prospects. For example, the Issuer is reliant on the Group's branch network to

distribute its products and a small number of key locations provide back-office services. Damage to any of these properties could impact the Issuer's and/or the Group's business or result in additional financial costs.

The Group has made a number of changes to how staff and property infrastructure are managed, including the continued practice of a hybrid working model for the majority of staff and buildings being suitably configured in line with Government guidelines. If the hybrid working model is not managed appropriately, it could lead to disengagement of staff from on-going activities, ultimately resulting in a diminished service to customers.

Products and Proposition Risk: The Group looks to develop appropriate products and propositions. The current or prospective risk resulting from poor risk assessment, inappropriate governance, or inadequate approach to products and propositions throughout their lifecycle could affect the performance of these services. The Issuer provides products which are covered by consumer protection legislation. A failure to meet regulatory standards in consumer protection and/or customer needs, could result in regulatory sanction and take a significant amount of resources to rectify. This could have an adverse effect on the Issuer's and/or the Group's results and on its ability to deliver appropriate customer outcomes or to achieve its organisational objectives.

Fraud Risk: The current or prospective fraud risks relate to and may result from the dishonest and false representation by any person, internal, external or third parties including acts or omissions with the intention to make gain or cause loss. This encompasses acts of theft which may be directly from the Issuer or from the Issuer's customers. Theft from the Issuer's customers could result in financial loss and compensation payments and may also result in regulatory sanction, should it be established that the theft was a result of the Issuer's and/or the Group's inadequate internal controls. This could have an adverse effect on the Issuer's and/or the Group's results and on its ability to deliver appropriate customer outcomes or to achieve organisational objectives.

Third Party Risk: The Group outsources a number of activities to outsource service providers and has a wide range of third party suppliers from which it procures services. The Group relies on a number of these providers for the provision of critical activities in serving customers. If these providers do not perform their services or fail to provide services to the Group or renew their licences with the Group, the Group's business could be disrupted and it could incur unforeseen costs and reputational damage. There is an active Third Party Management process in the Group which manages these risks and looks specifically at on-going performance of suppliers and risks arising from any concentrations that may arise. The Group is engaged with key suppliers to ensure on-going service capacity and any contingency plans are in place. Service from suppliers has remained consistent and in line with previous periods.

Information Security (including Cyber) Risk: Information security (including Cyber) risk for the Group is the risk of unauthorised access, use, disclosure, disruption, modification, or destruction of information, whether malicious or unintentional in all its forms. Specifically, it encompasses the risk of:

- Loss of confidentiality due to unauthorised access and disclosure of information.
- Loss of integrity due to unauthorised modification or destruction of information.
- Loss of availability due to disruption of access to, or use of, information or an information system.

Technology Risk: The Group is reliant on its technical infrastructure for the provision of systems and services including emerging technologies such as artificial intelligence, cloud computing, open banking, privacy-enhancing computation or hyper-personalised banking to support critical processes and operations.

Therefore, from the Group's perspective, Technology Risk is any reasonably identifiable circumstance in relation to the use of network and information systems which, if it materialised, may compromise the network, information systems or the provision of services, by producing adverse effects in the digital or physical environment as outlined within Article 3(5) of the Digital Operational Resilience Act.

Data Risk: The Group faces risks associated with failing to appropriately manage and maintain data and also in the aggregation and reporting of Risk Data. This could have an adverse effect on quality or accessibility of the data, resulting in poor decision making and inaccurate or inadequate internal and external reporting.

Legal Risk: The Issuer and the Group face the risk of sanctions, material financial loss or loss to reputation as a result of failure to comply with new or existing laws, changes to laws, as a result of a defective transaction,

disputes or litigation by or against the Issuer and/or the Group and failure to take appropriate measures to protect intellectual property and its real estate assets.

The Group maintains insurance policies to cover a number of risk events. These include financial policies (comprehensive crime/computer crime, professional indemnity/civil liability, employment practices liability, and directors' and officers' liability) and a suite of general insurance policies to cover such matters as property and business interruption, terrorism, combined liability and personal accident. There can be no assurance, however, that the level of insurance the Group maintains is appropriate for the risks to its business or adequate to cover all potential claims.

People Risk: The Group runs the risk of being unable to recruit, retain or develop its people in alignment with the Group's values and behaviours. The inability to recruit and retain appropriately skilled and experienced staff may harm the stability of the business in the long-term. The Group continues to enhance governance and reporting processes and to deliver multiple initiatives to strengthen its employee value proposition for existing staff. Failure to take appropriate actions could lead to a lack of the necessary resources to effectively deliver products or services, resulting in delays, inefficiencies, or inability to meet customer expectations.

18 If a poor or inappropriate culture develops across the Group's business, this may adversely impact its performance and impede the achievement of its strategic goals

The Group must continually develop and promote an appropriate culture that drives and influences the activities of its business and staff and its dealings with customers in relation to managing and taking risks and ensuring risk considerations continue to play a key role in business decisions. It is senior management's responsibility to ensure that the appropriate culture is embedded throughout the organisation. As was demonstrated by many banks during the financial crisis, if an inappropriate culture develops, then a strategy or course of action could be adopted that results in poor customer outcomes. If the Group is unable to maintain an appropriate culture, this could have a negative impact on the Issuer's and the Group's business, result of operations, financial condition and prospects.

19 The Group may be unable to recruit and retain appropriately skilled and experienced management and staff which could have a negative impact on the Issuer's and the Group's business, result of operations, financial condition and prospects

The Group may be unable to recruit and retain appropriately skilled and experienced staff to ensure the stability of the business in the long-term. In particular the Group is restricted in the remuneration it can offer to senior management which creates a risk that the Group may not be able to attract and retain the right skills and experience within key senior management roles. The Group's performance and its ability to provide a quality service to the Issuer under the Outsourcing Agreement is heavily dependent on the talents and efforts of highly skilled individuals, and the continued ability of the Group to compete effectively and implement its strategy depends on its ability to attract new employees and retain and motivate existing employees.

Competition from within the financial services industry, including from other financial institutions, as well as from businesses outside the financial services industry for key employees is intensifying. The elevated people risk profile, particularly with respect to the recruitment and retention of senior management, is likely to continue for the foreseeable future.

Under the terms of the recapitalisation of the Group by the Irish Government, the Group is required to comply with certain executive pay and compensation arrangements, including a cap on salaries as well as restrictions on bonuses and similar incentive-based compensation applicable to employees of Irish banks who have received financial support from the Irish Government. As a result of these restrictions, as well as the limits on certain types of remuneration paid by credit institutions and investment firms set forth in CRD, and in the increasingly competitive markets in Ireland and the UK, the Group may not be able to attract, retain and remunerate highly skilled and qualified personnel, and any such failure to so attract could have a material impact on the Group's financial condition or results of operations and its ability to provide a quality service to the Issuer under the Outsourcing Agreement.

In November 2022, the Irish Government approved changes to remuneration for bankers following the recommendation from the Department of Finance Retail Banking Review that banks be allowed to pay bonuses of up to €20,000 to their employees as well as allowing standard benefits. However, such measures may not be sufficient in the current inflationary environment to recruit and retain key employees.

20 A deterioration in employee relations could adversely affect the Group's business, result of operations, financial condition and prospects

A significant proportion of the Group's employees are members of trade unions. The Group adheres to established industrial relations mechanisms in each jurisdiction in which the Group operates. The Group seeks to ensure transparency, fairness and collaboration in all its dealings with employees. In the event that the Group becomes subject to industrial action or other labour conflicts, including strikes or other forms of industrial actions, this may lead to a reduced level of service provided by the Group to the Issuer under the Outsourcing Agreement and a reduced ability of the Issuer to service its customers, which may result in reputational damage impacting its business result of operations, financial condition and prospects.

21 The Group uses models across many of its activities and if these models prove to be inaccurate, or are used incorrectly then the Group's management of risk may be ineffective or compromised and/or the value of its financial assets and liabilities may be overestimated or underestimated. This could have a negative impact on the Issuer's business, result of operations, financial condition and prospects

The Issuer is reliant upon the Group's use of models across many, though not all, of its activities including, but not limited to, capital management, credit grading, loan loss provisioning, valuations, liquidity, pricing and stress testing. The Group also uses financial models to determine the value of certain financial instruments for financial reporting purposes and to quantify their sensitivities to market rates for risk management purposes. IFRS 9 has required the Group to move from an incurred loss model to an expected loss model, requiring it to recognise not only credit losses that have already occurred but also losses that are expected to occur in the future.

Since the Group uses risk measurement models based on historical observations, there is a risk that it underestimates or overestimates exposure to various risks to the extent that future market conditions deviate from historical experience. Furthermore, as a result of evolving regulatory requirements, the importance of models across the Group's business has been heightened and their importance may continue to increase, in particular because of reforms introduced by the Basel Committee on Banking Supervision. If the Group fails to identify a model or if the Group's models do not accurately estimate its exposure to various risks, it may experience unexpected losses. The Group may also incur losses, for example, as a result of decisions made based on inaccuracies in the build or implementation of these models, as a result of poor data quality or an incomplete understanding by users. Model risk levels may also rise as a result of a significantly changing environment, as models are built using historical data. Models are kept under regular review to ensure that they remain representative of the current environment. For example, a model factor selected at development may no longer be a key driver in the current environment.

If the Group's models are not effective in estimating its exposure to various risks or determining the fair value of its financial assets and liabilities or if its models prove to be inaccurate, its business, financial condition, results of operations and prospects could be materially adversely affected and which may impact the Issuer.

The Group's IRB credit risk models are subject to ongoing regulatory reviews and inspections, which may give rise to additional capital requirements, replacement of IRB models with a standardised approach or reputational risk for the Group.

The Group must obtain approval from the ECB in order to implement new IRB models or to change existing approved IRB models. New IRB models or those undergoing material changes are subject to reviews and model inspections from the ECB and other regulatory bodies in relation to the models prior to receiving approval.

Regulatory and legal risks

22 The Issuer and the Group are required to comply with a wide range of laws and regulations. The constantly evolving and increasing complex legal and regulatory landscape significantly increases the risks associated with compliance with such laws and regulations. If the Issuer and the Group fail to comply with these laws and regulations, they could become subject to regulatory actions

A failure by the Issuer or the Group to comply with all applicable laws, regulations, rules, standards and codes of conduct may result in regulatory sanctions, material financial loss or loss to reputation.

The legal and regulatory landscape in which the Issuer and the Group operate is constantly evolving and the risks associated with compliance with laws and regulations is increasing. As new laws or regulatory schemes are

introduced, the Issuer and the Group may be required to invest significant resources in order to comply with the new legislation or regulations. Furthermore, the laws and regulations to which the Issuer and the Group are already subject could change as a result of changes in interpretation or practice by courts, regulators or other authorities, resulting in higher compliance costs and resource commitments, and/or a failure by the Issuer and the Group to implement the necessary changes to its business within the time period specified.

AIB (which is the parent company of the Group) is incorporated and has its head office in Ireland. While the Central Bank continues to regulate certain areas of the Group's business, including consumer protection in Ireland, it is the ECB (together with support from the Central Bank) that has primary responsibility for the prudential supervision of the Group. The Group faces risks associated with an uncertain and rapidly evolving prudential regulatory environment, pursuant to which it is required, among other things, to maintain adequate capital resources and to satisfy specified capital ratios at all times. The Group's borrowing costs and capital requirements are subject to prudential regulations, including the CRD IV and CRD V, the CRR II which includes amendments to the CRR and amendments which have been made to the BRRD. The recently published final text of CRR III, CRD VI and BRRD II, commonly known as the Basel IV, will come into effect in January 2025. The UK-EU Memorandum of Understanding on Financial Services Cooperation was signed in Brussels on 27 June 2023. This memorandum will facilitate a forum for cooperation between the EU and the UK. Specific to regulatory developments, the forum's activities will include the sharing of information and consultation around planned regulatory and supervisory developments. This is expected to ensure the timely identification of cross-border implementation issues to support an on-going shared understanding of the relevant regulatory framework. AIB actively scans the regulatory horizon for areas of divergence between EU and UK regulation which could affect the Group.

It is also possible that additional capital and liquidity requirements or guidance and other requirements, whether based on an interpretation of current rules or the application of new rules or guidance proposed by EU legislators, could be imposed on the Group. Such an instance may occur as a result of the SREP carried out under the SSM or stress testing by the ECB and the EBA. Additional requirements could include a revision of the level of Pillar 2 add-ons, as the Pillar 2 add-on requirements or guidance are a point-in-time assessment and could therefore be subject to change over time, or changes to the combined buffer requirements applicable. See Risk Factor 10 "*—The Group may have insufficient capital to meet increased minimum regulatory requirements or to support its business, which could negatively impact its business, results of operations, financial condition or prospects*".

The Issuer and the Group also face risks and challenges due to interest rate benchmark reform, replacement of LIBOR, reform of EURIBOR and discontinuation of EONIA. For example, conduct risk could arise for the Group as a result of changes to customers' terms and conditions for banking products that reference discontinued interest rate benchmarks. For further detail regarding changes to benchmarks, see Risk Factor 33 "*—The regulation and reform of "benchmarks" may adversely affect the value of Securities linked to or referencing such "benchmarks*".

The EBA Guidelines on Loan Origination and Monitoring have applied since 30 June 2021, with transitional implementation dates met in June 2022, and more recently June 2024. The aim of the guidelines is to ensure institutions have robust and prudent standards for credit risk taking, management and monitoring, and that newly originated loans are of high credit quality. AIB is achieving the aims of these guidelines through strong internal governance arrangements for granting and monitoring of credit facilities throughout their lifecycle.

The Group is subject to the Central Bank macro-prudential measures which are subject to annual review and therefore could create further lending restrictions for the Issuer and the Group, increasing existing deposit financing thresholds for borrowers. See Risk Factor 6 "*—Loan-to-value ("**LTV**")/Loan-to-income ("**LTI**") related regulatory restrictions on residential mortgage lending may restrict the Issuer's and the Group's mortgage lending activities and balance sheet growth generally*".

Regulation (EU) 2019/630 of the European Parliament and of the Council of 17 April 2019 on the minimum coverage for NPEs, as well as the ECB's guidance on expectations for the provisioning of new NPEs should facilitate the disposal of NPEs further down the line, if required. The Group's regulators have stated that banks should be incentivised to build up their provisions as early as possible, thus preventing larger losses at a later stage. The Group has put in place a conservative, forward looking and comprehensive provisioning approach and intends to manage NPEs in accordance with its regulatory obligations.

In addition to the above, the Group is also subject to regulatory reviews which may affect the Issuer, such as those on the residential mortgage and retail banking sectors. Such reviews may require the Group to modify its business to satisfy new or amended regulatory requirements.

To support the effectiveness of bail-in and other resolution tools, Article 130(1) of the BRRD requires that from 1 January 2016 Member States apply the BRRD's provisions requiring EU credit institutions and certain investment firms to maintain MREL, subject to the provisions of the MREL regulatory technical standards.

The MREL requirements are determined on a case-by case basis taking into account (i) resolvability; (ii) capital adequacy; (iii) sufficiency of eligible liabilities; (iv) participation in a deposit guarantee scheme; (v) business risks (business model, funding, risk profile); and (vi) systemic risk (interconnectedness). The SRB has provided the Group with its default formula for the MREL target calibration under the new BRRD II legislative framework to be complied with from 1 January 2022. The Group continues to monitor changes in MREL requirements together with developments in the SRB's MREL policy, which has the potential to impact the Group's MREL target.

The Group operates in the UK through its subsidiary, AIB UK, and through the London branch, a branch of AIB p.l.c. The Group must comply with the prudential regulatory requirements as set out by the PRA through the PRA rulebook and the FCA's conduct of business rules in so far as they apply to its business carried out in the UK. In the US, the Group is subject to federal and state banking and securities law supervision and regulation as a result of the banking activities conducted by AIB Bank's branch in New York. Thus, the Group is required to design and implement policies that ensure compliance with legislation promulgated by the FCA and the PRA in the UK and the relevant regulatory authorities in the US.

Failure by the Issuer or the Group to meet regulatory expectations, including in relation to governance, behaviour and culture, or repeated breaches of regulation could adversely impact regulatory confidence in how the Group conducts its business. Failure to engage appropriately with regulators, risks damaging relations with statutory authorities, and could lead to increased regulatory oversight, intrusive supervision and/or restrictions in the Group's authorisations curtailing its ability to operate some of its business. These outcomes could have a material adverse effect on the Issuer's and Group's business, financial condition, results of operations and prospects.

Group entities are required to submit data and information to regulatory authorities on a scheduled or ad hoc basis which are necessary for effective regulatory oversight and supervision. There is a risk that some data required to complete the returns, some of which is required to be manually populated, may not be sufficiently reliable. This could result in inaccurate returns being provided to regulatory authorities or submissions of returns being delayed. If any failings in regulatory reporting existed and were to be considered as material by regulatory authorities, it could result in the Group being subject to sanction or fines for failure to provide accurate returns or failure to submit returns within required timeframes, reputational damage and the Group being required to conduct data rectification.

There is also a risk that pressures from the media, consumer groups and/or politicians could influence the agenda of the ECB, the Central Bank, the FCA or the **PRA**. For instance, a wide-ranging review of competition within the Irish mortgage sector by the CCPC took place in 2017 as part of the programme for the Irish Government (a similar review having been completed on the UK banking sector in 2016), and in June 2017, the CCPC published its report on "options for the Irish mortgage market". The report, which followed an extensive public consultation process outlined a range of options and areas for further study to assist the Irish Government develop a better-functioning, competitive and stable mortgage market. The issues of "mortgage switching behaviour" and "consumer attitudes to switching" were some of the areas identified in the report as requiring further regulatory focus. In this regard, in August 2017, the Central Bank published a consultation paper entitled "Enhanced Mortgage Measures: Transparency and Switching" proposing to amend the CPC by introducing enhanced transparency measures for fixed rate interest rate mortgage holders. In June 2018, the Central Bank, having considered the responses received from the published consultation paper announced that it proposed to introduce new and amend certain existing provisions of the CPC to give effect to these enhanced protections by publishing an addendum to the CPC which became effective from 1 January 2019. The Central Bank launched a consultation paper on 7 March 2024 outlining plans to update the CPC to better protect consumers. The key proposals and themes from the CPC update are Securing Customers Interests, Digitilisation, Informing Effectively, Mortgage Credit and Switching, Unregulated Activities, Frauds & Scams, Vulnerable Customers and Climate Risk. The feedback period of the consultation is now closed with the updated code expected to be published in early 2025 with a 12 month implementation period following publication.

In July 2018, the Central Bank published the outputs of its review of behaviour and culture in the five main retail banks in Ireland, including the Group. The report recommends the introduction of legislation to support an individual accountability framework (the "**IAF**"), which would set conduct standards for staff and ensure clearer lines of accountability within firms. The IAF had an effective implementation date of 1 January 2024, and it has been successfully implemented. In addition, the introduction of a Senior Executive Accountability Regime

("**SEAR**") places obligation on firms and senior individuals within them to set out clearly where responsibility and decision-making lie. The SEAR regime has applied for the majority of senior individuals from 1 July 2024 and will apply for (independent) non-executive directors at in-scope firms from 1 July 2025.

Adverse regulatory action or adverse judgments in litigation could result in a monetary fine or penalty, adverse monetary judgment or settlement and/or restrictions or limitations on the Group's operations or result in a material adverse effect on the Group's reputation. The Group may settle litigation or regulatory proceedings prior to a final judgment or determination of liability to avoid the cost, management efforts, negative business, regulatory or reputational consequences of continuing to contest liability, even when the Group believes that it has no liability or when the potential consequences of failing to prevail would be disproportionate to the costs of settlement. Furthermore, the Group may, for similar reasons, reimburse counterparties for their losses even in situations where the Group does not believe that it is legally compelled to do so.

Additionally, the Group may be subject to future regulatory requirements related to sustainable finance. "Sustainable finance" generally refers to the process of taking due account of environmental and social considerations when making investment decisions, leading to increased investment in longer-term and sustainable activities. The threat and consequences of climate change has necessitated a strong focus on legislative change promoting sustainability at EU level.

These legislative proposals and requirements include:

- introducing a 'green supporting factor' in the EU prudential rules for banks;
- amendments to MiFID II and the Insurance Distribution Directive to include sustainability considerations into the advice offered to individual clients;
- the EBA Guidelines on Loan Origination and Monitoring which require institutions that originate or plan to originate green credit facilities to develop specific green lending policies and procedures covering granting and monitoring of such credit facilities, which have applied since 30 June 2021;
- EU Regulation on Sustainability-Related Disclosures in the Financial Services Sector ("**SFDR**") which has applied since 10 March 2021 and Irish SI No. 146/2021 enacted on 29 March 2021 which gave effect to certain provisions under the SFDR; and
- taxonomy/ EU labels for green financial products establishing a classification system and a list of environmentally sustainable economic activities.

There is a risk that the Issuer and the Group, which will be impacted by each of the above proposals, will not engage the requisite expertise to direct the implementation of these changes or that the required expertise will not be readily available. Failure to implement this comprehensive package of measures successfully and within the required timeframes could result in regulatory sanction, reputational damage and competitive disadvantage as a result of not having available suitable products being sought by customers. The Issuer and the Group would also risk mis-selling by their possible failure to provide suitable products to match a consumer's environmental preferences.

23 The Issuer and the Group are subject to conduct risk, including changes in laws, regulations and practices of relevant authorities and the risk that their practices are challenged under current regulations or standards, and if they are deemed to have breached any of these laws or regulations, they could suffer reputational damage or become subject to challenges by customers or competitors, or sanctions, fines or other actions

The Issuer and the Group are exposed to conduct risk, which the Group defines as the risk that inappropriate actions or inactions by AIB cause poor and unfair customer outcomes or negatively impact on market integrity. Certain aspects of the Group's business may be determined by regulators in various jurisdictions or by courts not to have been conducted in accordance with applicable local or, potentially, overseas laws and regulations, or in a fair and reasonable manner as determined by the local ombudsman. Regulators want senior leaders to drive effective cultures that focus on the organisation values and conduct that puts the customer first; they expect to see conduct promoted in remuneration policies and disciplinary processes.

The Group is cognisant of its responsibilities regarding wholesale market conduct risk which has been subject to increased regulatory scrutiny in recent years. Domestic and European regulators have provided guidance as to how regulated entities should manage wholesale market conduct risk, particularly in relation to dealing with the impact of external events, managing the increasing complexity in securities markets and the rules that govern

them and ensuring meaningful transparency for investors and other market participants, in particular on costs and fees. As such, the Group continues to respond to changes in this environment and strengthen regulatory practices.

If the Issuer and the Group fail to comply with any relevant laws, regulations, or regulatory expectations, they may suffer reputational damage and may be subject to challenges by customers or competitors, or sanctions, fines or other actions imposed by regulatory authorities. There is also a risk that failure to recognise the impact of increases in the cost of living (including higher mortgage rates) on vulnerable customers or those in financial difficulties could lead to claims for conduct matters. The Issuer's and the Group's practices may also be challenged under current regulations and standards. In such circumstances, the Issuer or the Group may be required to redress customers, may be subject to regulatory sanctions, material financial loss or loss to reputation, which may have a material adverse effect on the Issuer's and/or the Group's business, results of operations, financial condition and prospects.

Risks may also arise for the Issuer and the Group in relation to employee conduct. Regulators expect to see desired behaviours and conduct re-enforced at all stages of the employee lifecycle, from recruitment, to training and promotion. Poor employee conduct can result in mis-selling, inappropriate actions where a conflict of interest arises, internal fraud or otherwise not acting in a customer's best interest. Such actions may result in the bank having to make redress to impacted customers, potential regulatory sanction, adverse media coverage and potential reputational damage.

In September 2015, the Central Bank wrote to the Group to inform the Group that it had embarked on the Tracker Mortgage Examination. In December 2015, the Central Bank confirmed to the affected lenders that the objective of the Tracker Mortgage Examination was to assess compliance with both contractual and regulatory requirements relating to tracker mortgages and in circumstances where customer detriment is identified from the Tracker Mortgage Examination, to provide appropriate redress and compensation in line with the Central Bank's 'Principles for Redress'. The Central Bank concluded its enforcement investigation in June 2022 and the Group agreed to pay a fine of €96.7 million. The fine was settled prior to 30 June 2022, which brought the Central Bank's Tracker Mortgage Examination to a close.

In 2020, following an FSPO decision in relation to a complaint by a customer from the '06-09 Ts & Cs who never had a tracker' cohort, which found that AIB Bank had breached the terms of the customer's mortgage loan contract and directed it to remedy the matter in what the FSPO believed was a fair and proportionate manner, the Group decided to accept the decision in full. Furthermore, the Group decided to apply the remedy to all other customers within this cohort, and payments to customers on that basis have effectively concluded.

The Group continued to engage with stakeholders during 2024 and a number of related issues also continue to exist that have yet to be resolved, including tax liabilities arising that the Group will be required to discharge on behalf of impacted customers. Notwithstanding the near completion of payments to customers based on the FSPO decision, the level of provision required for these other costs is no longer material at 30 June 2024.

The Group is also required to manage potentially heightened conduct and regulatory risks associated with strategic growth, such as the acquisition of Goodbody Stockbrokers UC ("**Goodbody**") and the establishment of an insurance joint venture, AIB Life and the establishment of the new Climate Capital segment. Additional regulatory requirements need to be considered along with the conduct implications of managing a different customer base, business portfolio and product suite. As a result, effective integration with appropriate alignment and oversight between the Group and any such subsidiary or joint venture is required to mitigate these risks.

The Central Bank has published a Regulatory Supervisory Outlook ("**RSO**"). The RSO summarises and complements the Central Bank's ongoing communications to industry and outputs from supervisory engagements with credit institutions, investment firms, funds and all other regulated entities.

The RSO captures a broad range of regulatory considerations, from the macro-economic environment to individual topical spotlights, in particular:

- The risk management and consumer-centric leadership of firms;
- That firms are resilient;
- That firms address operating framework deficiencies, (e.g. governance, risk management and control frameworks);

- The effective management of change by firms; and

- That climate change and net zero transition are addressed (strategy, assessment of climate risk exposures and greenwashing).

The Group is required to monitor, align and deliver in line with the Central Bank's regulatory and supervisory priorities and failure to do so may lead to regulatory intervention or highlight deficiencies in the conduct and prudential control environment

24 The Issuer and the Group are subject to anti-money laundering, counter-terrorist financing, anti-corruption and sanctions regulations and, if they fail to comply with these regulations, they may face administrative sanctions, criminal penalties and/or reputational damage

The Issuer and the Group are subject to laws and regulations aimed at preventing money laundering, anti-corruption and the financing of terrorism. Monitoring compliance with AML, CFT and anti-corruption and sanctions rules can put a significant financial burden on banks and other financial institutions and requires significant technical capabilities. In recent years, enforcement of these laws and regulations against financial institutions has become more intrusive, resulting in several landmark fines against financial institutions. In addition, the Issuer and the Group cannot predict the nature, scope or effect of future regulatory requirements to which it might be subject or the way existing laws might be administered or interpreted. Furthermore, there is a greater focus by regulators on the overall effectiveness of financial institutions' efforts to tackle financial crime beyond issues of mere technical compliance which requires constant enhancement of and investment in their overall financial crime response.

The 5th EU Anti-Money Laundering Directive ("**MLD5**"), transposed in part into Irish law by the Criminal Justice (Money Laundering and Terrorist Financing) Act 2021, emphasises a "risk-based approach" to AML and CFT and imposes obligations on Irish incorporated bodies (such as AIB) to take measures to compile information on beneficial ownership.

Moreover, global money laundering cases have received increased scrutiny, with a number of major European banks implicated in such matters. Since July 2021, the European Union has been working on a comprehensive package of legislation aimed at revising and reinforcing the EU's AML & CFT rules (known as the "**AML Reform Package**"). The Group will need to continue to monitor and reflect the changes under the AML Reform Package, including the recent inclusion of sanctions, in its own policies, procedure and practices, and to update its framework to take account of the risk-based approach and the relevant technical standards, together with any related industry guidance from regulators. Given the scale, nature and complexity of the financial sanctions regimes in the UK, EU and US (particularly as a result of the conflict in Ukraine), there remains an increased risk that the Group could find itself transacting with customers who could become subject to such sanctions and potentially face the consequence of secondary US sanctions as a result of this.

Although the Group has policies and procedures that are designed to comply with applicable AML/CFT, anti-corruption and sanctions rules and regulations, it cannot guarantee that such policies and procedures completely prevent situations of money laundering, terrorist financing, breaches of sanctions or corruption, including actions by the Group's employees, agents, third party suppliers or other related persons for which the Group might be held responsible. Any such events may have severe consequences, including litigation, sanctions, fines and reputational consequences, which could have a material adverse effect on the Issuer's and the Group's business, financial condition, results of operations and prospects.

25 The Irish legislation and regulations in relation to mortgages, as well as judicial procedures for the enforcement of mortgage, custom, practice and interpretation of such legislation, regulations and procedures, may result in higher levels of default by the Issuer's customers, delays in the Issuer's recoveries in its mortgage portfolio and increased impairments

In instances where the Issuer or the Group seeks to enforce security on commercial or residential property (in particular over a borrower's PDH, the Issuer or the Group may encounter significant delays arising from judicial procedures, which often entail significant legal and other costs. Custom, practice and interpretation of Irish legislation, regulations and procedures may also contribute to delays or restrictions on the enforcement of security. The courts or legislature in Ireland may have particular regard to the interests and circumstances of borrowers in disputes relating to the enforcement of security above or sale of their loans which is different to the custom and practice of courts in other jurisdictions. As a result of these factors, enforcement of security or recovery of

delinquent loans in Ireland may be more difficult, take longer and involve higher costs for lenders as compared to other jurisdictions, or it may not be feasible for courts to enforce security. The CPC is designed to protect the interests of consumers (as defined in the CPC) and is applicable (in part) to the activities of the Group. The CPC sets out specified information which must be provided to borrowers throughout the lifecycle of the mortgage product. The CPC requires the Group to, *inter alia*, act fairly, in the best interests of its customers and the integrity of the market, and to comply with the letter and spirit of the CPC. There is a risk that the Group may be found to be in breach of CPC provisions due to unforeseen market developments or scenarios arising, potentially leading to regulatory sanction and customer restitution.

The LCLRA 2019 which came into force on 1 August 2019 provides further protections for homeowners in residential mortgage difficulties. Courts must take into account a range of factors set out in the LCLRA 2019 when considering whether or not to grant an order for possession in respect of a borrower's PDH and may take these factors into account when considering whether to make any other order it considers appropriate in the circumstances. While many of the now statutory-imposed considerations are ones a court already had taken into account, the LCLRA 2019 reinforces the special status of a PDH in residential mortgage arrears proceedings in Ireland and the Irish Government's policy objective that repossession of a defaulting borrower's PDH should be an action of last resort. In enforcement proceedings affecting a PDH, lenders must now be prepared to demonstrate reasonable conduct towards seeking a sustainable solution with the borrower. As a result, the Issuer and the Group may face certain additional restrictions on their ability to collect or enforce mortgages that are in arrears. This could result in delays in the Issuer's recoveries in respect of its mortgage portfolio and increased impairments. Legislation has also been introduced with regard to loans sold to third parties under the Consumer Protection (Regulation of Credit Servicing Firms) Act 2018, which regulates third party loan acquirers and may give rise to further implications for future loan sales undertaken by the Issuer or the Group.

It is unclear whether any legislation in respect of the foregoing (either in the proposed form or a different form) will be enacted or whether further legislative initiatives to regulate the Irish mortgage market will be introduced. If enacted, any further legislation could potentially impact the Issuer and the Group.

The Irish Government may also seek to influence how credit institutions set interest rates on mortgages, may amend the Personal Insolvency Act 2012 to reduce the entitlements currently afforded to mortgage holders thereunder or may enact other legislation or introduce further regulation that affects the rights of lenders in other ways which could have a material adverse effect on the Issuer's and/or the Group's business, financial condition and prospects. Furthermore, the laws and regulations to which the Issuer and the Group are already subject could change as a result of changes in interpretation or practice by courts, regulators or other authorities.

In common with other residential mortgage lenders, the Issuer and the Group face increased supervisory engagement and focus by the Irish Government, the Oireachtas and regulators, such as the Central Bank and the CCPC, on their loan books, in particular the Issuer's residential mortgage book, with respect to such matters as the interest rates it charges on loans. This could result in increased regulation of the Issuer's and/or the Group's loan book which may impact the Issuer's and/or the Group's level of lending, interest income and net interest margin and/or increased operational costs.

Any of the foregoing could have a material adverse effect on the Issuer's and/or the Group's business, results of operations, financial condition and prospects.

Risks Relating to the Securities

26 Interest rate risks

Investment in Fixed Rate Securities involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Securities. Investment in Floating Rate Securities involves the risk in a low interest rate environment that interest rates on such Securities may be nil.

27 Value and realisation of security over residential property

The security for a residential loan included in the Pool consists of, amongst other things, the Issuer's interest in security over a residential property. The value of this security and accordingly, the level of recoveries on an enforcement of the security, may be affected by, among other things, a decline in the value of residential property, priority of the security, regulatory requirements applicable to enforcement of such security, changes in law, regulation or government policy and decisions of the courts relevant to a particular security or to such type of

security generally. No assurance can be given that the values of relevant residential properties will not decline or since origination have not declined or whether other creditors may have a security interest senior to the Issuer's. However, in this regard, it should be noted that one of the Lending Criteria currently applied in respect of the Irish residential lending by the Issuer is that the security taken by the Issuer is a first legal mortgage/charge on the residential property (see further *Irish Residential Loan Origination and Servicing – Mortgage Servicing – Credit Policy – Security*).

Where the Issuer enforces security over a residential property, realisation of that security is likely to involve sale of that residential property with vacant possession. The ability of the Issuer to dispose of a residential property without the consent of the borrower will depend on applicable law at the relevant time, regulatory requirements in respect of residential mortgage enforcement, a court granting vacant possession, the relevant property market conditions at the relevant time and the availability of buyers for the relevant residential property.

See "*Certain Aspects of Regulation of Residential Lending in Ireland - Land and Conveyancing Law Reform Acts*".

28 Reliance on ACS Act and change of law and regulation

The Issuer is only one of two Institutions registered under the ACS Act. The claims of Security holders have a preference on the Cover Assets included in the Issuer's Pool based solely on the ACS Act. See Insolvency of Institutions. Any amendments to, or repeal or change in interpretation of, provisions of the ACS Act may have an adverse effect on the Securities or the Issuer's ability to meet its obligations under the Securities.

As part of the EU Capital Markets Union action plan, the Covered Bonds Directive and the EU Covered Bonds Regulation entered into force on 7 January 2020. The Covered Bonds Directive lays down conditions that covered bonds (including ACS and hence, the Securities) would have to respect in order to be recognised under EU law and the EU Covered Bonds Regulation amends the CRR in that regard. The Covered Bonds Directive has been transposed into Irish law by the Irish Covered Bonds Directive Implementing Regulations, which effected the amendments to the ACS Act required to implement the Covered Bonds Directive in Ireland. The EU Covered Bonds Regulation applied directly since 8 July 2022 and the Irish Covered Bonds Directive Implementing Regulations came into operation on that date also. At the date of this Base Prospectus, the mortgage credit assets comprised in the Issuer's Pool and their related primary security are governed by Irish law. No assurance can be given as to the impact of any possible judicial decision or change to EU or Irish law (including in connection with the ACS Act or affecting the Issuer or the Group), regulation or administrative or regulatory practice after the date of issue of the relevant Securities. Such changes in law may include, but are not limited to, the introduction of a variety of statutory resolution and loss absorption tools which may affect the rights of Security holders.

29 Secondary market for Mortgage Covered Securities

No assurance can be given as to the existence, continuation or effectiveness of any market-making activity or as to whether any secondary market or liquidity may develop with respect to the Securities.

Although application has been made to list the Securities on the Official List of Euronext Dublin and to admit the Securities to trading on the regulated market of Euronext Dublin, Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Securities that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors or where Securities are issued for the purpose of the Group accessing funding or liquidity from central bank monetary policy operations. These types of Securities generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Securities.

30 Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Securities in the Specified Currency (as defined in the Terms and Conditions). This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in 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 equivalent yield on the Securities in the Investor's Currency, (ii) the equivalent value of the principal payable on the Securities in the Investor's Currency and (iii) the equivalent market value of the Securities in the Investor's Currency.

Governmental 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, or no interest or principal.

31 Credit rating risks

One or more independent credit rating agencies may assign credit ratings to an issue of Securities. The ratings may not reflect the potential impact of all risks related to structure, market, the additional factors discussed above, and other factors that may affect the value of the Securities. The ratings may be given at the initiative of the Issuer (where the Issuer appoints the rating agency) or without the solicitation of the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. A credit rating agency may lower or withdraw its rating in respect of the Securities and that action may reduce the market value of the Securities.

However, the rating methodology employed by a rating agency with respect to Securities may link the rating applicable to the Securities with the rating applicable to AIB Bank or AIB Group plc. Such a methodology may, for example, include a ceiling on 'notching up' so that the Securities may not be assigned a rating higher than a specified number of notches above the rating applicable to AIB Bank or AIB Group plc. The credit ratings of Securities may also be subject to a ceiling or otherwise linked by reference to a credit rating applicable to other entities, including the credit rating applicable to Irish sovereign debt.

In general, EU regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by a credit rating agency established in the EU and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

UK regulated investors are restricted under the UK CRA Regulation from using credit ratings for regulatory purposes unless such ratings are issued by a credit rating agency established in the UK and registered under the UK CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-UK credit rating agencies, unless the relevant credit ratings are endorsed by a UK-registered credit rating agency or the relevant non-UK rating agency is certified in accordance with the UK CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

The Issuer is exposed to changes in the rating methodologies applied by rating agencies. Any changes of such methodologies may result in an adverse change in the ratings given to the Issuer or the Securities which in turn may materially and adversely affect the Issuer's collateral management operations, financial condition or capital market standing.

32 The market continues to develop in relation to risk-free rates (including SOFR and SONIA) as reference rates for Floating Rate Securities

Investors should be aware that the market continues to develop in relation to risk-free rates, such as SOFR and SONIA, as reference rates in the capital markets for U.S. dollar or sterling bonds, as applicable, and their adoption as alternatives to the relevant interbank offered rates. This relates not only to the substance of the calculation and

the development and adoption of market infrastructure for the issuance and trading of bonds referencing such rates, but also how widely such rates and methodologies might be adopted.

In addition, market participants and relevant working groups have been working together to design alternative reference rates based on risk-free rates, including applying term versions of certain risk-free rates (which seek to measure the market's forward expectation of an average of these reference rates over a designated term, as they are overnight rates) or different measures of such risk-free rates.

The market or a significant part thereof may adopt an application of risk-free rates that differs significantly from that set out in the terms and conditions applicable to the Securities. If the relevant risk-free rates do not prove to be widely used in securities such as the Securities, the trading price of such Securities linked to such risk-free rates may be lower than those of Securities referencing rates that are more widely used. Furthermore, the Issuer may in the future also issue Securities referencing SONIA, SONIA Compounded Index, SOFR or SOFR Compounded Index that differ materially in terms of interest determination when compared with any previous SONIA, SONIA Compounded Index, SOFR or SOFR Compounded Index referenced Securities issued by it under this Programme. The development of risk-free rates for the Eurobond markets could result in reduced liquidity or increased volatility, or could otherwise affect the market price of any Securities that reference a risk-free rate issued under this Programme from time to time.

In addition, the manner of adoption or application of risk-free rates in the Eurobond markets may differ materially compared with the application and adoption of risk-free rates in other markets, such as the derivatives and loan markets. Investors should carefully consider how any mismatch between the adoption of such reference rates across the bond, loan and derivatives markets may impact any hedging or other financial arrangements which they may put in place in connection with any acquisition, holding or disposal of Securities referencing such risk-free rates.

Risk-free rates such as SOFR and SONIA differ from interbank offered rates in a number of material respects. For instance, risk-free rates such as SOFR and SONIA are backwards-looking, compounded, risk-free overnight rates, whereas interbank offered rates are expressed on the basis of a forward-looking term and includes a risk element based on inter-bank lending. As such, investors should be aware that interbank offered rates and risk-free rates such as SOFR or SONIA may behave materially differently as interest reference rates for the Securities. Furthermore, SOFR is a secured rate that represents overnight secured funding transactions, and therefore will perform differently over time to an unsecured rate. For example, since publication of SOFR began in April 2018 daily changes in SOFR have, on occasion, been more volatile than daily changes in comparable benchmarks or other market rates.

Risk-free rates have a limited history. For instance, publication of SOFR and SONIA (in its current form) began in April 2018. The future performance of risk-free rates such as SOFR and SONIA may therefore be difficult to predict based on the limited historical performance. Risk-free rate levels during the term of the Securities may bear little or no relation to their historical levels. Prior observed patterns, if any, in the behaviour of market variables and their relation to risk-free rates such as correlations, may change in the future. Investors should not rely on hypothetical or actual historical performance data as an indicator of the future performance of such risk-free rates nor should they rely on any hypothetical data.

The Issuer has no control over its determination, calculation or publication of risk-free rates such as SOFR or SONIA. There can be no guarantee that such rates will not be discontinued, suspended or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Securities linked to the relevant 50 rate. In particular, the New York Federal Reserve and the Bank of England (or a successor), as administrator of SOFR (and the SOFR Compounded Index) and SONIA (and the SONIA Compounded Index), respectively, may make methodological or other changes that could change the value of SOFR or SONIA or their related indices, including changes related to the method by which SOFR or SONIA or a related index is calculated, eligibility criteria applicable to the transactions used to calculate SOFR or SONIA, or timing related to the publication of SOFR or SONIA or a related index. In addition, the administrator may alter, discontinue or suspend calculation or dissemination of SOFR or SONIA or a related index (in which case a fallback method of determining the interest rate on the Securities will apply). The administrator has no obligation to consider the interests of Security holders when calculating, adjusting, converting, revising or discontinuing SOFR or SONIA or a related index.

Investors should consider these matters when making their investment decision with respect to any Securities which reference any risk-free rates, including SONIA or SOFR.

33 The regulation and reform of "benchmarks" may adversely affect the value of Securities linked to or referencing such "benchmarks"

Interest rates and indices which are deemed to be "benchmarks" (such as a Reference Rate), are the subject of recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective whilst others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Securities linked to or referencing such a "benchmark". The EU Benchmarks Regulation was published in the Official Journal of the European Union on 29 June 2016 and became applicable from 1 January 2018. The EU Benchmarks Regulation applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of "benchmarks" of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

Regulation (EU) 2016/1011 as it forms part of UK domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the UK. It, among other things, (i) requires benchmark administrators to be authorised or registered (or, if non-UK-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by UK supervised entities of benchmarks of administrators that are not authorised or registered (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and the UK Benchmarks Regulation could have a material impact on any Securities linked to or referencing a "benchmark" (such as Floating Rate Securities), in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the "benchmark".

More broadly, any of the international or national reforms, or the general increased regulatory scrutiny of "benchmarks", could increase the costs and risks of administering or otherwise participating in the setting of a "benchmark" and complying with any such regulations or requirements.

The potential elimination of any benchmark (including, for example, EURIBOR), or changes in the manner of administration of any benchmark, could require an adjustment to the terms and conditions, or result in other consequences, in respect of any Securities linked to such benchmark. Such factors may have the following effects on certain "benchmarks": (i) discourage market participants from continuing to administer or contribute to the "benchmark", (ii) trigger changes in the rules or methodologies used in the "benchmark" or (iii) lead to the disappearance of the "benchmark". Any of the above changes or any other consequential changes as a result of international or national reforms or other initiatives or investigations, could have a material adverse effect on the value of and return on any Securities linked to or referencing a "benchmark".

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the EU Benchmarks Regulation and/or the UK Benchmarks Regulation in making any investment decision with respect to any Securities linked to or referencing a "benchmark".

The Conditions provide for certain fallback arrangements in the event that a published benchmark (excluding SOFR), such as EURIBOR or other relevant reference rates (including, without limitation, mid-swap rates) and including any page on which such Benchmark may be published (or any successor service)), becomes unavailable or a Benchmark Event otherwise occurs, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required), all as determined by the Issuer in consultation with an Independent Adviser, acting in good faith in a commercially reasonable manner. Any adjustment spread could be positive, negative or zero. In making such determinations, it is possible that the interests of the Issuer might not align with those of Security holders.

Where the original benchmark is SOFR, the Benchmark Replacement provisions in the terms and conditions specify a "waterfall" of alternative rates that may become the Benchmark Replacement. These alternative rates are uncertain and no market convention currently exists, or may ever exist, for their determination. For example,

the ISDA Fallback Rate, which is the rate referenced in the ISDA Definitions that is to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor, has not been established as of the date hereof. Even after the ISDA Fallback Rate is initially determined, ISDA Definitions and the ISDA Fallback Rate may change over time. Uncertainty surrounding the establishment of market conventions related to the calculation of the ISDA Fallback Rate and other alternative rates, and whether any of the alternative rates is a suitable replacement or successor for the original Reference Rate, may adversely affect the value of and return on Securities referencing SOFR as the original Reference Rate.

In certain circumstances the ultimate fallback for the purposes of calculation of interest for a particular Interest Period may result in the rate of interest for the last preceding Interest Period being used. This may result in the effective application of a fixed rate for Floating Rate Securities based on the rate which was last observed on the Relevant Screen Page or the last ISDA rate calculable by the Calculation Agent. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser, the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the trading market for, liquidity of, value of and return on any such Securities. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Securities or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Securities or could impact the availability and cost of hedging instruments and borrowings or cause a potential mismatch with any hedging instruments or borrowing arrangements already in place relating to such Securities. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Securities.

34 European Monetary Union

The Eurozone sovereign debt crisis which started in 2008 has led to continuing and increased speculation that one or more Eurozone countries might abandon the euro as its national currency and even, although generally thought of as an extreme circumstance, the possible disappearance of the euro as a currency. There is a great deal of legal uncertainty surrounding these possibilities but it is likely, in the event that Ireland were to abandon the euro as its national currency, that contracts denominated in euro, including the Securities, would be redenominated into whatever currency replaced the euro as the national currency of Ireland with the possibility of consequent foreign exchange risk and the other uncertainties attendant on such an eventuality constituting risks relating to Securities denominated in euro.

35 Extended maturity of the Securities

If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Securities and (i) the Issuer fails to redeem at par all of those Securities in full on the Maturity Date, or (ii) the Central Bank or a manager appointed to the Issuer under the ACS Act (see *Supervision and Regulation of Institutions/Managers – Power of the Central Bank to appoint the NTMA or a recommended person as manager of an Institution*) so directs, the maturity of the principal amount outstanding of the Securities will automatically be extended to the Extended Maturity Date, specified in the applicable Final Terms. In that event, the Issuer may redeem at par all or part of the principal amount outstanding of those Securities on an Interest Payment Date falling in any month after the Maturity Date up to and including the Extended Maturity Date. In that event also, the interest payable on the principal amount outstanding of those Securities will change as provided in the applicable Final Terms and such interest may apply on a fixed or floating basis. The extension of the maturity of the principal amount outstanding of those Securities from the Maturity Date up to the Extended Maturity Date will not result in any right of Security holders to accelerate payments on those Securities or constitute an event of default for any purpose and no payment will be payable to the Security holders in that event other than as set out in the Conditions (see *Terms and Conditions of the Securities*) and the applicable Final Terms (see *Final Terms for Securities*).

In the event of the insolvency or resolution of the Issuer, maturity extensions shall not affect the ranking of the investors in the Securities issued by the Issuer or invert the sequencing of the original maturity schedule of a Covered Bond Programme of the Issuer.

36 Increases in Overcollateralisation Percentage may be reversed

The Overcollateralisation Percentage is relevant to the level of Contractual Overcollateralisation applicable to a Series of Securities, see *Cover Assets Pool - The Pool maintained by the Issuer - Overcollateralisation*. The

Conditions provide that the Overcollateralisation Percentage will be specified in the Final Terms for a Series of Securities and will not, for so long as the Securities are outstanding, be reduced by the Issuer below the percentage specified in the applicable Final Terms relating to that Series of Securities.

The Conditions contemplate that the Overcollateralisation Percentage may be increased by the Issuer from time to time. However, any such increase may be reversed by the Issuer in whole or part at any time subject to the provisions of Condition 11(c). Such a reversal may occur where the increased Overcollateralisation Percentage is no longer required (i) to support the then credit rating of the Securities by any credit rating agency then appointed by the Issuer in respect of the Securities or (ii) for the Securities to meet the requirements of level 1 assets or level 2 assets for the purposes of the LCR Commission Regulation. However, such a reversal is not permitted under the Conditions if to do so would result in any credit rating then applying to the Securities by any credit rating agency appointed by the Issuer in respect of the Securities being reduced, removed, suspended or placed on credit watch.

Accordingly, investors in the Securities should be aware that any increase in the Overcollateralisation Percentage subsequent to an issue of Securities may be reversed by the Issuer in whole or part at any time subject to the provisions of Condition 11(c).

37 Sharing of Pool

The Cover Assets included in the Issuer's Pool benefit not only the holders of the Securities but also other preferred creditors of the Issuer. These preferred creditors are all other holders of the Issuer's Mortgage Covered Securities (whether outstanding at the date of this Base Prospectus or in the future), counterparties under cover assets hedge contracts at the date of this Base Prospectus or in the future (provided that such counterparties fulfil their financial obligations under the relevant cover assets hedge contracts), the Monitor, any manager appointed to the Issuer and, a Pool security trustee appointed by the Issuer, in each of the above cases, whether at the date of this Base Prospectus or in the future. None of the Cover Assets in the Issuer's Pool are or will be exclusively available to meet the claims of the holders of the Securities ahead of such other preferred creditors of the Issuer at the date of this Base Prospectus or in the future. In addition, with respect to Grandfathered ACS only, the claims of super-preferred creditors of the Issuer (being the Monitor, any such Pool security trustee and any manager appointed to the Issuer) rank ahead of those of other preferred creditors.

38 Dynamic nature of the Pool

The Issuers' Pool may contain mortgage credit assets, substitution assets and cover assets hedge contracts, subject to the limitations provided for in the ACS Act. At the date of this Base Prospectus, the Issuer's Pool contains mortgage credit assets, substitution assets and cover assets hedge contracts in accordance with the ACS Act. The ACS Act permits the composition of the Issuer's Pool to be dynamic and does not require it to be static. Accordingly, the composition of mortgage credit assets (and other permitted assets) comprised in the Issuer's Pool will change from time to time in accordance with the ACS Act. A mortgage credit asset, cover assets hedge contract or substitution asset may only be included in or removed from the Issuer's Pool if the Monitor agrees to its inclusion or removal and it is permitted by the ACS Act. Accordingly, any changes to mortgage credit assets, cover assets hedge contracts, or substitution assets comprised in the Issuer's Pool from time to time will require the Monitor's approval. In circumstances where the Monitor does not provide its approval for changes to the composition of the Issuer's Pool, the Issuer's Pool would lose its dynamic nature and investors would be deprived of the benefits of diversification of their investment portfolios which exposure to a dynamic Pool otherwise provides. See *Cover Assets Pool*.

39 Types of mortgage credit assets that may be included in the Pool

A mortgage credit asset includes a loan secured over commercial property as well as one secured over residential property. Under the ACS Act, with respect only to Grandfathered ACS, a mortgage credit asset also includes securitised mortgage credit assets; namely, RMBS or CMBS. Accordingly, subject to the limits set out in the ACS Act, a Pool may include mortgage credit assets the related loans under which are secured over commercial property or certain CMBS or RMBS. At the date of this Base Prospectus, the Issuer has not included and does not propose to include CMBS or RMBS in its Pool or to acquire or make loans which are primarily secured over commercial property or accordingly, to include mortgage credit assets comprising such loans in its Pool, as permitted by the ACS Act. However, subject as set out below, that position may change and no restrictions will apply to the Issuer acquiring or making mortgage credit assets the related loans under which are secured on commercial property or to the inclusion of those mortgage credit assets in its Pool, other than restrictions which apply under the ACS Act. See *Restrictions on the Activities of an Institution* and *Cover Assets Pool.*

The financial performance and market value of any RMBS or CMBS may be adversely affected by, amongst other things, (i) financial deterioration of or other adverse factors affecting the originator, servicer or underlying borrowers, (ii) transactions being downgraded or placed on credit watch by rating agencies, (iii) adverse economic, environmental, climatic or other events in the countries, regions or areas where the underlying properties are situated, (iv) adverse changes in underlying property values, (v) adverse regulatory changes affecting investors or (vi) adverse conditions in the capital markets relating to the availability of credit, liquidity or otherwise.

40 Location of property related to mortgage credit assets

At the date of this Base Prospectus, the Issuer's Pool consists of residential loans originally secured on residential properties in Ireland with a significant degree of concentration on the Dublin area. The ACS Act permits (and the Conditions do not prohibit) the inclusion by the Issuer in its Pool of mortgage credit assets located in any Member State of the EEA and subject to certain limits and criteria, in the US, Canada, Switzerland, Japan, Australia and New Zealand. See *Cover Assets Pool*.

The location (for the purposes of the ACS Act) of mortgage credit assets which are included in the Issuer's Pool may change and no restriction will apply to the Issuer acquiring or making mortgage credit assets the related properties under which may be situated outside Ireland or to the inclusion of relevant mortgage credit assets in its Pool, other than those restrictions which apply under the ACS Act (see *Restrictions on the Activities of an Institution and Cover Assets Pool*).

41 Cover assets hedge contracts

At the date of this Base Prospectus, the Pool Hedge only hedges the interest rate exposure with respect to mortgage credit assets located in Ireland for the purposes of the ACS Act and which are secured on Irish residential property, denominated in euro and included in the Issuer's Pool and with respect to Mortgage Covered Securities which are primarily denominated in euro. If the Issuer includes in its Pool mortgage credit assets which are secured on commercial property, mortgage credit assets (whether secured on residential property or commercial property) which are located outside of Ireland for the purposes of the ACS Act, mortgage credit assets not denominated in euro, or issues Mortgage Covered Securities not denominated in euro, the Pool Hedge does not hedge any interest rate risk and/or, as applicable, currency risk, associated with those assets or, as applicable, Mortgage Covered Securities unless further transactions are entered into under the Pool Hedge. The Issuer is entitled but not required under the ACS Act to enter into cover assets hedge contracts.

42 Default of Issuer's assets

A borrower under a residential loan may default on its obligation under that residential loan. Defaults under residential loans are subject to credit, liquidity interest rate, legal and regulatory risks and rental yield reduction (in the case of investment residential properties) and are often connected with negative changes in market interest rates, international, national or local economic conditions, the financial standing of borrowers, property values or with unemployment, death, illness or relationship breakdown affecting borrowers or similar factors to the above factors.

Material default of the Issuer's assets (in particular of Cover Assets comprised in its Pool) could jeopardise the Issuer's ability to make payments in full or on a timely basis on the Securities if not sufficiently mitigated by overcollateralisation or the availability of other non-defaulted assets.

The Cover Assets which will secure the Securities comprise and will continue to comprise to a large extent loans secured on residential property which, at the date of this Base Prospectus, are located in Ireland. These residential loans may be loans originally made to a borrower for the purpose of that borrower buying, constructing, altering or refinancing a residential property in which that borrower then or subsequently resides or may be loans made to a borrower for the purchase of that residential property for investment, rental or other purposes.

43 Payments by borrowers and collection of residential loans

At the date of this Base Prospectus, payments of principal and interest by borrowers in respect of mortgage credit assets comprised in the Issuer's Pool are usually made monthly in respect of the Irish residential loans held by the Issuer. Such payments are collected by AIB Bank as the Mortgage Servicer under the terms of the Outsourcing Agreement and are credited at least on a monthly basis into an account maintained by the Issuer with Barclays Bank Ireland PLC. Failure by AIB Bank (including in circumstances where AIB Bank is wound up) to remit to the Issuer funds received by AIB Bank and to which the Issuer is entitled could adversely affect the Issuer's

financial condition and its ability to make payments on the Securities. See *Irish Residential Loan Origination and Servicing – Mortgage Servicing.*

44 Regulatory, contractual and rating agency overcollateralisation levels

A significant level of overcollateralisation is held in the Issuer's Pool with the aim of providing adequate protection to holders of Mortgage Covered Securities issued by the Issuer in the event of higher defaults and reducing asset values. The Issuer monitors the level of overcollateralisation of its Pool to ensure that the prudent value of the Pool (as measured for the purposes of the Regulatory Overcollateralisation value of the Pool) exceeds minimum Regulatory Overcollateralisation, Contractual Overcollateralisation and rating agency requirements. See further *Cover Assets Pool*.

Risks attaching to the Securities as a result of default or decline in value of Cover Assets in the Issuer's Pool are reduced by a number of features of the ACS Act, including overcollateralisation of the Pool and the Issuer's ability to substitute assets to and from its Pool. However, if a material amount of Cover Assets in the Issuer's Pool were to default, or to decline materially in value, there is no guarantee that the required level of overcollateralisation could be maintained or that the Issuer would be in a position to substitute non-defaulting assets for the defaulting assets.

45 Securities issued as Green or Social Securities may not be a suitable investment for all investors seeking exposure to green or social assets

The Final Terms relating to any specific Tranche of Securities may provide that it will be the Issuer's intention to apply an amount equal to the net proceeds from an offer of those Securities specifically to an eligible portfolio of new and existing green mortgage credit assets or social mortgage credit assets (each an "**Eligible Mortgage Portfolio**" and together, the "**Eligible Mortgage Portfolios**"). Prospective investors should have regard to the information set out in *Green Bond Framework Overview, Social Bond Framework Overview* and the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Securities together with any other investigation such investor deems necessary.

In particular, no assurance is given by the Issuer or any Dealer that the use of such proceeds for any Eligible Mortgage Portfolio will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Mortgage Portfolio. None of the Dealers shall be responsible for (i) any assessment of the Eligible Mortgage Portfolio, (ii) any verification of whether the Eligible Mortgage Portfolio falls within an investor's requirements or expectations of a "green", "sustainable" or "social" or equivalently-labelled project or (iii) the ongoing monitoring of the use of proceeds in respect of any such Securities.

The definition (legal, regulatory or otherwise) of, and market consensus as to what constitutes or may be classified as, a "sustainable", "green", "social" or equivalently-labelled project or a loan that may finance such project and the requirements of any such label continue to develop and evolve, and different organisations may develop definitions or labels that are different from, and may be incompatible with, those set by other organisations. The EU has implemented Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable development (the "**EU Taxonomy Regulation**"). The stated purpose of the EU Taxonomy Regulation is to establish the criteria for determining whether an economic activity qualifies as environmentally sustainable for the purposes of establishing the degree to which an investment is environmentally sustainable.

Regulation (EU) 2023/2631 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds was published in the Official Journal of the European Union on 30 November 2023. The Regulation, which entered into force on 20 December 2023 and apply from 21 December 2024, introduces a voluntary label (the "**European Green Bond Standard**") for issuers of green use of proceeds bonds (such as the Green Bonds) where the proceeds will be invested in economic activities aligned with the EU Taxonomy Regulation. It is not clear at this stage the impact which the European Green Bond Standard may have on investor demand for, and pricing of, green use of proceeds bonds (such as the Green Bonds) that do not meet such standard. It could reduce demand and liquidity for the Green Bonds and their price.

Additionally, no assurance is or can be given to investors that any projects or uses the subject of, or related to, any Eligible Mortgage Portfolio will meet any or all investor expectations regarding such "green", "sustainable", "social" or other equivalently-labelled performance objectives or that any adverse environmental, social and/or other impacts will not occur during the implementation of any projects or uses the subject of, or related to, any Eligible Mortgage Portfolio.

No assurance or representation is given as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any third party (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Securities and in particular with any Eligible Mortgage Portfolio to fulfil any environmental, sustainability, social and/or other criteria. For the avoidance of doubt, any such opinion or certification is not, nor shall be deemed to be, incorporated in and/or form part of this Base Prospectus. Any such opinion or certification is not, nor should be deemed to be, a recommendation by the Issuer or any other person to buy, sell or hold any such Securities. Any such opinion or certification is only current as at the date that opinion was initially issued. Prospective investors must determine for themselves the relevance of any such opinion or certification and/or the information contained therein and/or the provider of such opinion or certification for the purpose of any investment in such Securities. Currently, the providers of such opinions and certifications are not subject to any specific regulatory or other regime or oversight.

In the event that any such Securities are listed or admitted to trading on any dedicated "green", "environmental", "sustainable", "social" or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated), no representation or assurance is given by the Issuer or any other person that such listing or admission satisfies, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any Eligible Mortgage Portfolio. Furthermore, it should be noted that the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Nor is any representation or assurance given or made by the Issuer or any other person that any such listing or admission to trading will be obtained in respect of any such Securities or, if obtained, that any such listing or admission to trading will be maintained during the life of the Securities.

Amounts of interest, principal or other amounts payable for any Securities in respect of which the relevant Final Terms provide that it is the Issuer's intention to apply an amount equal to the net proceeds from an offer of those Securities specifically to an Eligible Loan Portfolio will not be impacted by the performance of any Eligible Loan Portfolio funded out of the proceeds of the issue (or amounts equal thereto) of such Securities or by any other Eligible Loan Portfolios or other green, sustainable or social assets of the Group.

Further, the tenor of the amounts advanced by the Group to customers for the purposes of financing or refinancing any Eligible Loan Portfolio may not match the maturity date of the Securities issued to fund such advances. The subsequent redemption of relevant loans advanced by the Group, or the project(s) or use(s) the subject of, or related to, any Eligible Loan Portfolio before the maturity date of any Securities issued to fund such advances shall not lead to the early redemption of such Securities or any other Securities nor create any obligation or incentive of the Issuer to redeem the Securities at any time or be a factor in the Issuer's determination as to whether or not to exercise any early redemption rights it may have from time to time.

While it is the intention of the Issuer to apply an amount equal to the net proceeds of any Securities so specified to an Eligible Mortgage Portfolio in, or substantially in, the manner described in *Green Bond Framework Overview* or in *Social Bond Framework Overview* (as appropriate) and the relevant Final Terms, there can be no assurance that the relevant use(s) the subject of, or related to, any Eligible Mortgage Portfolio will be capable of being implemented in, or substantially in, such manner and/or in accordance with any timing schedule and that accordingly such proceeds will be totally or partially disbursed for such Eligible Mortgage Portfolio. Nor can there be any assurance that such Eligible Mortgage Portfolio will be completed within any specific period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not (i) give rise to any claim of a Security holder against the Issuer; (ii) constitute an event of default howsoever described for any purpose; (iii) lead to an obligation of the Issuer to redeem such Securities or be a relevant factor for the Issuer in determining whether or not to exercise any optional redemption rights in respect of any Securities; or (iv) result in any step-up or increased payments of interest, principal or any other amounts in respect of the Securities, or otherwise affect the terms and conditions of the Securities.

Any such event or failure to apply an amount equal to the net proceeds of any issue of Securities for any Eligible Mortgage Portfolio as aforesaid and/or withdrawal of any such opinion or certification or any such opinion or certification attesting that the Issuer is not complying in whole or in part with any matters for which such opinion or certification is opining or certifying on and/or any such Securities no longer being listed or admitted to trading on any stock exchange or securities market as aforesaid may have a material adverse effect on the value of such Securities and also potentially the value of any other Securities the proceeds of which are intended to be allocated to an Eligible Mortgage Portfolio and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

46 Status of the Securities in the event of insolvency of the Issuer

The ACS Act varies the general provisions of Irish insolvency law which would otherwise apply with respect to an Institution, Cover Assets, cover assets hedge contracts, Pool Hedge Collateral and Mortgage Covered Securities on the insolvency of the Institution and replaces them with a special insolvency regime applicable to Institutions. See further *Insolvency of Institutions*.

Part 7 of the ACS Act provides, amongst other things, that if an Institution (or where the Institution has a parent entity or a company that is related to the Institution, the parent entity or related company) becomes subject to a resolution process (as defined in the ACS Act), all Mortgage Covered Securities issued by the Institution remain outstanding, subject to the terms and conditions specified in the security documents under which those Mortgage Covered Securities are created.

Accordingly, subject to the Conditions, the ACS Act does not give the holders of the Securities or any other person the right to accelerate the obligations of the Issuer under the Securities in the event of insolvency of the Issuer, AIB Bank, AIB Group plc or any other company related to the Issuer. See *Insolvency of Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution* for further information. From 8 July 2022 and other than with respect to Grandfathered ACS, the ACS Act prohibits an Institution from issuing ACS which are subject to automatic acceleration upon the insolvency or resolution of the Institution.

The Conditions contain no contractual events of default or right to accelerate the Securities on a failure to pay, insolvency of the Issuer or otherwise. If the Issuer fails to make a payment when due or becomes insolvent, then the Securities remain outstanding in accordance with their terms (including Final Terms) and the ACS Act.

47 Amortisation of mortgage credit assets

Loans comprised in mortgage credit assets which are included from time to time in the Issuer's Pool are and will generally be subject to amortisation of principal on a monthly or other periodic basis. They are also subject to early repayment of principal at any time in whole or part by the relevant borrowers, subject in the case of loans carrying a fixed interest rate to the payment by the borrower of compensation related to the fixed interest rate. In addition, loans comprised in mortgage credit assets which are included in the Issuer's Pool will generally have interest payable on a monthly basis. Payments of principal on mortgage credit assets as set out above results in the Issuer requiring to include further mortgage credit assets and/or substitution assets in the Issuer's Pool on a regular and ongoing basis in order for the Issuer to comply with the financial matching and Regulatory Overcollateralisation requirements under the ACS Act and with contractual undertakings in respect of overcollateralisation (see *Cover Assets Pool*).

48 Securities issued at a substantial discount or premium

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

49 Interests of the Dealers

Certain of the Dealers (including AIB Bank) and their affiliates have engaged, and may in the future, engage in investment banking, commercial banking, monetary policy and/or other financing transactions with, and may perform services for, the Issuer and its affiliates, or for clients in transactions which involve the Issuer and its affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities issued under the Programme. Any such short positions could adversely affect future trading prices of Securities issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

50 Eurosystem eligibility

Though the NGN and NSS allow for the possibility of Securities being issued and held in a manner which will permit them to be recognised as eligible collateral for Eurosystem monetary policy and intraday credit operations or as eligible under quantitative easing related bond purchase programmes, by the Eurosystem either upon issue or at any or all times during their life, in any particular case, such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time.

Bearer or registered form Global Securities that are deposited with a Common Depositary on behalf of the ICSDs under the classic global note structure are not eligible for Eurosystem purposes. In addition, Securities in definitive form are not eligible for Eurosystem purposes.

51 Central Securities Depositories Regulation

Regulation (EU) No. 909/2014 of 23 July 2014 (the "**CSDR**"), which has direct effect in Ireland, requires that, amongst other things, from 1 January 2023 any EU issuer that issues transferable securities which are admitted to trading on a trading venue, multilateral trading facility or organised trading facility must arrange for such securities to be represented in book-entry form as immobilisation or subsequent to a direct issuance in dematerialised form. The European Union (Dematerialised Securities) Regulations 2023 of Ireland (the "**Irish CSDR Regulations**") introduced new provisions to the Companies Act, 2014 of Ireland for the purposes of giving further effect to the CSDR. The Regulated Market of Euronext Dublin is a trading venue for this purpose, and therefore the Issuer is subject to, and required to comply with, CSDR and the Irish CSDR Regulations. The Issuer expects to comply with such requirements by issuing Global Securities representing such Securities which will be held on behalf of clearing systems such as Euroclear and Clearstream, Luxembourg. The Issuer may be required to exchange interests in such Global Securities for definitive Securities in certain limited circumstances as described in the Conditions. Due to the application of CSDR and the Irish CSDR Regulations, unless alternative arrangements are made such that the Securities may continue to exist only as book entry records and to allow for such exchange for definitive Securities to proceed and such definitive Securities to have legal effect, it is possible that such definitive Securities may not on and following such exchange be capable of being listed on any stock exchange within the European Economic Area and may not be capable of being admitted to trading on any regulated market or multilateral trading facility within the European Economic Area.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have been filed with the Central Bank shall be incorporated in, and form part of, this Base Prospectus and such documents are available electronically at the links set out below:

On the website of the Group:

(a) (i) the audited financial statements of the Issuer for the financial year ended 31 December 2023 and the auditor's report dated 5 March 2024 by PricewaterhouseCoopers thereon and (ii) the risk management report of the annual financial report of the Issuer for the year ended 31 December 2023. Such financial statements, such auditor's report and such risk managemenr report are available on the website of the Group at:

https://aib.ie/content/dam/frontdoor/investorrelations/docs/mortgagebank/directors-report-and-financial-statements-2023.pdf

(b) the audited financial statements of the Issuer for the financial year ended 31 December 2022 and the auditor's report dated 6 March 2023 by Deloitte Ireland LLP thereon. Such financial statements and such auditor's report are available on the website of the Group at:

https://aib.ie/content/dam/frontdoor/investorrelations/docs/mortgagebank/directors-report-and-financial-statements-2022.pdf

(c) the "Risk Management" section of the annual financial report of the Group for the year ended 31 December 2023. Such risk management report is available on the website of the Group at:

https://aib.ie/content/dam/frontdoor/investorrelations/docs/resultscentre/annualreport/2023/AIB-Group-plc-AFR-Dec-2023.pdf

On the website of Euronext Dublin:

(a) terms and conditions of the Securities as contained in pages 54 to 81 of the base prospectus dated 14 September 2009 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/200909/089f6ec5-c866-4fa3-a9a9-320c7e73529d.PDF

(b) terms and conditions of the Securities as contained in pages 72 to 101 of the base prospectus dated 20 December 2013 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_bd149f56-19a3-453f-a468-79a1a8812f65.PDF

(c) terms and conditions of the Securities as contained in pages 59 to 84 of the base prospectus dated 18 December 2014 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_76b630c5-f5c2-4e86-a591-d313ffd2ec8e.PDF

(d) terms and conditions of the Securities contained in pages 67 to 92 of the base prospectus dated 17 July 2015 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_48f79832-2bee-4c4a-966b-568e4c550a28.PDF

(e) terms and conditions of the Securities contained in pages 63 to 89 of the base prospectus dated 8 July 2016 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_9ed91a5d-26ae-4869-8795-5db9169106dc.PDF

(f) terms and conditions of the Securities contained in pages 83 to 107 of the base prospectus dated 6 July 2017 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_3fc6834c-7856-4986-bf7d-ca5aa011505d.PDF

(g) terms and conditions of the Securities contained in pages 69 to 96 of the base prospectus dated 25 October 2018 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_3dc3512a-69fd-4395-96cb-4c3a0e290bc6.PDFhttps://www.ise.ie/debt_documents/Base___Prospectus_3dc3512a-69fd-4395-96cb-4c3a0e290bc6.PDF

(h) terms and conditions of the Securities contained in pages 64 to 93 of the base prospectus dated 19 December 2019 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_0d43023f-01ad-4416-905a-4a44c01563cb.PDF

(i) terms and conditions of the Securities contained in pages 71 to 101 of the base prospectus dated 16 December 2020 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/legacy/Base+Prospectus_a9dc1e18-3d66-46d8-ba70-78e3e83473f4.PDF

(j) terms and conditions of the Securities contained in pages 78 to 119 of the base prospectus dated 10 December 2021 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://ise-prodnr-eu-west-1-data-integration.s3-eu-west-1.amazonaws.com/202112/318f31b3-d905-4560-93fd-2ee482261610.PDF

(k) terms and conditions of the Securities contained in pages 74 to 113 of the base prospectus dated 19 May 2023 in respect of the Programme. Such terms and conditions are available on the website of Euronext Dublin at:

https://aib.ie/content/dam/frontdoor/investorrelations/docs/debt-investors/base-prospectus-2023.pdf

save that any statement contained herein or in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained in any subsequent document which is deemed to be incorporated by reference herein by virtue of any supplement to this Base Prospectus 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 Base Prospectus. Where documents incorporated by reference in this Base Prospectus contain information which is incorporated by reference in those documents, but which information is not expressly incorporated by reference in this Base Prospectus, that information does not form part of this Base Prospectus.

A copy of any or all of the documents deemed to be incorporated herein by reference (unless such documents have been modified or superseded as specified above) will be available in electronic form at www.aibgroup.com, access through 'Investor Relations' – AIB Mortgage Bank.

As regards information contained in the base prospectuses dated 14 September 2009, 20 December 2013, 18 December 2014, 17 July 2015, 8 July 2016, 6 July 2017, 25 October 2018, 19 December 2019, 16 December 2020, 10 December 2021 and 19 May 2023 which is not incorporated by reference in this Base Prospectus, such information is not relevant to investors in Securities to be issued on or after the date of this Base Prospectus or is covered elsewhere in this Base Prospectus.

FORM OF THE SECURITIES, ISSUE PROCEDURES AND CLEARING SYSTEMS

The Securities of each Series will either be Bearer Securities, with or without interest coupons attached or Registered Securities, without interest coupons attached. The Securities have not been and will not be registered under the Securities Act and may not be offered or sold in the US or to, or for the account or benefit of, US persons unless an exemption from the registration requirements of the Securities Act is available or in a transaction not subject to the registration requirements of the Securities Act (see *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements*). Accordingly, the Securities will only be issued outside the US in reliance upon Regulation S under the Securities Act.

Bearer Securities

Each Tranche of Bearer Securities will be issued in the form of either a Temporary Bearer Global Security or a Permanent Bearer Global Security (each of which, along with a Registered Global Security), is a Global Security, as indicated in the applicable Final Terms, which, in either case, will:

(a) if the Bearer Securities are intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper for Euroclear and Clearstream, Luxembourg; and

(b) if the Bearer Securities are not intended to be issued in NGN form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream, Luxembourg.

Persons holding beneficial interests in a Permanent Bearer Global Security will be required, under the circumstances described below, to receive delivery of definitive Securities in bearer form.

Whilst any Bearer Security is represented by a Temporary Bearer Global Security, payment of principal, interest (if any) and any other amount payable in respect of such Security due prior to the Exchange Date will be made (against presentation of the Temporary Bearer Global Security if the Temporary Bearer Global Security is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Security are not US persons or persons who have purchased for resale to any US person, as required by US Treasury regulations, have been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Principal Paying Agent.

On or after the Exchange Date, interests in such Temporary Bearer Global Security will be exchangeable (free of charge) as described therein for interests in a Permanent Bearer Global Security of the same Series against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Bearer Global Security will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Bearer Global Security for an interest in a Permanent Bearer Global Security is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Bearer Global Security will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender, as the case may be, of the Permanent Bearer Global Security if the Permanent Bearer Global Security is not intended to be issued in NGN form) without any requirement for certification.

Interests in a Permanent Bearer Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Securities in bearer form with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event.

The Issuer will promptly give notice to holders of Securities in accordance with Condition 13, if an Exchange Event occurs. In the event of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Security or the Issuer) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

The following legend will appear on all Securities which have an original maturity of more than 365 days and on all receipts and interest coupons relating to such Securities.

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

The sections referred to provide that US holders, with certain exceptions, will not be entitled to deduct any loss on Securities, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of Securities, receipts or interest coupons.

Securities in global form will be transferable only in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Registered Securities

The Registered Securities may be represented by a Registered Global Security. Prior to the expiry of the distribution compliance period (as defined in Regulation S) applicable to each Tranche of Securities, beneficial interests in a Registered Global Security may not be offered or sold within the US or to, or for the account or benefit of, a US person and may not be held otherwise than through Euroclear or Clearstream, Luxembourg and such Registered Global Security will bear a legend regarding such restrictions on transfer.

In addition, Securities in definitive registered form may be privately placed to non-US persons outside the US on a non-syndicated basis with professional investors only in reliance on Regulation S. Any such issue of Securities will be evidenced by a single security registered in the name of the holder thereof.

Registered Global Securities will be deposited with:

(a) in the case of Registered Global Securities issued under the NSS and, as stated in the applicable Final Terms, intended to be held in a manner which would allow Eurosystem eligibility, a Common Safekeeper for Euroclear and Clearstream, Luxembourg and registered in the name of a nominee of that Common Safekeeper, and

(b) in the case of Registered Global Securities not issued under the NSS and, as stated in the applicable Final Terms, not intended to be held in a manner which would allow Eurosystem eligibility, a Common Depositary for, and registered in the name of a common nominee of, Euroclear and Clearstream, Luxembourg.

Persons holding beneficial interests in Registered Global Securities will be required, under the circumstances described below, to receive delivery of definitive Securities in registered form.

Payments of principal, interest and any other amount in respect of the Registered Global Securities will, in the absence of provision to the contrary, be made to the person shown on the Register (as defined in Condition 5) as the registered holder of the Registered Global Securities. None of the Issuer, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments or deliveries made on account of beneficial ownership interests in the Registered Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Payments of principal, interest or any other amount in respect of the Registered Securities in definitive form will, in the absence of provision to the contrary, be made to the persons shown on the Register on the relevant Record Date (as defined in Condition 5) immediately preceding the due date for payment in the manner provided in that Condition.

Interests in a Registered Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Securities without interest coupons or talons attached only upon the occurrence of an Exchange Event. The Issuer will promptly give notice to Security holders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Security or the Issuer) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Transfer of Interests in Global Securities

Interests in a Global Security may, subject to compliance with all applicable restrictions and requirements, be transferred to a person who wishes to hold such interest in a Global Security. No beneficial owner of an interest in a Global Security will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Securities are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements*. In relation to trading of Securities in the Clearing Systems, see *Risk Factors — Clearing Systems*.

Clearing Systems

The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of Euroclear or Clearstream, Luxembourg currently in effect. The information in this section concerning the Clearing Systems has been obtained from sources that the Issuer believes to be reliable, but none of the Issuer, the Arrangers or any Dealer takes any responsibility for the accuracy thereof. The Issuer confirms that this information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by Euroclear or Clearstream, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors wishing to use the facilities of any of the Clearing Systems are advised to confirm the continued applicability of the rules, regulations and procedures of the relevant Clearing System. None of the Issuer, the Arrangers or any of the Dealers will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, interests in the Securities held through the facilities of any Clearing System or for maintaining, supervising or reviewing any records relating to such interests.

Euroclear and Clearstream, Luxembourg each holds securities for its participants and facilitates the clearance and settlement of securities transactions by electronic book-entry transfer between their respective participants. Euroclear and Clearstream, Luxembourg provide various services including safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg also deal with domestic securities markets in several countries through established depository and custodial relationships. Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems across which their respective participants may settle trades with each other.

Euroclear and Clearstream, Luxembourg participants are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Indirect access to Euroclear and Clearstream, Luxembourg is available to other institutions and persons that directly or indirectly through other institutions clear through or maintain a custodial relationship with a participant of either system.

The address of Euroclear is 1 Boulevard du Roi Albert II, 1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue J.F. Kennedy, 1855 Luxembourg, Luxembourg.

Pursuant to the Agency Agreement (as defined under *Terms and Conditions of the Securities*), the Issuer has authorised and instructed the Principal Paying Agent and, as applicable, the Registrar to elect Clearstream, Luxembourg as Common Safekeeper for Global Securities issued under the Programme which are intended to be held in a manner which would allow Eurosystem eligibility.

In relation to any issue of Securities issued in global form which have a minimum denomination and are tradable in the Clearing Systems in amounts above that minimum denomination, but those tradable amounts are not integral multiples of that minimum denomination, those Securities may be traded in principal amounts which are not integral multiples of that minimum denomination. If those Securities are required to be exchanged into Securities in definitive form, a holder of Securities who, as a result of trading such amounts, holds a principal amount of Securities which is not an integral multiple of the minimum denomination will not receive a Security in definitive form in respect of the principal amount of Securities in excess of the principal amount equal to the nearest integral multiple of the minimum denomination held by that holder, unless that holder purchases a further principal amount of Securities such that the aggregate principal amount of its holding then becomes an integral multiple of the minimum denomination. The Issuer does not authorise in any circumstances the trading of Securities in a principal or nominal amount less than the applicable minimum denomination specified in the applicable Final Terms.

Transfers of Securities Represented by Global Securities

Interests in a Global Security may, subject to compliance with all applicable restrictions and requirements, be transferred to a person who wishes to hold such interest in a Global Security. No beneficial owner of an interest in a Global Security will be able to transfer such interest, except in accordance with the applicable procedures of Euroclear and Clearstream, Luxembourg, in each case to the extent applicable. Registered Securities are also subject to the restrictions on transfer set forth therein and will bear a legend regarding such restrictions, see *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements*.

Transfers of any interests in Securities represented by a Global Security within Euroclear and Clearstream, Luxembourg will be effected in accordance with the customary rules and operating procedures of the relevant clearing system.

Clearstream, Luxembourg and Euroclear have each published rules and operating procedures designed to facilitate transfers of interests in Global Securities among participants and accountholders of Clearstream, Luxembourg and Euroclear. However, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued or changed at any time. None of the Issuer, the Arrangers or any Dealer will be responsible for any performance by Clearstream, Luxembourg or Euroclear or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their operations and none of them will have any liability for any aspect of the records relating to or payments made on account of interests in the Securities represented by Global Securities or for maintaining, supervising or reviewing any records relating to such interests.

General

Pursuant to the Agency Agreement (as defined under *Terms and Conditions of the Securities*), the Principal Paying Agent shall arrange that, where a further Tranche of Securities is issued which is intended to form a single Series with an existing Tranche of Securities, the Securities of such further Tranche shall be assigned a common code and ISIN which are different from the common code assigned to Securities of any other Tranches of the same Series until at least the expiry of the distribution compliance period applicable to the Securities of such Tranche.

For so long as any of the Securities is represented by a Global Security held on behalf of Euroclear and/or Clearstream, Luxembourg, each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or Clearstream, Luxembourg as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error or proven error) shall be treated by the Issuer and its agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of Securities, for which purposes the bearer of the relevant Securities in bearer form or, as applicable, the registered holder of the relevant Securities in registered form shall be treated by the Issuer and its agents as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Securities and the expressions "**Security holder**" and "**holder of Securities**" and related expressions shall be construed accordingly.

Any reference herein to Euroclear or Clearstream, Luxembourg shall, wherever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

Where any Security is represented by a Global Security and the Global Security (or any part thereof) has become due and repayable in accordance with the Conditions of such Securities and payment in full of the amount due has not been made in accordance with the provisions of the Global Security, then holders of interests in such Global Security credited to their accounts with Euroclear or Clearstream, Luxembourg, as the case may be, will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear or Clearstream, Luxembourg on and subject to the terms of the Securities.

FINAL TERMS FOR SECURITIES

Set out below is the form of Final Terms which will be completed for each Tranche of Securities issued under the Programme.

AIB MORTGAGE BANK u.c.

Legal Entity Identifier (LEI): 549300CGO72ED3XVUZ04

Issue of [Aggregate Nominal Amount of Tranche] [[•] percent/Floating Rate/Zero Coupon] Mortgage Covered Securities due [•] under the €20,000,000,000 Mortgage Covered Securities Programme

THE SECURITIES (AS DESCRIBED HEREIN) ARE MORTGAGE COVERED SECURITIES ISSUED IN ACCORDANCE WITH THE ASSET COVERED SECURITIES ACT 2001 (AS AMENDED) OF IRELAND (THE "ACT"). THE ISSUER HAS BEEN REGISTERED BY THE CENTRAL BANK (AS DEFINED BELOW) AS A DESIGNATED MORTGAGE CREDIT INSTITUTION PURSUANT TO THE ACT. THE FINANCIAL OBLIGATIONS OF THE ISSUER UNDER THE SECURITIES ARE SECURED ON THE COVER ASSETS THAT COMPRISE A COVER ASSETS POOL MAINTAINED BY THE ISSUER IN ACCORDANCE WITH THE ACT.

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in the MiFID II Directive; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the manufacturer ['s/'s] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer ['s/'s] target market assessment) and determining appropriate distribution channels.]

[**UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET** – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is only eligible counterparties, as defined in the UK Financial Conduct Authority Handbook Conduct of Business Sourcebook, and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom (the "**UK**") by virtue of the European Union (Withdrawal) Act 2018 (as amended) ("**EUWA**") (the "**UK MiFIR**"); and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any [person subsequently offering, selling or recommending the Securities (a "**distributor**")][distributor] should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of the MiFID II Directive; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA has been

prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.][1]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Securities are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the [European Union (Withdrawal) Act 2018 (the "**EUWA**")]/[EUWA]; (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") and any rules or regulations made under the FSMA to implement [Directive (EU) 2016/97 (the "**Insurance Distribution Directive**")]/[the Insurance Distribution Directive], where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of [Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA (the "**UK MiFIR**")]/[the UK MiFIR]; or (iii) not a qualified investor as defined in Article 2 of [Regulation (EU) 2017/1129][the Prospectus Regulation] as it forms part of domestic law by virtue of the EUWA (the "**UK Prospectus Regulation**"). Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPS Regulation.] [2]

[**Singapore SFA Product Classification**: In connection with Section 309B of the Securities and Futures Act (Chapter 289) of Singapore (as amended, the "**SFA**") and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are [prescribed capital markets products][capital markets products other than prescribed capital markets products] (as defined in the CMP Regulations 2018) and [are] [Excluded][Specified] Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.][3]

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Securities (collectively, the "**Conditions**" and each a "**Condition**") set forth in the Base Prospectus dated 27 September 2024 (the "**Base Prospectus**") [and the supplement to the Base Prospectus dated [•] which [together] constitute[s] a base prospectus for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and relevant Irish laws. The Central Bank of Ireland has approved the Base Prospectus under Article 20 of the Prospectus Regulation as having been drawn up in accordance with the Prospectus Regulation and Commission Delegated Regulation (EU) 2019/980 and Commission Delegated Regulation (EU) 2019/979, as amended (the "**EU Prospectus Regulations**").]

[This document ("**Final Terms**") [constitutes the final terms of the Securities described herein for the purposes of the Prospectus Regulation and] must be read in conjunction with the Base Prospectus [as so supplemented] in order to obtain all relevant information.][4] Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the supplement[s] to the Base Prospectus] and any final terms issued in connection with the Base Prospectus have been published on the Issuer's website at https://aib.ie/investorrelations/debt-investor/mortgage-bank and on the website of the Irish Stock Exchange plc, trading as Euronext Dublin at https://live.euronext.com/en/markets/dublin/bonds/list.

[The following alternative language applies if the first Tranche of an issue which is being increased was issued under a base prospectus with an earlier date].

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[1] Legend to be included on front of the Final Terms if the Securities potentially constitute "packaged" products or the Issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[2] Legend to be included on front of the Final Terms if the Securities potentially constitute "packaged" products or the Issuer wishes to prohibit offers to UK retail investors for any other reason, in which case the selling restriction should be specified to be "Applicable".

[3] For any Securities to be offered to Singapore investors, the Issuer to consider whether it needs to re-classify the Securities pursuant to Section 309B of the SFA prior to the launch of the offer.

[4] This sentence to be removed in the case of Securities not listed and admitted to trading on a regulated market.

[Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Securities (collectively, the "**Conditions**" and each a "**Condition**") incorporated by reference into the Base Prospectus dated 27 September 2024 (the "**Base Prospectus**") from the base prospectus dated [[14 September 2009]/[20 December 2013]/[18 December 2014]/[17 July 2015]/[8 July 2016]/[6 July 2017]/[25 October 2018]/[19 December 2019]/[16 December 2020]/[10 December 2021]/[19 May 2023]] (the "**Conditions**"). This document ("**Final Terms**") constitutes the final terms of the Securities described herein for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") and relevant Irish laws and must be read in conjunction with the Base Prospectus dated 27 September 2024 [and the supplement to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation and relevant Irish laws in order to obtain all relevant information, save in respect of the Conditions which are incorporated by reference extracted from the base prospectus dated [[14 September 2009]/[20 December 2013]/[18 December 2014]/[17 July 2015]/[8 July 2016]/[6 July 2017]/[25 October 2018]/[19 December 2019]/[16 December 2020]/[10 December 2021]/[19 May 2023]] [and the supplement to the Base Prospectus dated [•]] and are attached hereto. The Central Bank of Ireland has approved the Base Prospectus under Article 20 of the Prospectus Regulation as having been drawn up in accordance with the Prospectus Regulation, Commission Delegated Regulation (EU) 2019/980 and Commission Delegated Regulation (EU) 2019/979, as amended (the "**EU Prospectus Regulations**"). Full information on the Issuer and the offer of the Securities is only available on the basis of the combination of these Final Terms, the Conditions, the Base Prospectus [and the supplement to the Base Prospectus dated [•]]. The Conditions and the Base Prospectus [and the supplement to the Base Prospectus dated [•]] has been published on the Issuer's website at https://aib.ie/investorrelations/debt-investor/mortgage-bank and on the website of the Irish Stock Exchange plc, trading as Euronext Dublin at https://live.euronext.com/en/markets/dublin/bonds/list].

*[Include whichever of the following apply or specify as Not Applicable ("**N/A**"). Note that the numbering should remain as set out below, even if Not Applicable is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms].*

*[When completing any final terms, consideration should be given as to whether "**significant new factors**" exist and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation].*

1.	Issuer:	AIB Mortgage Bank u.c.
2.	(i) Series Number:	[•]
	(ii) Tranche Number:	[•]
	(iii) Date on which Securities become fungible	Not applicable/[•]
3.	Specified Currency or Currencies:	[•]
4.	Aggregate Nominal Amount of Securities	
	(i) Series:	[•]
	(ii) Tranche:	[•]
5.	Issue Price:	[•] percent of the Aggregate Nominal Amount [plus accrued interest from [insert date] *(in the case of fungible issues only, if applicable)*
6.	Specified Denominations: *(In the case of Registered Securities, this means the minimum integral amount in which transfers can be made)*	[•] *(Specified Denomination for Securities must be at least €100,000 (or other currency equivalent).* *If the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower*

		principal amount (for example €1,000), insert the additional wording as follows: "€100,000 and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Securities in definitive form will be issued with a denomination above [€199,000].)
7.	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[•]
8.	Maturity Date:	*[Fixed Rate/Zero Coupon – specify date/Floating Rate – Interest Payment Date falling in or nearest to [specify month and year]]*
9.	Extended Maturity Date	[Applicable/Not Applicable]
	(See Conditions 4(e) and 6(h))	[The Extended Maturity Date is [•][5].
10.	Interest Commencement Date:	
	(i) Period to Maturity Date:	[Specify date/Not Applicable]
	(ii) Period from Maturity Date up to Extended Maturity Date:	[Not Applicable] [Maturity Date][6]
11.	Interest Basis:	
	(i) Period to Maturity Date:	[[•] percent Fixed Rate] [SONIA/SOFR/EURIBOR] +/- [•] percent Floating Rate] [Zero Coupon]
	(ii) Period from Maturity Date up to Extended Maturity Date:	[Not Applicable]/[[•] percent Fixed Rate] [SONIA/SOFR/EURIBOR] +/- [•] percent Floating Rate][7]
12.	Redemption Basis:	[Redemption at par] [Instalment][8]
13.	Change of Interest Basis:	*[Applicable/Not Applicable]/[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 15 or 16 below and identify there]*
14.	Put/Call Options:	[Investor Put] [Issuer Call]

[5] If Extended Maturity Date is applicable, insert the Maturity Date. If Extended maturity Date is not applicable, insert 'Not Applicable'.
[6] Insert `Not Applicable' only if Extended Maturity Date does not apply.
[7] State 'Not Applicable' unless Extended Maturity Date applies and the Securities are Fixed Rate Securities after the Maturity Date.
[8] Securities which are not listed on a stock exchange or admitted to trading on a regulated market cannot be redeemed above par under the Programme.

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15. Fixed Rate Security Provisions:

(i)	To Maturity Date:	[Applicable/Not Applicable] *(If not applicable, state "**Not Applicable**" in the relevant subparagraphs below of this paragraph)*
(ii)	From Maturity Date up to Extended Maturity Date:	[Applicable/Not Applicable] *(If sub-paragraphs (i) and (ii) not applicable, delete the remaining subparagraphs of this paragraph)*[9]
	(a) Rate(s) of Interest:	
	(I) To Maturity Date:	[•] percent per annum payable in arrear on each Interest Payment Date *(If payable other than annually, a supplement to the Base Prospectus will be required pursuant to Article 23 of the Prospectus Regulation)*
	(II) From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[•] percent per annum [payable [annually/semi-annually/quarterly] in arrear]. *(If payable other than annually, a supplement to the Base Prospectus will be required pursuant to Article 23 of the Prospectus Regulation)*[10]
	(b) Interest Payment Date(s):	
	(I) To Maturity Date:	[[•] in each year up to and including the Maturity Date]
	(II) From Maturity Date up to Extended Maturity Date:	[Not Applicable][11]/[[•] in each Interest Period up to and including the Extended Maturity Date] *(If payable other than monthly, a supplement to the Base Prospectus will be required pursuant to Article 23 of the Prospectus Regulation)*
	(c) Fixed Coupon Amount(s):	
	(I) To Maturity Date:	[•] per [•] in nominal amount
	(II) From Maturity Date up to Extended Maturity Date:	[Not Applicable][12]/[•]per [•] in nominal amount
	(d) Broken Amount(s):	
	(I) To Maturity Date:	*[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s)]*

[9] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Fixed Rate Securities after the Maturity Date.
[10] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Fixed Rate Securities after the Maturity Date.
[11] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Fixed Rate Securities after the Maturity Date.
[12] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Fixed Rate Securities after the Maturity Date.

(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s*)][13]
(e)	Day Count Fraction:	
(I)	To Maturity Date:	[Actual/Actual (ICMA) or Actual/Actual or Actual/365 (Fixed) or Actual/360 or 30/360 or 360/360 or Bond Basis or 30E/360 or Eurobond Basis or 30E/360 (ISDA)]
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[Actual/Actual (ICMA) or Actual/Actual or Actual/365 (Fixed) or Actual/360 or 30/360 or 360/360 or Bond Basis or 30E/360 or Eurobond Basis or 30E/360 (ISDA)][14]
(f)	Determination Date(s):	
(I)	To Maturity Date:	[•] in each year *[Insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon* *NB – Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[•] in each year *(Insert regular interest payment dates, ignoring Issue Date or Maturity Date in the case of a long or short first or last Coupon* *NB – This will need to be amended in the case of regular interest periods which are not of equal duration* *NB – Only relevant where Day Count Fraction is Actual/Actual (ICMA))*[15]

16. Floating Rate Security Provisions:

(i)	To Maturity Date:	[Applicable/Not Applicable] *(If not applicable, state "**Not Applicable**" in the relevant subparagraphs below of this paragraph)*
(ii)	From Maturity Date up to Extended Maturity Date:	[Applicable/Not Applicable] *(If sub-paragraphs (i) and (ii) not applicable, delete the remaining subparagraphs of this paragraph)*[16]
(a)	Interest Period(s)/Specified Interest Payment Dates:	
(I)	To Maturity Date:	[Interest Periods: [•] Specified Interest Payment Dates: [•]]
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable] [•][17] [Interest Periods: [•] Specified Interest Payment Dates: [•]]

[13] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Fixed Rate Securities after the Maturity Date.
[14] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Fixed Rate Securities after the Maturity Date.
[15] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Fixed Rate Securities after the Maturity Date.
[16] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.
[17] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.

(b) Business Day Convention:

(I)	To Maturity Date:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention]
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][18]

(c) Additional Business Centre(s):

(I)	To Maturity Date:	[Not Applicable]/[•]
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[•][19]

(d) Manner in which the Rate(s) of Interest and Interest Amount(s) is to be determined:

(I)	To Maturity Date:	[Not Applicable]/[Screen Rate Determination/ISDA Determination]
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[Screen Rate Determination/ISDA Determination][20]

(e) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent):

(I)	To Maturity Date:	[Not Applicable]/[•]
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[•][21]

(f) Screen Rate Determination: [Applicable – Term Rate]/[Applicable – SONIA]/[Applicable – SOFR]

(I) To Maturity Date:

– Reference Rate: [SONIA Compounded Index Rate / SONIA Compounded Daily Reference Rate [with Observation Shift] / [with Lag] where "*p*" is: [*specify number*] London Business Days [*being no less than 5 London Business Days*]]

[SOFR Compounded Index Rate / SOFR Compounded Daily Reference Rate [with Observation Shift] / [with Lag] where "*p*" is: [*specify number*] U.S. Government

[18] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.
[19] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.
[20] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.
[21] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.

		Securities Business Days [*being no less than 5 U.S. Government Securities Business Days*]] [EURIBOR] [*Insert other applicable reference rates included in terms and conditions*] *(If other, a supplement to the Base Prospectus is required pursuant to Article 23 of the Prospectus Regulation and fallback provisions required for in the Terms and Conditions of the Securities).*
	– Interest Determination Date(s):	[*[•] (Second day on which the T2 System is open prior to the start of each Interest Period if Reference Rate is EURIBOR*).] [The date which is ["*p*"] [London][U.S. Government Securities] Business Days prior to each Interest Payment Date] *(If other, a supplement to the Base Prospectus is required pursuant to Article 23 of the Prospectus Regulation)*
	– Relevant Screen Page:	[*[•] (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate.)*] [[Bloomberg Screen Page: SONCINDX] / *see pages of authorised distributors for SONIA Compounded Index Rate*] *or* [Bloomberg Screen Page: SONIO/N Index] / *SONIA Compounded Daily Reference Rate as applicable*][●] *(If it is not such a page, a supplement to the Base Prospectus is required pursuant to Article 23 of the Prospectus Regulation)*
	– Relevant Fallback Screen Page:	[[Bloomberg Screen Page: SONIO/N Index] / *see pages of authorised distributors for SONIA Compounded Daily Reference Rate as applicable*][●]] *(If it is not such a page, a supplement to the Base Prospectus is required pursuant to Article 23 of the Prospectus Regulation)*
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable][22]
	– Reference Rate:	[SONIA Compounded Index Rate / SONIA Compounded Daily Reference Rate [with Observation Shift] / [with Lag] where "*p*" is: [*specify number*] London Business Days [*being no less than 5 London Business Days*]] [SOFR Compounded Index Rate / SOFR Compounded Daily Reference Rate [with Observation Shift] / [with Lag]

[22] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.

where "*p*" is: [*specify number*] U.S. Government Securities Business Days [*being no less than 5 U.S. Government Securities Business Days*]]

[EURIBOR]

[*Insert other applicable reference rates included in terms and conditions*]

(If other, a supplement to the Base Prospectus is required pursuant to Article 23 of the Prospectus Regulation and fallback provisions required for in the Terms and Conditions of the Securities).

– Interest Determination Date(s): [*[•] (Second day on which the T2 System is open prior to the start of each Interest Period if Reference Rate is EURIBOR*).]

[The date which is ["*p*"] [London][U.S. Government Securities] Business Days prior to each Interest Payment Date]

(If other, a supplement to the Base Prospectus is required pursuant to Article 23 of the Prospectus Regulation)

– Relevant Screen Page: [*[•] (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate.)*]

[[Bloomberg Screen Page: SONCINDX] / *see pages of authorised distributors for SONIA Compounded Index Rate*] *or* [Bloomberg Screen Page: SONIO/N Index] / *SONIA Compounded Daily Reference Rate as applicable*][●]

(If it is not such a page, a supplement to the Base Prospectus is required pursuant to Article 23 of the Prospectus Regulation)

– Relevant Fallback Screen Page: [[Bloomberg Screen Page: SONIO/N Index] / *see pages of authorised distributors for SONIA Compounded Daily Reference Rate as applicable*][●]]

(If it is not such a page, a supplement to the Base Prospectus is required pursuant to Article 23 of the Prospectus Regulation)

(g) ISDA Determination:

(I) To Maturity Date: [Not Applicable]

– Floating Rate Option: [•]

– Designated Maturity: [•]

– Reset Date: [•]

– Compounding:	[Applicable/Not Applicable] *(If not applicable, delete the remaining items of this subparagraph)*
– Compounding Method:	[Compounding with Lookback Lookback: [[●] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [[•] / Not Applicable]] [Compounding with Lockout Lockout: [[●] Lockout Period Business Days Lockout Period Business Days: [[•]/Applicable Business Days]] *(The number of applicable business days for each compounding method if not specified shall be five, unless otherwise agreed with the calculation agent.)*
– Averaging:	[Applicable/Not Applicable] *(If not applicable, delete the remaining items of this subparagraph)*
– Averaging Method:	[Averaging with Lookback Lookback: [•] Applicable Business Days] [Averaging with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [[•]/Not Applicable]] [Averaging with Lockout Lockout: [•] Lockout Period Business Days Lockout Period Business Days: [[•]/Applicable Business Days]] *(The number of applicable business days for each averaging method if not specified shall be five, unless otherwise agreed with the calculation agent.)*
– Index Provisions:	[Applicable/Not Applicable] *(If not applicable, delete the remaining items of this subparagraph)*

	– Index Method:	[Compounded Index Method with Observation Period Shift Observation Period Shift: [•] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [[•] / Not Applicable]] *(The number of applicable business days for each index method if not specified shall be five, unless otherwise agreed with the calculation agent.)*
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable][23]
	– Floating Rate Option:	[•]
	– Designated Maturity:	[•]
	– Reset Date:	[•]
	Compounding:	[Applicable/Not Applicable] *(If not applicable, delete the remaining items of this subparagraph)*
	– Compounding Method:	[Compounding with Lookback Lookback: [[●] Applicable Business Days] [Compounding with Observation Period Shift Observation Period Shift: [●] Observation Period Shift Business Days Observation Period Shift Additional Business Days: [[•] / Not Applicable]] [Compounding with Lockout Lockout: [[●] Lockout Period Business Days Lockout Period Business Days: [[•]/Applicable Business Days]] *(The number of applicable business days for each compounding method if not specified shall be five, unless otherwise agreed with the calculation agent.)*
	Averaging:	[Applicable/Not Applicable] *(If not applicable, delete the remaining items of this subparagraph)*
	– Averaging Method:	[Averaging with Lookback

[23] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.

Lookback: [•] Applicable Business Days]

[Averaging with Observation Period Shift

Observation Period Shift: [•] Observation Period Shift Business Days

Observation Period Shift Additional Business Days: [[•]/Not Applicable]]

[Averaging with Lockout

Lockout: [•] Lockout Period Business Days

Lockout Period Business Days: [[•]/Applicable Business Days]]

(The number of applicable business days for each averaging method if not specified shall be five, unless otherwise agreed with the calculation agent.)

Index Provisions: [Applicable/Not Applicable] *(If not applicable, delete the remaining items of this subparagraph)*

Index Method: [Compounded Index Method with Observation Period Shift

Observation Period Shift: [•] Observation Period Shift Business Days

Observation Period Shift Additional Business Days: [[•] / Not Applicable]]

(The number of applicable business days for each index method if not specified shall be five, unless otherwise agreed with the calculation agent.)

(h) Margin(s):

(I) To Maturity Date: [Not Applicable]/[+/-] [•] percent per annum

(II) From Maturity Date up to Extended Maturity Date: [Not Applicable][24]/[+/-] [•] percent per annum

(i) Minimum Rate of Interest:

(I) To Maturity Date: [Not Applicable] / [•] / [0 (zero) percent per annum]

(II) From Maturity Date up to Extended Maturity Date: [Not Applicable] / [•] / [0 (zero) percent per annum][25]

(j) Maximum Rate of Interest:

(I) To Maturity Date: [Not Applicable]/[•] percent per annum]

[24] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.
[25] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.

(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable]/[[•] percent per annum][26]
(k)	Day Count Fraction:	
(I)	To Maturity Date:	[Not Applicable] Actual/Actual (ICMA) Actual/Actual Actual/365 (Fixed) Actual/360 30/360 360/360 Bond Basis 30E/360 Eurobond Basis 30E/360 (ISDA)]
(II)	From Maturity Date up to Extended Maturity Date:	[Not Applicable][27] Actual/Actual (ICMA) Actual/Actual Actual/365 (Fixed) Actual/360 30/360 360/360 Bond Basis 30E/360 Eurobond Basis 30E/360 (ISDA)]

17.	Zero Coupon Security Provisions:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Accrual Yield:	[•] percent per annum
	(ii)	Reference Price:	[•]
	(iii)	Day Count Fraction in relation to late payment:	[Condition 6(g) applies] *(consider applicable day count fraction if not US dollar denominated)*

[26] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.
[27] State `Not Applicable' unless Extended Maturity Date applies and the Securities are Floating Rate Securities after the Maturity Date.

PROVISIONS RELATING TO REDEMPTION

18.	Issuer Call:		[Applicable/Not Applicable] *(if not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount of each Security:	[•] per Security of [•] Specified Denomination
	(iii)	If redeemable in part:	[Not Applicable]
		(a) Minimum Redemption Amount:	[•]
		(b) Maximum Redemption Amount:	[•]
	(iv)	Notice period (if not set out in the Conditions):	*[•]* *(NB – where the Notice Period is to be set out in the Final Terms, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*
19.	Investor Put:		[Applicable/Not Applicable] *(If not applicable, delete the remaining subparagraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount of each Security:	[•] per Security of [•] Specified Denomination
	(iii)	Notice period (if not set out in the Conditions):	[•] *(NB – where the Notice Period is to be set out in the Final Terms, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Principal Paying Agent)*
20.	Final Redemption Amount of each Security:		[•] per Security of [•] Specified Denomination

GENERAL PROVISIONS APPLICABLE TO THE SECURITIES

21.	Form of Securities, Issue Procedures and Clearing Systems:		[**Bearer Securities:** [Temporary Bearer Global Security exchangeable for a Permanent Bearer Global Security

			which is exchangeable for Definitive Bearer Securities only upon an Exchange Event] [Permanent Bearer Global Security exchangeable for Definitive Bearer Securities only upon an Exchange Event]] [**Registered Securities:** [Registered Global Security ([•] nominal amount) registered in the name of a nominee of, and deposited with, [a common depositary for Euroclear and Clearstream, Luxembourg / a common safekeeper for Euroclear and Clearstream, Luxembourg] which is exchangeable for definitive Registered Securities only upon an Exchange Event.] [Registered Securities in definitive form] *(Specify nominal amounts)*]
22.	(i)	New Global Note:	[Yes/No][28]
	(ii)	New Safekeeping Structure:	[Yes/No][29] [*If yes to (b), include the following:* Record Date: the relevant due date for payment minus one business day (being for this purpose a day on which each of Euroclear and Clearstream, Luxembourg (as applicable) is open for business). See Condition 5(d).]
23.	Green Securities:		[Yes] [No] (*If Not Applicable, delete the remaining subparagraphs of this paragraph*)
	[(i)]	[Reviewer(s):]	[*Name of sustainability rating agencies and name of third party assurance agent, if any and details of compliance opinion(s) and availability*]
	[(ii)]	[Date of Second Party Opinion(s):]	[*Give details*]
24.	Social Securities:		[Yes] [No] (*If Not Applicable, delete the remaining subparagraphs of this paragraph*)
	[(i)]	[Reviewer(s):]	[*Name of sustainability rating agencies and name of third party assurance agent, if any and details of compliance opinion(s) and availability*]
	[(ii)]	[Date of Second Party Opinion(s):]	[*Give details*]
25.	Additional Financial Centre(s):		[Not Applicable/give details] *(note that this item relates to the date and place of*

[28] Bearer Global Securities intended to constitute eligible collateral for Eurosystem monetary operations must be issued in New Global Note form.

[29] Registered Global Securities intended to constitute eligible collateral for Eurosystem monetary operations must be issued under the New Safekeeping Structure.

		payment and not Interest Period end dates to which item 19(c) relates)
26.	Talons for future Coupons to be attached to Definitive Bearer Securities (and dates on which such Talons mature):	[Yes/No. As the Securities have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]
27.	Details relating to Instalment Securities:	
	(i) Instalment Amount(s):	[Not Applicable/[•]]
	(ii) Instalment Date(s):	[Not Applicable/[•]]
28.	Whether Condition 5(h) applies:	[Condition 5(h) applicable/Condition 5(h) not applicable] *(Condition 5(h) relates to Registered Securities in definitive form only)*
29.	Overcollateralisation Percentage for the purposes of Condition 11(c):	[Insert percentage, e.g. 105 percent]

[**USE OF PROCEEDS**

*Give details if different from the "**Use of Proceeds**" section in the Base Prospectus*]

[**LISTING AND ADMISSION TO TRADING APPLICATION**

These Final Terms comprise the final terms required to issue, list and admit to trading the Securities described herein pursuant to the €20,000,000,000 Mortgage Covered Securities Programme of AIB Mortgage Bank u.c..]

RESPONSIBILITY

The Issuer accepts the responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. The Issuer confirms that such additional information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading].

Signed on behalf of the Issuer:

By:	By:
Duly authorised:	Duly authorised:
Date of Final Terms: [•]	Date of Final Terms: [•]

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i)	Listing:	[Irish Stock Exchange plc, trading as Euronext Dublin /None]
(ii)	Admission to trading:	[Application has been made by the Issuer to the Irish Stock Exchange plc, trading as Euronext Dublin for the Securities to be admitted to the Official List and trading on its regulated market with effect from [•]]/[Not Applicable.]
(iii)	Estimate of total expenses related to admission to trading:	[•]/[Not Applicable]

2. RATINGS

Ratings: [The Securities to be issued [have been/are expected to be] rated:]

[The following ratings reflect the ratings allocated to Securities of this type issued under the €20,000,000,000 Mortgage Covered Securities Programme generally:]

[S&P Global Ratings Europe Limited: [•]]

[Moody's Investors Service Limited: [•]]

[[Insert legal name of other credit rating agency]: [●]]

*[Where the Securities are to be rated by S&P or Moody's and / or another credit rating agency or agencies (each a, "**CRA**"), insert one (or more) of the following options, as applicable:*

***Option 1: CRA is (i) established in the EU and (ii) registered under the EU CRA Regulation**:*

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EU and registered under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**").

[*Include details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation*].

***Option 2: CRA is (i) established in the EU, (ii) not registered under the EU CRA Regulation but (iii) has applied for registration**:*

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EU and has applied for registration under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**") although notification of the registration decision has not yet been provided.

[*Include details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation*]

***Option 3: CRA is (i) established in the EU and (ii) has not applied for registration and is not registered under the EU CRA Regulation**:*

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the EU and is neither registered nor has it applied for registration under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**").

[*Include details of whether rating is endorsed by a credit rating agency established and registered in the UK or certified under the UK CRA Regulation*]

***Option 4: CRA is established in the UK and registered under the UK CRA Regulation**:*

[*Insert legal name of particular credit rating agency entity providing rating*] is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**").

[*Include details of whether rating is endorsed by a credit rating agency established and registered in the EEA or certified under the EU CRA Regulation*]

***Option 5: CRA is not established in the EU or the UK but the relevant rating is endorsed by another credit rating agency which is established and registered under the EU CRA Regulation and/or under the UK CRA Regulation**:*

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU or the UK but the rating it has given to the Securities is endorsed by [*insert legal name of credit rating agency*], which is established in the [EU and registered under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**")] [and] [UK and registered under Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

***Option 6: CRA is not established in the EU or the UK and the relevant rating is not endorsed under the EU CRA Regulation and/or the UK CRA Regulation, but the CRA is certified under the EU CRA Regulation and/or the UK CRA Regulation**:*

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU or the UK but is certified under [Regulation (EC) No 1060/2009 (the "**EU CRA Regulation"**)] [and] [Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the

European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**")].

Option 7: CRA is neither established in the EU or the UK nor certified under the EU CRA Regulation or the UK CRA Regulation and the relevant rating is not endorsed under the EU CRA Regulation or the UK CRA Regulation*:*

[*Insert legal name of particular credit rating agency entity providing rating*] is not established in the EU or the UK and is not certified under Regulation (EC) No 1060/2009 (the "**EU CRA Regulation**") or the Regulation (EC) No 1060/2009 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**") and the rating it has given to the Securities is not endorsed by a credit rating agency under the EU CRA Regulation or the UK CRA Regulation..

[No assurance can be given that such rating[s] will be [obtained and/or] retained.]

[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider]

(The above disclosure should reflect the rating allocated to Securities of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

3. NOTIFICATION

[The Central Bank of Ireland [has been requested to provide/has provided – include first alternative for an issue which is contemporaneous with the update of the Programme and the second alternative for subsequent issues] the [names of competent authorities of host member states of the European Economic Area] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Regulation and the EU Prospectus Regulation.

4. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Dealers, so far as the Issuer is aware, no person involved in the issue of the Securities has an interest material to the offer. The Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.] (*Amend as appropriate if there are other interests including a conflict of interest, that are material to the issue, detailing the person involved and the nature of the interest. Consider whether such matters constitute 'significant new factors' and consequently trigger the need for a supplement to the Base Prospectus under Article 23 of the Prospectus Regulation*).

5. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i)	Reasons for the offer:	[•] (See ["***Use of Proceeds***"] *wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks exist, will need to include those reasons here.)*
(ii)	Estimated net proceeds:	[•] *(If proceeds are intended for more than one use – will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses – state amount and sources of other funding.)*

6. YIELD *(Fixed Rate Securities only)*

Indication of yield:	[•] [The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

7. OPERATIONAL INFORMATION

(i)	ISIN:	[•]
(ii)	Common Code:	[•]
(iii)	CFI Code	[Not Applicable][•]
(iv)	FISN Code	[Not Applicable][•] (*If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "**Not Applicable**"*)
(v)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking SA and the relevant identification number(s):	[Not Applicable/*give name(s) and number(s)*]
(vi)	Delivery:	Delivery [against/free of] payment
(vii)	Name(s) and address(es) of initial Paying Agent(s):	[•]
(viii)	Names and addresses of additional Paying Agent(s) (if any):	[•]
(ix)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "**yes**" simply means that the Securities are intended upon issue to be deposited with one of the international central securities depositaries ("**ICSDs**") as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered Securities] and does not necessarily mean that the Securities will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life.

Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "**no**" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Securities are capable of meeting them the Securities may then be deposited with one of the international central securities depositaries ("**ICSDs**") as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,][include this text for registered securities]. Note that this does not necessarily mean that the Securities 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.]]

8. DISTRIBUTION

(a)	Method of Distribution:	[Syndicated / Non-Syndicated]
(b)	If syndicated, names of Dealers:	[Not Applicable/*give names and addresses of relevant Dealers*]
(c)	Date of Subscription Agreement:	[Not Applicable/[•]]
(d)	Stabilising Manager(s) (if any):	[Not Applicable/*give name*]
(e)	If non-syndicated, name of relevant Dealer:	[[•] *(if relevant Dealer is not also a permanent Dealer under the Programme, include its address)*]
(f)	US Selling Restrictions	[Reg. S Compliance Category 2] [TEFRA D/TEFRA C/TEFRA not applicable]]
(g)	Prohibition of Sales to EEA Retail Investors	[Applicable/Not Applicable] (*If the Securities clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Securities may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)
(h)	Prohibition of Sales to UK Retail Investors	[Applicable/Not Applicable] (*If the Securities clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Securities may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.*)

TERMS AND CONDITIONS OF THE SECURITIES

*The following are the Conditions (as defined below) which will be incorporated by reference into each Global Security (as defined below) and each definitive Security, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Security will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Security and definitive Security. Reference should be made to "**Final Terms for Securities**" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Securities.*

THE SECURITIES (AS DEFINED IN THESE TERMS AND CONDITIONS) ARE MORTGAGE COVERED SECURITIES ISSUED IN ACCORDANCE WITH THE ASSET COVERED SECURITIES ACT 2001 (AS AMENDED) OF IRELAND (THE "ACT"). THE ISSUER (AS DEFINED IN THESE TERMS AND CONDITIONS) HAS BEEN REGISTERED BY THE CENTRAL BANK OF IRELAND (THE "CENTRAL BANK") AS A DESIGNATED MORTGAGE CREDIT INSTITUTION PURSUANT TO THE ACT. THE FINANCIAL OBLIGATIONS OF THE ISSUER UNDER THE SECURITIES ARE SECURED ON THE COVER ASSETS THAT COMPRISE A COVER ASSETS POOL MAINTAINED BY THE ISSUER IN ACCORDANCE WITH THE ACT.

This Security is one of a Series (as defined below) of mortgage covered securities issued by AIB Mortgage Bank u.c.(the "**Issuer**") pursuant to the Agency Agreement (as defined below) and the Act.

References herein to the "**Securities**" shall be references to the Securities of this Series and shall mean:

(i) in relation to any Securities represented by a global Security (a "**Global Security**"), units of the lowest Specified Denomination in the Specified Currency

(ii) any Global Security;

(iii) any definitive Securities in bearer form ("**Bearer Securities**") issued in exchange for a Global Security in bearer form; and

(iv) any definitive Securities in registered form ("**Registered Securities**") (whether or not issued in exchange for a Global Security in registered form).

The Securities and the Coupons (as defined below) have the benefit of an amended and restated agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") dated 19 May 2023 and made between the Issuer and The Bank of New York Mellon, London Branch as issuing agent, principal paying agent and (if applicable) calculation agent (together with any successor principal paying agent, the "**Principal Paying Agent**" and together with any additional or successor paying agent, the "**Paying Agent**") and as transfer agent (the "**Transfer Agent**"), which expressions shall include any successor principal paying agent (including any successor issuing agent or calculation agent or, as applicable, any additional or successor transfer agent), and The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "**Registrar**", which expression shall include any successor registrar).

Interest bearing definitive Bearer Securities have interest coupons ("**Coupons**") and, if indicated in the applicable Final Terms, talons for further Coupons ("**Talon**") attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Securities repayable in instalments have receipts ("**Receipts**") for the payment of the instalments of principal (other than the final instalment) attached on issue. Registered Securities and Global Securities do not have Coupons, Receipts or Talons attached on issue.

The Final Terms for this Security (or the relevant provisions thereof) is attached to or endorsed on this Security and completes these Terms and Conditions (collectively, these "**Conditions**" and, individually, a "**Condition**"). References to the "**applicable Final Terms**" are to the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Security.

Any reference to "**Security holders**" or "**holders of the Securities**" in relation to any Securities shall mean (in the case of Bearer Securities) the holders of the Securities and (in the case of Registered Securities) the persons in whose name the Securities are registered and shall, in relation to any Securities represented by a Global

Security, be construed as provided below. Any reference herein to "**Receiptholders**" shall mean the holders of Receipts. Any reference herein to "**Couponholders**" shall mean the holders of the Coupons and shall, unless the context otherwise requires, include the holders of the Talons.

As used herein, "**Tranche**" means Securities which are identical in all respects (including as to listing) and "**Series**" means a Tranche of Securities together with any further Tranche or Tranches of Securities which are (i) expressed to be consolidated and form a single series and (ii) identical in all respects (including as to listing) except for their respective Issue Dates, Interest Commencement Dates, interest amounts/rates in respect of the first Interest Period and/or Issue Prices.

The Security holders, the Receiptholders and the Couponholders are entitled to the benefit of the Deed of Covenant (the "**Deed of Covenant**") dated 19 May 2023 and made by the Issuer. The original of the Deed of Covenant is held by the Common Depositary or, as the case may be, the common service provider, for Euroclear (as defined below) and Clearstream, Luxembourg (as defined below).

Copies of the Agency Agreement and the Deed of Covenant are available for inspection during normal business hours at the specified office of the Principal Paying Agent and the Registrar (such Paying Agent and the Registrar being together referred to as the "**Agents**"). Copies of the applicable Final Terms are obtainable during normal business hours at the specified office of each of the Agents save that, if this Security is an unlisted Security of any Series, the applicable Final Terms will only be obtainable by a Security holder holding one or more unlisted Securities of that Series and such Security holder must produce evidence satisfactory to the Issuer and the relevant Agent as to its holding of such Securities and identity. The Security holders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them. The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

As used herein, "**outstanding**" means in relation to the Securities all the Securities issued other than:

(a) those Securities which have been redeemed and cancelled pursuant to these Conditions;

(b) those Securities in respect of which the date for redemption under these Conditions has occurred and the redemption moneys (including all interest (if any) accrued to the date for redemption and all interest (if any) payable under these Conditions after that date) have been duly paid to or to the order of the Principal Paying Agent in the manner provided in the Agency Agreement (and, where appropriate, notice to that effect has been given to the Security holders in accordance with these Conditions) and remain available for payment against presentation of the relevant Securities and/or Receipts and/or Coupons as applicable;

(c) those Securities which have been purchased (or otherwise acquired) and cancelled under these Conditions;

(d) those Securities which have become prescribed under these Conditions;

(e) those mutilated or defaced Securities which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to these Conditions;

(f) (for the purpose only of ascertaining the principal amount of the Securities outstanding and without prejudice to the status for any other purpose of the relevant Securities) those Securities which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued under these Conditions;

(g) a Temporary Global Security to the extent that it has been duly exchanged for the relevant Permanent Global Security and a Permanent Global Security to the extent that it has been exchanged for the Definitive Bearer Securities in each case under its provisions; and

(h) any Registered Global Security to the extent that it has been exchanged for definitive Registered Securities and any definitive Registered Security to the extent that it has been exchanged for an interest in a Registered Global Security.

1. FORM, DENOMINATION AND TITLE

The Securities are in bearer form or in registered form as specified in the applicable Final Terms and, in the case of definitive Securities, serially numbered, in the Specified Currency and the Specified Denomination(s). Securities of one Specified Denomination may not be exchanged for Securities of another Specified Denomination and Bearer Securities may not be exchanged for Registered Securities and vice versa.

Interests in a Permanent Bearer Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Securities in bearer form with, where applicable, receipts, interest coupons and talons attached only upon the occurrence of an Exchange Event (as defined below). Interests in a Registered Global Security will be exchangeable (free of charge), in whole but not in part, for definitive Registered Securities without interest coupons or talons attached only upon the occurrence of an Exchange Event. For these purposes, "**Exchange Event**" means that the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and, in any such case, no successor clearing system is available.

In the case of a Security that is a Permanent Bearer Global Security, the Issuer will promptly give notice to holders of Securities in accordance with Condition 13 if an Exchange Event occurs and Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Bearer Global Security or the Issuer) may give notice to the Principal Paying Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Principal Paying Agent.

In the case of a Security that is a Registered Global Security, the Issuer will promptly give notice to holders of Securities in accordance with Condition 13 if an Exchange Event occurs and Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Registered Global Security or the Issuer) may give notice to the Registrar requesting exchange. Any such exchange shall occur not later than 10 days after the date of receipt of the first relevant notice by the Registrar.

Securities that are to be admitted to trading on a regulated market for the purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the "**Prospectus Regulation**") are subject to a minimum denomination of €100,000 (or the equivalent thereof in another currency).

Where the Securities are initially issued as Global Securities which have a minimum Specified Denomination (as specified in the applicable Final Terms) and are available in amounts above that minimum Specified Denomination (as specified in the applicable Final Terms) for trading in the Clearing Systems but those amounts are not integral multiples of that minimum Specified Denomination and those Securities are required to be exchanged into Securities in definitive form upon the occurrence of an Exchange Event, a holder of Securities who, as a result of holding such amounts holds on the relevant date for exchange a principal or nominal amount of the Securities which is not an integral multiple of the minimum Specified Denomination, shall not be entitled to receive a Security in definitive form in respect of the principal or nominal amount of Securities in excess of the principal or nominal amount equal to the nearest integral multiple of the minimum Specified Denomination held by that holder. This Security may be a Fixed Rate Security, a Floating Rate Security, a Zero Coupon Security or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Where the applicable Final Terms specifies that an Extended Maturity Date applies to a Series of Securities, those Securities may be Fixed Rate Securities or Floating Rate Securities in respect of the period from the Issue Date up to and including the Maturity Date and Fixed Rate Securities or Floating Rate Securities in respect of the period from the Maturity Date up to and including the Extended Maturity Date, subject as specified in the applicable Final Terms.

This Security may be an Instalment Security depending upon the Redemption Basis shown in the applicable Final Terms.

Definitive Bearer Securities are issued with Coupons attached, unless they are Zero Coupon Securities and an Extended Maturity Date is not specified in the applicable Final Terms to the relevant Series of Securities, in which case references to Coupons and Couponholders in these Conditions are not applicable.

Subject as set out below, title to the Bearer Securities, Receipts and Coupons will pass by delivery and title to the Registered Securities will pass upon registration of transfers in accordance with the provisions of the Agency Agreement. The Issuer and any Agent will (except as otherwise required by law) deem and treat the bearer of any Bearer Security, Receipt or Coupon and the registered holder of any Registered Security as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Security, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Securities is represented by a Global Security held on behalf of Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, SA ("**Clearstream, Luxembourg**"), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such Securities (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Securities standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest or proven error) shall be treated by the Issuer and the Agents as the holder of such nominal amount of such Securities for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Securities, for which purpose the bearer of the relevant Bearer Global Security or the registered holder of the relevant Registered Global Security shall be treated by the Issuer and any Agent as the holder of such nominal amount of such Securities in accordance with and subject to the terms of the relevant Global Security and the expressions "**Security holder**" and "**holder of Securities**" and related expressions shall be construed accordingly.

Securities which are represented by a Global Security will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

2. TRANSFERS OF REGISTERED SECURITIES

(a) Transfers of interests in Registered Global Securities

Transfers of beneficial interests in Registered Global Securities will be effected by Euroclear or Clearstream, Luxembourg, as the case may be, and, in turn, by other participants and, if appropriate, indirect participants in such clearing systems acting on behalf of beneficial transferors and transferees of such interests. A beneficial interest in a Registered Global Security will, subject to compliance with all applicable legal and regulatory restrictions, be transferable for Securities in definitive form or for a beneficial interest in another Registered Global Security only in the authorised denominations set out in the applicable Final Terms and only in accordance with the rules and operating procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be, and in accordance with the terms and conditions specified in the Agency Agreement.

(b) Transfers of Registered Securities in definitive form

Subject as provided in paragraphs (e) and (f) below, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Security in definitive form may be transferred in whole or in part (in the authorised denominations set out in the applicable Final Terms). In order to effect any such transfer (i) the holder or holders must (A) surrender the Registered Security for registration of the transfer of the Registered Security (or the relevant part of the Registered Security) at the specified office of the Registrar or any Transfer Agent, with the form of transfer thereon duly executed by the holder or holders thereof and the transferee or transferees thereof or, in either case, his or their attorney or attorneys duly

authorised in writing and (B) complete and deposit such other certifications as may be required by the Registrar or, as the case may be, the relevant Transfer Agent and (ii) the Registrar or, as the case may be, the relevant Transfer Agent must, after due and careful enquiry, be satisfied with the documents of title and the identity of the person making the request. Any such transfer will be subject to such reasonable regulations as the Issuer and the Registrar may from time to time prescribe (the initial such regulations being set out in schedule 7 to the Agency Agreement). Subject as provided above, the Registrar or, as the case may be, the relevant Transfer Agent will, within three business days (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar or, as the case may be, the relevant Transfer Agent is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver, or procure the authentication and delivery of, at its specified office to the transferee or (at the risk of the transferee) send by uninsured mail, to such address as the transferee may request, a new Registered Security in definitive form of a like aggregate nominal amount to the Registered Security (or the relevant part of the Registered Security) transferred. In the case of the transfer of part only of a Registered Security in definitive form, a new Registered Security in definitive form in respect of the balance of the Registered Security not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

(c) Registration of transfer upon partial redemption

In the event of a partial redemption of Securities under Condition 6, the Issuer shall not be required to register the transfer of any Registered Security, or part of a Registered Security, called for partial redemption.

(d) Costs of registration

Security holders will not be required to bear the costs and expenses of effecting any registration of transfer as provided above, except for any costs or expenses of delivery other than by regular uninsured mail and except that the Issuer may require the payment of a sum sufficient to cover any stamp duty, tax or other governmental charge that may be imposed in relation to the registration.

(e) Transfers of interests in Registered Global Securities

Prior to expiry of the applicable Distribution Compliance Period, transfers by the holder of, or of a beneficial interest in, a Registered Global Security may not be made to a transferee in the United States or who is a US person.

(f) Exchanges and transfers of Registered Securities generally

Holders of Registered Securities in definitive form may exchange such Securities for interests in a Registered Global Security of the same type at any time.

(g) Definitions

In this Condition, the following expressions shall have the following meanings:

"**Distribution Compliance Period**" means the period that ends 40 days after the completion of the distribution of each Tranche of Securities, as certified by the relevant Dealer (in the case of a non-syndicated issue) or the relevant Lead Dealer (in the case of a syndicated issue);

"**Regulation S**" means Regulation S under the Securities Act;

"**Registered Global Security**" means a Global Security in registered form representing Securities sold outside the United States in reliance on Regulation S; and

"**Securities Act**" means the United States Securities Act of 1933, as amended.

3. STATUS OF THE SECURITIES

The Securities and any related Coupons constitute the direct, unconditional and senior obligations of the Issuer and rank *pari passu* among themselves. The Securities are mortgage covered securities issued in accordance with the Asset Covered Securities Act 2001 (as amended) of Ireland, (the "**Act**"), are secured on cover assets that comprise a cover assets pool maintained by the Issuer in accordance with the terms of the Act, and rank *pari passu* with all other obligations of the Issuer under mortgage covered securities issued or to be issued by the Issuer pursuant to the Act.

4. INTEREST

(a) Interest on Fixed Rate Securities

Each Fixed Rate Security bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date ("**Interest Commencement Date**") at the rate(s) per annum equal to the Rate(s) of Interest ("**Rate(s) of Interest**"), as specified in the applicable Final Terms. Subject as provided in Condition 4(e), interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

Except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Conditions, "**Fixed Interest Period**" means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If interest is required to be calculated for a period other than a Fixed Interest Period, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest, in accordance with this Condition 4(a):

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) in the case of Securities where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

(1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

(2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of

days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(ii) if "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

(vii) if **30E/360** (**ISDA**) is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30.

"**Determination Period**" means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

"**sub-unit**" means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

(b) Interest on Floating Rate Securities

(i) Interest Payment Dates

Each Floating Rate Security bears interest on its outstanding nominal amount from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

(A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or

(B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an "**Interest Payment Date**") which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

(1) in any case where Specified Periods are specified in accordance with Condition 4(b)(i)(B) above, the Floating Rate Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply mutatis mutandis or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or

(2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or

(3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or

(4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Conditions, "**Business Day**" means a day which is both:

(A) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the Additional Business Centre(s) specified in the applicable Final Terms; and

(B) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than any Additional Business Centre(s) and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the real time gross

settlement system operated by the Eurosystem, or any successor system (the "**T2 System**") is open.

(ii) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Securities will be determined in the manner specified in the applicable Final Terms.

(A) *ISDA Determination for Floating Rate Securities*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Period means a rate equal to the Floating Rate that would be determined by the Principal Paying Agent under an interest rate swap transaction if the Principal Paying Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2021 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Securities (the "**ISDA Definitions**") and under which:

(1) the Floating Rate Option is as specified in the applicable Final Terms;

(2) the Designated Maturity is a period equal to that Interest Period, unless otherwise specified in the applicable Final Terms;

(3) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the Euro-zone inter-bank offered rate (EURIBOR), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms, or, if not so specified, the relevant Reset Date has the meaning given to it in the ISDA Definitions; and

(4) if the Floating Rate Option is an Overnight Floating Rate Option, Compounding is specified to be applicable in the applicable Final Terms and:

(i) if Compounding with Lookback is specified as the Compounding Method in the applicable Final Terms then (a) Compounding with Lookback is the Overnight Rate Compounding Method and (b) Lookback is the number of Applicable Business Days specified in the applicable Final Terms, provided that the number of Applicable Business Days, if no such number is specified in the applicable Final Terms, shall be five;

(ii) if Compounding with Observation Period Shift is specified as the Compounding Method in the applicable Final Terms then (a) Compounding with Observation Period Shift is the Overnight Rate Compounding Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms, provided that the number of Observation Period Shift Business Days, if no such number is specified in the applicable Final Terms, shall be five and (c) Observation Period Shift Additional Business Days, if

applicable, are the days specified in the applicable Final Terms; or

(iii) if Compounding with Lockout is specified as the Compounding Method in the applicable Final Terms then (a) Compounding with Lockout is the Overnight Rate Compounding Method, (b) Lockout is the number of Lockout Period Business Days specified in the applicable Final Terms, provided that the number of Lockout Period Business Days, if no such number is specified in the applicable Final Terms, shall be five and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Final Terms;

(5) if the specified Floating Rate Option is an Overnight Floating Rate Option, Averaging is specified to be applicable in the applicable Final Terms and:

(i) if Averaging with Lookback is specified as the Averaging Method in the applicable Final Terms then (a) Averaging with Lookback is the Overnight Rate Averaging Method and (b) Lookback is the number of Applicable Business Days specified in the applicable Final Terms, provided that the number of Applicable Business Days, if no such number is specified in the applicable Final Terms, shall be five;

(ii) if Averaging with Observation Period Shift is specified as the Averaging Method in the applicable Final Terms then (a) Averaging with Observation Period Shift is the Overnight Rate Averaging Method, (b) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms, provided that the number of Observation Period Shift Business Days, if no such number is specified in the applicable Final Terms, shall be five and (c) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Final Terms; or

(iii) if Averaging with Lockout is specified as the Averaging Method in the applicable Final Terms then (a) Averaging with Lockout is the Overnight Rate Averaging Method, (b) Lockout is the number of Lockout Period Business Days specified in the applicable Final Terms, provided that the number of Lockout Period Business Days, if no such number is specified in the applicable Final Terms, shall be five and (c) Lockout Period Business Days, if applicable, are the days specified in the applicable Final Terms; and

(6) if the specified Floating Rate Option is an Index Floating Rate Option and Index Provisions are specified to be applicable in the applicable Final Terms, the Compounded Index Method with Observation Period Shift shall be applicable and, (a) Observation Period Shift is the number of Observation Period Shift Business Days specified in the applicable Final Terms, provided that the number of Observation Period Shift Business Days, if no such number is specified in the applicable Final Terms, shall be five and (b) Observation Period Shift Additional Business Days, if applicable, are the days specified in the applicable Final Terms.

For the purposes of this Condition 4(b)(ii)(A), references in the ISDA Definitions to:

(i) "**Confirmation**" shall be read as references to the applicable Final Terms;

(ii) "**Calculation Period**" shall be read as references to the relevant Interest Period;

(iii) "**Termination Date**" shall be read as references to the Maturity Date; and

(iv) "**Effective Date**" shall be read as references to the Interest Commencement Date,

and unless otherwise defined capitalised terms used in this Condition 4(b)(ii)(A) shall have the meaning ascribed to them in the ISDA Definitions.

(B) *Screen Rate Determination for Floating Rate Securities – Term Rates*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, and unless the Reference Rate in respect of the relevant Series of Floating Rate Securities is specified in the applicable Final Terms as being "SONIA" or "SOFR", the Rate of Interest for each Interest Period will, subject as provided below and subject to Condition 4(c) below, be either:

(1) the offered quotation; or

(2) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Principal Paying Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Principal Paying Agent for the purpose of determining the arithmetic mean (rounded as provided above) or, as applicable the relevant Calculation Agent of such offered quotations.

If the Relevant Screen Page is not available or if, in the case of clause (1) above, no offered quotation appears or, in the case of clause (2) above, fewer than three offered quotations appear, in each case as at the Specified Time, the Principal Paying Agent shall request each of the Reference Banks to provide the Principal Paying Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Principal Paying Agent with offered quotations, the Rate of Interest for the Interest Period shall be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of the offered quotations plus or minus (as appropriate) the Margin (if any), all as determined by the Principal Paying Agent.

If on any Interest Determination Date one only or none of the Reference Banks provides the Principal Paying Agent with an offered quotation as provided in the preceding paragraph, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Principal Paying Agent determines as being the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the rates, as communicated to (and at the request of) the Principal Paying Agent by the Reference Banks or any two or more of them, at which such banks were offered, at approximately the Specified Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any) or, if fewer than two of the Reference Banks provide the Principal Paying Agent with offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for the purpose) informs the Principal Paying Agent it is quoting to leading banks in the Euro-zone inter-bank market (if the Reference Rate is EURIBOR) plus or minus (as appropriate) the Margin (if any), provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the Margin relating to the relevant Interest Period in place of the margin relating to that last preceding Interest Period).

For the purposes of these provisions, "**Reference Banks**" means, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Issuer in consultation with the Principal Paying Agent.

(C) *Screen Rate Determination for Floating Rate Securities referencing Compounded SONIA*

(A) SONIA Compounded Index Rate

Where (i) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined; (ii) the Reference Rate is specified in the applicable Final Terms as being SONIA; and (iii) SONIA Compounded Index Rate is specified in the applicable Final Terms as being applicable, the Rate of Interest for each Interest Period will, subject to Condition 4(c), be the SONIA Compounded Index Rate determined as follows:

"**SONIA Compounded Index Rate**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the SONIA Observation Period relating to such Interest Period (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows:

$$\left(\frac{SONIA\ Compounded\ Index_{END}}{SONIA\ Compounded\ Index_{START}} - 1\right) \times \left(\frac{365}{d}\right)$$

provided, however, that and subject to Condition 4(c), if the SONIA Compounded Index Value is not available in relation to any Interest Period on

the Relevant Screen Page or on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) for the determination of either or both of SONIA Compounded $Index_{START}$ and/or SONIA Compounded $Index_{END}$, the Rate of Interest shall be calculated for such Interest Period on the basis of the SONIA Compounded Daily Reference Rate as set out in Condition 4(b)(ii)(C)(B) as if SONIA Compounded Daily Reference Rate with Observation Shift had been specified in the applicable Final Terms as being applicable and the "Relevant Screen Page" shall be deemed to be the "Relevant Fallback Screen Page" as specified in the applicable Final Terms,

where:

"***d***" means the number of calendar days in the relevant SONIA Observation Period;

"**London Business Day**", means any day on which commercial banks are open for general business (including dealing in foreign exchange and foreign currency deposits) in London;

"***p***" means, for any Interest Period, the whole number specified in the applicable Final Terms (or, if no such number is so specified, five) representing a number of London Business Days;

"**SONIA Compounded Index**" means the index known as the SONIA Compounded Index administered by the Bank of England (or any successor administrator thereof);

"**SONIA Compounded Index Value**" means, in relation to any London Business Day, the value of the SONIA Compounded Index as published by authorised distributors on the Relevant Screen Page on such London Business Day or, if the value of the SONIA Compounded Index cannot be obtained from the Relevant Screen Page, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA Compounded Index) in respect of such London Business Day;

"**SONIA Compounded $Index_{END}$**" means, in respect of an Interest Period, the SONIA Compounded Index Value on the last day of the relevant SONIA Observation Period;

"**SONIA Compounded $Index_{START}$**" means, in respect of an Interest Period, the SONIA Compounded Index Value on the first day of the relevant SONIA Observation Period; and

"**SONIA Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling "*p*" London Business Days prior to the first day of such Interest Period (and the first SONIA Observation Period shall begin on (and include) the date which is "*p*" London Business Days prior to the Interest Commencement Date) and ending on (but excluding) the date which is "*p*" London Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "*p*" London Business Days prior to such earlier date, if any, on which the Securities become due and payable).

(B) SONIA Compounded Daily Reference Rate

Where (i) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined; (ii) the Reference Rate is specified in the applicable Final Terms as being SONIA; and (iii) SONIA Compounded Daily Reference Rate is specified in the applicable Final Terms as being applicable, the Rate of Interest for each Interest Period will, subject to Condition 4(c), be the SONIA Compounded Daily Reference Rate determined as follows:

"**SONIA Compounded Daily Reference Rate**" means, in respect of an Interest Period, the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SONIA_i \times n_i}{365}\right)-1\right]\times\frac{365}{d}$$

where:

"**London Business Day**", "***p***" and "**SONIA Observation Period**" have the respective meanings set out in Condition 4(b)(ii)(C)(A);

"***d***" is the number of calendar days in the relevant:

(i) SONIA Observation Period, where Observation Shift is specified in the applicable Final Terms as being applicable; or

(ii) Interest Period, where Lag is specified in the applicable Final Terms as being applicable;

"d_o" is the number of London Business Days in the relevant:

(i) SONIA Observation Period, where Observation Shift is specified in the applicable Final Terms as being applicable; or

(ii) Interest Period, where Lag is specified in the applicable Final Terms as being applicable;

"***i***" is a series of whole numbers from one to d_o, each representing the relevant London Business Day in chronological order from (and including) the first London Business Day in the relevant:

(i) SONIA Observation Period, where Observation Shift is specified in the applicable Final Terms as being applicable, to (and including) the last London Business Day in the relevant SONIA Observation Period; or

(ii) Interest Period, where Lag is specified in the applicable Final Terms as being applicable, to (and including) the last London Business Day in the relevant Interest Period;

"n_i", for any London Business Day "***i***", means the number of calendar days from (and including) such London Business Day "***i***" up to (but excluding) the next following London Business Day;

"$SONIA_i$" means, in relation to any London Business Day, the SONIA reference rate in respect of:

(i) that London Business Day "***i***", where Observation Shift is specified in the applicable Final Terms as being applicable; or

(ii) the London Business Day (being a London Business Day falling in the relevant SONIA Observation Period) falling "***p***" London Business Days prior to the relevant London Business Day "***i***", where Lag is specified in the applicable Final Terms as being applicable; and

the "**SONIA reference rate**", in respect of any London Business Day, is a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Business Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page on the next following London Business Day or, if the Relevant Screen Page is unavailable, as published by authorised distributors on such next following

London Business Day or, if SONIA cannot be obtained from the Relevant Screen Page, as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate).

(C) Subject to Condition 4(c), where SONIA is specified as the Reference Rate in the applicable Final Terms and either (i) SONIA Compounded Daily Reference Rate is specified in the applicable Final Terms as being applicable or (ii) the SONIA Compounded Index Rate is specified in the applicable Final Terms as being applicable and Condition 4(b)(ii)(C)(B) applies, if, in respect of any London Business Day, the SONIA reference rate is not available on the Relevant Screen Page or the Relevant Fallback Screen Page as applicable (or as otherwise provided in the relevant definition thereof) or as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), such Reference Rate shall be:

(i) (1) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Business Day; plus (2) the mean of the spread of the SONIA reference rate to the Bank Rate over the previous five days on which the SONIA reference rate has been published, excluding the highest spread (or, if there is more than one highest spread, one only of those highest spreads) and lowest spread (or, if there is more than one lowest spread, one only of those lowest spreads) to the Bank Rate, or

(ii) if such Bank Rate is not available, the SONIA reference rate published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) or (if later) as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate) for the first preceding London Business Day on which the SONIA reference rate was published on the Relevant Screen Page (or as otherwise provided in the relevant definition thereof) or (if later) as published on the Bank of England's website at www.bankofengland.co.uk/boeapps/database/ (or such other page or website as may replace such page for the purposes of publishing the SONIA reference rate), and

in each case, $SONIA_i$ shall be interpreted accordingly.

(D) *Screen Rate Determination for Floating Rate Securities referencing Compounded SOFR*

(A) SOFR Compounded Index Rate

Where (i) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined; (ii) the Reference Rate is specified in the applicable Final Terms as being SOFR; and (iii) SOFR Compounded Index Rate is specified in the applicable Final Terms as being applicable, the Rate of Interest for each Interest Period will, subject as provided below, be the SOFR Compounded Index Rate determined as follows:

"**SOFR Compounded Index Rate**" means, with respect to an Interest Period, the rate of return of a daily compound interest investment during the SOFR Observation Period relating to such Interest Period (with the Secured Overnight Financing Rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows:

$$\left(\frac{SOFR\ Compounded\ Index_{END}}{SOFR\ Compounded\ Index_{START}} - 1\right) \times \left(\frac{360}{d}\right)$$

provided, however, that, and subject as provided below, if the SOFR Compounded Index Value is not available in relation to any Interest Period on the SOFR Administrator's Website for the determination of either or both of SOFR Compounded Index$_{START}$ and/or SOFR Compounded Index$_{END}$ and a Benchmark Transition Event and its related Benchmark Replacement Date have not occurred with respect to such SOFR Compounded Index Value, the Rate of Interest shall be calculated for such Interest Period on the basis of the SOFR Compounded Daily Reference Rate as set out in Condition 4(b)(ii)(D)(B) as if SOFR Compounded Daily Reference Rate with Observation Shift had been specified in the applicable Final Terms as being applicable,

where:

"***d***" means the number of calendar days in the relevant SOFR Observation Period;

"***p***" means, for any Interest Period, the whole number specified in the applicable Final Terms (or, if no such number is so specified, five) representing a number of U.S. Government Securities Business Days;

"**SOFR**" means the daily secured overnight financing rate as provided by the SOFR Administrator on the SOFR Administrator's Website;

"**SOFR Administrator**" means the Federal Reserve Bank of New York (or a successor administrator of SOFR);

"**SOFR Administrator's Website**" means the website of the Federal Reserve Bank of New York, or any successor source;

"**SOFR Compounded Index**" means the index known as SOFR Index administered by the SOFR Administrator;

"**SOFR Compounded Index Value**" means, in relation to any U.S. Government Securities Business Day, the value of the SOFR Compounded Index as published by the SOFR Administrator on the SOFR Administrator's Website at 3:00 p.m. (New York City time) on such U.S. Government Securities Business Day;

"**SOFR Compounded Index$_{END}$**" means, in respect of an Interest Period, the SOFR Compounded Index Value on the last day of the relevant SOFR Observation Period;

"**SOFR Compounded Index$_{START}$**" means, in respect of an Interest Period, the SOFR Compounded Index Value on the first day of the relevant SOFR Observation Period;

"**SOFR Observation Period**" means, in respect of an Interest Period, the period from (and including) the date falling "*p*" U.S. Government Securities Business Days prior to the first day of such Interest Period (and the first SOFR Observation Period shall begin on (and include) the date which is "*p*" U.S. Government Securities Business Days prior to the Interest Commencement Date) and ending on (but excluding) the date which is "*p*" U.S. Government Securities Business Days prior to the Interest Payment Date for such Interest Period (or the date falling "*p*" U.S. Government Securities Business Days prior to such earlier date, if any, on which the Securities become due and payable); and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, a Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its

members be closed for the entire day for purposes of trading in U.S. government securities.

Notwithstanding anything to the contrary, if both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the SOFR Compounded Index Rate, the benchmark replacement provisions set forth in Condition 4(b)(ii)(D)(C) below shall apply for the purposes of all determinations of the Rate of Interest in respect of the Securities.

(B) SOFR Compounded Daily Reference Rate

Where (i) Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined; (ii) the Reference Rate is specified in the applicable Final Terms as being SOFR; and (iii) SOFR Compounded Daily Reference Rate is specified in the applicable Final Terms as being applicable, the Rate of Interest for each Interest Period will, subject as provided below, be the SOFR Compounded Daily Reference Rate determined as follows:

"**SOFR Compounded Daily Reference Rate**" means, in respect of an Interest Period, the rate of return of a daily compound interest investment (with the Secured Overnight Financing Rate as reference rate for the calculation of interest) and will be calculated by the Calculation Agent on the relevant Interest Determination Date, as follows:

$$\left[\prod_{i=1}^{d_o}\left(1+\frac{SOFR_i \times n_i}{360}\right)-1\right]\times\frac{360}{d}$$

where:

"***p***", "**SOFR Administrator**", "**SOFR Administrator's Website**", "**SOFR Observation Period**" and "**U.S. Government Securities Business Day**" have the respective meanings set out in Condition 4(b)(ii)(D)(A);

"***d***" is the number of calendar days in the relevant:

(i) SOFR Observation Period, where Observation Shift is specified in the applicable Final Terms as being applicable; or

(ii) Interest Period, where Lag is specified in the applicable Final Terms as being applicable;

"d_o" is the number of U.S. Government Securities Business Days in the relevant:

(i) SOFR Observation Period, where Observation Shift is specified in the applicable Final Terms as being applicable; or

(ii) Interest Period, where Lag is specified in the applicable Final Terms as being applicable;

"***i***" is a series of whole numbers from one to d_o, each representing the relevant U.S. Government Securities Business Day in chronological order from (and including) the first U.S. Government Securities Business Day in the relevant:

(i) SOFR Observation Period, where Observation Shift is specified in the applicable Final Terms as being applicable, to (and including) the last U.S. Government Securities Business Day in the relevant SOFR Observation Period; or

(ii) Interest Period, where Lag is specified in the applicable Final Terms as being applicable, to (and including) the last U.S. Government Securities Business Day in the relevant Interest Period;

"n_i", for any U.S. Government Securities Business Day "***i***", means the number of calendar days from (and including) such U.S. Government Securities Business Day "***i***" up to (but excluding) the next following U.S. Government Securities Business Day;

"$SOFR_i$" means, in relation to any U.S. Government Securities Business Day, the SOFR reference rate in respect of:

(i) that U.S. Government Securities Business Day "***i***", where Observation Shift is specified in the applicable Final Terms as being applicable; or

(ii) the U.S. Government Securities Business Day (being a U.S. Government Securities Business Day falling in the relevant SOFR Observation Period) falling "***p***" U.S. Government Securities Business Days prior to the relevant U.S. Government Securities Business Day "***i***", where Lag is specified in the applicable Final Terms as being applicable; and

the "**SOFR reference rate**" means, in respect of any U.S. Government Securities Business Day, a rate determined in accordance with the following provisions:

(i) the Secured Overnight Financing Rate published for such U.S. Government Securities Business Day that appears on the SOFR Administrator's Website at or about 3.00 p.m. (New York City time) on the U.S. Government Securities Business Day immediately following such U.S. Government Securities Business Day; and

(ii) if the rate specified in paragraph (i) above does not so appear, unless both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred, then the Calculation Agent shall use the Secured Overnight Financing Rate published on the SOFR Administrator's Website for the first preceding U.S. Government Securities Business Day on which the Secured Overnight Financing Rate was published on the SOFR Administrator's Website.

Notwithstanding anything to the contrary, if both a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to determining the SOFR Compounded Daily Reference Rate, the benchmark replacement provisions set forth in Condition 4(b)(ii)(D)(C) below shall apply for the purposes of all determinations of the Rate of Interest in respect of the Securities.

(C) Notwithstanding any other provisions in these Conditions, if:

(i) the Benchmark is SOFR; and

(ii) any Rate of Interest (or any component part thereof) remains to be determined by reference to the Benchmark,

then the following provisions of this Condition 4(b)(ii)(D)(C) shall apply.

(I) Benchmark Replacement

If the Issuer or its designee determines prior to the Reference Time on the relevant Interest Determination Date that a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to the then-current Benchmark, the Benchmark Replacement will replace the then-current Benchmark for all purposes relating to the Securities in respect of all determinations on such date and all determinations on all subsequent dates (subject to any subsequent application of this Condition 4(b)(ii)(D)(C) with respect to such Benchmark Replacement).

(II) Benchmark Replacement Conforming Changes

In connection with the implementation of a Benchmark Replacement, the Issuer or its designee will have the right to make Benchmark Replacement Conforming Changes from time to time.

At the request of the Issuer, but subject to receipt by the Principal Paying Agent of an officer's certificate pursuant to Condition 4(b)(ii)(D)(C)(IV) and subject as provided below, the Principal Paying Agent shall (at the expense of the Issuer), without any requirement for the consent or approval of the Securityholders, be obliged to concur with the Issuer in effecting any Benchmark Replacement Conforming Changes (including, *inter alia*, by amending the Agency Agreement), provided that the Principal Paying Agent shall not be obliged so to concur if in the opinion of the Principal Paying Agent doing so would impose more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce or amend the protective provisions afforded to the Principal Paying Agent in the Agency Agreement in any way.

None of the Calculation Agent, the Principal Paying Agent or any Paying Agent shall have any liability for any determination made by or on behalf of the Issuer or its designee in connection with a Benchmark Transition Event or a Benchmark Replacement. For the avoidance of doubt, unless otherwise agreed upon in writing, the Calculation Agent, the Principal Paying Agent or any Paying Agent shall in no event be the Issuer's designee.

(III) Decisions and Determinations

Any determination, decision or election that may be made by the Issuer or its designee pursuant to this Condition 4(b)(ii)(D)(C), including (without limitation) any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error, may be made in the Issuer's or its designee's sole discretion (as applicable), and, notwithstanding anything to the contrary in these Conditions, shall become effective without any requirement for the consent or approval of Securityholders or any other party.

In connection with any Benchmark Replacement Conforming Changes in accordance with this Condition 4(b)(ii)(D)(C), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

(IV) Notice and Certification

Any Benchmark Replacement, Benchmark Replacement Adjustment and the specific terms of any Benchmark Replacement Conforming Changes determined under this Condition 4(b)(ii)(D)(C) will be notified at least 10 business days prior to the relevant Interest Determination Date by the Issuer to the Calculation Agent, the Principal Paying Agent and the Paying Agents and, promptly thereafter, in accordance with Condition 13, the Securityholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Replacement Conforming Changes, if any.

No later than notifying the Securityholders of the same, the Issuer shall deliver to the Principal Paying Agent an officer's certificate:

(A) confirming (a) that a Benchmark Transition Event has occurred, (b) the Benchmark Replacement, (c) the applicable Benchmark Replacement Adjustment and (d) the specific terms of the Benchmark Replacement Conforming Changes (if any), in each case as determined in accordance with the provisions of this Condition 4(b)(ii)(D)(C); and

(B) certifying that the Benchmark Replacement Conforming Changes (if any) are necessary to ensure the proper operation of such Benchmark Replacement and the applicable Benchmark Replacement Adjustment.

The Principal Paying Agent shall be entitled to rely on such certificate (without liability to any person) as sufficient evidence thereof. The Benchmark Replacement, the Benchmark Replacement Adjustment and the Benchmark Replacement Conforming Changes (if any) specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Benchmark Replacement, the Benchmark Replacement Adjustment and the Benchmark Replacement Conforming Changes (if any) and without prejudice to the Principal Paying Agent's ability to rely on such certificate as aforesaid) be binding on the Issuer, the Calculation Agent, the Principal Paying Agent, the Paying Agents and the Securityholders.

(V) Definitions

In this Condition 4(b)(ii)(D)(C):

"**Benchmark**" means, initially, SOFR (provided that if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to SOFR (or the published daily SOFR used in the calculation thereof) or any Benchmark which has replaced it in accordance with this Condition 4(b)(ii)(D)(C), then the term "Benchmark" means the applicable Benchmark Replacement);

"**Benchmark Replacement**" means the first alternative set out in the order below that can be determined by the Issuer or its designee as at the Benchmark Replacement Date:

(A) the sum of: (1) the alternative rate of interest that has been selected or recommended by the Relevant Governmental Body as the replacement for the then-current Benchmark and (2) the Benchmark Replacement Adjustment;

(B) the sum of: (1) the ISDA Fallback Rate and (2) the Benchmark Replacement Adjustment; or

(C) the sum of: (1) the alternative rate of interest that has been selected by the Issuer or its designee as the replacement for the then-current Benchmark giving due consideration to any industry-accepted rate of interest as a replacement for the then-current Benchmark for U.S. dollar denominated floating rate securities at such time and (2) the Benchmark Replacement Adjustment;

"**Benchmark Replacement Adjustment**" means the first alternative set out in the order below that can be determined by the Issuer or its designee as at the Benchmark Replacement Date:

(A) the spread adjustment (which may be a positive or negative value or zero), or method for calculating or determining such spread adjustment, that has been selected or

recommended by the Relevant Governmental Body for the applicable Unadjusted Benchmark Replacement;

(B) if the applicable Unadjusted Benchmark Replacement is equivalent to the ISDA Fallback Rate, then the ISDA Fallback Adjustment; or

(C) the spread adjustment (which may be a positive or negative value or zero) that has been selected by the Issuer or its designee giving due consideration to any industry-accepted spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of the then-current Benchmark with the applicable Unadjusted Benchmark Replacement for U.S. dollar denominated floating rate securities at such time;

"**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of Interest Period, timing and frequency of determining rates and making payments of interest, rounding amounts or tenors, and other administrative matters) that the Issuer or its designee decides may be appropriate to reflect the adoption of such Benchmark Replacement in a manner substantially consistent with market practice (or, if the Issuer or its designee decides that adoption of any portion of such market practice is not administratively feasible or if the Issuer or its designee determines that no market practice for use of the Benchmark Replacement exists, in such other manner as the Issuer or its designee determines is reasonably necessary);

"**Benchmark Replacement Date**" means the earliest to occur of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) in the case of paragraph (A) or (B) of the definition of "Benchmark Transition Event", the later of (1) the date of the public statement or publication of information referenced therein and (2) the date on which the administrator of the Benchmark permanently or indefinitely ceases to provide the Benchmark (or such component); or

(B) in the case of paragraph (C) of the definition of "Benchmark Transition Event", the date of the public statement or publication of information referenced therein.

For the avoidance of doubt, if the event giving rise to the Benchmark Replacement Date occurs on the same day as, but earlier than, the Reference Time on the relevant Interest Determination Date, the Benchmark Replacement Date will be deemed to have occurred prior to the Reference Time for such determination;

"**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to the then-current Benchmark (including the daily published component used in the calculation thereof):

(A) a public statement or publication of information by or on behalf of the administrator of the Benchmark (or such component) announcing that such administrator has ceased or will cease to provide the Benchmark (or such component), permanently or indefinitely, provided that, at the time of such statement or publication, there is no

successor administrator that will continue to provide the Benchmark (or such component);

(B) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark (or such component), the central bank for the currency of the Benchmark (or such component), an insolvency official with jurisdiction over the administrator for the Benchmark (or such component), a resolution authority with jurisdiction over the administrator for the Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for the Benchmark (or such component), which states that the administrator of the Benchmark (or such component) has ceased or will cease to provide the Benchmark (or such component) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide the Benchmark (or such component); or

(C) a public statement or publication of information by the regulatory supervisor for the administrator of the Benchmark announcing that the Benchmark is no longer representative;

"**designee**" means an affiliate or any other agent of the Issuer;

"**ISDA Definitions**" has the meaning given to it in Condition 4(b)(ii)(A);

"**ISDA Fallback Adjustment**" means the spread adjustment (which may be a positive or negative value or zero) that would apply for derivatives transactions referencing the ISDA Definitions to be determined upon the occurrence of an index cessation event with respect to the Benchmark;

"**ISDA Fallback Rate**" means the rate that would apply for derivatives transactions referencing the ISDA Definitions to be effective upon the occurrence of an index cessation date with respect to the Benchmark for the applicable tenor excluding the applicable ISDA Fallback Adjustment;

"**Reference Time**" with respect to any determination of the Benchmark means (A) if the Benchmark is SOFR, 3:00 p.m. (New York City time) or such other time as is reasonably agreed between the Issuer or its designee and the Calculation Agent and (B) if the Benchmark is not SOFR, the time determined by the Issuer or its designee in accordance with the Benchmark Replacement Conforming Changes;

"**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto; and

"**Unadjusted Benchmark Replacement**" means the Benchmark Replacement excluding the Benchmark Replacement Adjustment.

(iii) Minimum Rate of Interest and/or Maximum Rate of Interest

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is less than such

Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (ii) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(iv) Determination of Rate of Interest and calculation of Interest Amounts

The Principal Paying Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Principal Paying Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified will calculate the amount of interest (the "**Interest Amount**")) payable on the Floating Rate Securities in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to each Specified Denomination, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest in accordance with this Condition 4(b):

(i) if "**Actual/Actual (ICMA)**" is specified in the applicable Final Terms:

(A) in the case of Securities where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the "**Accrual Period**") is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

(B) in the case of Securities where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:

a. the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and

b. the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year;

(ii) if "**Actual/Actual**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and

(B) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;

(iv) if "**Actual/360**" is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;

(v) if **30/360**, **360/360** or **Bond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{D_1}$ is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D1 will be 30; and

$\mathbf{D_2}$ is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(vi) if **30E/360** or **Eurobond Basis** is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

$\mathbf{Y_1}$ is the year, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{Y_2}$ is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

$\mathbf{M_1}$ is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

$\mathbf{M_2}$ is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D2 will be 30; and

(vii) if **30E/360** (**ISDA**) is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

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

where:

Y_1 is the year, expressed as a number, in which the first day of the Interest Period falls;

Y_2 is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

M_1 is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

M_2 is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

D_1 is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

D_2 is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30.

(v) Notification of Rate of Interest and Interest Amounts

The Principal Paying Agent, or where the applicable Final Terms specifies a Calculation Agent for this purpose, the Calculation Agent so specified will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any competent listing authority or stock exchange on which the relevant Floating Rate Securities are for the time being listed and notice thereof to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each competent listing authority or stock exchange on which the relevant Floating Rate Securities are for the time being listed and to the Security holders in accordance with Condition 13. For the purposes of this paragraph, the expression "**London Business Day**" means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(vi) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 4(b), by the Principal Paying Agent or the Calculation Agent (if applicable) shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Principal Paying Agent, any Calculation Agent, the other Agents and all Security holders and Couponholders and (in the absence of wilful default, bad faith or negligence) no liability to the Issuer, the Security holders or the Couponholders shall attach to the Principal Paying Agent or any Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(c) *Benchmark Discontinuation*

If: (i) the Original Reference Rate is not SOFR; and (ii) a Benchmark Event occurs in relation to the Original Reference Rate when any Rate of Interest (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions shall apply (with effect from 30 days prior to the first date when such determination is necessary).

(i) Independent Adviser

The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, to consult with the Issuer in determining a Successor Rate, failing which an Alternative Rate and, in either case, an Adjustment Spread and any Benchmark Amendments.

In making such determination, the Independent Adviser appointed pursuant to this Condition 4(c) shall act in good faith and in a commercially reasonable manner in consulting with the Issuer. In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Calculation Agent, the Principal Paying Agent, or the Security holders, and the Issuer shall have no liability to the Independent Adviser, the Calculation Agent, the Principal Paying Agent, or the Security holders, as applicable, in each case for any determination made by the Issuer and/or or for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 4(c).

If (i) the Issuer is unable to appoint an Independent Adviser; or (ii) the Issuer fails to determine a Successor Rate or, failing which, an Alternative Rate in accordance with this Condition 4(c) prior to the relevant Interest Determination Date, the Rate of Interest applicable to the next succeeding Interest Period shall be equal to the Rate of Interest last determined in relation to the Securities in respect of the immediately preceding Interest Period. If there has not been a first Interest Payment Date, the Rate of Interest shall be the Initial Rate of Interest. Where a different margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Period shall be substituted in place of the margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Period. For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period only and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, this Condition 4(c).

(ii) Successor Rate or Alternative Rate

If the Issuer, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines that:

(1) there is a Successor Rate, then such Successor Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component

part thereof) for all future payments of interest on the Securities (subject to the operation of this Condition 4(c)(ii); or

(2) there is no Successor Rate but that there is an Alternative Rate, then such Alternative Rate and the applicable Adjustment Spread shall subsequently be used in place of the Original Reference Rate to determine the Rate of Interest (or the relevant component part(s) thereof) for all future payments of interest on the Securities (subject to the operation of this Condition 4(c)).

(iii) Adjustment Spread

The Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) Benchmark Amendments

If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 4(c) and the Issuer, following consultation with the Independent Adviser and acting in good faith, determines (i) that amendments to the these Conditions and/or to the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, being the "**Benchmark Amendments**") and (ii) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 4(c)(v) below without any requirement for the consent or approval of Security holders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice.

In connection with any such variation in accordance with this Condition 4(c)(iv), the Issuer shall comply with the rules of any stock exchange on which the Securities are for the time being listed or admitted to trading.

(v) Notices

Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 4(c) will be notified promptly by the Issuer to the Calculation Agent, the Principal Paying Agent and the Security holders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any.

No later than notifying the Calculation Agent, the Principal Paying Agent and the Security holders, the Issuer shall deliver an officer's certificate:

(A) confirming (a) that a Benchmark Event has occurred, (b) the Successor Rate or, as the case may be, the Alternative Rate, (c) the applicable Adjustment Spread and (d) the specific terms of the Benchmark Amendments (if any), in each case as determined in accordance with the provisions of this Condition 4(c); and

(B) certifying that the Benchmark Amendments (if any) are necessary to ensure the proper operation of such Successor Rate or Alternative Rate and (in either case) the applicable Adjustment Spread.

The Successor Rate or Alternative Rate and the Adjustment Spread (if any) and the Benchmark Amendments specified in such certificate will (in the absence of manifest error or bad faith in the determination of the Successor Rate or Alternative Rate and the Adjustment Spread and the Benchmark Amendments (if any)) be binding on the Issuer, the Calculation Agent, the Principal Paying Agent and the Security holders.

(vi) Survival of Original Reference Rate

Without prejudice to the obligations of the Issuer under the provisions of this Condition 4(c), the Original Reference Rate and the fallback provisions provided for in the Condition 4(b)(ii)(B), as applicable, will continue to apply unless and until a Benchmark Event has occurred.

(vii) Definitions

In this Condition 4(c), the following expressions have the following meanings:

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case which the Issuer, following consultation with an Independent Adviser and acting in good faith and in a commercially reasonable manner, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) to reduce or eliminate, to the fullest extent reasonably practicable in the circumstances any economic prejudice or benefit (as the case may be) to Security holders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended, in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or

(ii) (if no such recommendation has been made, or in the case of an Alternative Rate) the Issuer, following consultation with the Independent Adviser, determines is recognised or acknowledged as being the industry standard and/or in customary market usage for over-the-counter derivative transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or

(iii) if the Issuer determines that no such industry standard and/or customary market usage is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith and in a commercially reasonable manner, determines to be appropriate;

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer, following consultation with the Independent Adviser, determines in accordance with Condition 4(c)(ii)(2) has replaced the Original Reference Rate in customary market usage in international debt capital markets transactions for the purposes of determining floating rates of interest (or the relevant component part thereof) in the same Specified Currency as the Securities;

"**Benchmark Event**" means:

(i) the Original Reference Rate ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(ii) a public statement being made by the administrator of the Original Reference Rate that it has ceased or that it will cease publishing the Original Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the Original Reference Rate); or

(iii) a public statement being made by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will be permanently or indefinitely discontinued, or that the Original Reference Rate is no longer, or as of a specified date will no longer be, representative

of an underlying market and/or the economic reality that it is intended to measure and such representativeness will not be restored (as determined by such supervisor); or

(iv) a public statement being made by the supervisor of the administrator of the Original Reference Rate as a consequence of which the Original Reference Rate will be prohibited from being used either generally, or in respect of the Securities; or

(v) it has or will become unlawful for any Paying Agent, the Calculation Agent or the Issuer to calculate any payments due to be made to any Security holder using the Original Reference Rate,

provided that in the case of sub-paragraphs (ii), (iii) and (iv), the Benchmark Event shall occur on the date of the cessation of publication of the Original Reference Rate, the discontinuation of the Original Reference Rate, or the prohibition of use of the Original Reference Rate, as the case may be, and not the date of the relevant public statement;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer;

"**Initial Rate of Interest"** means the initial rate of interest per annum specified or calculated in accordance with the provisions of these Conditions and the applicable Final Terms;

"**Original Reference Rate**" means the originally-specified benchmark or screen rate (as applicable) used to determine the Rate of Interest (or any component part thereof) on the Securities, or, if applicable, any other successor or alternative rate (or component part thereof) determined and applicable to the Securities pursuant to the earlier operation of this Condition 4(c);

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Security and that is either specified or calculated in accordance with the provisions of these Conditions and the applicable Final Terms;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof; and

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body.

(d) Accrual of interest

Subject as provided in Condition 4(e), each Security (or in the case of the redemption of part only of a Security, that part only of such Security) will cease to bear interest (if any) from the

date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Security have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Security has been received by the Principal Paying Agent or the Registrar, as the case may be, and notice to that effect has been given to the Security holders in accordance with Condition 13.

(e) Interest Rate and Payments from the Maturity Date in the event of extension of maturity of the Securities up to the Extended Maturity Date

(i) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Securities and the maturity of those Securities is extended beyond the Maturity Date in accordance with Condition 6(h), the Securities shall bear interest from (and including) the Maturity Date to (but excluding) the earlier of the relevant Interest Payment Date after the Maturity Date on which the Securities are redeemed in full or the Extended Maturity Date, subject to Condition 4(d). In that event, interest shall be payable on those Securities at the rate determined in accordance with Condition 4(e)(ii) on the principal amount outstanding of the Securities in arrear on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date. The final Interest Payment Date shall fall no later than the Extended Maturity Date.

(ii) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Securities and the maturity of those Securities is extended beyond the Maturity Date in accordance with Condition 6(h), the rate of interest payable from time to time in respect of the principal amount outstanding of the Securities on each Interest Payment Date after the Maturity Date in respect of the Interest Period ending immediately prior to the relevant Interest Payment Date will be as specified in the applicable Final Terms and, where applicable, determined by the Principal Paying Agent or, where the applicable Final Terms specifies a Calculation Agent, the Calculation Agent so specified, two Business Days after the Maturity Date in respect of the first such Interest Period and thereafter as specified in the applicable Final Terms.

(iii) In the case of Securities which are Zero Coupon Securities up to (and including) the Maturity Date and for which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 4(e) the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

(iv) This Condition 4(e) shall only apply to Securities to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Securities (in full) on the Maturity Date (or within two Business Days thereafter) and the maturity of those Securities is automatically extended up to the Extended Maturity Date in accordance with Condition 6(h).

5. PAYMENTS

(a) Method of payment

Subject as provided below:

(i) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial

centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively);

(ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque; and

(iii) payments in United States dollars will be made by a transfer to a US dollar account maintained by the payee with a bank outside the United States (which expression as used in this Condition 5, means the United States of America including the State, and District of Columbia, its territories, its possessions and other areas subject to its jurisdiction) or by cheque drawn on a US bank. In no event will payment be made by a cheque mailed to an address in the United States. All payments of interest will be made to accounts outside the United States except as may be permitted by United States tax law in effect at the time of such payment without detriment to the Issuer.

Payments will be subject in all cases to any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 7.

(b) Presentation of definitive Bearer Securities and Coupons

Payments of principal in respect of definitive Bearer Securities will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Bearer Securities, and payments of interest in respect of definitive Bearer Securities will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia, its territories, its possessions and other areas subject to its jurisdiction)).

Payments of instalments of principal (if any) in respect of definitive Bearer Securities, other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Bearer Security in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Security to which it appertains. Receipts presented without the definitive Bearer Security to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Security becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Securities in definitive bearer form (other than Long Maturity Securities (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 12 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 8).

Upon the date on which any Fixed Rate Security in definitive bearer form becomes due and repayable, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Security or Long Maturity Security in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof. A "**Long Maturity Security**" is a Fixed Rate Security (other than a Fixed

Rate Security which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Security shall cease to be a Long Maturity Security on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Security.

If the due date for redemption of any definitive Bearer Security is not an Interest Payment Date, interest (if any) accrued in respect of such Security from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Security.

(c) Payments in respect of Bearer Global Securities

Payments of principal and interest (if any) in respect of Securities represented by any Global Security in bearer form will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Securities and otherwise in the manner specified in the relevant Global Security against presentation or surrender, as the case may be, of such Global Security at the specified office of any Paying Agent outside the United States. On the occasion of each payment:

(i) in the case of any Global Security in bearer form which is not issued in new global note ("**NGN**") form (as specified in the applicable Final Terms), a record of such payment made against presentation or surrender of such Global Security in bearer form, distinguishing between any payment of principal and any payment of interest, will be made on such Global Security by the Paying Agent to which it was presented and such record shall be prima facie evidence that the payment in question has been made; and

(ii) in the case of any Global Security in bearer form which is issued in NGN form (as specified in the applicable Final Terms), the Principal Paying Agent shall instruct Euroclear and Clearstream, Luxembourg to make appropriate entries in their records to reflect such payment.

(d) Payments in respect of Registered Securities

Payments of principal in respect of each Registered Security (whether or not in global form) will be made against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the Registered Security at the specified office of the Registrar or any Paying Agent. Such payments will be made by transfer to the Designated Account (as defined below) of the holder (or the first named of joint holders) of the Registered Security appearing in the register of holders of the Registered Securities maintained by the Registrar (the "**Register**") at the close of business on the third business day (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) before the relevant due date. Notwithstanding the previous sentence, if (i) a holder does not have a Designated Account or (ii) the principal amount of the Securities held by a holder is less than euro €250,000 (or its approximate equivalent in any other Specified Currency), payment will instead be made by a cheque in the Specified Currency drawn on a Designated Bank (as defined below). For these purposes, "**Designated Account**" means the account (which, in the case of a payment in Japanese Yen to a non-resident of Japan, shall be a non-resident account) maintained by a holder with a Designated Bank and identified as such in the Register and "**Designated Bank**" means (in the case of payment in a Specified Currency other than euro) a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney or Auckland, respectively) and (in the case of a payment in euro) any bank which processes payments in euro.

Payments of interest in respect of each Registered Security (whether or not in global form) will be made by a cheque in the Specified Currency drawn on a Designated Bank and mailed by uninsured mail on the business day in the city where the specified office of the Registrar is located immediately preceding the relevant due date to the holder (or the first named of joint holders) of the Registered Security appearing in the Register at the close of business on the Record Date at his address shown in the Register on the Record Date and at his risk. For this purpose, (the "**Record Date**") means:

(i) where the Registered Security is in global form, the relevant due date for payment minus one business day (being for this purpose a day on which each of Euroclear and Clearstream, Luxembourg (as applicable) is open for business); and

(ii) where the Registered Security is in definitive form, the fifteenth day (whether or not such fifteenth day is a business day) before the relevant due date.

Upon application of the holder to the specified office of the Registrar not less than three business days in the city where the specified office of the Registrar is located before the due date for any payment of interest in respect of a Registered Security, the payment may be made by transfer on the due date in the manner provided in the preceding paragraph. Any such application for transfer shall be deemed to relate to all future payments of interest (other than interest due on redemption) in respect of the Registered Securities which become payable to the holder who has made the initial application until such time as the Registrar is notified in writing to the contrary by such holder. Payment of the interest due in respect of each Registered Security on redemption will be made in the same manner as payment of the principal amount of such Registered Security.

Holders of Registered Securities will not be entitled to any interest or other payment for any delay in receiving any amount due in respect of any Registered Security as a result of a cheque posted in accordance with this Condition arriving after the due date for payment or being lost in the post. No commissions or expenses shall be charged to such holders by the Registrar in respect of any payments of principal or interest in respect of the Registered Securities.

None of the Issuer or the Agents will have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests in the Registered Global Securities or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

(e) General provisions applicable to payments

The holder of a Global Security shall be the only person entitled to receive payments in respect of Securities represented by such Global Security and the Issuer will be discharged by payment to, or to the order of, the holder of such Global Security in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Securities represented by such Global Security must look solely to Euroclear or Clearstream, Luxembourg as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Security.

(f) Payment Day

If the date for payment of any amount in respect of any Security or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, "**Payment Day**" means any day which (subject to Condition 8) is:

(i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits):

(A) with respect only to Bearer Securities in definitive form, in the relevant place of presentation; or

(B) with respect to any form of Securities, in any Additional Financial Centre specified in the applicable Final Terms; and

(ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (if other than the place of presentation and any Additional Financial Centre and which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney or Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the T2 System is open.

(g) Interpretation of principal and interest

Any reference in these Conditions to principal in respect of the Securities shall be deemed to include, as applicable:

(i) the Final Redemption Amount of the Securities;

(ii) the Optional Redemption Amount(s) (if any) of the Securities;

(iii) in relation to Securities redeemable in instalments, the Instalment Amounts (as specified in the applicable Final Terms); and

(iv) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Securities.

(h) Payments on Registered Securities in definitive form

In respect of payments on Registered Securities in definitive form, whether made or falling due before or during any insolvency or composition proceedings to which the Issuer may be subject, the Issuer, to the extent permitted by applicable law and if Condition 5(h) is specified to apply in the applicable Final Terms, hereby waives any right of set-off to which it may be entitled as well as the exercise of any pledge, right of retention or other rights through which the claims of the Security holder could be prejudiced to the extent that such rights belong to the reserved assets (*gebundenes Vermögen*) of an insurer within the meaning of § 54 Insurance Supervisory Act (*Verischerungsaufsichtsgesetz*) of the Federal Republic of Germany in connection with the Ordinance Relating to the Investment of the Committed Assets of Insurance Companies (*Verordnung über die Anlage des gebunden Vermögens von Versicherungsunternehmen*) of the Federal Republic of Germany or belong to funds covering the debt securities (*Deckungsmasse für Schuldverschreibungen*) of such insurer established pursuant to German law.

6. REDEMPTION AND PURCHASE

(a) Redemption at maturity

Subject to Condition 6(h), unless previously redeemed or purchased (or otherwise acquired) and cancelled or extended as specified below, each Security will be redeemed by the Issuer at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

(b) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified in the applicable Final Terms, the Issuer may, having given:

(i) not less than 15 nor more than 30 days' notice to the Security holders in accordance with Condition 13; and

(ii) not less than 15 days before the giving of the notice referred to in (i), notice to the Principal Paying Agent and, in the case of a redemption of Registered Securities, the Registrar;

(which notices shall be irrevocable and shall specify the date fixed for redemption), redeem, as specified in the applicable Final Terms, all or some only of the Securities then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Securities, the Securities to be redeemed ("**Redeemed Securities**") will be selected individually by lot, in the case of Redeemed Securities represented by definitive Securities, and in accordance with the rules of Euroclear and/or Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion), in the case of

Redeemed Securities represented by a Global Security, not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "**Selection Date**"). In the case of Redeemed Securities represented by definitive Securities, a list of the serial numbers of such Redeemed Securities will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Securities represented by definitive Securities shall bear the same proportion to the aggregate nominal amount of all Redeemed Securities as the aggregate nominal amount of definitive Securities outstanding bears to the aggregate nominal amount of the Securities outstanding, in each case on the Selection Date, provided that, such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination and the aggregate nominal amount of Redeemed Securities represented by a Global Security shall be equal to the balance of the Redeemed Securities. No exchange of the relevant Global Security will be permitted during the period from (and including) the Selection Date to (and including) the date fixed for redemption pursuant to this paragraph (b) and notice to that effect shall be given by the Issuer to the Security holders in accordance with Condition 13 at least five days prior to the Selection Date.

(c) Redemption at the option of the Security holders (Investor Put)

If Investor Put is specified in the applicable Final Terms, upon the holder of any Security giving to the Issuer in accordance with Condition 13 not less than 15 nor more than 30 days' notice the Issuer will, upon the expiry of such notice, redeem, subject to, and in accordance with, the terms specified in the applicable Final Terms, such Security on the Optional Redemption Date and at the Optional Redemption Amount as specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date. Registered Securities may be redeemed under this Condition 6(c) in any multiple of their lowest Specified Denomination.

To exercise the right to require redemption of this Security the holder of this Security must deliver, at the specified office of any Paying Agent (in the case of Bearer Securities) or the Registrar (in the case of Registered Securities) at any time during normal business hours of such Paying Agent or, as the case may be, the Registrar falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent or, as the case may be, the Registrar (a "**Put Notice**") and in which the holder must specify a bank account (or, if payment is required to be made by cheque, an address) to which payment is to be made under this Condition and, in the case of Registered Securities, the nominal amount thereof to be redeemed and, if less than the full nominal amount of the Registered Securities so surrendered is to be redeemed, an address to which a new Registered Security in respect of the balance of such Registered Securities is to be sent subject to and in accordance with the provisions of Condition 2(b). If this Security is in definitive form, the Put Notice must be accompanied by this Security or evidence satisfactory to the Principal Paying Agent concerned that this Security will, following delivery of the Put Notice, be held to its order or under its control. If this Security is represented by a Global Security or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Security the holder of this Security must, within the notice period, give notice to the Principal Paying Agent or, as applicable, the Registrar of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depositary or, as the case may be, the common safekeeper or common service provider, for them to the Principal Paying Agent or, as applicable, the Registrar by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time and, if this Security is represented by a Global Security, at the same time present or procure the presentation of the relevant Global Security to the Principal Paying Agent or, as applicable, Registrar for notation accordingly.

Any Put Notice given by a holder of any Security pursuant to this paragraph shall be irrevocable.

(d) Instalments

Instalment Securities will be redeemed in the Instalment Amounts and on the Instalment Dates.

(e) Purchases

The Issuer may at any time purchase or otherwise acquire Securities (provided that, in the case of definitive Securities, all unmatured Receipts, Coupons and Talons appertaining thereto are purchased, or acquired therewith) at any price and in any manner in the open market or otherwise. Such Securities may be held, reissued, resold or, at the option of the Issuer, surrendered to the Principal Paying Agent or, as applicable, the Registrar for cancellation.

(f) Cancellation

All Securities which are redeemed will forthwith be cancelled (together with all unmatured Coupons, Receipts and Talons attached thereto or surrendered therewith at the time of redemption). All Securities so cancelled and any Securities purchased (or otherwise acquired) and surrendered for cancellation pursuant to paragraph (e) above (together with all unmatured Coupons, Receipts and Talons cancelled therewith) shall be forwarded to the Principal Paying Agent or, as applicable, the Registrar and cannot be reissued or resold.

(g) Late payment on Zero Coupon Securities

If the amount payable in respect of any Zero Coupon Security to which Condition 6(h) does not apply, upon redemption of such Zero Coupon Security pursuant to paragraph (a), (b) or (c) above is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Security shall be the amount calculated in accordance with the following formula:

RP x (1 + AY) y

where:

"**RP**" means the Reference Price; and

*"***AY**" means the Accrual Yield expressed as a decimal; and

*"***y**" is a fraction, the denominator of which is 360 and the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Securities to (but excluding) the date which is the earlier of:

(i) the date on which all amounts due in respect of such Zero Coupon Security have been paid; and

(ii) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Securities has been received by the Principal Paying Agent or the Registrar and notice to that effect has been given to the Security holders in accordance with Condition 13.

(h) Extension of Maturity up to Extended Maturity Date

(i) An Extended Maturity Date may be specified in the applicable Final Terms as applying to a Series of Securities.

(ii) If an Extended Maturity Date is specified in the applicable Final Terms as applying to a Series of Securities and (A) the Issuer fails to redeem all of those Securities in full on the Maturity Date or within two Business Days thereafter, or (B) the Central Bank or a manager appointed to the Issuer under the Act so directs, the maturity of the Securities and the date on which such Securities will be due and repayable for the purposes of these Conditions will be automatically extended up to but no later than the Extended Maturity Date, as specified in the applicable Final Terms. In that event, the Issuer may redeem all or any part of the principal amount outstanding of the Securities on an Interest Payment Date falling after the Maturity Date up to and including the Extended Maturity Date. The Issuer shall give to the Security holders (in accordance with Condition 13), the Principal Paying Agent and any other Paying Agents, notice of its intention to redeem all or any of the principal amount outstanding of the Securities in full at least five Business Days prior to the relevant Interest Payment Date or, as applicable, the Extended

Maturity Date. Any failure by the Issuer to notify such persons shall not affect the validity or effectiveness of any redemption by the Issuer on the relevant Interest Payment Date or as applicable, the Extended Maturity Date or give rise to rights in any such person.

(iii) In the case of Securities which are Zero Coupon Securities up to (and including) the Maturity Date to which an Extended Maturity Date is specified under the applicable Final Terms, for the purposes of this Condition 6(h) the principal amount outstanding shall be the total amount otherwise payable by the Issuer on the Maturity Date less any payments made by the Issuer in respect of such amount in accordance with these Conditions.

(iv) Any extension of the maturity of Securities under this Condition 6(h) shall be irrevocable. Where this Condition 6(h) applies, any failure to redeem the Securities on the Maturity Date or any extension of the maturity of Securities under this Condition 6(h) shall not constitute an event of default for any purpose or give any Security holder any right to receive any payment of interest, principal or otherwise on the relevant Securities other than as expressly set out in these Conditions.

(v) In the event of the extension of the maturity of Securities under this Condition 6(h), interest rates, interest periods and interest payment dates on the Securities from (and including) the Maturity Date to (but excluding) the Extended Maturity Date shall be determined and made in accordance with the applicable Final Terms and Condition 4(e).

(vi) If the Issuer redeems part and not all of the principal amount outstanding of Securities on an Interest Payment Date falling in any month after the Maturity Date, the redemption proceeds shall be applied rateably across the Securities and the principal amount outstanding on the Securities shall be reduced by the level of that redemption.

(vii) If the maturity of any Securities is extended up to the Extended Maturity Date in accordance with this Condition 6(h), subject to otherwise provided for in the applicable Final Terms, for so long as any of those Securities remains in issue, the Issuer shall not issue any further mortgage covered securities, unless the proceeds of issue of such further mortgage covered securities are applied by the Issuer on issue in redeeming in whole or in part the relevant Securities in accordance with the terms hereof.

(viii) The extension of the maturity of Securities under this Condition 6(h) shall not affect the ranking of Security holders or of the holders of any other Mortgage Covered Securities issued by the Issuer, nor invert the sequencing of the original maturity schedule of a covered bond programme (as defined in the Act) of the Issuer.

(ix) This Condition 6(h) shall only apply to Securities to which an Extended Maturity Date is specified in the applicable Final Terms and if the Issuer fails to redeem those Securities in full on the Maturity Date (or within two Business Days thereafter).

7. TAXATION

All payments of principal and interest in respect of the Securities, Receipts and Coupons shall be made by or on behalf of the Issuer (including, without limitation, by any Paying Agent) without deduction or withholding for or on account of any present or future taxes or other duties of whatever nature levied by or on behalf of any jurisdiction, unless the Issuer or such Paying Agent shall be obligated by any applicable law, or regulation, practice or agreements thereunder, or official interpretations thereof, or any law implementing an intergovernmental approach thereto, or by virtue of the relevant holder failing to satisfy any certification or other requirements in respect of the Securities, in which event, the Issuer or such Paying Agent (as applicable) shall make such payments after such withholding or deduction has been made and shall account to the relevant authorities for the amount(s) so withheld or deducted. Neither the Issuer nor any Paying Agent will be obliged to make any additional payments in respect of any such withholding or deduction imposed.

8. PRESCRIPTION

To the extent permitted by applicable law, the Bearer Securities, Receipts and Coupons will become void unless presented for payment within a period of 12 years from the Relevant Date in respect thereof and claims in respect of Registered Securities shall become prescribed unless made within a period of 12 years from the Relevant Date in respect thereof. Any monies paid by the Issuer to the Registrar or a Paying Agent, as the case may be, for the payment of principal or interest with respect to the Securities and remaining unclaimed when the Securities, Receipts or Coupons become void or claims in respect thereof become prescribed, as the case may be, shall be paid to the Issuer and all liability of the Issuer with respect thereto shall thereupon cease. As used in these Conditions, "**Relevant Date**" in respect of any Security means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Principal Paying Agent or the Registrar, as the case may be, on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Security holders in accordance with Condition 13.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon which would be void, or the claim for payment in respect of which would be prescribed, pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

9. REPLACEMENT OF SECURITIES, COUPONS AND TALONS

Should any Security, Receipt, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of any Paying Agent (in the case of Bearer Securities, Receipts, Coupons or Talons) or the Registrar (in the case of Registered Securities) upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Securities, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

10. AGENTS

The names of the initial Agents and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Agent and/or appoint additional or other Agents and/or approve any change in the specified office through which any Agent acts, provided that:

(a) there will at all times be a Principal Paying Agent and a Registrar; and

(b) so long as the Securities are listed on any stock exchange, there will at all times be a Paying Agent (in the case of Bearer Securities) and a Transfer Agent (in the case of Registered Securities) with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange (or any other relevant authority).

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Security holders in accordance with Condition 13.

In acting under the Agency Agreement, the Agents act solely as agents of the Issuer and do not assume any obligation to, or relationship of agency or trust with, any Security holders, Receiptholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor agent.

11. OVERCOLLATERALISATION/PRUDENT MARKET DISCOUNT

(a) Maintenance of Overcollateralisation

For so long as the Securities are outstanding, the prudent market value (determined in accordance with the Act) of the cover assets pool maintained by the Issuer in accordance with the terms of the Act will not at any time be less than the then applicable Minimum Overcollateralisation Level.

(b) Minimum Pool Overcollateralisation Level

For the purposes of this Condition 11, the applicable "**Minimum Overcollateralisation Level**" at any time shall be an amount equal to the Overcollateralisation Percentage of the total aggregate outstanding principal amount of all Securities issued under the Programme and any other mortgage covered securities of the Issuer in issue at such time.

(c) Overcollateralisation Percentage

For the purposes of this Condition 11, the "**Overcollateralisation Percentage**" shall be the overcollateralisation percentage specified for the purposes of this Condition 11(c) in the applicable Final Terms as applying to the relevant Series of Securities or such other percentage as may be selected by the Issuer from time to time and notified to the Issuer's cover-assets monitor and the Security holders (in the case of the latter, in accordance with Condition 13) provided that:

(i) the Overcollateralisation Percentage shall not, for so long as the Securities are outstanding, be reduced by the Issuer below the overcollateralisation percentage specified for the purposes of this Condition 11(c) in the applicable Final Terms relating to that Series of Securities; and

(ii) without prejudice to (i), the Issuer shall not at any time reduce the then Overcollateralisation Percentage which applies for the purposes of this Condition 11(c) if to do so would result in any credit rating then applying to the Securities by any credit rating agency appointed by the Issuer in respect of the Securities being reduced, removed, suspended or placed on credit watch.

(d) Prudent Market Discount

For the purposes of the Asset Covered Securities Act 2001 Regulatory Notice (Sections 41(1) and 41A(7)) 2011 and the Asset Covered Securities Act 2001 (Sections 61(1), 61(2) and 61(3)) Prudent Market Discount Regulation 2004 (as either of them may be amended or replaced from time to time), the Prudent Market Discount applicable to the Issuer in the case of valuations within the scope of the above mentioned regulatory notice and regulation is 0.150 or such other figure as may be selected by the Issuer from time to time and notified to the Issuer's cover-assets monitor and the Security holders (in the case of the latter in accordance with Condition 13) provided that:

(i) such Prudent Market Discount shall not for so long as the Securities are outstanding be reduced by the Issuer below 0.150; and

(ii) without prejudice to (i) above, the Issuer shall not at any time reduce the then such Prudent Market Discount which applies for the purposes of this Condition 11 if to do so would result in any credit rating then applying to the Securities by any credit rating agency appointed by the Issuer in respect of the Securities being reduced, removed, suspended or placed on credit watch.

12. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of any Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Security to which it appertains) a further Talon, subject to the provisions of Condition 8.

13. NOTICES

All notices regarding Bearer Securities admitted to the Official List of the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") and/or admitted to trading on the regulated market of Euronext Dublin will be deemed to be validly given if filed with the Companies Announcement Office of Euronext Dublin or published in a leading English language daily newspaper of general circulation in Ireland and approved by Euronext Dublin. It is expected that such publication will be made in The Irish Times. Any such notice will be deemed to have been given on the date of the first publication.

All notices regarding the Registered Securities will be deemed to be validly given if sent by first class mail or (if posted to an address overseas) by airmail to the holders (or the first named of joint holders) at their respective addresses recorded in the Register and will be deemed to have been given on the second day after mailing and, in addition, for so long as any Registered Securities are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules.

Until such time as any definitive Securities are issued, there may, so long as any Global Securities representing the Securities are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Securities and, in addition, for so long as any Securities are listed on a stock exchange and the rules of that stock exchange (or any other relevant authority) so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Securities on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Security holder shall be in writing and given by lodging the same, together (in the case of any Security in definitive form) with the related Security or Securities, with the Principal Paying Agent (in the case of Bearer Securities) or the Registrar (in the case of Registered Securities). Whilst any of the Securities are represented by a Global Security, such notice may be given by any holder of a Security to the Principal Paying Agent or the Registrar through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Principal Paying Agent, the Registrar and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

14. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Security holders, the Receiptholders or the Couponholders to create and issue further mortgage covered securities in accordance with the Act having terms and conditions the same as the Securities or the same in all respects (including as to liability) save for their respective Issue Dates, Interest Commencement Dates, interest amounts/rates in respect of the First Interest Period and/or Issue Prices and so that the same shall be a Tranche of and consolidated and form a single Series with the outstanding Securities.

15. GOVERNING LAW, JURISDICTION AND PARTIAL INVALIDITY

(a) Governing Law

The Agency Agreement, the Deed of Covenant, the Securities, the Receipts and the Coupons and any non-contractual obligations arising out of or in connection with them are governed by and shall be construed in accordance with the laws of Ireland.

(b) Jurisdiction

Any action or other legal proceedings arising out of or in connection with the Securities shall be brought in the High Court and the Issuer hereby submits to the exclusive jurisdiction of such court.

(c) Partial Invalidity

Should any provision hereof be or become illegal, invalid, void, unenforceable or inoperable in whole or in part, the other provisions shall remain in force.

USE OF PROCEEDS

The Issuer expects to use the net proceeds from the issue of Securities to support the business of the Issuer permitted by the ACS Act. If in respect of a particular Tranche of Securities, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms. The Issuer may, in particular, issue Securities as Green Securities or Social Securities (as indicated in the applicable Final Terms) and in the case of such Securities, an amount equal to the net proceeds from the issue of any Tranche of Securities will (subject as set out below) be allocated to an Eligible Green Mortgage Portfolio or an Eligible Social Mortgage Portfolio (as defined in either *Green Bond Framework Overview* or *Social Bond Framework Overview*, as applicable) (each an "**Eligible Mortgage Portfolio**") and selected in accordance with the criteria set out in *Green Bond Framework Overview—Use of Proceeds* and *—Process for Project Evaluation and Selection* in the case of Green Securities and *Social Bond Framework Overview—Use of Proceeds* and *—Process for Project Evaluation and Selection* in the case of Social Securities).

Whilst any portion of an amount equal to the net proceeds of any Tranche of Green Securities or Social Securities remains unallocated, the Issuer will hold and/or invest, at its own discretion, in the Group treasury liquidity portfolio, in cash or other liquid instruments, the balance of an amount equal to the net proceeds not yet allocated to the relevant Eligible Mortgage Portfolio, but subject always to the provisions of the ACS Act (see further *Restrictions on the Activities of an Institution*).

GREEN BOND FRAMEWORK OVERVIEW

As a bank, the Group has a meaningful contribution to make in addressing many current and emerging societal issues. As such, a strategic priority for the Group is to lead Ireland's response to climate change. Aligned with this strategy, the Group established a green bond framework in 2019 (the "**Green Bond Framework**").

This Green Bond Framework sets out how the Group proposes to use an amount equal to the net proceeds of Green Bonds in a manner consistent with its sustainable values. The objective of any Green Securities issued by the Issuer will be to fund mortgage credit assets that mitigate climate change by reducing emissions, protecting ecosystems or otherwise creating a positive environmental impact.

The Green Bond Framework adheres to the ICMA Green Bond Principles 2021 (including the updated Appendix I of June 2022), a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the market by clarifying the approach for issuing a green bond (the "**ICMA Green Bond Principles**").

Use of Proceeds

At its discretion, but in accordance with the ICMA Green Bond Principles, the Green Bond Framework and the requirements of the ACS Act, the Issuer will allocate an amount equal to the net proceeds of any Green Securities to an eligible portfolio of new and existing green mortgage credit assets (the "**Eligible Green Mortgage Portfolio**"). The eligible mortgage credit assets, being loans to finance or refinance new or existing environmentally-sustainable residential buildings in Ireland, are to be funded in whole or in part by an allocation of an amount equal to the net proceeds of the Green Securities.

Process for Project Evaluation and Selection

The Group's Green Bond Framework is prepared by a cross functional working group of relevant business areas (the "**ESG Bond Working Group**"). The loans to be financed and/or refinanced through the proceeds of any Green Securities will be evaluated and selected for inclusion in the eligible pool by the Group's employees based on compliance with the eligibility criteria described in *Use of Proceeds*. The Group has also published a defined list of "excluded activities", as further set out in the Green Bond Framework.

The eligibility criteria also take into account the EU Taxonomy Regulation and the EU Taxonomy Climate Delegated Act on a best effort basis where there are feasible practical applications for the use of proceeds category in question, and where there are feasible practical applications in the geographies where the Group's assets are located (in terms of local regulation).

Management of Proceeds

Treasury will be responsible for overseeing the management of proceeds and will track the Eligible Green Mortgage Portfolio using an internal tracking system.

The net proceeds from Green Bonds will be managed by the Group in a portfolio approach. The Issuer intends to allocate an amount equal to the net proceeds from the Green Securities to an Eligible Green Mortgage Portfolio, selected in accordance with the criteria set out in *Use of Proceeds* and *Process for Project Evaluation and Selection* above.

The Issuer will strive, over time, to achieve a level of allocation for the Eligible Green Mortgage Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches the balance of net proceeds from its outstanding Green Securities. Additional eligible green mortgage credit assets will be added to the Eligible Green Mortgage Portfolio to the extent required to ensure that the net proceeds from outstanding Green Securities will be allocated to eligible green mortgage credit assets. All redeeming financings are removed from the pool and any asset that no longer meets the eligibility criteria will also be removed from the Eligible Green Mortgage Portfolio at the earliest opportunity.

Whilst any portion of an amount equal to the net proceeds of any Tranche of Green Securities remains unallocated, the Issuer will hold and/or invest, at its own discretion, in the Group treasury liquidity portfolio, cash or other liquid instruments, the balance of an amount equal to the net proceeds not yet allocated to the Eligible Green Mortgage Portfolio, but subject always to the provisions of the ACS Act.

Reporting

The Issuer intends to publish a report on the allocation of proceeds to the Eligible Green Mortgage Portfolio, as well as an impact report, annually at least until full allocation or until maturity. The Group intends to report the allocation and impact of the use of proceeds to the Eligible Green Mortgage Portfolio at least at the category level and on an aggregated portfolio basis for all of the Group's Green Bonds (including Green Securities) outstanding.

The Group intends to align, on a best effort basis, its impact reporting with the portfolio approach described in the ICMA "Handbook – Harmonized Framework for Impact Reporting (June 2023)."

External Review

The Group has obtained an independent second party opinion from Sustainalytics to assess the alignment of the framework with the ICMA Green Bond Principles 2021. In addition, Sustainalytics assessed the alignment of AIB's Green Bond Framework with the EU Taxonomy Climate Delegated Act. The views in the Sustainalytics Second Party Opinion are intended to inform investors in general, and are not for a specific investor. The Sustainalytics Second Party Opinion, as well as the Green Bond Framework, are available at https://aib.ie/investorrelations/debt-investor/green-bonds. For the avoidance of doubt, the Second Party Opinion and the Green Bond Framework are not incorporated into, and do not form part of, this Base Prospectus. Any new categories or sub-categories added, or removed, as part of the annual framework review process will be subject to external review and will be included in a Second Party Opinion.

Additionally, the Group may request on an annual basis, starting one year after issuance and until maturity, a limited assurance report of the allocation of the Green Bond (including Green Securities) proceeds to eligible assets, provided by an external auditor.

None of the Dealers shall be responsible for (i) any assessment of the Eligible Green Mortgage Portfolio, (ii) any verification of whether the Eligible Green Mortgage Portfolio falls within an investor's requirements or expectations of a "green" or "sustainable" or equivalently-labelled project or (iii) the ongoing monitoring of the use of proceeds in respect of any Green Securities.

Cover Assets

One of the asset classes used to support the issuance of Green Bonds by members of the Group under the Group's Green Bond Framework are residential mortgage loans secured on assets located in Ireland which are originated by the Issuer in accordance with "green" principles as articulated in the Green Bond Framework ("**Green Mortgages**").

While the composition of the Cover Assets within the Pool (including the requirements as to overcollateralisation) is enshrined in the ACS Act which does not, as at the date of this Base Prospectus, legally require the Issuer to maintain a minimum quantum of Green Mortgages within the Pool, the Issuer may determine from time to time (subject always to compliance with its legal and regulatory requirements) to exclude such Green Mortgages from the Pool, to the extent that such assets are utilised by other members of the Group to support the issuance of unsecured Green Bonds.

SOCIAL BOND FRAMEWORK OVERVIEW

The social bond framework established by the Group (the "**Social Bond Framework**") sets out how the Group proposes to use an amount equal to the net proceeds of Social Bonds in a manner consistent with its sustainable values. The objective of the Social Bonds issued by the Issuer will be to fund projects or assets that provide positive societal impact and/or mitigate social problems.

The Social Bond Framework adheres to the ICMA Social Bond Principles 2021 (including the updated Appendix I of June 2022), a set of voluntary guidelines that recommend transparency and promote integrity in the development of the sustainable market by clarifying the approach for issuing a social bond (the "**Social Bond Principles**").

Use of Proceeds

At its discretion but in accordance with the Social Bond Principles, the Social Bond Framework and the requirements of the ACS Act, the Issuer will allocate an amount equal to the net proceeds of the Social Securities to an eligible loan portfolio of new and existing social mortgage credit assets (the "**Eligible Social Mortgage Portfolio**"). The eligible mortgage credit assets are to be funded in whole or in part by an allocation of an amount equal to the net proceeds of the Social Securities. Eligible use of proceeds categories include residential mortgage credit assets related to:

- Access to healthcare, including healthcare facilities, residential care facilities and "pure-play" companies in healthcare;
- Access to education, including education facilities, student housing and "pure-play" companies in education;
- Social and affordable financing, including affordable housing organisations, the first home scheme, the local authority affordable purchase scheme and the mortgage to rent scheme;
- SMEs financing, including financing SMEs in socio-economically disadvantaged areas and SMEs owned by women;
- Support to charities, non-profit organisations, associations, and foundations; and
- Affordable basic infrastructure, including clean drinking water, sewers, sanitation, transport and broadband.

New use of proceeds categories and sub-categories may be added or removed as part of the annual framework review process.

Process for Project Evaluation and Selection

The Group's Social Bond Framework is prepared by the ESG Working Group (as defined in *Green Bond Framework Overview*). The loans to be financed and/or refinanced through the proceeds of any Social Securities will be evaluated and selected for inclusion in the eligible pool by the Group's employees based on compliance with the eligibility criteria described in *—Use of Proceeds*. The Group has also published a defined list of "excluded activities", as further set out in the Social Bond Framework.

Management of Proceeds

Treasury will be responsible for overseeing the management of proceeds and will track the Eligible Social Mortgage Portfolio using an internal tracking system.

The Group intends to allocate an amount equal to the net proceeds from any Social Securities to an Eligible Social Mortgage Portfolio, selected in accordance with the criteria set out in *—Use of Proceeds* and *—Process for Project Evaluation and Selection* above.

The Issuer will strive, over time, to achieve a level of allocation for the Eligible Social Mortgage Portfolio which, after adjustments for intervening circumstances including, but not limited to, sales and repayments, matches the balance of net proceeds from its outstanding Social Securities. Additional eligible social projects will be added to the Eligible Social Mortgage Portfolio to the extent required to ensure that the net proceeds from outstanding Social Securities will be allocated to eligible social mortgage credit assets. All redeeming financings are removed from the pool and any asset that no longer meets the eligibility criteria will also be removed from the pool at the earliest opportunity.

Whilst any portion of an amount equal to the net proceeds of any Tranche of Social Securities remains unallocated, the Issuer will hold and/or invest, at its own discretion, in the group treasury liquidity portfolio, in cash or other liquid instruments, the balance of an amount equal to the net proceeds not yet allocated to the Eligible Social Mortgage Portfolio, but subject always to the provisions of the ACS Act.

Reporting

The Issuer will make and keep readily available reporting on the allocation of an amount equal to the net proceeds to the Eligible Social Mortgage Portfolio and wherever feasible reporting on the impact of the Eligible Social Mortgage Portfolio after a year from the issuance of the first applicable Social Bond annually until maturity of the instruments. The Group intends to provide aggregated reporting for all of its Social bonds (including Social Securities) and other potential social financings outstanding, which may include reports on the allocation and impact of the Eligible Social Mortgage Portfolio.

The Group intends to align, on a best effort basis, its impact reporting with the portfolio approach described in the ICMA "Harmonised Framework for Impact Reporting for Social Bonds (June 2023).

External Review

The Group has obtained an independent second party opinion from ISS Corporate to assess the alignment of the Social Bond Framework with the Social Bond Principles. The ISS Corporate Second Party Opinion, as well as the Social Bond Framework, are available at https://aib.ie/investorrelations/debt-investor/social-bond-frameworks. For the avoidance of doubt, the Second Party Opinion and the Social Bond Framework are not incorporated into, and do not form part of, this Base Prospectus. Any new categories or sub-categories added, or removed, as part of the annual framework review process will be subject to external review and will be included in a Second Party Opinion

Additionally, the Group may request on an annual basis, starting one year after issuance and until maturity, a limited assurance report of the allocation of the Social Security proceeds to eligible assets, provided by an external auditor.

None of the Dealers shall be responsible for (i) any assessment of the Eligible Social Mortgage Portfolio, (ii) any verification of whether the Eligible Social Mortgage Portfolio falls within an investor's requirements or expectations of a "social" or equivalently-labelled project or (iii) the ongoing monitoring of the use of proceeds in respect of any Social Securities.

DESCRIPTION OF THE ISSUER

The Issuer

AIB Mortgage Bank u.c.

The Issuer was duly incorporated in Ireland on 11 July 2005 as a public limited company under the name AIB Mortgage Bank p.l.c. and stands registered under the Companies Act. It was subsequently re-registered on 19 December 2005 as a public unlimited company under the name AIB Mortgage Bank and changed its name to AIB Mortgage Bank u.c. on 1 October 2020. The Issuer obtained a banking licence under the Central Bank Act 1971 and was registered as an Institution under the ACS Act on 8 February 2006. On 22 March 2023, the Issuer was granted permission by the Central Bank for a Covered Bond Programme – see further *Restrictions on the Activities of an Institution - Permitted business activities – (e) engaging in activities connected with financing or refinancing of assets and other activities referred to in (a) to (f)*. From 4 November 2014, the Issuer is deemed in accordance with the SSM Regulation to be authorised by the ECB under the SSM Regulation. The Issuer is a wholly-owned subsidiary of AIB Bank. At the date of this Base Prospectus, the Issuer is operating in accordance with its constitutive documents, its Memorandum and Articles of Association.

The Issuer's principal purpose is to finance loans secured on residential property, in particular, through the issuance of Mortgage Covered Securities in accordance with the ACS Act. Such loans may be made directly by the Issuer or may be purchased from AIB Bank and other members of the Group or third parties. See *Restrictions on the Activities of an Institution* and *Cover Assets Pool.* The Issuer's principal executive and registered offices are located at 10 Molesworth Street, Dublin 2, Ireland. The telephone number of the Issuer is +353 1 660 0311.

The authorised share capital of the Issuer is €750,000,000 divided into 3,000,000,000 ordinary shares of €0.25 each as of the date of this Base Prospectus.

Ownership/Control

The Issuer is a 100 percent owned subsidiary of AIB Bank which is a 100 percent owned subsidiary of AIB Group plc. As such, the Issuer is under the control of AIB Bank. At the date of this Base Prospectus, the Issuer is not aware of any arrangement the operation of which may at a date subsequent to the date of this Base Prospectus result in a change in control of the Issuer. The Issuer does not have any subsidiaries.

No specific measures have been put in place by the Issuer to ensure that AIB Bank's and AIB Group plc's control of the Issuer is not abused. However, the Issuer and AIB Bank are both regulated and supervised by the Central Bank while AIB Group plc is subject to supervision, on a consolidated basis, under the Irish Banking Code and three of the Issuer's directors are not at the date of this Base Prospectus employees of any member of the Group (see *Board of Directors and Management and Administration of the Issuer*).

Unlimited Liability Status of the Issuer

The Issuer is an unlimited company. There is no limit on the liability of the registered shareholders of record of the Issuer (as an unlimited company under Irish law) to contribute to the Issuer in an insolvent liquidation of the Issuer to the extent that the Issuer's assets are insufficient to meet its liabilities. In that event, the liquidator of the Issuer or the court has the right to seek contribution from each of the members. AIB Bank is the sole member of the Issuer. The Issuer's unlimited status does not confer on the creditors of the Issuer the right to seek payment of the Issuer's liabilities from the Issuer's members or to seek contribution for the Issuer from the members in the event of the Issuer becoming insolvent or otherwise. This right rests with the liquidator of the Issuer or the court on an insolvent winding-up. Therefore, AIB Bank is not a guarantor of the Securities. See further *Insolvency of Institutions – Consequences of Issuer's Status as an Unlimited Company*.

Financial Year of the Issuer

The financial year end of the Issuer is 31 December.

Auditors

The auditors of the Issuer are PricewaterhouseCoopers of One Spencer Dock, North Wall Quay, Dublin 1, Ireland, who are chartered accountants and a statutory audit firm qualified to practice in Ireland. Prior to May 2023, the

auditors of the Issuer were Deloitte Ireland LLP of Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2, Ireland, who are chartered accountants and a statutory audit firm qualified to practice in Ireland.

Business of the Issuer

The Issuer is an Institution, whose business activities are restricted to dealing in and holding mortgage credit assets and limited classes of other assets, engaging in activities connected with the financing and refinancing of such assets, entering into certain hedging contracts and engaging in other activities which are incidental or ancillary to the above activities.

The objects of the Issuer are set out in clause 3 of its Memorandum of Association which forms part of its constitutive documents. See *Restrictions on the Activities of an Institution – Permitted business activities in which an Institution may engage*.

Outsourcing Arrangements

Under the Outsourcing Agreement, AIB Bank has agreed to provide the Issuer with administration and agency services and assistance in relation to the origination, maintenance and enforcement of the Issuer's Irish residential loans and related treasury, funding and other activities including administration of customer accounts, customer relations, product development, market strategy, risk management, regulatory and company secretarial matters, human resources related matters, technology and other services. AIB Bank may sub-contract or delegate its powers under the Outsourcing Agreement to other members of the Group but any such sub-contracting or delegation will not abrogate or relieve AIB Bank of any of its obligations under the Outsourcing Agreement and the third party management risk process. See also *Irish Residential Loan Origination and Servicing – Mortgage Servicing.*

In addition, under a liquidity management agreement dated 29 January 2014 between AIB Bank and the Liquidity Sub-Group, AIB Bank manages, and reports on, the liquidity of the Liquidity Sub-Group in accordance with the requirements of CRD IV.

The Issuer may from time to time outsource activities to AIB Bank, other members of the Group or entities who are not members of the Group, subject to applicable legal and regulatory requirements.

Irish Housing/Residential Loan Market

A period of considerable growth was experienced in the Irish residential loan market between 1995 and 2007. However, the annual rate of mortgage growth in outstanding loan balances slowed significantly since mid-2006 and turned negative in 2010. The level of outstanding loan balances has increased on a year-on-year basis since then and stood at €110.1 billion at the end of March 2024 (Source: Central Bank, Residential Mortgage Arrears and Repossession Statistics – PDH and BTL combined).

The volume of new Irish mortgage drawdowns in the period from January 2024 to June 2024 was 9.0 percent lower relative to the corresponding period in 2023, while the value of new Irish mortgage drawdowns was 7 percent lower over the same period, principally as a result of the contraction of the Switcher market and increased rate environment (Source: the BPFI published on the BPFI website (www.bpfi.ie)). A total of 20,393 mortgage loans were drawn down in the period from January 2023 to June 2023 with a value of approximately €5.6 billion. In the period from January 2024 to June 2024, a total of 18,529 mortgage loans were drawn down with a value of approximately €5.2 billion. Homebuyers (including both first time buyers and those moving home) represented the largest segment of the loan market in terms of the value of loans completed in the period from January 2024 to June 2024 at 87 percent of the market (Source: The BPFI published on the BPFI website (www.bpfi.ie)).

Having risen sharply over most of the period from 1995 to mid-2007, house prices began to decline around the middle of 2007. National residential property prices suffered a total cumulative peak to trough decline of 54 percent between 2007 and 2013. Between 2013 and 2019, the Irish housing market experienced a recovery, with a national increase in residential property prices of 2.2 percent in the 12 months to July 2019. Prices again contracted during the first three quarters of 2020, with a national decrease in residential property prices of 0.8 percent in the year to September 2020, caused primarily by the restrictions on movement imposed to combat the COVID-19 pandemic, which negatively impacted the number of transactions in the domestic housing market. However, since the COVID-19 pandemic, residential property prices have increased by 8.6 percent nationally in the year to June 2024 (Source: Central Statistics Office Residential Property Price Index, June 2024).

As of June 2024 residential property prices are 147.1 percent above their trough recorded in March 2013, with property prices in Dublin (as of June 2024) up 145.9 percent from their lows of February 2012, while property prices outside Dublin are up 156.7 percent from their lowest point in May 2013. (Source: Central Statistics Office Residential Property Price Index, June 2024).

The latest available data on house completions indicate that house building is increasing from a low base with 31,469 properties completed over the 12 months to June 2024 or up 34.0 percent year on year (Source: Central Statistics Office Residential Property Price Index, June 2024), recognising that this is still below a normalised level of output, with approximately circa 44,000 new units per annum required to meet underlying demand as per the Economic and Social Research Institute.

At the date of this Base Prospectus, mortgage arrears on residential properties are generally decreasing. Figures published by the Central Bank of Ireland on 05 July 2024 show that, at the end of March 2024, 28,769 or 4.1 percent of total PDH mortgage accounts were in arrears for more than ninety days. This compares with 29,034 accounts, or 4.1 percent of total PDH mortgages at the end of December 2023. The numbers of performing and non-performing PDH mortgage accounts which are subject to restructuring (forbearance) have reduced to 55,533 at the end of March 2024. This compares with 57,863 at the end of December 2023 (Source: Central Bank (www.centralbank.ie)).

The above information on outstanding residential mortgage loan balances, new Irish mortgage lending, Irish residential property prices, house completions and registrations and residential mortgage arrears has been accurately reproduced and so far as the Issuer is aware and is able to ascertain from that information, no facts have been omitted which would render the above information inaccurate or misleading.

Irish Home Mortgage Origination

The AIB Bank retail branch network in Ireland, with a presence in all major towns and cities in the country, and AIB Direct Banking with its dedicated mortgage team, remains the cornerstone distribution channel for the Issuer, populated by dedicated mortgage specialists and supported by a direct telephone banking operation and through AIB Private Banking. While the retail branch and telephone channels remain the primary channel for origination, in recent years, customer behaviour and the development of new technology has meant a movement from the traditional origination channels for home mortgages in the market. AIB Bank has an industry leading and award winning digital and online origination proposition which delivers channel flexibility for customers and supports the Group's existing distribution networks, including those of the Issuer. The online digital mortgage origination proposition continues to see increased customer usage with end to end fulfilment supported by a centralised Homes Centre of Excellence team. Customers can engage with the dedicated team throughout their mortgage journey through an application called 'MyMortgage' which allows customers to upload documents, send and receive messages and to see clearly what step they are at on their mortgage journey. AIB Bank continues to invest in its mortgage journey to deliver an optimal customer experience with recent developments such as online appointment booking, open banking and video consultations.

A large proportion of the Issuer's mortgages, all of which are, at the date of this Base Prospectus, secured on properties located in Ireland, are for the purchase of the first or subsequent PDH of the customer.

See *Irish Residential Loan Origination and Servicing* for further information.

Other parts of the Group also engage in Irish residential mortgage lending including EBS and Haven (the Group broker channel).

The Irish Competitive Landscape

There is competition among providers of banking services, based upon the quality and variety of products, propositions and services, customer relationship management, convenience of location, technological capability, and the level of interest rates and fees charged to borrowers and interest rates paid to depositors. The Issuer has committed itself to pursuing an integrated multi-channel strategy utilising branches, telephone, internet and other direct channels in a complementary manner, based on customer choice.

The Issuer is a major provider of residential mortgage loans in Ireland and competes in the Irish residential loan market, together with other parts of the Group, offering a broad product range and a competitive variable and fixed rate pricing strategy to meet the needs of the various market segments. It is subject to competition across

the spectrum of its residential mortgage lending activities. The Irish mortgage market is highly competitive and more recently has entered a period of transition with two significant competitors, Ulster Bank DAC and KBC Bank Ireland, implementing their plans to exit the Irish market and closing for new mortgage business during 2022. The major domestic competitors are Bank of Ireland Mortgage Bank and Permanent TSB plc, both of which, like the Issuer, have their headquarters in Dublin. Additional mortgage providers include EBS (a subsidiary of AIB), Finance Ireland Credit Solutions DAC, trading as Finance Ireland, Avant Money (Bankinter), Dilosk DAC and Haven Mortgages Limited (a subsidiary of AIB) while credit unions are emerging participants and Revolut has stated its ambition to to enter the Irish mortgage market in 2025. The total drawdowns in the Irish mortgage market was €12.1 billion in the period from December 2022 to December 2023, down €2 billion (-14 percent) compared to the period from December 2021 to December 2022. The market size reduction in the period from December 2022 to December 2023 was due to contraction in the re-mortgage switcher lending which mostly reflected a normalisation adjustment in the segment. The re-mortgage switcher market grew by €2.0 billion (+126 percent) in the period from December 2021 to December 2022 and subsequently declined by €2.4 billion (-64 percent) in the period from December 2022 to December 2023. Elevated growth in the switcher segment in 2022 was driven by customer demand to fix mortgage rates with an expectation for future mortgage rate increases following a number of ECB rate increases in 2022. The First Time Buyer Segment is increasingly the dominant segment in the market with €7.2 billion (+8 percent) of new lending in the period from December 2022 to December 2023 reflecting 60 percent of Irish mortgage market total drawdowns. Growth in the First Time Buyer segment is supported by a number of government led initiatives including the Help to Buy Scheme and First Homes Scheme. Property price appreciation continues to be a feature of the market with residential property prices up 4.4 percent nationally in the period from December 2022 to December 2023. The Central Bank macro-prudential measures around LTV/LTI have set rules around criteria for residential mortgage lending that have helped moderate residential property price appreciation. These macro-prudential measures are subject to annual review by the Central Bank.

Dividends

The Issuer is subject to certain restrictions on the payment of dividends and any decision to declare and pay dividends in the future will be subject to receipt of regulatory approvals and will be made at the discretion of the Directors and will depend on the Issuer's financial position, general economic conditions and other factors the Directors deem significant from time to time.

DESCRIPTION OF THE GROUP

Overview

AIB Group plc and its subsidiaries is a financial services group operating predominantly in Ireland and the UK providing a comprehensive range of services to retail, business and corporate customers, with market-leading positions across key segments. AIB Mortgage Bank u.c. is a 100 percent owned subsidiary of Allied Irish Banks, p.l.c. which is a 100 percent owned subsidiary of AIB Group plc. AIB is the principal brand of the Group across all geographies in which it operates. Two of the Group's subsidiaries also operate in Ireland, EBS, a challenger brand, and Haven, a mortgage broker channel. The Group also operates in Great Britain as Allied Irish Bank (GB), and in Northern Ireland, under the trading name of AIB (NI).

The Group offers a full suite of products for retail customers, including mortgages, personal loans, credit cards, current accounts, insurance, pensions, financial planning, investments, savings and deposits. Its products for business and corporate customers include finance and loans, business current accounts, deposits, foreign exchange and interest rate risk management products, trade finance products, invoice discounting, leasing, credit cards, merchant services, payments and corporate finance.

In 2024, the Group introduced a new customer facing segment, 'Climate Capital', focused on Core Renewable Project Finance and Infrastructure lending across Ireland, the UK, Europe and North America, increasing the Group's reportable segments from four to five. The Group's performance is now therefore managed and reported across Retail Banking, Capital Markets, Climate Capital, AIB UK and Group segments.

Retail Banking

The Group's leading Irish retail franchise provides a comprehensive range of products and services to over 3.2 million customers delivered through branch, digital and phone banking channels, with an expanded reach into the retail customer base via Group companies (i.e. EBS, Haven and Payzone) as well as joint venture and associate investments (i.e. AIB Merchant Services, Nifti and AIB life).

Homes & Consumer is responsible for meeting the homes and everyday banking needs of customers in Ireland by delivering innovative products, propositions and services and for growing the Group's market leading positions. The Group's aim is to achieve a seamless and transparent customer experience across all products and services including mortgages, current accounts, personal lending, payments and credit cards, deposits, insurance and wealth.

SME serves the Group's micro and small SME customers through the Group's sector-led strategy and local expertise with an extensive product and services offering. The Group's aim is to help the Group's customers create and build sustainable businesses in their communities.

Capital Markets

Capital Markets provides institutional, corporate and business banking services to the Group's larger customers and customers requiring specific sector or product expertise. Capital Markets' relationship driven model serves customers through sector specialist teams including: corporate banking, real estate finance and business banking. In addition to traditional credit products, Capital Markets offers customers foreign exchange and interest rate risk management products, cash management products, trade finance, mezzanine finance, structured and specialist finance and equity investments as well as Private Banking services and advice. Capital Markets also has syndicated and international finance teams based in Dublin and New York. Goodbody offers further capabilties in wealth management, corporate finance, asset management and wider capital markets propositions. FSG is our dedicated centre of excellence for the management of the Group's NPEs, with the objective of supporting the Group's customers in difficulty and delivering the Group's strategy to reduce NPEs.

Climate Capital

Climate Capital is a new segment comprised of assets and resources previously residing in Capital Markets and AIB UK segments. Climate Capital specialises in lending to large scale renewable energy and infrastructure projects, which are key drivers for sustainable economic growth. The business serves the Irish, UK, European and North American markets through the offices in Dublin, London and New York.

AIB UK

AIB UK offers corporate, retail and business banking services in two distinct markets:

- a sector-led corporate bank supporting mid to large corporates focused on housing, commercial real estate, health, hotels and manufacturing businesses across both Great Britain and Northern Ireland. Services include lending, treasury, trade facilities, asset finance and invoice discounting; and

- a full service retail bank in Northern Ireland ("**AIB (NI)**") to personal and business customers with a focus on mortgage and business lending.

Group

The Group segment comprises wholesale treasury activities and Group control and support functions. Treasury manages the Group's liquidity and funding positions and provides customer treasury services and economic research. The Group control and support functions include Technology, Operations and Business Services, Finance, Risk, Legal, Corporate Governance, Chief Customer Office, Human Resources, Strategy & Sustainability, Corporate Affairs and Group Internal Audit.

History

The Group has a long history of operating in Ireland, with its predecessor organisations having been part of the Irish banking sector for almost 200 years. In 1996, the Group's retail operations in the UK were integrated and the resulting entity was renamed AIB Group (UK) p.l.c., with two distinct trading names: Allied Irish Bank (GB) in Great Britain and AIB (NI) in Northern Ireland.

Following measures and capital investments by the Irish Government in response to the global financial crisis in 2008, the Irish Government owned 99.8 percent of the ordinary shares in the capital of AIB. In June 2017, the Irish Government and AIB Bank completed a secondary offering of ordinary shares, reducing the Irish Government's holding to 71.12 percent. Admission to the Official Lists together with admission to trading on the main markets for listed securities on the Irish Stock Exchange (now known as Euronext Dublin) and the London Stock Exchange commenced on 27 June 2017.

In December 2017, AIB completed a re-organisation in which AIB Bank's shares were cancelled, with one share of AIB being issued for every AIB Bank share held at such time. On 11 December 2017, the entire issued ordinary share capital of AIB Group plc, comprising 2,714,381,237 ordinary shares, was admitted to the Official Lists of each of the Irish Stock Exchange (now known as Euronext Dublin) and the FCA and to trading on the main markets of the Irish Stock Exchange (now known as Euronext Dublin) and the London Stock Exchange.

On 21 December 2021, the Minister for Finance announced his intention to further sell down the Irish State's 71.12 percent shareholding in the Group. In 2023, the Group returned to majority private ownership following a directed share buyback, the sell down of shares, the placing of shares, and disposals as part of a pre-arranged trading plan. As at the date of this Base Prospectus, the Irish State's shareholding was 21.85 percent.

CERTAIN ASPECTS OF REGULATION OF RESIDENTIAL LENDING IN IRELAND

Introduction

This section of the Base Prospectus outlines certain regulatory aspects of residential mortgage lending and certain legislative aspects of residential security in Ireland, which the Issuer considers are directly relevant to its Irish residential lending business activities. The outline below does not extend to prudential regulation of credit institutions authorised, or as being entitled to carry on business, in Ireland, or to regulation of other persons who engage in residential mortgage business activities in Ireland. In addition, the outline below is not to be read as comprehensive or complete in its description of regulation of residential lending or legislative aspects of residential security in Ireland but only as providing a general overview of the matters outlined.

Anti-Money Laundering, Countering the Financing of Terrorism and Financial Sanctions

Every credit institution in Ireland (including the Issuer) is obliged to take the necessary measures to effectively detect and counteract money laundering and terrorist financing. The EU's fifth anti-money laundering directive, AMLD5, which entered into force on 9 July 2018 and was transposed into Irish law by the Criminal Justice (Money Laundering and Terrorist Financing) Act 2010, as amended by the Criminal Justice (Money Laundering and Terrorist Financing) (Amendment) Act 2021. Among other things, the AML Acts impose requirements on designated bodies (including credit institutions such as the Issuer) to identify and verify the identity of customers, to report suspicious transactions to An Garda Síochána and the Revenue Commissioners and to have specific procedures in place to provide for the prevention of money laundering and terrorist financing.

More recently, the EU has adopted a new AML/CFT package, introducing a single AML/CFT rulebook which comprises a Sixth Money Laundering Directive ("**AMLD6**"), a new AML Regulation, and a Regulation establishing the Anti-Money Laundering Authority (the "**AMLA**"). The legislative acts have been published in the Official Journal of the EU. EU Member States must transpose AMLD6 by 10 July 2027, with exceptions for certain provisions. The AML Regulation will apply on an EU-wide basis from 10 July 2027, with exceptions for certain provisions. The AMLA will begin operations in Frankfurt, following Germany's successful bid to host the AMLA, in mid-2025. The AMLA is to be a decentralised EU agency that will coordinate national authorities to ensure the correct and consistent application of EU AML rules.

A further component of the EU AML package, Regulation (EU) 2023/1113 ("**the recast revised WTR**"), replacing the existing Wire Transfer Regulation (EU) 2015/847, was published in the Official Journal of the EU on 9 June 2023. The recast revised WTR, which was published to coincide with the publication of the Markets in Crypto-Assets Regulation ("**MiCA**") establishes rules on the information on payees and payers that must accompany transfers of funds and transfers of certain digital and crypto assets for AML/CFT purposes. The recast revised WTR will apply on an EU-wide basis from 30 December 2024, in line with the timeline for MiCA applicability. The Group will update its processes and procedures to ensure compliance with the recast revised WTR.

Sanctions are legally binding measures that are used as a tool by the United Nations, the EU, the US, UK and others to bring about a change in the policy or behaviour of a country, entity or individual. For example, sanctions may be applied to deter the development of weapons of mass destruction, political or military aggression and/or human rights violations. They can be also be used to target terrorism and/or drug trafficking and to prevent or penalise a country interfering in another country's affairs. Under certain sanctions regulations, financial institutions are prohibited from making available any funds, other financial assets or economic resources to sanctioned persons or entities. Credit institutions must ensure that they have the policies and procedures in place necessary to comply with any applicable sanctions. In Ireland, sanctions can be imposed under EU regulations having direct effect in Ireland, orders and statutory instruments made by the Minister under the Financial Transfers Act 1992, the Criminal Justice (Terrorist Offences) Acts 2005 and 2015 or the European Communities Acts 1972 to 2012, or directions or orders made under the AML Acts.

Among other restrictive measures, the EU has been introducing suites of measures targeting the Russia economy for its illegal war of aggression against Ukraine. More broadly, the EU has adopted Directive (EU) 2024/1226 (the "**Sanctions Offences Directive**") that will harmonise criminal offences and penalties for violation of EU sanctions across the Union. Until now, EU Member States were responsible for enforcement of EU sanctions, which led to disparate regimes across the EU, depending on the national law of a Member State. The Sanctions

Offences Directive was published in the Official Journal of the EU on 29 April 2024. Member States will be required to adopt measures transposing the Directive by 20 May 2025.

Data Protection and General Data Protection Regulation (GDPR)

The Group processes significant volumes of personal data relating to the Issuer's relevant data subjects (i.e. customers) (including name, address, identification and banking details) as part of the Issuer's business, some of which may also be classified under the GDPR and related legislation as special category data. The Issuer must therefore comply with strict data protection and privacy laws and regulations, including the ePrivacy Regulations, the Data Protection Act 2018 and the GDPR. The GDPR introduced substantial changes to data protection law, including an increased emphasis on businesses being able to demonstrate compliance with their data protection obligations. This required significant investment by the Group in its compliance strategies, including the Issuer, but is now well embedded having been in effect for over 6 years. In addition, relevant supervisory authorities have the power to issue fines of up to 4 percent of an undertaking's annual global group turnover or €20 million (whichever is the greater) for failure to comply with certain provisions of the GDPR. The Presidency of the Council of the European Union released revised text of the proposed new ePrivacy Regulation (Regulation concerning the Respect for Private Life and the Protection of Personal Data in Electronic Communications and Repealing Directive 2002/58/EC (Regulation on Privacy and Electronic Communications)) on 6 March 2020. A draft of the new ePrivacy Regulation was put to the Council of Ministers of the European Union on 10 February 2021. However, as at the date of this Base Prospectus, negotiations as to the final content of the regulation between the EU Parliament, the European Commission and the European Council remain ongoing and it is unclear as to when resolution on the outstanding matters may occur.

CBI Guidance on Outsourcing and DORA

The Issuer and the Group are subject to the Central Bank's cross-industry guidance on outsourcing and the Central Bank's cross-industry guidance on operational resilience, issued in December 2021. The Central Bank expects all regulated firms to demonstrate that they have appropriate measures in place to outsource risk and effectively manage operational disruptions affecting the delivery of critical or important business services. The Digital Operational Resilience Act ("**DORA**") (which comprises a Directive ((EU) 2022/2556) and a Regulation ((EU) 2022/2554) consolidates and upgrade information and communications technology risk requirements in the financial sector in a single European legal act. DORA introduces targeted rules in respect of ICT risk-management capabilities, incident reporting, operational resilience testing and ICT third-party risk monitoring. It will apply on EU-wide basis from 17 January 2025, and will apply to a wide range of financial sector entities regulated by the Central Bank.

Credit Reporting Act

The Credit Reporting Act provides for the establishment of mandatory credit reporting and a requirement for credit checks regulated and operated by the Central Bank namely the CCR. The Central Bank will also use the information for prudential and statistical purposes.

The purpose of the CCR is to enable better quality lending by providing a "single borrower view" of all loans, deferred payments, and other forms of financial accommodation provided by creditors to the borrower. This ensures that a credit provider has access to the most accurate and up-to-date information regarding a borrower's total exposure.

Key elements of the Credit Reporting Act are as follows:

- Available Information: the Credit Reporting Act prescribes the categories of information that the Central Bank may maintain on the CCR and the period for which such information may be held;

- Mandatory Reporting: the Credit Reporting Act requires a credit provider (which includes the Issuer) to report a comprehensive range of credit information. In doing so, a credit provider must meet specified reporting standards. Under the CCR Regulations, the collection of credit and personal data from lenders was implemented on a phased basis, with phase 1 focusing on data collection for consumer lending and phase 2 focusing on data collection for lending to businesses;

- Credit Checks: a credit provider must undertake mandatory credit checks with the CCR for every credit application of €2,000 or more. Information accessed as a result of such a check may be used by the credit

provider for certain specified purposes only, as set out in more detail in the Credit Reporting Act. Such permitted use includes verification of information provided by the borrowing customer in connection with a credit application;

- Access to Information: the Credit Reporting Act provides for security controls in connection with access to information on the CCR; and

- Fees: although fees may be charged for access to information held on the CCR, consumers are entitled to one free copy of their own record, once in every 12 months. The Central Bank has published regulations prescribing a levy to be paid by credit providers for the purposes of meeting expenses properly incurred by the Central Bank in maintaining the CCR.

Data submissions by lenders are in place and all lenders to consumers and non-consumers are required to enquire on the CCR. The credit reporting obligations and other requirements provided for under the Credit Reporting Act and the CCR Regulations apply to the Issuer and the Group.

Consumer Credit Act 1995 ("CCA")

The extension of credit (including, the making of cash loans, housing loans, and other financial accommodation) as well as hire-purchase and consumer-hire arrangements to or with, consumers (individuals who are acting outside their trade, business or profession) in Ireland is principally regulated by the CCA, which imposes a range of obligations and restrictions on lenders and credit intermediaries. The relevant part of the CCA applicable to the making of housing loans (Part IX) applies to loans made by mortgage lenders, which includes the Issuer.

For the purposes of the CCA, a mortgage lender is an entity that carries on a business that consists of or includes the making of housing loans. A housing loan is an agreement for the provision of credit to a person on the security of a mortgage of a freehold or leasehold estate or interest in land for any of a number of purposes, including the purchase or construction of a house to be used as the person's principal residence or that of the person's dependents, or refinancing a loan that was made for any of those purposes, and any loan to a consumer where that loan is secured by a mortgage and on which a house is or is to be constructed.

Relevant obligations imposed by the CCA in respect of the making of housing loans include rules regulating advertising for housing loans; a requirement to furnish the borrower with a valuation report concerning the property; criteria for calculation of annual percentage rate on housing loans; a requirement that specified warnings regarding the potential loss of the person's home be included in all key documentation relating to a housing loan and that key, prescribed information be displayed on the front page of a housing loan; obligations to provide prescribed documents and information to a borrower; disclosure of certain fees and charges to a borrower; and requirements to ensure that a borrower obtains mortgage protection insurance (life cover). Restrictions include prohibitions on the imposition of a redemption fee in the case of a variable rate housing loan; and compelling a borrower to pay the lender's legal costs of investigating title and the linking of certain services.

A breach of obligations or restrictions imposed by the CCA may constitute a criminal offence. In respect of a regulated financial services provider, the Central Bank may, instead of a criminal prosecution, impose under its administrative sanctions regime a monetary penalty for breach of any of these obligations and restrictions.

Under section 149 of the CCA, credit institutions must apply to the Central Bank in order to either increase existing fees or introduce any new fee or charge on customers (whether or not consumers) in the case of certain services, including the provision of credit and foreign credit facilities. The Central Bank has the right to decline any such application. Section 149(12)(b) of the CCA entitles the Central Bank to require a credit institution to refrain from using any terms and conditions that the Central Bank considers to be unfair or likely to be regarded as unfair.

No breach of Part IX of the CCA of itself renders a housing loan unenforceable against the borrower.

Where a credit agreement in relation to a housing loan is effective from 21 March 2016 onwards and the borrower is a consumer, then the Mortgage Credit Regulations applies, in addition to certain provisions of the CCA. The requirements of the Mortgage Credit Regulations are summarised in the section entitled "*–EU Legislation – Mortgage Credit Directive*".

Consumer Protection Code 2012 ("CPC")

The CPC, issued by the Central Bank under its statutory powers, applies to the Issuer and other regulated financial service providers in the Group. The CPC contains provisions that govern all aspects of a regulated entity's (meaning firms subject to regulation by the Central Bank) relationship with a customer when providing financial services (with certain exceptions such as investment services within the scope of the MiFID II Directive) and certain aspects of a regulated entity's relationship with all of its customers. These range from advertising and marketing requirements, to knowing the consumer and offering suitable products, to ensuring that consumers are treated fairly. The general principles of the CPC apply to all customers of the Issuer and other regulated financial service providers in the Group.

Relevant obligations of the CPC include: a requirement to supply a written suitability statement to a customer before providing certain services or products; strict time periods for complaint handling; for consolidation mortgages, an obligation to supply a written comparison detailing the total cost of the consolidated facility on offer versus the cost of maintaining existing loans; for setting variable mortgage interest rates, an obligation to produce a summary statement of its policy for setting each variable mortgage interest rate that it makes available to personal consumers and publishes on its website; and a requirement to advise personal consumers how to mitigate/avoid fees and penalties in respect of the chosen product.

In the case of all mortgage products provided to personal consumers (other than those where the interest rate is fixed for a period of five years or more), the CPC requires that a lender test the consumer's ability to repay the instalments on the basis of a two percent interest rate increase above the interest rate offered. Other relevant provisions include suitability requirements, disclosure and notice requirements, requirements in connection with complaints resolution and a restriction of the circumstances in which unsolicited contact can be made with consumers.

The CPC also sets out how regulated entities must deal with and treat personal consumers who are in arrears on a range of loans, including BTL mortgages. Amongst other things, under the CPC, the regulated entity is required to (i) make certain information available to the personal consumer within certain time periods and (ii) where arrears arise seek to agree an approach which would assist the personal consumer in resolving the arrears, and explain any revised payment arrangement agreed with the personal consumer. In particular, the regulated entity is required to notify the personal consumer of the potential for legal proceedings and proceedings for repossession of the property, and is not permitted to initiate more than three unsolicited communications per calendar month with a personal consumer in respect of the arrears. However, the provisions of the CPC in relation to arrears do not apply to the extent that the loan is a mortgage loan to which the CCMA applies.

In July 2015, following the enactment of the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015, the Central Bank produced an addendum to the CPC. Following a public consultation process on increased protections for variable rate mortgage holders (CP98), and to give effect to consequential amendments to the CPC arising from the transposition of the Mortgage Credit Directive in Ireland and the coming into effect of the SME Lending Regulations, the Central Bank produced a further addendum to the CPC which was published on 1 July 2016 which amended the CPC as a consequence of the introduction of the Mortgage Credit Regulations and the SME Lending Regulations.

In July 2016, the Central Bank published an addendum to the CPC. Part 1 of the CPC addendum became effective from 1 February 2017 and introduced a number of increased protections for variable rate mortgage holders by amending certain provisions in the following parts of the CPC; chapter 4 – Provision of Information; chapter 6 – Post-sale Information Requirements and creates a new appendix F (Variable Rate Policy Statement) for setting variable interest rates and to notify variable rate borrowers of alternative mortgage options that could provide savings for the borrower, both on an annual basis and also when notifying borrowers of an increase in the variable interest rate. Where there is an increase in a variable interest rate, lenders are required to include the reason for the rate increase in the notification provided to variable rate borrowers.

Part 2 of the CPC addendum became effective on 21 March 2016 when the Mortgage Credit Directive was transposed into Irish law. As a consequence of the transposition of the Mortgage Credit Directive into Irish law, the scope and application of the following parts of the CPC were amended: Chapter 3 (General Requirements);

Chapter 4 (Provision of Information); Chapter 5 (Knowing the Consumer and Suitability); and Chapter 12 (Definitions).

Part 3 of the CPC addendum 2016 amended chapter 10 (Errors and Complaints Resolution) of the CPC with respect to handling complaints for lending to small and medium-sized enterprises. The amendments were introduced as a consequence of the SME Lending Regulations.

In June 2018, following a public consultation process on Enhanced Mortgage Measures: Transparency and Switching, the Central Bank published a further addendum to the CPC to introduce new, and amend certain existing, provisions of the CPC to give effect to these enhanced protections. These amendments apply since 1 January 2019.

On 27 July 2021, the Central Bank published an Industry Letter to relevant regulated firms to inform them of the publication of an addendum to the CPC and an addendum to the CCMA that introduce a revised version of the SFS. The revised SFS became effective from 1 January 2022.

On 16 May 2022, the Central Bank published a further addendum to the CPC. The amendments were introduced as a consequence of the enactment of the Consumer Protection (Regulation of Retail Credit and Credit Servicing Firms) Act 2022. The effect of the amendments is to extend the application of the CPC to consumer-hire, hire-purchase and "buy now pay later" facilities. These amendments apply since 16 August 2022.

On 3 October 2022, the Central Bank published a discussion paper announcing plans to review the CPC and in March 2024 published a consultation paper (CP158) on the CPC which set out proposals to revise the CPC, including the consolidation of the CCMA (as defined below) into the CPC. The consultation period closed on 7 June 2024. It is expected that a revised CPC will be published in 2025. Among the proposed revisions to the CPC, the Central Bank aims to modernise the CPC to reflect innovations in financial services and to enhance consumer protections. Some of the relevant key changes include the consolidation of existing regulations and the introduction of standards including Securing Customer's Interests, Informing Effecitvely, Mortgage Credit and Switching, Frauds and Scams, Protecting Consumers in Vulnerable Circumstances and Climate Risk.

Code of Conduct on Mortgage Arrears ("CCMA")

The CCMA was issued under the statutory powers of the Central Bank. The CCMA sets out the procedures that must be adopted by every regulated entity operating in Ireland as regards mortgage lending and mortgage servicing to a borrower in respect of the borrower's primary residence in Ireland. As such, the CCMA applies to the Issuer.

The CCMA applies to the mortgage loan of a borrower which is secured on the borrower's 'primary residence', which the CCMA defines as:

(a) the residential property which the borrower occupies as his/her primary residence in Ireland; or

(b) a residential property which is the only residential property owned by the borrower in Ireland.

In addition to applying to borrowers actually in arrears, the CCMA also applies to borrowers who notify their lender that they are facing financial difficulties and may be at risk of mortgage arrears (known as "**pre-arrears**" cases).

The CCMA requires a lender to wait at least eight months from the date the arrears arose before commencing legal proceedings against a co-operating borrower. Separately, a lender is required to give three months' notice to the borrower before a lender may commence legal proceedings where the lender does not offer an alternative repayment arrangement or the borrower is unwilling to accept an alternative repayment arrangement offered by the lender.

In addition the CCMA imposes the following requirements:

1. A provision requiring lenders, where applicable, to provide a warning letter to a borrower giving at least 20 Business Days' notice to the borrower, outlining, among other detail, the implications of being classified as not cooperating and providing specific information on how to avoid this classification, amongst other things.

2. Lenders must have a board-approved communications policy that will protect borrowers against unnecessarily frequent contacts and harassment, while ensuring that lenders can make the necessary contact to progress resolution of arrears cases.

3. Lenders must provide the SFS (a document which a lender uses to obtain information from a borrower in order to complete an assessment of that borrower's case) at the earliest opportunity, and to offer assistance to borrowers with completing it. In addition, lenders can agree with the borrower to put a temporary arrangement in place to prevent the arrears from worsening while the full SFS is being completed and assessed.

4. Where there is no other sustainable option available, lenders can offer an arrangement to distressed mortgage holders which provides for the removal of a tracker rate, but only as a last resort, where the only alternative option is repossession of the home. Lenders must be able to demonstrate that there is no other sustainable option that would allow the borrower to keep the tracker rate, and the arrangement offered must be a long-term, sustainable solution that is affordable for the borrower.

5. Cooperating borrowers must be given at least eight months from the date that arrears first arise before legal action can commence and, at the end of the MARP, lenders must provide a three-month notice period to allow co-operating borrowers time to consider their options, such as voluntary surrender or an arrangement under the Personal Insolvency Act, before legal action can commence.

6. Increased information requirements for lenders in order to improve transparency for borrowers including more detail in the MARP booklet including (but not limited to):

- how the alternative repayment arrangements offered by the lender work and their key features;
- explanations of other options such as voluntary surrender, voluntary sale, mortgage to rent or trading down;
- explanations of the meaning and implications of not co-operating;
- summary information on a lender's potential use of confidentiality agreements;
- information on the borrower's right of appeal;
- a link to keepingyourhome.ie (i.e. where borrowers can get further information and assistance); and
- a summary of the lender's communications policy.
- Lenders are required to establish a MARP framework for handling arrears and pre-arrears cases and where alternative repayment arrangements expire or where the alternative repayment arrangement put in place breaks down. The MARP must incorporate the requirements of the CCMA regarding:
    - communication with, and provision of information to, a borrower;
    - the collection and assessment of financial information from a borrower; and
    - resolution of cases by exploring alternative repayment arrangements.

Lenders also have to establish a centralised and dedicated ASU, which must be adequately staffed, to manage cases under the MARP. Each branch office must have at least one person with specific responsibility for dealing with arrears and pre-arrears cases and for liaising with the ASU in respect of these cases.

Where a borrower is in mortgage arrears, a lender is permitted to commence legal action for repossession of the property in the following circumstances:

(a) where the borrower does not co-operate with the lender and the lender has made every reasonable effort under the CCMA to agree an alternative repayment arrangement with the borrower or his or her nominated representative;

(b) in the case of a fraud perpetrated on the lender by the borrower; or

(c) in the case of a breach of contract by the borrower other than the existence of arrears.

Lenders are restricted from imposing charges and/or surcharge interest on arrears arising on a mortgage account in arrears to which the CCMA applies and in respect of which a borrower is cooperating reasonably and honestly with the lender under the MARP.

As explained above, the Central Bank has announced its intention to introduce a revised and modernised CPC, which involves, amongst other matters, consolidating existing rules with the CCMA.

Minimum Competency Requirements

The Central Bank applies minimum competency requirements to individuals who, in their own right or on behalf of a regulated firm, arrange or offer to arrange retail financial products for consumers (as defined in the CPC) and/or advise on same. AIB Bank and other members of the Group which are regulated firms (including the Issuer) are obliged to comply with these requirements to the extent that they apply to their business.

A review of the MCC 2011 was undertaken by the Central Bank to, inter alia, consider the implications of the Mortgage Credit Regulations and the MiFID II Directive and the guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority on 5 October 2015 (ESMA/2015/1415) for the assessment of knowledge and competence. In November 2016, the Central Bank published a Consultation Paper (CP106) seeking views from stakeholders on the proposals set out in the Consultation Paper to replace the MCC 2011, as it then was, in part by a revised minimum competency code and in part by minimum competency regulations.

The MCC 2017 and the Minimum Competency Regulations came into effect from 3 January 2018 and replaced the MCC 2011. The aim of the MCC 2017 and the Minimum Competency Regulations is to ensure that consumers of retail financial products, and retail or opt-up professional clients in the context of MiFID services or activities, obtain a minimum acceptable level of competence from individuals undertaking certain specific functions on behalf of regulated firms, relating to, for example, providing advice and information about retail financial products and adjudicating on complaints. The MCC 2017 specifies certain minimum competencies that persons coming within its scope must comply with when performing certain controlled functions.

On 16 May 2022, the Central Bank published an addendum to the MCC, effective immediately, to apply the MCC to retail credit firms and credit servicing firms.

In September 2023, the Central Bank published a further addendum to the MCC, effective from 1 October 2024, to extend the MCC and the Minimum Competency Regulations to all credit union activities that fall within scope of the MCC.

On 19 June 2024, the Central Bank published a further addendum to the MCC, to become effective from 1 January 2025, to include competencies relating to sustainability for all retail financial products.

Fitness and Probity Regime and the Individual Accountability Framework (IAF)

The Central Bank Reform Act 2010 introduced minimum standards of fitness and probity for individuals in senior and customer facing roles in regulated financial service providers under the Fitness and Probity Standards ("**F&P**

Standards"). These roles are referred to as 'controlled functions' ("**CF**") and 'Pre-approval controlled functions' ("**PCF**") roles. Individuals performing CF and PCF roles must comply with the fitness and probity obligations on an on-going basis. A regulated financial service provider shall not permit an individual to perform a CF or PCF role, unless the regulated financial services provider is satisfied on reasonable grounds that the individual meets the F&P Standards. In addition, regulated financial service providers must seek the approval of the Central Bank before an individual is appointed to a PCF role.

A PCF is not permitted to take up the role without prior Central Bank approval. The Central Bank Act 2023 amended the Central Bank Reform Act 2010, among other pieces of legislation. The Central Bank Act 2023 was partially commenced on 19 April 2023, with the remaining parts of the Central Bank Act 2023 coming into effect on 29 December 2023. The Central Bank Act 2023 provides for the introduction of SEAR, conduct standards for CFs and PCFs, enhancements to the existing fitness and probity regime and new enforcement powers for the Central Bank. The SEAR requires regulated financial service providers to define where responsibility and decision-making lies in senior management and applies to executive roles from 1 July 2024 and for independent non-executive director roles from 1 July 2025.

Financial Services and Pensions Ombudsman

The Central Bank and Financial Services Authority of Ireland Act 2004 ("**2004 Act**") provided for the establishment of the FSO and the Financial Services Ombudsman Council. The FSO has, in respect of complaints regarding financial services provided to consumers, a range of powers to investigate complaints and to impose financial or other sanctions on a regulated financial services provider. The 2004 Act was amended on 1 January 2018 by the Financial Services and Pensions Ombudsman Act 2017 to provide for the amalgamation of the office of the FSO with the office of the Pensions Ombudsman to form the FSPO.

Under section 72 of the Central Bank Act 2013, the FSPO has "name and shame" powers. Pursuant to these powers, the FSPO may publish the name of regulated financial services providers, or the group of which the regulated financial services provider is a member, where three complaints have been substantiated or partially substantiated against the regulated financial services provider in the preceding financial year.

Consumer Protection Act 2007

The CPA 2007 transposes the Unfair Commercial Practices in Ireland and prohibit business-to-consumer commercial practices that are unfair, misleading, aggressive or which otherwise are prohibited by the CPA 2007. Principally, the CPA 2007 (i) empower a consumer who is aggrieved by any of those proscribed varieties of commercial practice, and the CCPC, to apply to court for an order prohibiting the continued use of the prescribed practice and (ii) confer on every consumer who is aggrieved by a proscribed commercial practice a right of action to claim damages (including exemplary damages) against the person who has committed or engaged in the prohibited act or practice. For this purpose, a consumer would include certain borrowers of residential loans and a relevant service would include residential lending.

Consumer Rights Act 2022

The CRA 2022 came into effect on 29 November 2022. Certain of the provisions of the CRA 2022 apply to the provision of financial services, notably provisions prohibiting the exclusion or restriction of a service provider's liability in relation to a list of specified provisions of the CRA 2022, including provisions relating to the supply of the service, conformity of service with contract, and charging a reasonable price for the service. The CRA 2022 also revoked the UTCCR and and replaced those Regulations with new provisions prohibiting unfairness in consumer contracts under Part 6 of the CRA 2022.

Central Bank Mortgage Measures - Regulatory LTV/Regulatory LTI restrictions on residential mortgage lending

The Central Bank has, under the LTV/LTI Regulations imposed restrictions on Irish residential mortgage lending by lenders which are regulated by the Central Bank (such as the Issuer). The restrictions impose limits on residential mortgage lending by reference to LTV and LTI ceilings, subject to limited exceptions.

The LTI limit restricts the amount of money you can borrow to a maximum of 4 times gross income for first-time buyers and 3.5 times gross income for second/subsequent buyers.

The LTV limit requires a minimum deposit of 10 percent for first-time buyers and second/subsequent buyers and a minimum deposit of 30 percent for BTL buyers.

The proportion of lending allowed above the limits applies at the level of the borrower type, such that 15 percent of first-time-buyer lending can take place above the limits, 15 percent of second and subsequent buyer lending can take place above the limits and 10 percent of BTL-buyer lending can take place above the limits.

Borrowers who are divorced or separated or have undergone bankruptcy or insolvency (where they no longer have an interest in the previous property) may be considered FTBs for the mortgage measures. FTBs who get a top-up loan or re-mortgage with an increase in the principal may be considered FTBs, provided the property remains their primary home.

Personal Insolvency Act

General

The Personal Insolvency Act transformed the personal insolvency regimes including through the introduction of three new debt resolution processes, namely:

(a) a DRN to allow for the write-off of qualifying debts up to €35,000, subject to a three year supervision period;

(b) a DSA for the settlement of qualifying unsecured debts over a period of up to five years (extendable to six years in certain circumstances) and subject to majority creditor approval; and

(c) a PIA which is a personal insolvency arrangement which is for the agreed settlement or restructuring of qualifying secured debts of up to €3 million (although this cap can be increased with the consent of all secured creditors) and the agreed settlement of qualifying unsecured debt, over a period of up to six years (extendable to seven years in certain circumstances).

These processes are administered by approved intermediaries (in the case of the DRN) and registered personal insolvency practitioners (in the case of the DSA and PIA). The DSA and PIA processes involve the issuance of a protective certificate which precludes enforcement and related actions by creditors. Detailed eligibility criteria and other requirements relating to the processes are set out in the Personal Insolvency Act. The Insolvency Service, amongst other things, processes DRN, DSA and PIA applications in the first instance. The application for a DRN, DSA or PIA and protective certificates ultimately needs to be approved by a court (the Circuit Court for debts below €2.5 million, the High Court for debts above €2.5 million) before it can come into effect.

The Personal Insolvency Act also provides for reforms to the Bankruptcy Act.

The Personal Insolvency (Amendment) Act 2021 was signed into Irish law on 26 March 2021 and a commencement order in respect of the legislation was signed on 25 June 2021. Among other changes the new legislation makes to the Personal Insolvency Act, borrowers now have the right to seek review by a court if their lenders or other creditors refuse a reasonable proposal for a personal insolvency arrangement. Additionally, the new legislation adjusts the asset ceiling for an insolvent person applying for a DRN.

PIA

The PIA is capable of settling and/or restructuring secured debt, including residential mortgage debt. Subject to certain mandatory requirements and minimum protections for a debtor and his or her secured creditors, the Personal Insolvency Act provides flexibility as to how a PIA treats a secured debt. For example, a PIA may provide for an adjustment of the interest rate, interest basis or maturity of the debt, a capitalisation of arrears, a debt-for-equity swap, or a principal write-down to a specified amount equal to or greater than the value of the security.

The Insolvency Service was established to oversee and operate the measures under the Personal Insolvency Act.

The PIA process facilitates the settlement of unsecured debts of any amount and the settlement and/or restructuring of secured debts of up to €3 million (which limit can be waived where all the secured creditors so consent) owed by a debtor meeting certain eligibility criteria over a period of up to six years (subject to a possible extension to

seven years). A personal insolvency practitioner formulates a proposal for an arrangement during a protective period of up to 110 days extendable to 150 days in exceptional circumstances during which creditors cannot take enforcement action against the debtor. The proposal must be approved by the debtor and a qualified 65 percent majority of the creditors, with separate class approvals being required by secured and unsecured creditors representing over 50 percent, in each case, of numbers of creditors voting and of the value of the relevant debts. Upon successful completion of the PIA, the debtor is released from all of his or her qualifying unsecured debts but is not released from his or her secured debts except to the extent provided for under the terms of the PIA.

The Personal Insolvency (Amendment) Act 2015 introduced a mechanism whereby a court review of a creditor's rejection of a proposal for a PIA is possible in certain qualifying circumstances. A PIA can affect the right of a secured creditor of the debtor to enforce or otherwise deal with his or her security. The Personal Insolvency Act provides that, subject to certain mandatory requirements set out in the Act, the terms of a PIA may provide for the manner in which the security is to be treated, which may include the sale or any other disposition of the property or asset the subject of the security, the surrender of the security to the debtor or the retention by the secured creditor of the security. In addition, the Personal Insolvency Act provides that the PIA may vary the terms of the secured debt, including variations with respect to interest payments, the term to maturity, capitalisation of arrears or reduction of the principal sum to a specified amount.

The Personal Insolvency Act provides that where a PIA provides for the sale or other disposal of the property which is the subject of the security for a secured debt, and the realised value of that property is less than the amount due in respect of the secured debt, the balance due to the secured creditor will abate in equal proportion to the unsecured debts covered by the PIA and will be discharged with them on completion of the obligations specified in the PIA.

The Personal Insolvency Act provides for certain specific protections for secured creditors, including: (i) where there is a sale or other disposal of the property the subject of the security, the secured creditor is entitled to the sale/disposal proceeds to discharge the debt up to the value of the security and (ii) where the security is retained by the secured creditor and the principal sum of the secured debt is reduced pursuant to the terms of the PIA, the principal sum cannot be reduced below the value of the security without the consent of the secured creditor and any such reduction of principal can be "**clawed back**" in favour of the secured creditor where the debtor sells or otherwise disposes of the property the subject of the security within twenty years of the PIA coming into effect.

The Personal Insolvency Act also provides for certain specific protections for a debtor, including protection for the debtor's ownership and occupation of his or her PDH subject to certain limits such as where the personal insolvency practitioner forms the opinion that the costs of the debtor continuing to reside in that PDH are disproportionately large.

Bankruptcy

Bankruptcy law in Ireland is set out in the Bankruptcy Act. The Personal Insolvency Act (in Part 4) provides for a number of amendments to the Bankruptcy Act. The bankruptcy regime has been further amended by the Bankruptcy (Amendment) Act 2015, which was signed into law on 25 December 2015, provides for several changes to the Irish bankruptcy regime for individuals, some of which took effect on 29 January 2016. These changes, which took effect on that date, include a reduction of the period for the automatic discharge from bankruptcy to one year. The remaining sections of the Bankruptcy (Amendment) Act 2015 came into effect on 1 June 2016 under the Bankruptcy (Amendment) Act 2015 (Commencement) (No. 2) Order 2016. Amongst other things, the Bankruptcy (Amendment) Act 2015 provides for a reduction of the bankruptcy period from three years to one year so that every bankruptcy will be automatically discharged on the first anniversary of the date of the making of the adjudication order in respect of that bankruptcy (unless the court extends the period of bankruptcy, typically when there has been non-cooperation by the bankrupt or other irregular actions). The Bankruptcy (Amendment) Act 2015 also reduces the normal maximum duration of a bankruptcy payment order (a court order requiring a bankrupt individual to make payments for the benefit of his or her creditors from any surplus income or assets after the deduction of reasonable living expenses for him or her and any dependents) from five to three years, although it retains the maximum five-year duration in cases of non-cooperation or asset concealment. The Bankruptcy (Amendment) Act 2015 also provides that a bankrupt person's legal interest in his or her home will revest in him or her after three years (subject to any outstanding mortgage), if the official assignee has neither sold it, nor applied to the High Court for an order permitting the sale of the house, before that date.

EU Legislation

EU Benchmarks Regulation

The EU Benchmarks Regulation regulates the production and use of benchmarks and has applied since 1 January 2018. Among other things, it imposes requirements on a supervised entity (including a credit institution) that uses a benchmark for specified purposes. A credit institution that uses a benchmark in mortgage credit contracts will be using a benchmark for the purposes of the benchmark regulation (with the exception of certain mortgage credit contracts having standard variable rates). Specifically, a supervised entity is restricted as to the types of benchmarks it may use. In addition, a supervised entity that uses a benchmark must produce and maintain robust written plans setting out the actions it would take in the event that a benchmark materially changes or ceases to be provided. It must also provide its relevant competent authority with those plans on request and reflect them in its contractual relationship with clients.

On 23 October 2023, Delegated Regulation (EU) 2023/2222 extending the transition period for use of third-country benchmarks in the EU, in accordance with Article 51(5) of the EU Benchmarks Regulation, was published in the EU's Official Journal. Following consecutive deferrals, rules under the EU Benchmarks Regulation were due to take effect from 1 January 2024, but have now been deferred to 1 January 2026. Under the EU Benchmarks Regulation, following expiry of the transition period, EU supervised entities would only be able to use benchmarks produced or administered in a third country if the third country concerned has a framework equivalent to that of the EU, or if the third-country benchmark is endorsed by an EU benchmark administrator, or if the benchmark is recognised in the EU.

Distance Marketing Regulations

The Distance Marketing Directive was implemented in Ireland by way of the European Communities (Distance Marketing of Consumer Financial Services) Regulations 2004 ("**DM Regulations**"). The DM Regulations apply to, *inter alia*, distance contracts for the supply of a financial service entered into on or after 15 February 2005 by means of distance communication (i.e., without any substantive simultaneous physical presence of the originator (or an agent of the originator) and the borrower).

The DM Regulations require suppliers of financial services to be provided by way of distance communication to provide certain pre-contractual information to consumers. This information generally must be provided within a reasonable time before the consumer is bound by a distance contract for the supply of the financial services in question and includes, but is not limited to, general information in respect of the supplier and the financial service, contractual terms and conditions (including the price to be paid by consumers to the supplier of financial services) and whether or not there is a right of cancellation.

Unlike certain other distance contracts for the supply of financial services, a consumer does not have the right under the DM Regulations to cancel a housing loan (within the meaning of the CCA) within the 14-day cooling-off period introduced by the DM Regulations. However, failure by the supplier to comply with certain obligations under the DM Regulations may result in the distance contract being unenforceable against the consumer. The relevant obligations include (i) the provision of the prescribed pre-contractual information to the consumer; (ii) keeping a copy of all information provided to a consumer in relation to a distance contract in durable and tamper-proof form; (iii) upon a request from the consumer, providing a hard paper copy of the distance contract; or (iv) changing the means of distance communication pursuant to a consumer request (unless to do so would be inconsistent with the contract or nature of the service). The discretion as to enforceability, lies with the courts, who if satisfied that the supplier's non-compliance was not deliberate, the consumer has not been prejudiced by such non-compliance, and it is just and equitable to dispense with the relevant obligation, may decide that the contract is enforceable, subject to any conditions that the court sees fit to impose.

On the 28 November 2023, updated rules for distance marketing of consumer financial services were published in the Official Journal (Directive (EU) 2023/2673). Directive (EU) 2023/2673 revises the current legal framework by repealing the Distance Marketing Directive while including new and updated rules regarding financial services contracts concluded at a distance in a new chapter of the Consumer Rights Directive (Directive 2011/83/EU), which protects consumers engaging in all types of commercial practices. The key aspects of the updated rules cover requirements on pre-contractual information, withdrawal functionality, the right to request human intervention and preventing the use of dark patterns. The new rules will come into force from 19 June 2026. Ireland and other EU Member States must publish their transposing legislation by 19 December 2025.

Mortgage Credit Directive

The Mortgage Credit Directive was transposed into Irish law by the Mortgage Credit Regulations.

The Mortgage Credit Directive aims to improve consumer protection measures by introducing revised rules for residential mortgage lending which apply across the EU. The Mortgage Credit Directive is designed to create an efficient and competitive single market for consumers, creditors and credit intermediaries with a high level of consumer protection and to promote financial stability by ensuring that mortgage credit markets operate in a responsible manner.

The Mortgage Credit Regulations apply to credit agreements with consumers which are secured by a mortgage or other comparable security on residential immovable property and to credit agreements the purpose of which is to acquire or retain property rights in land or in an existing or projected building. Member States are permitted to exclude certain credit agreements (such as bridging loans and credit agreements in respect of BTL properties) from the scope of the Mortgage Credit Directive where an appropriate national framework is in place to deal with such agreements. However, the Mortgage Credit Regulations have included these loans as being in scope.

The Mortgage Credit Regulations apply to consumer mortgage lending by credit institutions and non-credit institutions and affects the activities of creditors (such as the Issuer), credit intermediaries and their appointed representatives. A "**consumer**" for the purposes of the Mortgage Credit Regulations is a natural person acting for purposes which are outside his or her trade, business or profession.

The key elements of the Mortgage Credit Regulations are:

- Transparency requirements: the Mortgage Credit Regulations require information to be provided to a consumer at a pre-contractual stage to enable a consumer to choose the mortgage product which best meets his or her needs. A creditor is required to provide a consumer with a European Standardised Information Sheet which will allow the consumer to compare terms and conditions of loans being offered by different lenders in the market and so identify the product that is most appropriate for him or her. A consumer must be given a minimum thirty-day reflection period before the conclusion of the credit agreement or, alternatively, a minimum seven-day right of withdrawal after the conclusion of the credit agreement;

- Consumer safeguards: the Mortgage Credit Regulations oblige a creditor to conduct a thorough creditworthiness assessment before granting credit to a consumer;

- Business conduct rules: the Mortgage Credit Regulations require a creditor and a credit intermediary to act in the consumer's interests and imposes high-level standards regarding their remuneration structure. Member States are also required to establish minimum knowledge and competence requirements for lenders and credit intermediaries in accordance with the principles set out in the Mortgage Credit Directive. The MCC 2017 has applied since 3 January 2018, and prescribes minimum competency standards to persons exercising a controlled function in relation to mortgage credit agreements as set out in the Mortgage Credit Regulations;

- Early repayment: the Mortgage Credit Regulations grant a consumer a general right to repay a relevant mortgage loan early. The Mortgage Credit Regulations provide that a creditor is entitled to fair and objective compensation for potential costs directly linked to the early repayment, where justified. Where it is a fixed-rate loan, early repayment can be subject to the existence of a legitimate interest on the part of the consumer, for example, in the event of divorce or unemployment;

- Arrears and foreclosures: the Mortgage Credit Regulations require creditors to exercise reasonable forbearance before foreclosure proceedings are initiated, who must at a minimum comply with any code or similar measure put in place by the Central Bank on the handling of arrears. The Mortgage Credit Regulations require that any charge that a creditor may impose on a consumer arising from the consumer's default, subject to the provisions of section 149 of the CCA and any requirements that may be imposed by the Central Bank from time to time, shall be no greater than is necessary to compensate the creditor for the costs it has incurred as a result of the default. Where, after foreclosure proceedings, outstanding debt remains, in order to protect the consumer, the creditor is required to put in place measures to facilitate repayment of the outstanding debt by the consumer.

- Passport regime for credit intermediaries: the Mortgage Credit Regulations include principles for the authorisation and registration of credit intermediaries and the Mortgage Credit Directive establishes a passport regime for those intermediaries;

- Non-credit institutions: the Mortgage Credit Regulations require the Central Bank to ensure that non-credit institutions engaged in mortgage lending pursuant to the Mortgage Credit Directive are subject to an adequate admission process and to supervision arrangements, including entering the non-credit institution in a register; and

- Amendment to the Consumer Credit Regulations: the Mortgage Credit Regulations amend the Consumer Credit Regulations by extending their application to an unsecured credit agreement which is provided for the purpose of renovating a residential immovable property involving a total amount of credit in excess of €75,000.

- Amendment to the Mortgage Credit Regulations: the Mortgage Credit Regulations were amended by the European Communities (Consumer Mortgage Credit Agreements) (Amendment) Regulations 2018 and apply since 1 July 2018. One amendment requires lenders to provide certain information to consumers in respect of a mortgage credit agreement referring to a benchmark (as that term is defined in the EU Benchmark Regulation).

- Amendments to the Mortgage Credit Regulations: the Mortgage Credit Regulations were amended by the CSCP Regulations. One particular amendment requires that a creditor must communicate prescribed information to a consumer before modifying the terms and conditions of an existing credit agreement entered into between the original creditor and the consumer.

The Issuer engages in lending to consumers which is subject to the Mortgage Credit Regulations.

Credit Servicing

The EU directive on credit servicers and credit purchasers (2021/2167) entered into force on 28 December 2021 (the "**Credit Servicing Directive**") and was transposed into Irish law by the CSCP Regulations with effect from 30 December 2023. The Credit Servicing Directive sets out authorisation and supervision requirements for credit servicers and prescribes minimum requirements for credit servicing arrangements. The Credit Servicing Directive also requires further standardisation in the data requirements for sales of non-performing credit agreements.

The new EU-based regime for credit servicing operates alongside Ireland's existing domestic credit servicing regime, under the Central Bank Acts 1997.

Land and Conveyancing Law Reform Acts

Title to land in Ireland takes one of two forms: registered and unregistered. Both these systems of title include freehold and leasehold property. A freehold title is the closest title to absolute ownership which a property owner may hold. A leasehold title means that the property is held for a term of years subject to certain covenants and conditions. A long lease (generally for a term of in excess of 35 years) would normally reserve a nominal annual rent.

The LCLRA 2009 is the primary piece of legislation in Ireland applicable to land law, conveyancing practice and the law of mortgages, including the creation of mortgages and the powers and rights of holders of mortgage security.

The LCLRA 2009 applies to all mortgages granted on and from 1 December 2009 with the old law applying to mortgages put in place prior to that date. The old law allowed the creation of a mortgage by transfer of ownership of unregistered land (conveyance or demise). This was effectively abolished by the LCLRA 2009. The LCLRA 2009 makes the method of creating mortgages over unregistered land consistent with that over registered land, that is, by way of charge. However, there are differences in how security takes effect over registered and unregistered land. A legal charge over registered land only takes effect in full once it has been registered in the Land Registry. A legal charge over unregistered land takes effect immediately once it is created. For registered land, although there are certain burdens set out in Section 72 of the Registration of Title Act, 1964 which affect registered land without registration, in general, save in the case of judgment mortgages, the register in the Land

Registry governs priorities which are determined by the date of registration. Priorities of interests in unregistered land are more complex and are determined by the date of registration of the documents in the Registry of Deeds and the doctrine of notice (save in the case of judgment mortgages). There is no change under the LCLRA 2009 to the creation of an equitable mortgage over unregistered land (for example, by deposit of title deeds).

Chapter 3 of Part 10 of the LCLRA 2009 addresses the obligations, powers and rights of holders of mortgage security. The provisions apply only to mortgages created by deed after 1 December 2009 and mortgages created before that date therefore continue to be governed by the old rules. It is not possible to contract out of the provisions of Chapter 3 of Part 10 in the case of housing loans. Chapter 3 of Part 10 of the LCLRA 2009 also deals with taking possession, power of sale, applications for court orders for possession and/or sale and conveyance on sale. A court order for taking possession, and a court order for sale must be obtained, unless the mortgagor has consented in writing not more than 7 days' prior to the taking of possession or the exercise of the power of sale respectively (an application for a court order for sale and possession may be heard together). In the case of an order for sale, 28 days prior notice must be given to the mortgagor in a prescribed form warning of the possibility of such sale. This notice requirement does not apply in the case of an order for possession. Chapter 3 of Part 10 of the LCLRA 2009 provides that the Circuit Court has exclusive jurisdiction in relation to any application for an order for sale or order for possession which concerns property which is subject to a housing loan mortgage and any such application must be made in the circuit where the property is situated.

The LCLRA 2013 is important in the context of the procedural right to seek an order for possession of a PDH of a mortgagor or that of his or her spouse/partner. The LCLRA 2019 amends the LCLRA 2013 to require a court to take into account a range of factors when considering whether or not to grant an order for possession in respect of a PDH and to allow the court the discretion to take these factors into account when considering whether to make any other order it considers appropriate in the circumstances of the proceedings. The relevant factors are (a) whether the making of the order would be proportionate in all the circumstances; (b) the circumstances of the borrower and his or her dependants for whom the property the subject of the proceedings is their PDH; (c) whether the lender has made a statement to the borrower of the terms on which it would be prepared to settle the matter in such a way that the borrower and his or her dependants could remain in the PDH; (d) details of any proposal put forward by or on behalf of the borrower either: (i) to enable him or her, or any dependants, to remain in the PDH; or (ii) to secure alternative accommodation; (e) any response of the lender to the borrower's proposal to remain in the PDH; and (f) the conduct of the parties in any attempt to find a resolution to the borrower's mortgage arrears. The LCLRA 2013 also provides that the court may adjourn proceedings for a maximum of two months to enable a mortgagor to consider a PIA under the Personal Insolvency Act. If significant progress has been made on a proposal for a personal insolvency arrangement under the Personal Insolvency Act at the end of the two months, the proceedings may be adjourned further. See *Personal Insolvency Act* for further information on the Personal Insolvency Act.

In November 2009, the Circuit Court issued a practice direction pursuant to the Circuit Court Rules entitled 'Actions for Possession' providing that no order for possession shall be made on the initial return date (i.e. the first hearing date) but rather the proceedings shall be adjourned to such later date as the County Registrar considers just in the circumstances. This has the effect of an automatic delay on possession proceedings.

Central Bank's Regulatory & Supervisory Outlook Report

The Central Bank's Regulatory & Supervisory Outlook Report 2024 outlines key trends, risks, and regulatory priorities for the financial sector. This report highlights the Central Bank's approach to maintaining financial stability and consumer protection amidst a constantly changing environment. The Central Bank's overarching supervisory objective is to ensure a stable, resilient, and trustworthy financial sector, operating sustainably in the best interests of consumers and the wider economy. There is a requirement on firms to understand the risks and supervisory expectations and review against current business activities, practice, procedures and system. Any deficiencies identified should be actively managed to closure.

BOARD OF DIRECTORS AND MANAGEMENT AND ADMINISTRATION OF THE ISSUER

Board of Directors

As of the date of this Base Prospectus, there are eight members of the board of directors of the Issuer as set out below. Four members of the board of directors of the Issuer are currently employees of the Group. Four members of the board of directors of the Issuer are not, at the date of this Base Prospectus and never have been, employees of any member of the Group and three of these directors are non-executive directors of other members of the Group. Two of the eight members of the board of directors of the Issuer are executive directors, and the remaining six members of the board of directors are non-executive directors of the Issuer.

The names, business addresses and principal outside activities of the members of the board of directors of the Issuer are listed below.

Members	**Principal Outside Activities**
Eamonn Quinn (Chair & Independent Non-Executive Director)	Consulting, Advisory and Professional Director Services
Kevin Gahan (Managing Director) 10 Molesworth Street, Dublin 2, Ireland	Group Financial Controller, AIB Bank Director of two other AIB Group companies.
Gerry Gaffney (Executive Director - Finance) 10 Molesworth Street, Dublin 2, Ireland	Senior Finance Business Partner, Finance, AIB Bank Director of two other AIB Group companies.
Paul Owens (Independent Non-Executive Director) 10 Molesworth Street, Dublin 2, Ireland	Director of various companies including another AIB Group Company.
Yvonne Hill (Independent Non-Executive Director) 10 Molesworth Street, Dublin 2, Ireland	Director of various companies including another AIB Group Company.
Andrew Maguire (Non-Executive Director) 10 Molesworth Street, Dublin 2, Ireland	Director of various companies including two other AIB Group companies.
Padraig Brosnan (Non-Executive Director) 10 Molesworth Street, Dublin 2, Ireland	Head of Finance Business Partners, AIB Bank
Carol Meehan (Non-Executive Director) 10 Molesworth Street, Dublin 2, Ireland	Commercial Director, AIB Homes, AIB Bank

The Company Secretary of the Issuer is Diane Lumsden. The Assistant Company Secretaries are Conor Gouldson and Aeilish McGovern.

As far as is known to the Issuer, other than as may arise from an individual director's principal outside activities listed in each case above or, in the case of current or former employees or officers of the Group, other roles within the Group, no potential conflicts of interest exist between any duties to the Issuer or the board of directors of the Issuer and their private interests or other duties in respect of their management roles.

As a credit institution authorised by the Central Bank, the Issuer is subject to the CGC Code and, for that purpose, has been designated a 'high impact' credit institution (which is a classification used by PRISM). Since January 2016 the CGC Code has applied to credit institutions. The CGC Code requirements are similar in nature to the requirements that previously applied to the Issuer under the Corporate Governance Code for Credit Institutions and Insurance Undertakings 2010 (and which came into effect on 1 January 2011). The CGC Code contains the minimum requirements that a credit institution shall meet in the interests of promoting strong and effective governance. The CGC Code is imposed in addition to, and does not affect, any other corporate governance

obligations and standards to which a credit institution is otherwise subject (including under conditions and/or requirements set out in the licence or authorisation of credit institutions). Amongst other things, the Revised CGC Code requires that a high impact credit institution must have at least three independent non-executive directors and a minimum of seven directors on the board. However, the Central Bank has granted derogation to the Issuer from these requirements on the basis that the board of directors of the Issuer continues to have at least two independent non-executive directors and a total of five directors on the board. This is consistent with an authorisation requirement imposed on the Issuer in 2006 that there should be a minimum of two non-executive directors who are independent of the Issuer's parent.

Outsourcing Agreement with AIB Bank

Under the Outsourcing Agreement, AIB Bank has agreed to provide the Issuer with administration and agency services and assistance in relation to the origination, maintenance and enforcement of the Issuer's Irish residential loans and related treasury, funding and deposit taking activities including administration of customer accounts, customer relations, product development, market strategy, risk management, regulatory and company secretarial matters, human resources, payroll, information related matters, technology and other services, financial control and project management services for the Issuer. AIB Bank may sub-contract or delegate its powers under the Outsourcing Agreement to other members of the Group including the Issuer but any such sub-contracting or delegation will not abrogate or relieve AIB Bank of any of its obligations under the Outsourcing Agreement. See also *Irish Residential Loan Origination and Servicing – Mortgage Servicing*.

In addition, under a liquidity management agreement dated 29 January 2014 between AIB Bank and the Liquidity Sub-Group, AIB Bank manages, and reports on, the liquidity of the Liquidity Sub-Group (which includes the Issuer) in accordance with the requirements of CRD IV.

The Issuer may from time to time outsource activities to AIB Bank, other members of the Group or entities who are not members of the Group, subject to applicable legal and regulatory requirements.

IRISH RESIDENTIAL LOAN ORIGINATION AND SERVICING

Introduction

On 13 February 2006, AIB Bank transferred approximately €13.6 billion of Irish residential loans and related security held by it to the Issuer. Those Irish residential loans were originated by AIB Bank prior to 13 February 2006. They were transferred by AIB Bank to the Issuer on 13 February 2006 pursuant to a scheme made under the ACS Act and the provisions of the ACS Act. On 25 February 2011, pursuant to that scheme and the provisions of the ACS Act, AIB Bank transferred to the Issuer approximately €4.2 billion Irish residential loans and related security that had been originated through mortgage intermediaries.

During the course of 2013, two Group restructures, aimed at achieving efficiencies across the mortgage business, impacted on the business of the Issuer.

The Lending Criteria and mortgage servicing arrangements described below (see – *Lending Criteria* and *Mortgage Servicing*) apply to all of the Issuer's current Irish residential mortgage lending, whether through the AIB Bank branch network or through other origination channels.

The Lending Criteria have been impacted by the Central Bank's LTV/LTI Regulations.

Lending Criteria

The following Lending Criteria are applied at the date of this Base Prospectus in respect of the Irish residential lending by the Issuer:

Key Lending Criteria

(a) Maximum loan size is determined by reference to the NDI, LTI and the following LTV conditions:

- **First Time Buyers, Non First Time Buyers and Switcher Mortgage Lending / refinance of existing housing loan including where additional funds are requested or Equity Release:** Maximum LTV is 90 percent

- **One Bedroom Properties:** Maximum LTV is 80 percent (lending for studio apartments with a market value which is less than €275,000 is out of scope).

- **PDH Self-Builds**: The 'value' for purposes of calculating LTV is based on the lower of the site value plus allowable build costs but excludes legal fees, stamp duty etc. or the estimated value of the property on completion (as estimated by a member of the Group's residential valuer panel).

(b) The level of finance for residential investment property, whether a new standalone property or a new property that will become part of an existing portfolio (including holiday homes and second homes not dependent on rental income) may not exceed a LTV of 70 percent. The combined portfolio may not exceed a LTV of 75 percent following the addition of the new property except in the following circumstances:

- Where the combined brand portfolio BTL LTV is currently > 75 percent and <100 percent, an additional BTL property purchase at maximum LTV of 70 percent can be considered, if the purchase of the property is improving the portfolio LTV and all loan exposures in the portfolio are fully amortising to the terms.

(c) Maximum term 35 years, subject to clearance by the 69th birthday (or the 71st birthday, subject to documentary confirmation of employment) or on retirement if earlier; and for self-employed customers by the 71st birthday. Residential investment property loans and loans for holiday homes and second / other homes not dependent on rental income may be sanctioned for a maximum period of 25 years and are also subject to clearance by ages applicable to PDH loans.

(d) Minimum loan €25,000 for PDH / BTL lending (excluding Top Up and Equity Release) and €10,000 for Top Up and Equity Release.

(e) Borrowers must have a minimum age of 18 years.

Negative Equity Trade-Down Mortgages as a forbearance measure are available to existing customers of the Group who have their PDH mortgage with the Issuer, who are in negative equity, who have sufficient repayment capacity and who wish to sell their existing PDH and to move to a new PDH the value of which is lower or equal to the value of their existing PDH. The criteria as set out in the AIB Bank residential mortgage lending policy will apply in conjunction with the following additional criteria:

(a) Seek prior approval from AIB to (i) dispose of the existing property and (ii) for the new mortgage where the applicant is purchasing a new PDH.

(b) The customer must provide an independent valuation from a member of the Group's valuer panel for the PDH being sold.

(c) The maximum LTV on the purchase price of the new property is 100 percent

(d) A maximum of 125 percent LTV on the combined purchase price and balance of residual debt on the original mortgage.

(e) Maximum loan amount (including residual debt) of the new mortgage must be lower or equal to the existing mortgage.

Repayment Capacity

(a) The two key tests used in assessing an applicant's ability to repay a mortgage are the NDI and the LTI limit. These tests are interdependent and the applicant must satisfy both tests.

(i) Net Disposable Income – the residual net monthly sustainable income after meeting the stressed loan payment and any other regular monthly outgoings (i.e. other loan repayments, childcare costs and/or maintenance payments etc.).

(ii) For all new lending to First Time Buyer(s), for PDH purposes, the maximum amount borrowed must be less than or equal to 4 times gross annual income, unless macro prudential measures criteria is met, in which case this increases to less than or equal to 4.5 times gross annual income.

(iii) For all new lending to Non First Time Buyer(s) (including Switcher Mortgage requests for additional funds), for PDH purposes, the maximum amount borrowed must be less than or equal to 3.5 times gross annual income, unless macro prudential measures criteria is met, in which case this increases to less than or equal to 4.5 times gross annual income.

(iv) For all Switcher Mortgages that do not include a request for additional funds, for PDH purposes, the maximum amount borrowed must be less than or equal to 4.5 times gross annual income.

(b) For stress testing purposes, when determining NDI for new PDH/BTL mortgages, the Issuer assumes a mortgage repayment based on the offered rate plus 2.00 percent, subject to a floor of 5.15 percent for PDH and 6.2 percent for BTL. Offered interest rate is defined as the higher of: a) the current highest new variable interest rate; or b) the current highest new 1 to 4 year fixed interest rate. The interest rate stress test must be completed therefore at the higher of: a) the current highest new variable interest rate plus 2 percent; or b) the current highest new 1 to 4 year fixed interest rate plus 2 percent; or c) the stress test floor as defined in the policy.

(c) Stress Testing Non Euro Income. Where a customer derives part or all of their income from a non-Euro currency, the non-Euro gross annual income must be stress tested at a 20 percent stress factor on the foreign exchange spot rate, at the time of credit assessment, to mitigate against currency risk.

(d) For all tracker interest rate customers, i.e. customers with mortgage loans on interest rates based on the ECB main refinancing rate plus an agreed margin over that rate, purchasing a new PDH and retaining the existing PDH as a BTL, the Issuer stresses the existing debt at the current tracker rate plus 2 percent, subject to a floor of 4 percent. For customers with existing PDH tracker interest rate loans, where an existing PDH is being sold and applicants are purchasing a new PDH, as the borrower will retain some/all of existing PDH mortgage and tracker rate attaching, the Issuer stresses the mortgage repayment on the tracker element of the new mortgage at the current tracker rate plus 1 percent (margin related) plus 2 percent subject to a floor of 4 percent.

Funding Balance of Purchase Price

Documentary evidence must be obtained to verify the source of funding for the difference between the purchase price and loan amount. The balance must not be funded by borrowings, except in circumstances where customer is seeking an equity release on unencumbered BTL properties to finance in part the deposit on an additional BTL property.

Security

(a) First legal mortgage/charge on the residential property being purchased must be obtained.

(b) Life/fire cover to be put in place – the Issuer's interest noted/assignment taken only where required by security procedures.

Documentation

Evidence of income is submitted with each application. Independent professional property valuation reports from a member of the Group's valuer panel are required in all cases. The following documentary evidence is obtained and held on the home mortgage loan file of the sanctioning authority.

PAYE Employment:

For employees who pay taxes under the PAYE system, verification of income must take the form of:

(a) Employment Detail Summary;

(b) Salary certificate;

(c) 3 most recent payslips;

(d) Evidence of all other existing financial commitments;

(e) Most recent 6 months' bank statements for any non-AIB Group plc main current accounts (or 3 months in the case of customers applying for Switcher or Top Up mortgages); and

(f) Evidence of recent 6 months' mortgage payments (where a current mortgage exists).

The assessment should be made allowing for sustainable income only. However, some on-going allowances e.g. car/shift allowance can be included provided these are consistent each month and confirmed as guaranteed by the employer. Where it is proposed to include some non-guaranteed additional income (overtime, bonus etc.), it must be supported by a proven track record. Evidence of the same, showing the income from the past 3 years, is required. Generally, while a cautious approach is taken, up to 100 percent of the 3 year average of the confirmed non-guaranteed income can be considered on a case by case basis, subject to a 75 percent cap on variable income as a percentage of core income. Where more variable income is factored into the income sustainability calculations, this must be captured as an exception to policy.

Self Employed Applicants:

Key documentation required to inform assessment is as follows:

(a) Evidence of previous income i.e. minimum 2 years audited accounts;

(b) 2-3 most recent Revenue confirmation of declared level of income;

(c) Evidence of all other financial commitments;

(d) Most recent 6 months' bank statements for any non-AIB Group plc main current accounts (or 3 months in the case of customers applying for Switcher or Top Up mortgages); and

(e) Evidence of recent 6 months' mortgage payments (where a current mortgage exists).

Contract Employment:

Contract employment has become an increasing feature of the employment market in both the private and public sector. Sustainability of income is a key factor when assessing applications and this is more difficult when income is derived from contract or temporary employment. In such cases sustainability is strongly linked to the education qualifications and skills of the applicant, the demand for such skills and the strength of their employer.

Normal credit assessment criteria will apply and some or all of the following additional items should be sought where deemed relevant, where an applicant is in contract employment and seeking mortgage approval:

- employment type;
- details about employer;
- past track record of earnings including documentary evidence of same;
- sector employed in and length of experience in the sector; and
- qualifications held (curriculum vitae if deemed relevant) and transferability of skills.

Anti-Money Laundering

Full compliance with the AML Acts and related guidance notes is required (including obtaining documentary verification of identity and address).

Mortgage Top-Ups/Equity Release/Switcher with additional funds (Principal dwelling house)

Applications for top ups/equity release will be subject to the normal assessment and approval process subject to the following additional criteria:

(a) Maximum LTV to be calculated on the total amount of the borrowing i.e. existing balance plus the amount of the top up cannot exceed 90 percent where the NDI levels are met.

(b) Normal minimum amount €10,000.

(c) Evidence of expenditure for the top up/ equity releases/ switcher with additional funds is required in all cases.

Applications for top-ups/ equity releases/ switcher with additional funds will be considered for the following purposes:

- Expenditure on the mortgaged property;
- Grant aided renewable energy and other energy efficient home improvements;

- Inheritance related taxes on the property to be mortgaged;
- Family support for dependent(s), into a house purchase;
- Separation agreement to pay a lump sum;
- Repairs/renovations on another property mortgaged by the Issuer;
- Reimbursement of own resources and/or a family members' resources used to purchase or renovate their PDH (including re-imbursement of own funds for initial works commenced on PDH self-builds);
- Education expenses; and
- Medical expenses.

Switcher Mortgages

Switcher Mortgage propositions will be considered subject to the following considerations:

- A loan to refinance an applicant's existing mortgage borrowings from another lender.
- The maximum LTV the Issuer will consider for Switcher Mortgages is 90 percent (i.e. Switcher Mortgages without advance of additional funds). For PDH purposes the maximum LTI is 4.5 times gross annual income.
- For Switcher Mortgage propositions with additional funds, all lending rules apply i.e. LTV (up to 90 percent), LTI and NDI.
- Normal credit assessment and process will apply.
- An independent valuation from a member of the Group's valuer panel will be required as part of the assessment.

PDH Self-Build Mortgages:

Applications for self-build properties will be considered and repayment capacity is assessed for the amount sought as in the case for all mortgage applications. In the case of self-build property applications, an interest only option is available for the construction period up to a maximum of 12 months from initial stage drawdown. Where interest only option is availed of, repayments must then be provided over the remaining years of the original term. Repayment capacity should be assessed taking into account any potential overruns. Additional information is required for PDH self-builds, prior to sanction, as follows;

- a copy of full and final grant of planning permission;
- detailed certified costings certified by an accredited professional; and
- certificate of compliance supported by copy of architects'/engineers' professional indemnity insurance.

Renovations and Partially Complete Builds:

The Issuer will consider applications for renovations for the following reasons:

- Renovations as part of an application to purchase a second hand property in need of repair or upgrade,
- Purchase of a new PDH property which is partially built and needs to be completed (such loans are not eligible for inclusion in the Pool until after the completion of the build).

The Issuer adopts a prudent approach to such applications and distinguishes between substantial or structural renovation projects which can add significant value to a property and cosmetic refurbishments which may not add significant value to a property (e.g. new kitchen, bathrooms etc.).

On completion of the renovations, including those for partially complete builds, the LTV of the completed property must always remain within the Issuer's maximum LTV criteria.

Property Valuations

An original independent professional property valuation must be provided by a member of the Issuer's valuer panel and must be signed and stamped for all new lending, including for all top-up cases.

Changes to Credit Policy and Exceptions

Credit Policy rules are subject to periodic review and any changes are subject to appropriate governance. There is a limited appetite for policy exceptions, however, in exceptional circumstances these can be considered on a case by case basis.

The Issuer is subject to the CCMA (See *Certain Aspects of Regulation of Residential Lending in Ireland - CCMA*).

The LTV/LTI Regulations to which the Issuer and Group are subject allow for a certain level of exceptions to the required criteria as outlined below:

LTI limit exceptions

– should not exceed 15 percent for first time buyers and 15 percent for second and subsequent buyers of the total aggregate monetary amount of new loans advanced for PDH purposes by the Issuer on an annual basis. Lifetime Mortgages and Switcher/Refinance mortgages (with no increase in capital) are exempt from the LTI limits.

LTV limit exceptions

– should not exceed 10 percent of the total aggregate monetary amount of loans advanced for BTL purposes by the Issuer under the BTL loan to value limit.

The LTI and LTV policy exceptions will be reported internally on a monthly basis and will be reported half yearly to the Central Bank.

Mortgage Servicing

Introduction

AIB Bank has been appointed Mortgage Servicer by the Issuer under the Outsourcing Agreement to service and administer the Issuer's Irish loans, their related security and certain other related matters. Under the terms of the Outsourcing Agreement, the Mortgage Servicer may at its own cost sub-contract or delegate its powers and obligations under the Outsourcing Agreement, to the other members of the Group or external parties. Any such sub-contracting or delegation will not abrogate or relieve the Mortgage Servicer of any of its obligations under the Outsourcing Agreement.

AIB Bank has agreed under the Outsourcing Agreement to service the Issuer's Irish residential loans with the same level of skill, care and diligence as it would in managing those Irish residential loans advanced by any Group member.

Mortgage Rates

The interest rates on the Issuer's Irish residential loans are kept under review in the context of competitive pricing in the market and the cost of and the availability of funds to the Issuer and AIB Bank. Interest is calculated on the amount owing by a borrower (including, but not limited to, capitalised interest) and is adjusted daily to take account of principal repayments.

Payments from Borrowers

At the date of this Base Prospectus, payments of principal and interest by borrowers in respect of mortgage credit assets comprised in the Pool are usually made monthly in respect of the residential loans held by the Issuer. Such payments are collected by the Mortgage Servicer and are credited at least on a monthly basis into an account maintained by the Issuer with an appropriately rated bank.

Arrears, Default and Enforcement Procedures

AIB Bank, as a Mortgage Servicer for the Issuer, has well established procedures for managing loans that are in arrears, including early contact with borrowers in order to find a solution to any financial difficulties they may be experiencing. These procedures, as from time to time varied in accordance with industry practice, are applied by the Mortgage Servicer under the terms of the Outsourcing Agreement in respect of arrears arising on the Issuer's Irish residential mortgage loans.

The Mortgage Servicer will endeavour to collect all payments due under or in connection with the Issuer's mortgage loans, but having regard to the circumstances of the borrower in each case and in compliance with the relevant Regulatory framework, including CCMA and CPC. The procedures may include making arrangements whereby a borrower's payments may be varied and/or taking legal action for possession of the relevant residential property and the subsequent sale of that residential property, in each case in accordance with applicable legal requirements. An Irish court may exercise discretion as to whether, on application by the lender, it orders the borrower to vacate the property after a default and as to how long the borrower is given to vacate the property. A lender will usually apply for such an order so that it can sell the property with vacant possession. See *Certain Aspects of Regulation of Residential Lending in Ireland - Land and Conveyancing Law Reform Acts.*

The net proceeds of sale of the property (after payment of costs and expenses of the sale) together with any sums paid by a guarantor of the relevant borrower will be applied against the sums owing from the borrower to the extent necessary to discharge the loan. Where the funds arising from application of the above procedures are insufficient to pay all amounts owing in respect of a loan, such funds will be applied first in paying principal owing and secondly in paying interest and costs in respect of such loan.

The Issuer is subject to the CCMA (see *Certain Aspects of Regulation of Residential Lending in Ireland – CCMA*), and the Central Bank's CPC. See *Certain Aspects of Regulation of Residential Lending in Ireland – CPC.*

See also *Risk Factors – Risks relating to the Securities - Value and realisation of security over residential property*

Redemption

Under the Outsourcing Agreement, the Mortgage Servicer is responsible for handling the procedures connected with the redemption of Irish residential loans held by the Issuer.

RESTRICTIONS ON THE ACTIVITIES OF AN INSTITUTION

The ACS Act provides that an Institution may not carry on a business activity other than a permitted business activity (see below), although entities which hold more than one designation (relating to residential mortgage credit, commercial mortgage credit and/or public credit activities) may carry out the permitted activities in respect of the relevant designations.

Permitted business activities in which an Institution may engage

The list of permitted business activities in which an Institution may engage (subject to the restrictions described below) is set out in the ACS Act. These are:

(a) providing mortgage credit, dealing in and holding mortgage credit assets and providing group mortgage trust services;

(b) dealing in and holding substitution assets;

(c) dealing in and holding assets that the Central Bank requires it to hold for regulatory purposes;

(d) dealing in and holding credit transaction assets;

(e) engaging in activities connected with financing or refinancing the classes of assets and other activities referred to in (a) to (g);

(f) entering into certain hedging contracts for the purpose of hedging risks associated with the foregoing activities at (a) to (e) and dealing in and holding Pool Hedge Collateral; and

(g) engaging in activities that are incidental or ancillary to the foregoing activities at (a) to (f).

An explanation of certain of the categories of permitted business activities is set out below.

Permitted business activities – (a) providing mortgage credit and dealing in and holding mortgage credit assets and providing group mortgage trust services

The ACS Act defines "**mortgage credit**" as any kind of financial obligation in respect of money borrowed or raised that is secured by a mortgage, charge or other security on residential property or commercial property, but only if the property is located in:

(a) Ireland;

(b) any EEA country;

(c) Australia, Canada, Japan, New Zealand, the Swiss Confederation, the United States of America, or a country specified in an order made by the Minister; or

(d) a country, other than a country to which paragraph (a), (b) or (c) relates, that is a full member of the Organisation for Economic Co-operation and Development, but only if it has not rescheduled its external debt during the immediately preceding 5 years.

The ACS Act provides that for the purposes of the mortgage credit definition, "**other security**" in relation to residential or commercial property located outside Ireland, means a kind of security interest over that property that is recognised as a valid security interest under the *lex situs* of that property.

Under the ACS Act, mortgage credit also includes any kind of credit for the time being designated by an order of the Minister under the ACS Act. The ACS Act authorises the Minister by order to declare credit of a specified kind to be no longer mortgage credit for those purposes. As at the date of this Base Prospectus, no orders have been made by the Minister under the ACS Act adding to or reducing the class of mortgage credits.

A "**residential property**" means a building or part of a building that is used or is suitable for use as a dwelling, and includes the land on which the building is constructed and premises that are used in connection with a dwelling, such as a garden, patio, garage or shed.

A "**commercial property**" means:

(a) subject to paragraph (b) below:

(i) a building or part of a building fixed on land that is used, or is set aside to be used, primarily for the purpose of any industry, trade or other business undertaking, and

(ii) includes the land on which such building or such part of a building, as the case may be, is located, and the fixtures that are used in conjunction with such building or such part of a building, as the case may be,

(b) but does not include:

(i) a building or part of a building that is fixed on land that is used, or is set aside to be used, primarily for the purpose of any mine, quarry or agriculture, or

(ii) subject to the exception referred to below, a building or part of a building that is residential property.

The exception referred to at paragraph (b) (ii) above is where a mortgage credit asset is secured on a single property asset that would otherwise constitute commercial property in part and residential property in part, then that mortgage credit asset is to be regarded for the purposes of the ACS Act as secured only on commercial property.

A "**mortgage credit asset**" is defined in the ACS Act with respect to Institutions as an asset or a property held or to be held by an Institution that comprises one or more mortgage credits and does not include Pool Hedge Collateral.

Under the ACS Act "**group mortgage trust services**" are, with respect to Institutions, services provided by an Institution to one or more of its other corporate group members:

(a) which involve the Institution holding mortgage security or if applicable, collateral security on trust for one or more of such members, and

(b) where, under that trust, the Institution holds an interest in that security for one or more such members and for its own behalf.

A "**mortgage security**" means a mortgage, charge or other security (for the purposes of the definition of mortgage credit) which secure assets that comprise one or more mortgage credits and "**collateral security**" means any security, guarantee, indemnity or insurance which secures, in addition to mortgage security, assets that comprise mortgage credit.

Where an Institution holds mortgage security and, if applicable, collateral security subject to a trust as a consequence of providing group mortgage trust services to other corporate group members, under the ACS Act:

(a) mortgage credit assets do not include group entity assets,

(b) for the purpose of determining what security held by the Institution is protected under Part 7 of the ACS Act as part of the Pool, only mortgage security and, if applicable, collateral security to the extent such security secures mortgage credit assets held by the Institution are protected as part of the Pool; and

(c) as regards recourse by the Institution or other group members to such security to satisfy their respective claims:

(i) such claims held by the Institution for its own benefit until they are discharged in full rank in priority to claims held by other group members; and

(ii) any terms of the trust or any agreement between the Institution or other group members purporting to provide for a different priority as between such claims is void.

For the purposes of the above, "**group entity assets**" means any assets that comprise one or more mortgage credits held by other group members where those assets are secured by mortgage security and if applicable, collateral security and that security is comprised in a trust constituted for the purposes of group mortgage trust services.

Permitted business activities – (b) dealing in and holding substitution assets

The ACS Act defines substitution assets as:

(a) exposures to credit institutions that qualify for credit quality step 1, credit quality step 2 or credit quality step 3 (within the meaning of CRD IV), where those exposures are in the form of short-term deposits with an original maturity not exceeding 100 days, where used to meet the cover pool liquidity buffer requirement of Article 16 of the Covered Bonds Directive (see *Cover Assets Pool – Liquidity buffer*); and

(b) any asset designated a substitution asset in an order made by the Minister under the ACS Act,

in each case excluding any such assets that comprise any Pool Hedge Collateral.

The ACS Act provides that any assets of the type referred to at (b) above must be an exposure to a credit institution within the meaning of CRD IV. The Minister under the ACS Act may by order designate a specified kind of property to be a substitution asset for the purposes of the ACS Act or declare a specified kind of property to be no longer a substitution asset for those purposes. At the date of this Base Prospectus, no such order has been made by the Minister.

The ACS Act provides that an Institution shall not include in a Pool maintained by it a substitution asset, unless the asset is an exposure to a credit institution that qualifies for credit quality step 1 or credit quality step 2, or credit quality step 3 (in each case within the meaning of CRD IV) where the exposure is in the form of a short-term deposit with an original maturity not exceeding 100 days, where used to meet the Pool liquidity buffer requirement of Article 16 of the Covered Bonds Directive, and

(a) in the case of an exposure to a credit institution that qualifies for credit quality step 1, all such exposures shall not exceed 15 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution;

(b) in the case of an exposure to a credit institution that qualifies for credit quality step 2, all such exposures shall not exceed 10 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution;

(c) in the case of an exposure to a credit institution that qualifies for credit quality step 3 that take the form of a short-term deposit, the total of all such exposures shall not exceed 8 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution; and

(d) provided that the Institution's total exposure to credit institutions that qualify for credit quality step 1, 2 or 3 shall not exceed 15 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution and the Institution's total exposure to credit institutions that qualify for credit quality step 2 or 3 shall not exceed 10 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution.

Permitted business activities – (d) dealing in and holding credit transaction assets

The ACS Act defines a "**credit transaction asset**" as an asset derived from having engaged in a credit transaction (not being a cover assets hedge contract (see *Cover Assets Pool – Cover assets hedge contracts* and *Pool Hedge Collateral and Collateral Register*), but does not include a mortgage credit asset, substitution asset, an asset required to be held for regulatory purposes or an asset arising from financing or refinancing activities. A "**credit transaction**" is defined in the ACS Act as:

(a) placing a deposit with a financial institution which has been or is of a class which has been designated as eligible for such purposes by regulations made by the Central Bank;

(b) dealing with or holding a financial asset; or

(c) any other kind of transaction designated as such by the Minister by order made under the ACS Act.

A "**financial asset**" for the purposes of (b) above is defined in section 3 of the ACS Act by reference to section 496 of the Taxes Consolidation Act 1997 and includes shares, gilts, bonds, derivatives and debt portfolios.

The CTA Eligible Financial Institutions Regulations made by the Central Bank (which came into operation on 31 August 2007) designate the type of eligible financial institutions deposits with which qualify as credit transaction assets.

An eligible financial institution for this purpose is:

(i) any credit institution which is authorised within the State or any other EEA member state, or

(ii) a bank which is authorised to receive deposits or other repayable funds from the public and is located in Australia, Canada, Japan, New Zealand, the Swiss Confederation or the United States of America, and

which has a credit quality assessment of credit quality step 3 (within the meaning of CRD IV).

Permitted business activities – (e) engaging in activities connected with financing or refinancing of assets and other activities referred to in (a) to (f)

The ACS Act provides that these financing or refinancing activities include (but are not limited to):

(a) taking deposits or other repayable funds from the public; and

(b) issuing asset covered securities (which include Mortgage Covered Securities in the case of an Institution).

The ACS Act provides that an Institution may issue Mortgage Covered Securities, but only in accordance with the ACS Act.

An Institution that issues a Mortgage Covered Security must ensure that the relevant security documentation states:

(a) that the Mortgage Covered Security is a mortgage covered security; and

(b) that the financial obligations of the Institution under the Mortgage Covered Security are secured on the cover assets that comprise a cover assets pool maintained by the Institution in accordance with the ACS Act.

With effect from 8 July 2022 and other than with respect to ACS which have been Grandfathered, a DCI is required to apply to the Central Bank for permission to establish or maintain a programme for the issue of ACS authorised under the ACS Act (a "**Covered Bond Programme**"). The Central Bank may grant permission to a DCI for a Covered Bond Programme only if it is satisfied that the DCI has in place the following:

(a) an adequate programme of operations setting out the issue of ACS;

(b) adequate policies, processes and methodologies aimed at investor protection for the approval, amendment, renewal and refinancing of loans included in the Pool;

(c) management and staff dedicated to the Covered Bond Programme who have adequate qualifications and knowledge regarding the issue of ACS and the administration of the Covered Bond Programme; and

(d) an administrative set-up of the Pool and the monitoring thereof that meets the applicable requirements under the ACS Act.

With effect from 8 July 2022, a DCI shall not issue ACS under a Covered Bond Programme unless it has been granted permission for that programme by the Central Bank under the ACS Act. A DCI will be required to maintain a separate Pool in respect of each Covered Bond Programme for which it has been granted permission under the ACS Act. The ACS Act will require DCIs to have in place adequate and appropriate documentation, systems and processes relating to their Covered Bond Programmes.

The Central Bank is required to publish on its website a list of the Covered Bond Programmes for which permission has been granted under the ACS Act and a list of Covered Bond Programmes for which permission has been withdrawn under the ACS Act. The Central Bank may review a Covered Bond Programme on a regular basis to assess compliance with the ACS Act.

Permitted business activities – (f) entering into certain hedging contracts for the purpose of hedging risks associated with the foregoing activities/dealing in and holding Pool Hedge Collateral

An Institution may enter into one or more contracts ("**Hedging Contracts**"**)** the purpose or effect of which is to reduce or minimise the risk of financial loss or exposure liable to arise from:

(a) fluctuations in interest rates or currency exchange rates;

(b) credit risks; or

(c) other risk factors that may adversely affect its permitted business activities.

The Central Bank may, by regulatory notice, specify requirements as to:

(a) the kind of Hedging Contracts that an Institution may enter into; and

(b) the terms and conditions under which those Hedging Contracts, or any class of those Hedging Contracts, may be entered into (including those relating to Pool Hedge Collateral).

As at the date of this Base Prospectus, no such regulatory notice has been published by the Central Bank.

The ACS Act makes special provision for Hedging Contracts which relate to the mortgage credit assets or substitution assets that are comprised in a Pool maintained, and Mortgage Covered Securities issued, by an Institution (for a description of the provisions of the ACS Act relating to the obligation of an Institution to maintain a Pool, see further below). Those hedging contracts when recorded in the Business Register (as to which see *Cover Assets Pool – Register of mortgage covered securities business*) are referred to in the ACS Act as cover assets hedge contracts. As to the provisions of the ACS Act relating to cover assets hedge contracts see *Cover Assets Pool – Cover assets hedge contracts* and *Insolvency of Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution*. For a description of the Hedging Contracts entered into by the Issuer at the date of this Base Prospectus with respect to interest rate exposure relating to the Issuer's Irish residential lending denominated in euro, see *Cover Assets Pool - The Pool maintained by the Issuer – Cover assets hedge contracts*.

In relation to Pool Hedge Collateral, see *Cover Assets Pool – Pool Hedge Collateral and Collateral Register*.

Location of assets for the purposes of the ACS Act

For the purposes of the ACS Act:

(a) the country in which a mortgage credit asset is located is the country in which the property asset that secures the relevant mortgage credit related to the mortgage credit asset is situated; and

(b) the country in which a substitution asset that is an exposure for the purposes of CRD IV (i.e. an asset or off-balance sheet item) is located is the country in which the place of business of the financial institution that is the subject of the exposure is situated.

In respect of (a) above, if the mortgage credit asset is an RMBS or CMBS, its location is to be determined by reference to the location of the property assets related to the mortgage credit assets which are securitised.

General restrictions on certain types of permitted business activities

The ACS Act and the Asset Covered Securities Act 2001 (Section 31(1)) Regulations 2012 provide that an Institution must ensure that the ratio of the total principal amounts of all mortgage credit assets that it holds to the total prudent market value of the related property assets does not exceed 100 percent (or such other percentage as may be prescribed by regulations made by the Central Bank). Those regulations increased the applicable percentage from 80 percent to 100 percent with effect from 12 April 2012. Under the ACS Act, securitised mortgage credit assets are not subject to the above restriction. For a description of the method of determination under the ACS Act of the prudent market value of a property asset which is related to a mortgage credit asset, see *Cover Assets Pool – Valuation of assets held by an Institution*.

The ACS Act specifies limitations on the level of mortgage credit assets or substitution assets held by an Institution in the course of its general business activities which may be located in category B countries. The total prudent market value of mortgage credit assets or substitution assets located in category B countries held by the Institution, expressed as a percentage of the total prudent market value of all the mortgage credit assets and substitution assets held by the Institution, may not exceed 10 percent (or such other percentage as may be specified by an order of the Minister) of the total prudent market value of all of the mortgage credit assets and substitution assets held by the Institution. For a description of the method of determination under the ACS Act of the prudent market value of a mortgage credit asset or a substitution asset held by an Institution, see *Cover Assets Pool – Valuation of assets held by an Institution*. The ACS Act provides that mortgage credit assets and substitution assets located in category B countries may not be included in the Pool.

An Institution is required to ensure that the total value of the credit transaction assets that it holds, expressed as a percentage of the total value of all of the Institution's assets, does not at any time exceed 10 percent (or such other percentage as may be specified by an order of the Minister) of the total value of all of the Institution's assets. For a description of the method of determination under the ACS Act of the value of credit transaction assets held by an Institution, see *Cover Assets Pool – Valuation of assets held by an Institution*.

The ACS Act empowers the Central Bank, by giving notice in writing to an Institution, to impose on such Institution or on any class of Institutions, requirements or restrictions as to the kinds of credit transaction assets that the Institution or Institutions may hold. At the date of this Base Prospectus, no such requirements or restrictions have been imposed on the Issuer.

COVER ASSETS POOL

Institutions Required to Maintain Cover Assets Pool

An Institution may issue Mortgage Covered Securities only if it maintains a related Pool in compliance with the ACS Act.

After an Institution is registered under the ACS Act, the Institution may, for the purpose of establishing a Pool and enabling it to make an initial issue of Mortgage Covered Securities, include in its register of mortgage covered securities business, mortgage credit assets or substitution assets in accordance with the ACS Act (for a description of the provisions of the ACS Act relating to the requirement for an Institution to maintain a register of mortgage covered securities business, see – *Register of mortgage covered securities business*).

If an Institution wishes at any time to issue further Mortgage Covered Securities, it may include in the relevant Pool mortgage credit assets or substitution assets as security for those Securities in accordance with relevant provisions of the ACS Act, as to which see below.

A mortgage credit asset or a substitution asset forms part of the relevant Pool only if its inclusion has been approved by the Monitor (for a description of the role of the Monitor, see – *The Cover-Assets Monitor*).

An Institution must, as soon as practicable after becoming aware that it has contravened the provisions of the ACS Act summarised in the first and fourth paragraphs under this heading, take all possible steps to prevent the contravention from continuing or being repeated. Under the ACS Act, an Institution is required as soon as practicable after becoming aware that a mortgage credit asset or substitution asset comprised in the Pool no longer meets any creditworthiness criteria specified by the Central Bank, to remove the relevant asset from the Pool and where required by the ACS Act, replace the asset in accordance with the ACS Act. Until those steps have been taken, the Institution may not issue further Mortgage Covered Securities.

Circumstances in which an asset may not be included in a Pool

The ACS Act provides that an Institution, when issuing Mortgage Covered Securities, may not include a mortgage credit asset or substitution asset in a Pool if:

(a) the mortgage credit asset or substitution asset is currently included in a different Pool maintained by the Institution;

(b) the mortgage credit asset or substitution asset is non-performing;

(c) the Institution is insolvent within the meaning of the ACS Act;

(d) the Central Bank has given the Institution a direction under certain provisions of legislation relevant to financial institutions, the effect of which is to prohibit the asset from being recorded in the Institution's register of mortgage covered securities business;

(e) the Central Bank has given the Institution a notice under the ACS Act informing the Institution that the Central Bank intends to seek the consent of the Minister to the revocation of the registration of the Institution as a designated mortgage credit institution (for a description of the circumstances in which the Central Bank may revoke the registration of an Institution as an Institution, see *Registration of Institutions/Revocation of Registration – Revocation of Registration*); or

(f) the Central Bank has given a direction under certain provisions of the ACS Act, the effect of which is to prohibit the asset from being recorded in the Institution's register of mortgage covered securities business (for a description of the circumstances in which the Central Bank may make such an order, see Registration of Institutions/Revocation of Registration – *Direction of the Central Bank requiring an Institution to suspend its business*).

In relation to (b) above, "**non-performing**" is defined under the ACS Act in the context of an Institution to mean that the relevant asset:

(i) is in the course of being foreclosed or otherwise enforced; or

(ii) in the case of mortgage credit assets for which the related mortgage credit is of a kind referred to in section 4(1) of the ACS Act, but excluding securitised mortgage credit assets, (see the first paragraph of *Restrictions on the Activities of an Institution – Permitted business activities in which an Institution may engage (a) providing mortgage credit and dealing in and holding mortgage credit assets and providing group mortgage trust services*), has one or more payments of principal or interest payable on the related credit in arrears and those payments are referable to a period of 3 months or more; or

(iii) in relation to kinds of assets other than those referred to at (ii) above, has one or more payments of principal or interest payable on the related credit in arrears for 10 days or more.

The ACS Act provides that an Institution may not, without the consent of the Central Bank, include a mortgage credit asset or substitution asset in a Pool maintained by the Institution if:

(a) the Institution is potentially insolvent (within the meaning of the ACS Act); or

(b) there is currently no Monitor appointed in respect of the Institution.

The Central Bank has under the Substitution Asset Pool Eligibility Notice imposed creditworthiness standards and criteria in respect of substitution assets which may be comprised in the Pool. The Substitution Asset Pool Eligibility Notice distinguishes between substitution assets which have a maximum maturity of 100 days and those which do not. See *Restrictions on inclusion of substitution assets in the Pool*.

The Central Bank has under the Asset Covered Securities Act 2001 Regulatory Notice (Section 41A(4), (5) and (7) 2011 imposed creditworthiness standards and criteria in respect of securitised mortgage credit assets which may be comprised in the Pool. See *Restrictions on inclusion of securitised mortgage credit assets in the Pool*.

An Institution must, as soon as practicable after becoming aware that it has contravened the provisions of the ACS Act summarised under this heading, take all possible steps to prevent the contravention from continuing or being repeated or, as applicable, remove from the Pool and where required, replace the relevant asset. Until those steps have been taken, the Institution may not issue further Mortgage Covered Securities.

With effect from 8 July 2022 and other than with respect to any Grandfathered ACS, an Institution may not include in a Pool maintained by it a mortgage credit asset, unless the asset:

(a) is eligible pursuant to Article 129(1)(d) or (f) of CRR (which impose LTV limits of 80 percent for residential mortgages and 60 percent for commercial mortgages (or 70 percent if certain conditions are satisfied)); and

(b) meets the requirements specified in Article 129(1c) and (3) of CRR. With effect from 8 July 2022, Article 129(1c) of CRR will provide that the 80 percent LTV limit for residential mortgages applies on a loan-by-loan basis, determines the portion of the loan contributing to the coverage of liabilities attached to the Mortgage Covered Security and applies throughout the entire maturity of the loan. With effect from 8 July 2022, Article 129(3) of CRR will require that the requirements of Article 208 of CRR relating to immovable property collateral will be met.

With effect from 8 July 2022 and other than with respect to any Grandfathered ACS, an Institution may not include in a Pool maintained by it a substitution asset unless the asset:

(a) is eligible pursuant to Article 129(1)(c) of CRR; and

(b) meets the requirements specified in Article 129(1a) of CRR.

The effect of this is that the substitution asset must be an exposure to a credit institution that qualifies for credit quality step 1 or credit quality step 2, or credit quality step 3 (in each case within the meaning of CRD IV) where the exposure is in the form of a short-term deposit with an original maturity not exceeding 100 days, where used to meet the Pool liquidity buffer requirement of Article 16 of the Covered Bonds Directive, and

(a) in the case of an exposure to a credit institution that qualifies for credit quality step 1, all such exposures shall not exceed 15 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution;

(b) in the case of an exposure to a credit institution that qualifies for credit quality step 2, all such exposures shall not exceed 10 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution;

(c) in the case of an exposure to a credit institution that qualifies for credit quality step 3 that take the form of a short-term deposit, the total of all such exposures shall not exceed 8 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution; and

(d) provided that the Institution's total exposure to credit institutions that qualify for credit quality step 1, 2 or 3 shall not exceed 15 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution and the Institution's total exposure to credit institutions that qualify for credit quality step 2 or 3 shall not exceed 10 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution.

With effect from 8 July 2022 and other than with respect to any Grandfathered ACS, an Institution may use, as Cover Assets, assets originated by another credit institution which have been purchased from that other credit institution for the purpose of using them as Cover Assets. From that date and other than with respect to any Grandfathered ACS, where an Institution uses, as Cover Assets, assets originated by an undertaking that is not a credit institution, the Institution will be required either to assess the credit-granting standards of the undertaking which originated the Cover Assets, or to perform a thorough assessment of the creditworthiness of the borrower concerned.

Location of assets that may be included in a Pool

The ACS Act provides that any mortgage credit asset or substitution asset located within an EEA country or within one or more category A countries (see below) may be included in a Pool maintained by an Institution. In relation to the meaning of located for the purposes of the ACS Act, see *Restrictions on the Activities of an Institution — Location of assets for the purposes of the ACS Act*. However, in relation to substitution assets, see further — *Restrictions on inclusion of substitution assets in a Pool*.

Mortgage credit assets or substitution assets that are located in one or more category B countries (see below) may not be included in a Pool maintained by an Institution under the ACS Act.

A "**category A**" country is Australia, Canada, Japan, New Zealand, the Swiss Confederation, the United States of America, or a country specified in an order made by the Minister.

A "**category B**" country is a country, other than a category A country or a member of the EEA, that is a full member of the Organisation for Economic Co-operation and Development, but only if it has not re-scheduled its external debt during the immediately preceding 5 years.

With effect from 8 July 2022 and other than with respect to any Grandfathered ACS, where an Institution includes in a Pool a mortgage credit asset or substitution asset that is located within one or more category A countries, it is required to verify that the asset complies with certain requirements of the ACS Act, ensure that the asset offers a level of security similar to that of collateral assets located in the EU, and ensure that the realisation of the asset is legally enforceable in a way which is equivalent in effect to the realisation of collateral assets located in the EU.

An Institution must, as soon as practicable after becoming aware that it has contravened the provisions of the ACS Act summarised above under this heading, take all possible steps to prevent the contravention from continuing or being repeated. Until those steps have been taken, the Institution may not issue any further Mortgage Covered Securities.

The Monitor must monitor the Institution's compliance with the requirements summarised under this heading and take reasonable steps to verify that the Institution will not be in contravention of the above restrictions before the Institution issues Mortgage Covered Securities or enters into a cover assets hedge contract.

Restrictions on inclusion of certain types of mortgage credit assets in a Pool

An Institution may not include in a Pool maintained by it a mortgage credit asset that is secured on commercial property if, after inclusion of the asset in the Pool, the total prudent market value of all mortgage credit assets so secured would exceed 10 percent (or such other percentage as may be prescribed by regulations made by the Central Bank) of the total prudent market value of all mortgage credit assets and substitution assets then comprised in the Pool.

The Monitor must monitor the Institution's compliance with this requirement and take reasonable steps to verify that the Institution will not be in contravention of the above restriction before the Institution issues Mortgage Covered Securities or enters into a cover assets hedge contract.

Under the ACS Act, an Institution may not include a mortgage credit asset in a Pool maintained by it if a building related to that mortgage credit asset is being or is to be constructed until the building is ready for occupation as a commercial or residential property (development property). Under the ACS Act, mortgage credit assets secured on development property can be included in the Pool if the relevant mortgage credit asset is attributed a nil value for relevant Cover Asset – Mortgage Covered Securities financial matching requirements, the Regulatory Overcollateralisation requirement and Contractual Overcollateralisation purposes or if the mortgage credit asset concerned is not required to satisfy those requirements because sufficient cover assets are comprised in the Pool which meet the requirements of the ACS Act. With respect to Regulatory Overcollateralisation and Contractual Overcollateralisation, see *The Pool maintained by the Issuer – Overcollateralisation*.

An Institution must, as soon as practicable after becoming aware that it has contravened the provisions of the ACS Act summarised above under this heading, take all possible steps to prevent the contravention from continuing or being repeated. Until those steps have been taken, the Institution may not issue any further Mortgage Covered Securities.

Restrictions on inclusion of securitised mortgage credit assets in the Pool

Under the ACS Act, other than in the case of Grandfathered ACS (and then only provided certain conditions are satisfied), securitised mortgage credit assets may not be included in a Pool.

Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation

The ACS Act sets out certain financial matching criteria which are required to be met by an Institution in respect of its Pool and Mortgage Covered Securities. These criteria are that:

(a) the Pool maintained by an Institution has a duration of not less than that of the Mortgage Covered Securities that relate to the Pool;

(b) the prudent market value of the Pool is greater than the total of the principal amounts of those Mortgage Covered Securities;

(c) the total amount of interest payable in a given period of 12 months in respect of the Pool is during that 12 month period not less than the total amount of interest payable in respect of that period on those Mortgage Covered Securities; and

(d) the currency in which each mortgage credit asset and each substitution asset included in the Pool is denominated is the same as the currency in which those Mortgage Covered Securities are denominated,

after taking into account, in the case of paragraphs (b), (c) and (d) above, the effect of any cover assets hedge contract that the Institution has entered into in relation to the Pool and those Mortgage Covered Securities (but disregarding for these purposes the effect of any Pool Hedge Collateral) and in the case of (b) above, certain LTV restrictions and, with effect from 8 July 2022 and other than with respect to any Mortgage Covered Securities that

are Grandfathered, the expected costs (which may be calculated as a lump sum) related to maintenance and administration for the winding-down of the Covered Bond Programme.

Under the ACS Act, for the purposes of (b) above, an Institution is required to maintain a minimum level of Regulatory Overcollateralisation of its Pool with respect to the Mortgage Covered Securities in issue which are secured on the Pool. The ACS Act confirms that the Regulatory Overcollateralisation requirement does not affect any Contractual Overcollateralisation undertakings made by an Institution requiring higher levels of overcollateralisation to be maintained. With respect to Regulatory Overcollateralisation and Contractual Overcollateralisation, see *The Pool maintained by the Issuer - Overcollateralisation.*

The Monitor must monitor the Institution's compliance with the above requirements and take reasonable steps to verify that the Institution will not be in contravention of the above requirements before the Institution issues Mortgage Covered Securities or enters into a cover assets hedge contract.

An Institution must, as soon as practicable after becoming aware that it has failed to comply with the provisions of the ACS Act summarised above under this heading, take all possible steps to comply with that provision. Until those steps have been taken, the Institution may not issue any further Mortgage Covered Securities.

From 8 July 2022 and other than with respect to any Mortgage Covered Securities that are Grandfathered, for the purposes of determining the prudent market value of a Pool and the total amount of interest payable in a given period of 12 months in respect of a Pool, an Institution shall not take into account uncollateralised claims where a default is considered to have occurred pursuant to Article 178 of CRR. In addition, from that date and other than with respect to any Mortgage Covered Securities that are Grandfathered, Institutions are required to calculate interest payable in respect of outstanding Mortgage Covered Securities, and interest receivable in respect of Cover Assets, in a manner which reflects sound prudential principles in accordance with applicable accounting standards.

Also from 8 July 2022 and other than with respect to any Mortgage Covered Securities that are Grandfathered, Institutions are required to have in place procedures to monitor that a residential property used as collateral for a mortgage credit asset is adequately insured against the risk of damage, and the segregation of a mortgage credit asset encompasses any financial obligation to the Institution consequent upon an insurance claim in respect of the residential property concerned.

*Meaning of "**duration**" of a Pool or Mortgage Covered Securities*

For the purposes of paragraph (a) under – *Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation*, "**duration**" in the ACS Act means, in relation to a Pool or Mortgage Covered Securities secured on the Pool, a weighted average term to maturity of the relevant principal amount of the mortgage credit assets and substitution assets comprised in the Pool or those securities, as the case may be, determined in accordance with a formula or criteria specified in a regulatory notice by the Central Bank and taking into account the effect of any cover asset hedge contract entered into by the Institution in relation to the Pool or those securities, or both, as the case may be.

The Central Bank has made the Duration Regulatory Notice. The Duration Regulatory Notice sets out the formulae and criteria for the purpose of the definition of "**duration**" contained in ACS Act. The Duration Regulatory Notice repeals the Assets Covered Securities Act 2001 Regulatory Notice (section 32(10)) 2004.

Loan-to-value restrictions on the valuation of mortgage credit assets and related property assets

For the purpose of paragraph (b) under – *Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation*, if the principal amount of a mortgage credit asset comprised in a Pool represents more than the percentage specified below of the prudent market value of the related property assets, the amount by which the principal amount of the asset exceeds such percentage is to be disregarded.

The relevant LTV percentage is:

(a) 75 percent in the case of a mortgage credit asset that comprises residential property; and

(b) 60 percent in the case of a mortgage credit asset that comprises commercial property,

or, in each case, such other percentage as may be specified in an order made by the Minister. As at the date of this Base Prospectus, no other percentage has been specified in an order made by the Minister.

The "prudent market value" requirements for securitised mortgage credit assets under the ACS Act reflect the above valuation limits under CRD IV for securitised mortgage credit assets which collateralise covered bonds. Under the ACS Act, when determining the LTV related property values or amount of the liens, an aggregate basis is to be used and regard is to be had to the proportion of the tranche of the Relevant Securitised Mortgage Credit Assets held by an Institution and the seniority of such securitised mortgage credit assets. Under the ACS Act, the prudent market value of a property asset, which relates to mortgage credit assets (where relevant) is required to be calculated at such times as the Central Bank specifies in a regulatory notice (which at the date of this Base Prospectus is the MCA Valuation Notice), after having regard to the valuation requirements applicable to covered bonds under CRD IV. See *Valuation of assets held by an Institution – Valuation of Relevant Securitised Mortgage Credit Assets*.

Valuation of assets held by an Institution

The ACS Act empowers the Central Bank to specify, by regulatory notice, requirements in relation to the valuation basis and methodology, time of valuation and any other matter that it considers relevant for determining the prudent market value of mortgage credit assets or related property assets for the purposes of the ACS Act. The ACS Act also empowers the Central Bank to specify, by regulatory notice, requirements in relation to the valuation basis and methodology, time of valuation and any other matter that it considers relevant for determining the prudent market value of substitution assets, credit transaction assets, or the total assets held by an Institution for the purposes of the ACS Act.

Prudent Market Valuation of Irish Residential Property Assets, Irish Residential Loans and Relevant Securitised Mortgage Credit Assets

For the purposes of calculating prudent market value, the Central Bank has made the MCA Valuation Notice which came into operation on 9 December 2011 and lays down requirements in relation to the valuation basis and methodology, time of valuation and other matters related to determining the prudent market value of:

(a) an Irish Residential Property Asset;

(b) an Irish Residential Loan; and

(c) a Relevant Securitised Mortgage Credit Asset,

and also specifies requirements and criteria with respect to certain matters required when determining the prudent market value of Relevant Securitised Mortgage Credit Assets.

The MCA Valuation notice repealed and replaced the 2007 Irish Residential Loan/Property Valuation Notice with effect from 9 December 2011.

The Monitor is required to monitor the Institution's compliance with the MCA Valuation Notice under the Asset Covered Securities Act 2001 (Section 61(3)) Irish Residential Property Loan/Valuation Regulation 2004 (S.I. No. 418 of 2004) (see *The Cover-Assets Monitor — Continuing duties of a Monitor*).

The MCA Valuation Notice is only applicable to the valuation of Irish Residential Property Assets, Irish Residential Loans and Relevant Securitised Mortgage Credit Assets. The MCA Valuation Notice is not applicable to (and the Central Bank on the date of this Base Prospectus has not published any regulatory notice providing for) the valuation of property assets comprising residential property located outside Ireland or mortgage credit assets located in Ireland for the purposes of the ACS Act and secured on commercial property or, with the exception of Relevant Securitised Mortgage Credit Assets, mortgage credit assets (whether secured on residential property or commercial property) which are located outside Ireland for the purposes of the ACS Act. See *Risk Factors*.

Prudent Market Discount

The "**Prudent Market Discount**" for the purposes of certain calculations which are to be made by an Institution in respect of Irish Residential Property Assets and Irish Residential Loans under the MCA Valuation Notice is

that published by the Institution and monitored by the Monitor in accordance with the Prudent Market Discount Regulation (see *The Cover-Assets Monitor – Continuing duties of a Monitor*). The Prudent Market Discount Regulation prescribes that a Monitor appointed in respect of any Institution when performing its responsibilities under the ACS Act must have regard to any contractual undertakings given by the Institution to apply a level of prudent market discount to certain calculations which are to be made by the Institution in respect of the MCA Valuation Notice. The Issuer adopted on 3 February 2006 a Prudent Market Discount for the purposes of the 2004 Irish Residential Loan/Property Valuation Notice of 0.150 (or in percentage terms, 15 percent) and this Prudent Market Discount continued to apply for the purposes of the 2007 Irish Residential Loan/Property Valuation Notice.

The Prudent Market Discount continues to apply for the purposes of the MCA Valuation Notice (which repealed and replaced the 2007 Irish Residential Loan/Property Valuation Notice) and is published on the Group's Investor Relations webpage covering AIB Mortgage Bank u.c.:

(https://aib.ie/content/dam/aib/investorrelations/docs/mortgagebank/pmd.pdf).

Valuation of Irish Residential Property Assets

Under the MCA Valuation Notice, in order to value an Irish Residential Property Asset, an Institution is first required to determine the Origination Market Value of that Irish Residential Property Asset. In general, an Irish Residential Property Asset for the purposes of the MCA Valuation Notice has an Origination Market Value equal to the amount determined or accepted by the originator of that mortgage credit asset to have been the market value of that Irish Residential Property Asset at or about that time. Under the MCA Valuation Notice an Institution is also required to calculate the prudent market value of each Irish Residential Property Asset taking account of certain changes to the Origination Market Value by reference to changes under the applicable Irish residential property index specified in the MCA Valuation Notice (and in the case of an increase in value as reduced by reference to the Prudent Market Discount):

(a) where the related Irish Residential Loan is comprised in a Pool maintained by that Institution, at the time that the Institution includes that Irish Residential Loan in the Pool;

(b) where the related Irish Residential Loan is comprised in the Pool, at such intervals as are required to ensure that the Institution complies with the requirements of CRD IV with respect to collateral for covered bonds in the form of loans secured by residential real estate; and

(c) whether the related Irish Residential Loan is comprised in the Pool or not, at such intervals as may be specified by the Central Bank to that Institution from time to time so as to ensure that the Institution can demonstrate to the satisfaction of the Central Bank compliance by the Institution with the requirements of section 31(1) of the ACS Act and, if not so specified, then at intervals not exceeding 12 months.

In September 2016, the applicable index referred to above was revised by the CSO in order to cover all market transactions (including cash purchases) in the residential property market. Previously that index was determined by reference to mortgage and lending levels.

See also, *Valuation of Irish Residential Property Assets – Valuation of Irish Residential Loans* and *Prudent Market Discount.*

Valuation of Irish Residential Loans

The MCA Valuation Notice also contains requirements for determining the prudent market value of mortgage credit assets secured on Irish Residential Property Assets.

For the purposes of the principal matching requirements in respect of a Pool and Mortgage Covered Securities under the ACS Act (see - *Cover Assets Pool – Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation*), the prudent market value at any time of an Irish Residential Loan which is included in the Pool of an Institution is an amount, denominated in the currency in which the related mortgage credit is denominated, equal to the lesser of (i) 100 percent of the principal or nominal amount of that Irish Residential Loan that is outstanding at that time and (ii) 75 percent (or such other percentage as may apply at the relevant time for the purposes of relevant provisions of the ACS Act) of the prudent market value of the

related Irish Residential Property Asset(s) at that time, and in each case rounded to the nearest whole number (0.5 or above being rounded upwards and any number strictly less than 0.5 being rounded downwards).

Under the MCA Valuation Notice, an Institution is required to calculate the prudent market value of each Irish Residential Loan at such intervals as may be specified by the Monitor from time to time so as to ensure that the Institution can demonstrate to the satisfaction of the Monitor compliance by the Institution with the principal matching requirements with respect to the Pool and Mortgage Covered Securities, Regulatory Overcollateralisation requirements under the ACS Act and the Overcollateralisation Regulation (see - *Financial matching criteria for a Pool and related Mortgage Covered Securities/ Regulatory Overcollateralisation*) and, if not so specified by the Monitor, then at intervals not exceeding 3 months (see *The Cover-Assets Monitor – Continuing duties of a Monitor*). With respect to Regulatory Overcollateralisation, see *The Pool maintained by the Issuer – Overcollateralisation*.

The Asset Covered Securities Act 2001 (Section 61(1), (2) and (3)) (Overcollateralisation) (Amendment) Regulations 2007 (S.I. No. 604 of 2007) made by the Central Bank (which came into operation on 31 August 2007) provide for technical amendments to the Overcollateralisation Regulation in relation to the meaning of prudent market value for the purposes of Overcollateralisation Regulation.

With effect from 8 July 2022 and other than with respect to Grandfathered ACS, the ACS Act requires Institutions to ensure that:

(a) at the moment of inclusion of a mortgage credit asset in a Pool, a current valuation at or at less than market value or mortgage lending value exists for each residential property which secures the mortgage credit asset;

(b) a valuation of the residential property has been carried out by a valuer who possesses the necessary qualifications, ability and experience; and

(c) the valuer is independent from the credit decision process, does not take into account speculative elements in the assessment of the value of the residential property, and documents the value of the residential property in a transparent and clear manner.

Valuation of Relevant Securitised Mortgage Credit Assets

The MCA Valuation Notice provides that the prudent market value of Relevant Securitised Mortgage Credit Assets is an amount equal to the lesser of the three amounts which are summarised below:

(i) the principal or nominal amount of the Relevant Securitised Mortgage Credit Assets,

(ii) the principal or nominal amount of the underlying liens (or loans) less any liens secured on the relevant property assets and which rank senior to that held by the securitisation entity which has issued the Relevant Securitised Mortgage Credit Assets,

(iii) a maximum LTV of 80 percent with respect to the loans underlying the Relevant Securitised Mortgage Credit Assets,

in the case of (ii) and (iii) above:

(a) determined on an aggregate basis having regard to the proportion which the nominal or principal amount of the Relevant Securitised Mortgage Credit Assets bear to the nominal or principal amount of the securitisation securities issued by the securitisation entity and secured on the same property assets as the Relevant Securitised Mortgage Credit Assets;

(b) the ranking in terms of seniority of the Relevant Securitised Mortgage Credit Assets as against all such securitisation securities;

(c) regard may be had to contracts, to which such securitisation entity is a party, the effect or purpose of which is to reduce the exposure of that securitisation entity in respect of the Relevant Securitised Mortgage Assets to fluctuations in the values of currencies concerned.

Under the MCA Valuation Notice, when determining the prudent market value of a Relevant Securitised Mortgage Credit Asset:

(a) the amount referred to at (i) above is the principal or nominal amount outstanding of the Relevant Securitised Mortgage Credit Assets concerned on the date such prudent market value is determined or to be determined under the MCA Valuation Notice; and

(b) the amounts referred to at (ii) and (iii) above are to be determined by reference to the most recent information available to the Institution provided by or on behalf of the securitisation entity which is the issuer of the Relevant Securitised Mortgage Credit Asset and the most recent publicly available information relating to certain relevant matters.

An Institution is required under the MCA Valuation Notice to calculate the prudent market value of each Relevant Securitised Mortgage Credit Asset and the other relevant amounts for that purpose referred to at (i) to (iii) above at such intervals as may be specified by the Monitor from time to time so as to ensure that the Institution can demonstrate to the satisfaction of the Monitor compliance with the principal matching requirements with respect to the Pool and Mortgage Covered Securities, Regulatory Overcollateralisation requirements under the ACS Act and the Overcollateralisation Regulation (see - *Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation*) and if not so specified by the Monitor, then at intervals not exceeding 3 months (see *The Cover-Assets Monitor – Continuing duties of a Monitor*). With respect to Regulatory Overcollateralisation, see *The Pool maintained by the Issuer – Overcollateralisation*.

Under the MCA Valuation Notice where any sum is to be converted from one currency to another currency, the Institution is required to base such conversion on an applicable rate available on the relevant date to the Institution in the interbank market for the sum concerned.

Under the MCA Valuation Notice, when determining:

(a) the prudent market value of Irish Residential Loans or Irish Residential Property Assets; or

(b) the prudent market value of Relevant Securitisation Mortgage Credit Assets or the other related amounts referred to at (i) to (iii) above.

An Institution is required to act in a manner consistent with requirements under CRD IV applicable to collateral for covered bonds in the form of loans secured on residential real estate and that Institution.

Valuations of substitution assets, credit transaction assets and total assets

The Section 41(3)/(5) Valuation Notice made by the Central Bank (which came into effect on 31 August 2007) specifies requirements in relation to the prudent market valuation of substitution assets and the value of credit transaction assets and total assets. The Section 41(3)/(5) Valuation Notice repealed the Asset Covered Securities Act 2001 Regulatory Notice (Section 41(3) and Section 41(5)) 2004.

In relation to substitution assets, the Section 41(3)/(5) Valuation Notice provides that where the relevant substitution assets constitute deposits with eligible financial institutions, the prudent market value of such deposits comprised in the Pool maintained by the Institution is equal to 100 percent of the principal or nominal amount of the deposit with the eligible financial institution.

In relation to credit transaction assets and total assets, the Section 41(3)/(5) Valuation Notice provides that the value of such credit transaction assets and total assets shall be determined in accordance with Irish GAAP as applied to banks.

Restrictions on replacement of underlying assets included in a Pool

A mortgage credit asset or substitution asset replaces an "**underlying asset**" (meaning, in relation to a Pool, a mortgage credit asset or substitution asset that is then comprised in a Pool) only if such replacement has been approved by the Monitor. The Monitor is required to monitor an Institution's compliance with this requirement.

The ACS Act requires an Institution to replace an underlying asset with a mortgage credit asset or substitution asset if the underlying asset when included in the Pool contravenes or fails to comply with a provision of the ACS

Act, the regulations made by the Central Bank under the ACS Act or a requirement of the Central Bank or the Monitor made under the ACS Act.

The ACS Act permits an Institution in any other case to replace an underlying asset with a mortgage credit asset or substitution asset, provided that the replacement is not prohibited by a provision of the ACS Act, the regulations made by the Central Bank under the ACS Act or a requirement of the Central Bank or the Monitor made under the ACS Act.

The ACS Act provides that an Institution may not replace an underlying asset with a mortgage credit asset or a substitution asset if:

(a) the mortgage credit asset or substitution asset is currently contained in a different Pool maintained by the Institution;

(b) the mortgage credit asset or substitution asset is non-performing;

(c) the Institution is insolvent;

(d) the Central Bank has given to the Institution direction under certain provisions of legislation relevant to financial institutions, the effect of which is to prohibit the replacement from being made;

(e) a notice has been given to the Institution by the Central Bank under the ACS Act informing the Institution that it intends to seek the consent of the Minister to the revocation of the registration of the Institution as an Institution; or

(f) the Central Bank has given a direction under the ACS Act that prevents the replacement from being made.

An Institution may not, without the consent of the Central Bank, replace an underlying asset with a mortgage credit asset or a substitution asset if:

(a) the Institution is potentially insolvent; or

(b) there is currently no Monitor appointed in respect of the Institution.

Restrictions on inclusion of substitution assets in a Pool

The ACS Act prescribes that an Institution may not at any time include a substitution asset in the Pool maintained by the Institution:

(a) unless the substitution asset concerned meets any creditworthiness standards or criteria which may be specified by the Central Bank in a regulatory notice; or

(b) if, after including the substitution asset concerned in the Pool, the total prudent market value of all substitution assets then comprised in the Pool would exceed 15 percent of the aggregate nominal or principal amount of outstanding Mortgage Covered Securities secured on the Pool.

For the purpose of (a) above, the Central Bank may have regard to creditworthiness standards or criteria applicable to substitution assets as eligible collateral for covered bonds under CRD IV and may differentiate between substitution assets which have a maximum maturity of 100 days and those which have a longer maturity. The Substitution Asset Pool Eligibility Notice made by the Central Bank provides that the creditworthiness standards and criteria for inclusion of a substitution asset in a Pool are that the substitution asset concerned must have from an ECAI:

(a) a credit quality assessment of credit quality step 1 (within the meaning of CRD IV); or

(b) for exposures within the EEA with a maturity not exceeding 100 days, a minimum long or short term credit quality assessment of credit quality step 2 (within the meaning of CRD IV).

The Substitution Assets Pool Eligibility Notice also provides that the Central Bank may, after consulting the EBA, allow credit quality step 2 for up to 10 percent of the total exposure of the nominal value of outstanding covered bonds, provided that significant potential concentration problems have been identified in the State due to the application of the credit quality step 1 requirement referred to in (a) above.

In relation to (b) above, the restriction does not apply to any further substitution assets comprised or to be comprised from time to time in the Pool for so long as the Pool is comprised of Cover Assets which meet, with respect to the Pool and Mortgage Covered Securities, the financial matching and Regulatory Overcollateralisation requirements under the ACS Act, any Contractual Overcollateralisation undertaking and all other requirements of Part 4 of the ACS Act. With respect to Regulatory Overcollateralisation and Contractual Overcollateralisation, see *The Pool maintained by the Issuer – Overcollateralisation*.

The Issuer has entered into an agreement with Barclays Bank Ireland PLC in June 2019. Pursuant to this agreement the Issuer may from time to time deposit monies into accounts maintained by the Issuer with Barclays Bank Ireland PLC. Such deposits may constitute substitution assets (whether or not comprised in the Issuer's Pool) and/or Pool Hedge Collateral.

At the date of this Base Prospectus, all deposits held by the Issuer with Barclays Bank Ireland PLC are substitution assets comprised in the Issuer's Pool and the Issuer may appoint an additional counterparty to hold substitution assets subject to the restrictions in the ACS Act.

When determining for the purposes of the ACS Act the total prudent value of substitution assets comprised in the Pool, any substitution assets represented by exposures caused by the transmission and management of payments of the obligors under, or liquidation proceeds in respect of, mortgage credit assets comprised in the Pool, are to be disregarded. Under the ACS Act, the Central Bank may, however, suspend the ratio requirement if it is satisfied that to do so would facilitate the discharge of secured claims (claims in respect of which the rights of a tier 1 creditor are secured under Part 7 of the ACS Act – see further *Insolvency of Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution*) against the Institution.

The Monitor must monitor compliance by the Institution with the above requirements and take reasonable steps to verify that the Institution will not be in contravention of the above requirements before the Institution issues Mortgage Covered Securities or enters into a cover assets hedge contract.

The ACS Act empowers the Central Bank to make regulations for or with respect to any matter that by the ACS Act is required or permitted to be prescribed, or that is necessary or expedient to be prescribed, for the carrying out or giving effect to the ACS Act. The ACS Act provides that the regulations made by the Central Bank under this provision may prescribe kinds of substitution assets which may be included in a Pool. As at the date of this Base Prospectus, no such regulations have been made by the Central Bank in relation to Institutions.

Use of realised proceeds of Cover Assets

The ACS Act provides that money received by an Institution as the proceeds of realising a Cover Asset forms part of the relevant Pool, until it is used to create or acquire permitted mortgage credit assets or substitution assets for inclusion in the Pool, to discharge secured claims under the ACS Act (see further *Insolvency of Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution*), is released from the Pool as an underlying asset and is replaced by other mortgage credit assets or substitution assets, or is released from the Pool in accordance with the ACS Act as summarised in the next paragraph below. The Monitor is responsible for monitoring the Institution's compliance with this requirement.

Release of underlying assets from a Pool

An Institution may, with the prior consent of the Monitor concerned, release underlying assets (including money received by the Institution as the proceeds of a relevant Cover Asset) from the Pool if the assets are not required to be included in the Pool to secure secured claims. The Monitor is responsible for monitoring the Institution's compliance with this requirement.

Register of mortgage covered securities business

The ACS Act provides that for the purposes of the ACS Act an asset is, except as described under – *Use of realised proceeds of Cover Assets*, included in, or removed from, a Pool when the appropriate particulars are recorded in the register of mortgage covered securities business (Business Register) maintained by the Institution.

An Institution is required to establish and keep a Business Register in respect of:

(a) the Mortgage Covered Securities it has issued;

(b) the cover assets hedge contracts that it has entered into; and

(c) the mortgage credit assets and substitution assets that it holds as security for those Mortgage Covered Securities and contracts.

The Monitor must monitor compliance by the Institution with the above requirement and take reasonable steps to verify that the Institution will not be in contravention of the above requirement before the Institution issues Mortgage Covered Securities or enters into a cover assets hedge contract. The Central Bank may make regulations specifying other particulars which must be recorded by an Institution in its Business Register. As at the date of this Base Prospectus, no such regulations have been made by the Central Bank.

An Institution may make, delete or amend an entry in the Business Register only with the consent of the Monitor or the Central Bank, unless regulations made by the Central Bank provide otherwise (as at the date of this Base Prospectus, no regulations made by the Central Bank provide otherwise). The Monitor must monitor compliance by the Institution with the above requirement and take reasonable steps to verify that the Institution will not be in contravention of the above requirement before the Institution issues Mortgage Covered Securities or enters into a cover assets hedge contract.

An Institution is required to keep the Business Register in such place as may be prescribed by the regulations made by the Central Bank. In the Asset Covered Securities Act, 2001 (Sections 38(6) and 53(6)) Regulations 2002 (S.I. No. 382 of 2002), the Central Bank prescribed the registered or head office of the Institution, or such other office as may be notified in writing to the Central Bank for such purposes, and which in each case must be in Ireland, as the place at which such Institution's Business Register must be kept.

The ACS Act provides that an Institution is required to at all times provide access to the Institution's Business Register to the Central Bank and the Monitor appointed in respect of such Institution, and to permit each such person to take copies of the Business Register or any entry in the Business Register at the Institution's expense.

Cover assets hedge contracts

The ACS Act provides that a cover assets hedge contract entered into by an Institution may relate only to:

(a) Mortgage Covered Securities issued by the Institution; and/or

(b) mortgage credit assets and/or substitution assets that are comprised in a Pool maintained by that Institution.

The ACS Act provides that a cover assets hedge contract must state, among other things, that it is a cover assets hedge contract entered into in accordance with the ACS Act and that the financial obligations of the Institution under the contract are secured on the Cover Assets comprised in the Pool. A cover assets hedge contract must comply with the requirements (if any) specified in any relevant regulatory notice published by the Central Bank. As at the date of this Base Prospectus, the Central Bank has not published a regulatory notice specifying any such requirements.

The ACS Act provides that as soon as practicable after entering into a cover assets hedge contract, an Institution is required to ensure that particulars of the contract are entered into its Business Register. An Institution must remove from its Business Register a cover assets hedge contract if the contract has been discharged or the counterparty has so agreed.

With effect from 8 July 2022 and other than with respect to Mortgage Covered Securities which are Grandfathered, an Institution may only include a cover assets hedge contract in its Pool where:

(a) it is included exclusively for hedging purposes;

(b) its volume is adjusted in the case of a reduction in the risk being hedged;

(c) it is removed when the risk being hedged ceases to exist;

(d) it cannot be terminated upon the Institution becoming subject to an insolvency process or resolution; and

(e) the counterparty is a credit institution that qualifies for credit quality step 1 or credit quality step 2 (each within the meaning of CRD IV), or credit quality step 3 (within the meaning of CRD IV) if permitted by the Central Bank and subject to the cover assets hedge contract meeting the requirements of Article 11(1) of the Covered Bonds Directive and subject further to the following limitations:

    (i) where the cover assets hedge contract gives rise to an exposure to a credit institution that qualifies for credit quality step 1, all such exposures shall not exceed 15 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution;

    (ii) where the cover assets hedge contract gives rise to an exposure to a credit institution that qualifies for credit quality step 2, all such exposures shall not exceed 10 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution;

    (iii) where the cover assets hedge contract gives rise to an exposure to a credit institution that qualifies for credit quality step 3 (if the Central Bank, after consultation with the EBA, has allowed exposures to credit institutions that qualify for credit quality step 3 in the form of derivative contracts), the total of all such exposures shall not exceed 8 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution; and

    (iv) provided that the Institution's total exposure to credit institutions that qualify for credit quality step 1, 2 or 3 shall not exceed 15 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution and the Institution's total exposure to credit institutions that qualify for credit quality step 2 or 3 shall not exceed 10 percent of the nominal amount of outstanding Mortgage Covered Securities of the issuing Institution.

Pool Hedge Collateral and Collateral Register

The ACS Act recognises a new category of assets called Pool Hedge Collateral distinct from mortgage credit assets, substitution assets and other categories of assets under the ACS Act which an Institution may deal in or hold. Pool Hedge Collateral means assets or property provided to an Institution by or on behalf of any other contracting party to a cover assets hedge contract where the terms of the cover assets hedge contract:

(a) provide for the absolute transfer by way of collateral of the asset or property to the Institution (as opposed to by way of security); or

(b) provide for the transfer of the asset or property by way of security and gives the Institution the right to deal with the asset or property under the security as if the Institution were the absolute owner of that asset or property.

An Institution is required under the ACS Act to establish and maintain a register in respect of any Pool Hedge Collateral that it holds from time to time, called the Collateral Register, which is to be kept separate from the Business Register. An Institution is required to include in the Collateral Register, among other things particulars of the Pool Hedge Collateral it holds from each counterparty to a cover assets hedge contract and particulars of the cover assets hedge contracts that relate to the Pool Hedge Collateral. Unless the Central Bank otherwise requires (whether generally in respect of all Institutions or individually in respect of any given Institution) or the Institution is potentially insolvent or insolvent, the consent of the Monitor is not required for an Institution to make, amend or delete an entry in its Collateral Register.

The Central Bank may, by regulatory notice, specify requirements in relation to:

(a) the type of assets or property that qualify as Pool Hedge Collateral;

(b) the maintenance and operation of the Collateral Register;

(c) particulars that an Institution shall include in its Collateral Register; and

(d) the circumstances in which the consent of the Monitor is required for an Institution to make, amend or delete an entry in the Collateral Register.

The Asset Covered Securities Act 2001 Regulatory Notice (Section 30(15) and 45(15)) 2007 made by the Central Bank (which came into operation on 31 August 2007) provides that:

(a) the Collateral Register must contain particulars detailing, in respect of any Pool Hedge Collateral, the cover assets hedge contract(s) for which such Pool Hedge Collateral has been provided; and

(b) an Institution must maintain the Collateral Register at the registered office or head office of the Institution or at such other office as has been notified to the Central Bank in writing, and in any event must maintain such register at an office located in Ireland.

Financial statements

The ACS Act provides that an Institution shall include the following information in its annual financial statement, or in a document accompanying the statement, in respect of mortgage credit assets that are recorded in the Institution's Business Register (and, accordingly, it's Pool):

(a) the number of mortgage credit assets, as at the date to which the statement is made up, with the amounts of principal outstanding in respect of the related credits being specified in tranches of:

  (i) €100,000 or less;

  (ii) more than €100,000 but not more than €200,000;

  (iii) more than €200,000 but not more than €500,000; and

  (iv) more than €500,000;

(b) the geographical areas in which the related property assets are located, and the number and percentage of those assets held in each of those areas;

(c) whether or not such mortgage credit assets are non-performing as at that date, and if they are:

  (i) the number of those assets as at that date; and

  (ii) the total amount of principal outstanding in respect of those assets at that date;

(d) whether or not any persons who owed money under mortgage credit assets had, during the immediately preceding financial year of the Institution (if any), defaulted in making payments in respect of those assets in excess of €1,000 (so as to render them non-performing for the purposes of the ACS Act) at any time during that year, and if any such persons had defaulted, the number of those assets that were held in the Pool at the date to which the financial statement for that year was made up;

(e) the number of cases in which the Institution has replaced mortgage credit assets with other assets because those mortgage credit assets were non-performing;

(f) the total amount of interest in arrears in respect of mortgage credit assets that has not been written off at that date;

(g) the total amount of payments of principal repaid and the total amount of interest paid in respect of mortgage credit assets;

(h) in relation to any related mortgage credits that are secured on commercial property (and not on residential property), the number and the total amounts of principal of those credits that are outstanding at that date; and

(i) any other information prescribed by the regulations made by the Central Bank.

In relation to (i) above, at the date of this Base Prospectus no such other information has been prescribed by regulations made by the Central Bank.

If an Institution has a parent entity, the parent entity is required under the ACS Act to include the following information in its annual consolidated financial statement or in a document accompanying the statement:

(a) the name of the Institution and any other particulars required by regulations made by the Central Bank with respect to the Institution;

(b) the total amounts of principal outstanding in respect of Mortgage Covered Securities issued by the Institution;

(c) the total amounts of principal outstanding in respect of mortgage credit assets and substitution assets comprised in the Pool that relates to those Mortgage Covered Securities issued by the Institution; and

(d) any other particulars prescribed by regulations made by the Central Bank.

In relation to (d) above, at the date of this Base Prospectus no such other particulars have been prescribed by regulations made by the Central Bank.

Additional reporting

With effect from 8 July 2022, Institutions are required under the ACS Act to report on a quarterly basis and, when requested by the Central Bank, to provide a range of information to the Central Bank regarding compliance with many of the requirements of the ACS Act regarding the composition of the Institution's Pool and the functioning of the Monitor appointed to the Institution. Such reporting requirements will continue to apply in the event of the insolvency or resolution of an Institution.

Additionally, with effect from 8 July 2022, each Institution is required by the ACS Act to provide information, on a website maintained by it, on its Covered Bond Programme. Such information must be provided on at least a quarterly basis to investors and must be sufficiently detailed to allow investors to assess the profile and risks of the Covered Bond Programme and to carry out their due diligence. Such information shall include at least the following:

(a) the value of the Pool and outstanding ACS;

(b) a list of the ISINs for all ACS issued under that Covered Bond Programme, to which an ISIN has been attributed;

(c) the geographical distribution and type of Cover Assets, their loan size and valuation method;

(d) details in relation to market risk, including interest rate risk and currency risk, and credit and liquidity risks;

(e) the maturity structure of Cover Assets and ACS, including an overview of the maturity extension triggers if applicable;

(f) the levels of required and available coverage, and the levels of statutory, contractual and voluntary overcollateralisation;

(g) the percentage of loans where a default is considered to have occurred pursuant to Article 178 of CRR; and

(h) the percentage of loans which are more than 90 days past due.

The information referenced at paragraphs (a) to (h) above is published on the Group's website (and available at https://aib.ie/investorrelations/debt-investor/mortgage-bank).

Surplus Cover Assets need not meet certain requirements of the ACS Act

Under the ACS Act, for as long as:

(a) the Pool is comprised in part of Cover Assets which meet the financial matching requirements and Regulatory Overcollateralisation requirement under the ACS Act and any contractual undertaking made by the Institution in respect of Contractual Overcollateralisation; and

(b) those Cover Assets meet the other provisions of Part 4 of the ACS Act,

then any provision of Part 4 of the ACS Act which restricts the proportion or percentage of the Pool which may be comprised of certain Cover Assets or criteria or standards applicable to Cover Assets does not apply to any further such Cover Assets comprised or to be comprised from time to time in the Pool. With respect to Regulatory Overcollateralisation and Contractual Overcollateralisation, see *The Pool maintained by the Issuer – Overcollateralisation*.

Liquidity buffer

With effect from 8 July 2022 and other than with respect to ACS which have been Grandfathered, an Institution is required to include in a Pool, at all times, a liquidity buffer composed of liquid assets available on each day to cover the maximum cumulative net liquidity outflow of its Covered Bond Programme for the following 180 days. The liquid assets must comprise short-term deposits with credit institutions that qualify for credit quality step 1, 2 or 3 (each within the meaning of CRD IV). Uncollateralised claims from exposures considered in default pursuant to Article 178 of CRR shall not be used to contribute to a Pool liquidity buffer. An Institution may calculate the principal for extendable maturity structures on the basis of the final maturity date in accordance with the contractual terms and conditions of the ACS concerned.

The Pool maintained by the Issuer

The Issuer is required to maintain a Pool in relation to any Mortgage Covered Securities issued under the ACS Act. The Issuer has established and maintains a register of mortgage covered business and a Pool for the purposes of the ACS Act and to enable it to issue Mortgage Covered Securities.

Introduction

The Issuer's Pool contains on the date of this Base Prospectus mortgage credit assets, substitution assets and cover assets hedge contracts subject to the limitations provided for in the ACS Act. The ACS Act permits the composition of the Pool to be dynamic and does not require it to be static. Accordingly, the composition of mortgage credit assets (and other permitted assets) comprised and to be comprised in the Issuer's Pool will change from time to time after the date hereof in accordance with the ACS Act. A mortgage credit asset or substitution asset may only be included in or removed from the Issuer's Pool if the Monitor agrees to its inclusion or removal and it is permitted by the ACS Act. Accordingly, any alterations to the composition of the Issuer's Pool as described above will require the Monitor's approval. A mortgage credit asset includes a loan secured over commercial property as well as one secured over residential property. Subject to the limits set out in the ACS Act, the Pool may include mortgage credit assets the related loans under which are secured over commercial property.

The Issuer at the date of this Base Prospectus has included and intends to include in its Pool mortgage credit assets the related loans under which have their primary security located in Ireland and are secured primarily on residential property for the purposes of the ACS Act. Subject to further regulatory and legal approvals, consents and provisions of the ACS Act, the Issuer may include mortgage credit assets or substitution assets located for the purposes of the ACS Act in other jurisdictions permitted by the ACS Act, and mortgage credit assets secured on commercial property for the purposes of the ACS Act.

The Issuer does not intend to include in the Pool maintained by the Issuer either (i) mortgage credit assets the related loans under which have their primary security over commercial property, (ii) mortgage credit assets the related loans under which have their primary security located for the purposes of the ACS Act outside Ireland, or (iii) mortgage credit assets the related loans under which are not denominated in euro, without, in each case, first obtaining from Moody's and S&P (in each case, for so long as such rating agency is appointed by the Issuer to rate the Securities) a confirmation that any such action will not result in a downgrade of the rating then ascribed by such rating agency to the Securities.

The Issuer issues from time to time Mortgage Covered Securities and will include in the relevant Pool, additional mortgage credit assets or substitution assets as security for those securities in accordance with relevant provisions of the ACS Act. (See *Risk Factors, Restrictions on the Activities of an Institution* and *Cover Assets Pool – Restrictions on inclusion of certain types of mortgage credit assets in a Pool and Location of assets that may be included in a Pool*).

Substitution Assets

The Issuer at the date of this Base Prospectus has included and intends to include in its Pool substitution assets which are located in Ireland.

It is the policy of the Issuer in respect of the maintenance of substitution assets comprised in its Pool that, in each case for so long as S&P or, as applicable, Moody's is appointed by the Issuer to provide credit ratings in respect of outstanding Securities issued by the Issuer under the Programme, at least one of the below criteria must remain accurate with respect to the credit institution with which the Issuer holds those substitution assets:

(i) the credit institution has a Minimum SA Rating from S&P or, as applicable, Moody's; or

(ii) the obligations of the credit institution in respect of each relevant deposit are guaranteed by a guarantor who has a Minimum SA Rating from S&P or, as applicable, Moody's; or

(iii) if none of (i) or (ii) above apply, the credit institution has such other rating, or whose obligations in respect of each relevant deposit are guaranteed by a guarantor who has such other rating, as may be confirmed by S&P or, as applicable, Moody's will not result in any credit rating then applying at the relevant time to the Issuer's outstanding Securities being reduced, removed, suspended or placed on credit watch.

It is the policy of the Issuer that, if the Issuer becomes aware at any time that the relevant criteria set out in (i), (ii) or (iii) above are no longer satisfied in relation to the credit institution and the Issuer continues, at the relevant time, to appoint S&P or, as applicable, Moody's to rate any of its outstanding Securities, the Issuer will give notice thereof to S&P or, as applicable, Moody's and, unless otherwise confirmed by S&P or, as applicable, Moody's, the Issuer will, as soon as practicable, but in any event within 21 calendar days of such notice (in the case of a notice to S&P) or, as applicable, 30 calendar days (in the case of a notice to Moody's) procure a suitable replacement credit institution. For such purpose, it is the policy of the Issuer to select a replacement credit institution in respect of which at least one of the criteria set out in (i), (ii) or (iii) above is satisfied or, in the event that such criteria are not satisfied by any available credit institution, in respect of which such criteria (in the opinion of S&P or, as applicable, Moody's, failing which the Issuer) are closest to being satisfied.

For the purposes of the above description of the Issuer's policy in respect of the maintenance of substitution assets comprised in its Pool, the term "**Minimum SA Rating**", with respect to a person, means that the short term unsecured, unguaranteed and non-subordinated securities or debt of that person have a credit rating of at least:

- in the case of a rating from S&P, A-1 (short term) or, in the absence of any short term rating from S&P, A+ (long term);

- in the case of a rating from Moody's, P-1 (short term) or, in the absence of any short term rating from Moody's, A3 long term.

It is the Issuer's intention that for so long as Securities remain outstanding the Issuer will at all times maintain substitution assets in the Pool maintained by the Issuer in accordance with the terms of the ACS Act at a level not less than the total amount, for the immediately following three months, of:

(a) interest payable by the Issuer in respect of those Securities (after taking into account the effect of the cover assets hedge contract comprised in the Pool); and

(b) amounts payable (if any) by the Issuer in respect of the cover assets hedge contract comprised in the Pool, which relate to residential loans comprised in the Pool from time to time.

Deposits / cover assets hedge contract counterparties

The ACS Act permits the inclusion in a Pool of substitution assets and cover assets hedge contracts subject to certain restrictions under the ACS Act. In addition, the Issuer may from time to time hold Pool related deposits other than substitution assets comprised in the Pool, including any Pool Hedge Collateral posted in cash with the Issuer pursuant to a cover assets hedge contract.

At the date of this Base Prospectus, deposits comprised in its Pool are held by the Issuer with Barclays Bank Ireland PLC and the Pool Hedge has been entered into by the Issuer with AIB Bank (see *Cover Assets Pool – Restrictions on inclusion of substitution assets in a Pool*). Where required in accordance with the terms of the Pool Hedge, AIB Bank may from time to time post Pool Hedge Collateral to the Issuer in the form of cash. However, that position may change and Pool related deposits or cover assets hedge contracts may be made by the Issuer with other counterparties, subject to the restrictions in the ACS Act (see *Restrictions on the Activities of an Institution* and *Cover Assets Pool*).

The Issuer may from time to time enter into arrangements (including banking and standby banking arrangements) with one or more counterparties (which may or may not be current counterparties) for the transfer of deposits to, and/or the making of deposits with, such counterparties, including in circumstances where a counterparty with which the Issuer holds deposits would no longer (i) be a suitable counterparty in respect of deposits having regard to the requirements of the ACS Act (see *Cover Assets Pool - The Pool maintained by the Issuer- Substitution Assets*) and/or (ii) meet the rating criteria of any rating agency appointed at the relevant time to provide credit ratings in respect of any of the Issuer's then outstanding Securities.

Maturity of Mortgage Covered Securities

It is the Issuer's intention that for so long as the Securities remain outstanding no more than €3 billion in aggregate principal amount of Mortgage Covered Securities issued by it should mature within any given period of six months, unless Moody's and/or S&P (in each case, for as long as the Securities are rated by such rating agency) confirm that a deviation from this policy will not result in a downgrade of the rating then ascribed by such rating agency to the Securities.

Cover assets hedge contracts

The interest rate exposure of the Issuer relating to its mortgage credit assets located in Ireland and secured over residential property for the purposes of the ACS Act which are comprised in the Issuer's Pool is managed is under the Pool Hedge. The Pool Hedge is a cover assets hedge contract for the purposes of the ACS Act (see *Cover Assets Pool – Cover assets hedge contracts*). Under the Pool Hedge, on a monthly basis the Issuer pays to AIB Bank an amount related to a weighted average basket interest rate, determined by reference to interest rates payable on the residential loans held by the Issuer and which are included in its Pool on the relevant date, on a notional amount equal to the principal amount outstanding of those loans on the relevant date. In turn, on a monthly basis, AIB Bank pays to the Issuer an amount related to one month EURIBOR on that notional amount. With respect to Mortgage Covered Securities, on an annual basis or such other basis referable to the relevant coupon period, AIB Bank pays under the Pool Hedge an amount related to the interest rate payable on the relevant Mortgage Covered Securities on a notional amount equal to the principal amount outstanding of the relevant Mortgage Covered Securities and the Issuer pays to AIB Bank an amount related to one month EURIBOR on that notional amount.

Under the terms of the Pool Hedge with AIB Bank, in the event that the relevant rating of AIB Bank is downgraded by a rating agency appointed by the Issuer in respect of the Securities below the rating(s) specified in the Pool Hedge, AIB Bank is required, in accordance with the Pool Hedge, to take certain remedial measures which may

include providing collateral for its obligations under the Pool Hedge, arranging for its obligations under the Pool Hedge to be transferred to an entity with the ratings required by the relevant rating agency, procuring another entity with the ratings required by the relevant rating agency to become co-obligor in respect of its obligations under the Pool Hedge, or taking such other action as it may agree with the relevant rating agency. A failure to take such steps allows the Issuer to terminate the Pool Hedge.

If the Issuer includes in its Pool mortgage credit assets, located for the purposes of the ACS Act in Ireland and secured on commercial property, or mortgage credit assets (whether secured on residential property or commercial property) which are located outside of Ireland for the purposes of the ACS Act, or mortgage credit assets or Mortgage Covered Securities which are not denominated in euro, the Pool Hedge referred to above does not hedge any interest rate or currency risks associated with those mortgage credit assets or, as applicable, Mortgage Covered Securities and any such risks would have to be addressed by amending the above hedging arrangements or putting in place new hedging arrangements which may be with counterparties other than AIB Bank. See further *Risk Factors*.

Overcollateralisation

Condition 11 of the Securities requires the Issuer to maintain Contractual Overcollateralisation of its Pool with respect to a Series of Securities in issue at any time for so long as the Securities are outstanding at the minimum level specified as the Overcollateralisation Percentage in the Final Terms as applying to that Series of Securities (see *Terms and Conditions of the Securities*). The Monitor appointed in respect of the Issuer, has agreed in the Cover-Assets Monitor Agreement to monitor compliance by the Issuer with its undertaking regarding the level of Contractual Overcollateralisation. See *The Cover-Assets Monitor – Monitor to the Issuer*. The Monitor is also required by regulations made by the Central Bank under the ACS Act to have regard to contractually agreed levels of Contractual Overcollateralisation in relation to the Securities and to monitor the relevant Institution's observance of those levels.

In this context, "**Contractual Overcollateralisation**" of a Pool with respect to Mortgage Covered Securities means the proportion (expressed as a percentage) of the prudent market value of the Pool (see *Cover Assets Pool – Valuation of Assets Held by an Institution*) to the total principal amount outstanding of Mortgage Covered Securities issued by the Issuer which are secured on the Pool. See *Cover Assets Pool – Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation*.

Since the Monitor must have regard to contractual undertakings with respect to Contractual Overcollateralisation when performing its functions under the ACS Act, the Monitor could not agree to the removal or substitution of mortgage credit assets or substitution assets from the Pool if the result of such removal or substitution was that the then required level of Contractual Overcollateralisation would not be satisfied. In addition, the Monitor is required to take reasonable steps to verify compliance by the Issuer with contractual undertakings in respect of Contractual Overcollateralisation before the issue of any Mortgage Covered Securities, including the Securities.

For further information regarding the Monitor, see *The Cover-Assets Monitor*.

In addition, having regard to the criteria of the rating agencies, it is the Issuer's intention to maintain Contractual Overcollateralisation of its Pool with respect to Mortgage Covered Securities in issue at any time for so long as the Securities are outstanding (to the extent that the level of Contractual Overcollateralisation referred to above or otherwise required by the Conditions is not sufficient for this purpose) at a level sufficient to ensure that the Securities maintain the current ratings assigned to them by each of S&P and/or, as applicable, Moody's (in each case for so long as such rating agency is appointed by the Issuer to rate the Securities), such level being that as determined by those rating agencies from time to time.

Under the ACS Act, an Institution is required to maintain a minimum level of Regulatory Overcollateralisation of its Pool with respect to Mortgage Covered Securities secured on the Pool. The ACS Act confirms that the Regulatory Overcollateralisation requirement does not affect undertakings made by an Institution in respect of Contractual Overcollateralisation requiring higher levels of overcollateralisation to be maintained.

The Issuer may from time to time maintain a higher level of overcollateralisation in its Pool in excess of the minimum levels required to satisfy the Issuer's obligations in respect of Regulatory Overcollateralisation or Contractual Overcollateralisation. In determining the level of any such overcollateralisation at the relevant time, the Issuer may, in particular, have regard to the criteria of the rating agencies and the level of overcollateralisation necessary to ensure that the outstanding Mortgage Covered Securities maintain the current ratings then assigned

to them by each of S&P and/or, as applicable, Moody's (in each case, for so long as such rating agency is appointed by the Issuer to rate the Mortgage Covered Securities). The Issuer may from time to time publish statements, in the form of a voluntary public commitment, on the Group website (https://aib.ie/investorrelations/debt-investor/mortgage-bank) in respect of any such overcollateralisation.

For the purposes of the LCR Commission Regulation, the Issuer will ensure that, in accordance with the principles set out in section 32(17) of the ACS Act, the prudent market value (determined in accordance with the ACS Act) of mortgage credit assets and substitution assets comprised at any time in the Pool (maintained by the Issuer and on which Securities will be secured under the ACS Act) expressed as a percentage of the total nominal or principal amounts of the Mortgage Covered Securities in issue and secured under the ACS Act on that Pool at the relevant time, will not be less than the applicable LCR Overcollateralisation Percentage after taking into account the effect of any cover assets hedge contract comprised in that Pool. The commitment of the Issuer set out in this paragraph (including the definitions set out below) may at the Issuer's sole initiative be amended, varied or replaced at any time to take account of any amendment to, or variation or replacement of, the provisions of the CRR or the LCR Commission Regulation applicable to level 1 assets or level 2A assets for the purposes of the LCR Commission Regulation or any amendment thereof or replacement thereto. Any such amendment to or variation or replacement of, such commitment will be published in a supplement to this Base Prospectus or in another prospectus in respect of the Programme.

For the above purposes:

"**LCR Commission Regulation**" means Commission Delegated Regulation (2015/62/EU) of 10 October 2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement of Credit Institutions;

"**LCR Overcollateralisation Percentage**" means, subject to any higher percentage specified in section 32(17) of the ACS Act:

(a) for so long as Mortgage Covered Securities issued under the Programme have a credit quality step 2 for the purposes of article 129(4) of the CRR (or the equivalent credit quality step in the event of a short term credit commitment), 107 percent; or

(b) if Mortgage Covered Securities issued under the Programme have a credit quality step 1 for the purposes of article 129(4) of the CRR (or the equivalent credit quality step in the event of a short term assessment), 102 percent.

THE COVER-ASSETS MONITOR

Appointment of a cover-assets monitor

The ACS Act requires every Institution to appoint a qualified person to be a Monitor in respect of the Institution. The ACS Act provides that an appointment of a Monitor by an Institution does not take effect until it is approved in writing by the Central Bank. The Institution is responsible for paying any remuneration or other money payable to its Monitor in connection with the Monitor's responsibilities in respect of the Institution.

The ACS Act provides that if at any time an Institution has no Monitor appointed in respect of a Pool and the Central Bank reasonably believes that the Institution is unlikely to appoint such a Monitor, the Central Bank may appoint a suitably qualified person to be a Monitor in respect of such Institution. (For a general description of the obligation of an Institution to establish a Pool, see *Cover Assets Pool*). The appointment by the Central Bank in those circumstances may be on such terms and subject to such conditions as the Central Bank thinks fit. If the Central Bank has appointed a Monitor in accordance with the ACS Act, the Institution concerned is responsible for paying any remuneration or other money payable to the Monitor in connection with the performance of the Monitor's responsibilities in respect of the Institution.

Monitor to the Issuer

The Monitor appointed in respect of the Issuer at the date of this Base Prospectus is Forvis Mazars. The Central Bank has approved the appointment of Forvis Mazars as Monitor in respect of the Issuer. The terms on which Forvis Mazars has been appointed and acts as Monitor in respect of the Issuer are set out in the Cover-Assets Monitor Agreement. The Cover-Assets Monitor Agreement reflects the requirements of the ACS Act and associated secondary legislation (as referred to in this Base Prospectus) in relation to the appointment and functions of a Monitor in respect of an Institution and provides for certain matters such as overcollateralisation (see *Cover Assets Pool- The Pool maintained by the Issuer – Overcollateralisation),* Prudent Market Discount *(see Cover Assets Pool – Valuation of assets held by an Institution – Prudent Market Discount*), the payment of fees and expenses by the Issuer to Forvis Mazars, the resignation of Forvis Mazars as Monitor to the Issuer (see *Resignation of a Monitor*) and the replacement by the Issuer of Forvis Mazars as its Monitor.

Forvis Mazars is a large international integrated partnership, with offices across 100 countries, a total headcount of 40,000 employees and a global turnover of approximately €4 billion. The Forvis Mazars Group is currently engaged as auditors / advisers to over 15 percent of top European companies together with a large number of publicly funded and semi state organisations.

Forvis Mazars in Ireland is a full member of the Forvis Mazars Group with over 30 years' experience in the provision of professional services to local and international clients in the financial services, institutional and corporate sectors. Its professional services include audit and assurance, tax, corporate finance, insolvency, consulting and corporate recovery. Based in Dublin, Galway and Limerick, the firm has 37 partners and over 800 staff.

The above information on Forvis Mazars has been sourced from Forvis Mazars. Such information has been accurately reproduced and so far as the Issuer is aware and is able to ascertain from that information, no facts have been omitted which would render the above information inaccurate or misleading.

Qualifications of a Monitor

With effect from 8 July 2022, the ACS Act requires that a body corporate or partnership will be qualified to be appointed as a Monitor to a DCI where that body corporate or partnership:

(a) has demonstrated to the satisfaction of the Central Bank:

  (i) that it has experience and competence in the following:

    (A) financial risk management techniques; and

    (B) regulatory compliance reporting,

(ii) that it has skills and experience relevant to trading on capital markets and the use of derivatives;

(iii) that it has sufficient human, information technology and financial resources available to it to carry out the responsibilities of a Monitor in respect of the DCI concerned; and

(iv) that its employees have sufficient:

(A) academic or professional qualifications; and

(B) experience,

in financial services; and

(b) has demonstrated to the satisfaction of the DCI concerned:

(i) that its employees have sufficient:

(A) academic or professional qualifications; and

(B) experience,

in financial services; and

(ii) that it has adequate professional indemnity insurance in place;

(c) is separate to and independent of the DCI concerned and any undertaking which is part of the same group as that DCI;

(d) is not itself, nor are any of its affiliates, engaged as auditor or legal advisor to the DCI concerned or any undertaking which is part of the same group as that DCI;

(e) does not itself, nor does any of its affiliates, provide any services (other than legal or auditing services), other than where it has been established to the satisfaction of the Central Bank that no conflict of interest will arise as a result of the provision of those services and the performance of the functions of a cover-assets monitor under the ACS Act;

(f) does not hold any shares or similar interests in the DCI concerned or in any undertaking which is part of the same group as that DCI; and

(g) other than as permitted under the ACS Act or the regulations, regulatory notices or orders made under the ACS Act, is not involved in any decision-making function or directional activity of the DCI concerned, or any undertaking which is part of the same group as that DCI, which could unduly influence the judgment of the management of the DCI concerned or any undertaking which is part of the same group as that DCI.

Duties of a Monitor before an Institution issues Mortgage Covered Securities

The ACS Act provides that before an Institution issues Mortgage Covered Securities, or enters into a cover assets hedge contract the Monitor appointed in respect of it must take reasonable steps to verify:

(a) that the Institution will be in compliance with the financial matching requirements of the ACS Act with respect to its Pool and Mortgage Covered Securities (see *Cover Assets Pool – Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation*) and will not be in contravention of certain provisions of the ACS Act restricting the location of assets that may be included in its Pool (see *Cover Assets Pool – Restrictions on inclusion of certain types of mortgage credit assets in a Pool*) and the level of substitution assets that may be included in its Pool (see *Cover Assets Pool – Restrictions on inclusion of substitution assets in a Pool*), as a result of issuing the Mortgage Covered Securities or entering into the cover asset hedge contract;

(b) that the Institution will not be in contravention of certain provisions of the ACS Act relevant to the maintenance by the Institution of its Business Register (see *Cover Assets Pool – Register of mortgage covered securities business*); and

(c) such other matters relating to the business of Institutions as may be prescribed by regulations made by the Central Bank.

In regard to (a) above, the Central Bank has made the Asset Covered Securities Act 2001 (Section 61(2)) (Regulatory Overcollateralisation) Regulations 2007 (S.I. No. 606 of 2007) (which came into operation on 31 August 2007), under which, a Monitor appointed in respect of an Institution is required to take reasonable steps to verify that the Institution will be in compliance with its obligation to maintain Regulatory Overcollateralisation before the Institution issues Mortgage Covered Securities or enters into a cover assets hedge contract.

In regard to (c) above, the Central Bank has made the Overcollateralisation Regulation (see *Cover Assets Pool – Valuation of assets held by an Institution – Valuation of Irish Residential Loans*). Under the Overcollateralisation Regulation a Monitor appointed in respect of any Institution when performing its responsibilities under the ACS Act must have regard to any contractual undertakings given by the Institution to maintain a level of Contractual Overcollateralisation of Cover Assets as against Mortgage Covered Securities issued by that Institution and the Monitor is responsible for monitoring the Institution's compliance with those undertakings. With respect to the Issuer and its contractual undertaking to maintain a specified level of Contractual Overcollateralisation, see further *Cover Assets Pool - The Pool maintained by the Issuer – Overcollateralisation*. The Central Bank has also made the Prudent Market Discount Regulation. The Prudent Market Discount Regulation provides that the Monitor when performing its responsibilities under the ACS Act must have regard to any contractual undertakings given by the Institution to apply a level of prudent market discount to certain calculations which are to be made by the Institution in respect of the MCA Valuation Notice and the Monitor is responsible for monitoring the Institution's compliance with those undertakings. See *further Cover Assets Pool – Valuation of assets held by an Institution*.

Continuing duties of a Monitor

The ACS Act provides that the Monitor appointed in respect of an Institution is responsible for monitoring the Institution's compliance with the following provisions of the ACS Act:

(a) the matching requirements of the ACS Act with respect to the Pool and Mortgage Covered Securities (see *Cover Assets Pool – Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation*) and certain provisions of the ACS Act restricting the location of assets that may be included in the Pool (see *Cover Assets Pool – Location of assets that may be included in a Pool – Restrictions on inclusion of certain types of mortgage credit assets in a Pool*);

(b) the requirement that, except in certain cases specified in the ACS Act, a mortgage credit asset or substitution asset replacing another asset or a substitution asset replacing another asset in the Pool only forms part of the Pool if the replacement has been approved by the Monitor (see *Cover Assets Pool – Restrictions on replacement of underlying assets included in a Pool*);

(c) restrictions under the ACS Act on the level of substitution assets that may be included in the Pool (see *Cover Assets Pool – Restrictions on inclusion of substitution assets in a Pool*);

(d) the application by an Institution of realisations of mortgage credit assets or substitution assets comprised in the Pool under certain provisions of the ACS Act (see *Cover Assets Pool – Use of realised proceeds of Cover Assets and – Release of underlying assets from a Pool*);

(e) certain provisions of the ACS Act relevant to the maintenance by the Institution of its Business Register (see *Cover Assets Pool – Register of mortgage covered securities business*);

(f) the Regulatory Overcollateralisation requirement in respect of the Pool and Mortgage Covered Securities imposed under the ACS Act (see *Cover Assets Pool - The Pool maintained by the Issuer-Overcollateralisation*);

(g) the requirements under the ACS Act in respect of securitised mortgage credit assets that can be included in the Pool (see *Cover Assets Pool – Restrictions on inclusion of securitised mortgage credit assets in the Pool*); and

(h) such other matters as may be prescribed by regulations made by the Central Bank.

The Asset Covered Securities Act 2001 (Section 61(1)) Regulations 2007 (S.I. No. 605 of 2007) made by the Central Bank (which came into operation on 31 August 2007) provide that a Monitor appointed in respect of an Institution is responsible for monitoring the Institution's compliance with the obligation of the Institution under the ACS Act to include certain particulars in the Collateral Register.

The ACS Act provides that the Monitor is also responsible for performing such other responsibilities (if any) as are prescribed by regulations made by the Central Bank.

The Central Bank has made, on 2 July 2004, the Asset Covered Securities Act 2001 (Section 61(3)) Interest Rate Sensitivity Regulation 2004 (S.I. No. 415 of 2004) pursuant to which a Monitor appointed in respect of an Institution is made responsible for monitoring the Institution's compliance with the Sensitivity to Interest Rate Changes Regulation. The Sensitivity to Interest Rate Changes Regulation provides that the net present value changes arising from any of the scenarios set forth in the regulation must not exceed 10 percent of an Institution's total own funds at any time. The scenarios set forth in the regulation are:

(a) one hundred basis point upward shift in the yield curve;

(b) one hundred basis point downward shift in the yield curve;

(c) one hundred basis point upward twist in the yield curve; and

(d) one hundred basis point downward twist in the yield curve.

All calculations of sensitivity to interest rate changes are to be carried out in accordance with formulae set out in the schedule to the Sensitivity to Interest Rate Changes Regulation.

The Central Bank has made, on 2 July 2004, the Asset Covered Securities Act 2001 (Section 61(3)) Irish Residential Property Loan/Valuation Regulation 2004 (S.I. No. 418 of 2004). That regulation provides that the Monitor appointed in respect of an Institution is responsible for monitoring that Institution's compliance with the MCA Valuation Notice. The MCA Valuation Notice makes provision for the prudent market valuation, valuation methodology and timing of valuation of Irish Residential Loans, Irish Residential Property Assets and Relevant Securitised Mortgage Credit Assets (together with related amounts) (see *Cover Assets Pool – Valuation of assets held by an Institution*). On 2 July 2004 the Central Bank also made the Prudent Market Discount Regulation. The Prudent Market Discount Regulation provides that the Monitor when performing its responsibilities under the ACS Act must have regard to any contractual undertakings given by the Institution to apply a level of prudent market discount to certain calculations which are to be made by the Institution in respect of the MCA Valuation Notice and the Monitor is responsible for monitoring the Institution's compliance with those undertakings.

On 2 July 2004 the Central Bank made the Overcollateralisation Regulation which was amended with effect from 31 August 2007 (see *Cover Assets Pool – Valuation of assets held by an Institution – Valuation of Irish Residential Loans*). Under the Overcollateralisation Regulation, a Monitor appointed in respect of any Institution when performing its responsibilities under the ACS Act must have regard to any contractual undertakings given by the Institution to maintain a level of Contractual Overcollateralisation of Cover Assets as against Mortgage Covered Securities issued by that Institution and the Monitor is responsible for monitoring the Institution's compliance with those undertakings (see *Cover Assets Pool - The Pool maintained by the Issuer- Overcollateralisation*).

Duty of a Monitor to inform the Central Bank of certain matters

As soon as practicable after the Monitor has become aware, or has formed a reasonable suspicion, that the Institution in respect of which it has been appointed has contravened or failed to comply with a provision of the ACS Act (which includes regulations made by the Central Bank under the ACS Act) that relates to the responsibilities of the Monitor, the Monitor is required to provide the Central Bank with a written report of the matter.

The Monitor is also required to provide the Central Bank with such reports and provide such information as the Central Bank notifies to it in writing from time to time with respect to:

(a) whether or not the Institution in respect of which it has been appointed is, in the opinion of the Monitor, complying with the provisions of the ACS Act that relate to the responsibilities of the Monitor; and

(b) if in the Monitor's opinion the Institution is not fully complying with any of those provisions, the extent of non-compliance.

Additional duties which may be imposed on a Monitor by the Central Bank

The Central Bank may, by notice in writing to the Monitor appointed in respect of an Institution, confer on that Monitor such additional responsibilities as it considers appropriate for the effective management of the affairs of the Institution if the relevant Institution:

(a) has become subject to an insolvency process (within the meaning of the ACS Act);

(b) is formerly a DCI (for a description of when an Institution may cease to be designated for the purposes of the ACS Act, see *Registration of Institutions/Revocation of Registration – Revocation of Registration*);

(c) is an Institution to which the Central Bank, reasonably believing that there may be grounds for revoking the registration of the Institution under of the ACS Act, has given a direction under the ACS Act prohibiting the Institution from dealing in assets, engaging in transactions, or making payments, except with the Central Bank's permission (for a description of the circumstances in which the Central Bank can give such a direction, see *Registration of Institutions/Revocation of Registration – Direction of the Central Bank requiring an Institution to suspend its business*); or

(d) is an Institution in respect of which a manager has been appointed under the ACS Act (for a description of the circumstances in which a manager can be appointed to an Institution and the rights and powers of a manager, see *Supervision and Regulation of Institutions/Managers – Power of the Central Bank to appoint the NTMA or a recommended person as manager of an Institution*).

The ACS Act provides that if a liquidator, examiner, receiver or manager is appointed in respect of any such Institution, the Monitor appointed in respect of the Institution may enter into arrangements with respect to the management of the Institution on such matters as may be specified in the notice from the Central Bank referred to above. Those arrangements must include arrangements relating to the payment of the remuneration of, and the costs incurred by, the Monitor, and will be subject to such conditions (if any) as are specified in the Central Bank's notice, or as the Central Bank may subsequently notify to the Monitor in writing.

The powers of Monitors with respect to security trustees

The ACS Act makes provision for the holding by a security trustee of security (other than under the ACS Act) over assets comprised in a Pool which are located outside of Ireland in order to augment the security provided for under the ACS Act (see *Insolvency of Institutions – Security Interests on the Pool*). The Monitor may under the ACS Act enter into arrangements with the security trustee in connection with:

(a) their respective functions under the ACS Act and operations relating to Cover Assets which are also subject to such additional security arrangements; and

(b) their respective functions under the ACS Act and the enforcement or administration of Cover Assets which are also subject to such additional security arrangements.

Duty of a Monitor to provide reports to the Central Bank

If the Central Bank so directs by notice in writing, the Monitor appointed in respect of an Institution is required to:

(a) prepare for the Central Bank, or any other person specified by the Central Bank, such reports; and

(b) provide the Central Bank, or any such person, with such information,

at such times or intervals, in relation to the exercise or performance of the Monitor's responsibilities under the ACS Act and the performance by the relevant Institution of its obligations under the ACS Act in so far as the Monitor is responsible for monitoring the carrying out of those obligations, as the Central Bank specifies in the direction.

Power of a Monitor to enter an Institution's business premises

A Monitor may, upon giving the Institution in respect of which it has been appointed reasonable notice, enter at any reasonable time during ordinary business hours any place at which the Institution carries on its business for the purpose of carrying out the Monitor's responsibilities in relation to the Institution.

A Monitor who exercises its power to enter an Institution's place of business may do any of the following:

(a) inspect the place and examine any record found in the place that the Monitor reasonably believes to be relevant to the performance of its responsibilities in respect of the Institution;

(b) require the Institution or any person who is apparently a person concerned in the management of the Institution to answer any relevant questions or provide the Monitor with such assistance and facilities as is or are reasonably necessary to enable the Monitor to exercise or perform the Monitor's responsibilities;

(c) require any person in the place to produce for inspection records in so far as they relate to the responsibilities of the Monitor; and

(d) make copies of all or any part of those records.

Power of a Monitor to obtain information from an Institution

A Monitor may, by notice in writing to the relevant Institution, require it to give to the Monitor, within such period as may be specified in the notice, any specified information or record that relates to the responsibilities of the Monitor in respect of the Institution, but only if the information or record is in the possession, or under the control, of the Institution.

Duties of an Institution to inform its Monitor of certain matters

The ACS Act provides that an Institution is required to keep its Monitor informed of the following matters:

(a) such particulars of payments received by the Institution in respect of Cover Assets included in the relevant Pool, and at such times or intervals, as the Monitor requires;

(b) any failure of any person who has a financial obligation in respect of those assets to perform the obligation within a period of 10 or 60 days depending on the type of asset (or such other period as may be specified in a regulatory notice published by the Central Bank) after it was due to be performed; and

(c) any proceedings brought in relation to those assets against any such person by or on behalf of the Institution.

An Institution that, without reasonable excuse, fails to provide its Monitor with the above information commits an offence and is liable on summary conviction to a fine not exceeding €1,000.

Central Bank powers to require information regarding Pool Hedge Collateral to be given to the Monitor

Under the ACS Act, the Central Bank may require an Institution to provide the Monitor such information in relation to Pool Hedge Collateral held by the Institution and at such intervals as may be specified to the Institution by the Central Bank.

Remuneration of a Monitor

The appointing Institution is responsible for paying any remuneration to the Monitor in connection with the performance of the Monitor's duties.

Priority of a Monitor on an insolvency of the Institution

From 8 July 2022 and other than with respect to Grandfathered ACS, the Monitor of an Institution, along with any manager (and under the ACS Act, a Pool security trustee) that has been appointed to the Institution will constitute "tier 2" creditors of the Institution. Prior to 8 July 2022 (and this remains the case with respect to any Grandfathered ACS), the Monitor of an Institution, along with any manager (and under the ACS Act, a Pool security trustee) that has been appointed to the Institution, constituted "super-preferred" creditors of the Institution, whose claims ranked ahead of those of any other preferred creditors, including the holders of Mortgage Covered Securities. From 8 July 2022 (except with respect to any Grandfathered ACS), the ACS Act provides that the claims of "tier 1" creditors rank ahead of those of any other preferred creditors. For a description of the priority afforded to the claims of preferred creditors of an Institution on the insolvency of such Institution, see *Insolvency of Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution*.

Termination of appointment of a Monitor

An Institution may terminate the appointment of its Monitor only with the written consent of the Central Bank. The Central Bank may direct an Institution to terminate the appointment of its Monitor and to appoint another qualified person in place of that Monitor. The notice issued by the Central Bank making that direction must specify the Central Bank's reasons.

Resignation of a Monitor

A Monitor may resign by giving at least 30 days' notice in writing to the Central Bank (unless the Central Bank agrees to a shorter notice period) and must include in such notice a statement of the reasons for its resignation. In the Cover-Assets Monitor Agreement, Forvis Mazars has agreed that it will not resign as Monitor in respect of the Issuer unless another entity has agreed to act as Monitor in respect of the Issuer and the Central Bank has approved the appointment of such other entity as Monitor in respect of the Issuer in place of Forvis Mazars; provided that if a replacement Monitor has not been appointed within six months of Forvis Mazars having given notice of its intention to resign as Monitor, then Forvis Mazars will be entitled to resign as Monitor notwithstanding that no replacement Monitor has been appointed.

Effect of the insolvency of an Institution on the appointment of its Monitor

The fact that an Institution, or its parent entity or any company related to the Institution, has become insolvent or potentially insolvent does not affect the appointment of the Monitor appointed in respect of it and the claims and rights of the Monitor in so far as those claims or rights relate to the appointment or arise under the ACS Act. For a description of the circumstances in which an Institution is regarded as insolvent or potentially insolvent for the purposes of the ACS Act, see *Insolvency of Institutions – Meanings of "**insolvent**", "**potentially insolvent**" and "**insolvency process**" for the purposes of the ACS Act*.

The ACS Act provides that the obligations of the Institution towards the Monitor continue to have effect in relation to the Institution, and be enforceable, despite the Institution, or its parent entity or a company related to the Institution, becoming subject to an insolvency process.

If an Institution, or where the Institution has a parent entity or a company is related to the Institution, the parent entity or related company, becomes subject to an insolvency process, the obligation of the Institution to appoint and maintain a Monitor continues to have effect until the claims of all preferred creditors have been fully satisfied and the functions of each Monitor and manager appointed in respect of the Institution have been fully discharged. In such circumstances, the Monitor continues to hold office in accordance with the terms and conditions applicable to the appointment. For a description of the circumstances in which an Institution is regarded as subject to an insolvency process for the purpose of the ACS Act, (see *Insolvency of Institutions – Meanings of "**insolvent**", "**potentially insolvent**" and "**insolvency process**" for the purposes of the ACS Act*).

Powers of the Central Bank in relation to a Monitor

Section 26 of the Central Bank Act 2013 provides for a general power for an authorised officer of the Central Bank to enter any premises other than, save with the consent of the occupier or a court warrant, a dwelling-

(a) which he or she has reasonable grounds to believe are or have been used for, or in relation to, the business of a person to whom Part 3 of the Central Bank Act 2013 applies; or

(b) at, on or in which the authorised officer has reasonable grounds to believe that records relating to the business of a person to whom Part 3 of the Central Bank Act 2013 applies are kept.

Part 3 of the Central Bank Act 2013 applies to, amongst others, a "**regulated financial service provider**" (which would include the Issuer) and "any person whom the Central Bank reasonably believes may possess information about a financial product or investment or investment admitted to trading under the rules and systems of a regulated market" (which would appear to include a person possessing information in relation to Securities, including a Monitor).

Section 27 of the Central Bank Act 2013 empowers an authorised officer to, amongst other things, inspect and take copies of records found in the course of searching and inspecting premises.

Limitation on the civil liability of a Monitor

The ACS Act provides that the Monitor, officers and employees of the Monitor, and persons acting under the direction of the Monitor are not liable in any civil proceedings for any act done, or omitted to be done, by the person for the purposes of, or in connection with, performing or exercising any function or power imposed or conferred on the Monitor by or under the ACS Act if the act was done, or was omitted, in good faith for the purposes of the ACS Act.

INSOLVENCY OF INSTITUTIONS

Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution

Part 7 of the ACS Act contains provisions dealing with the effect of an insolvency, potential insolvency or insolvency process on the rights and obligations of an Institution and other persons connected with an Institution.

Under the ACS Act, a reference in Part 7 of the ACS Act to Cover Assets or a Pool includes:

(a) in the case of mortgage credit assets and substitution assets which constitute Cover Assets, any security, guarantee, indemnity and insurance held by the Institution in respect of such assets; and

(b) in the case of cover assets hedge contracts, any security, guarantee, indemnity and insurance held by the Institution for, or Pool Hedge Collateral provided to the Institution under, such contracts.

In addition, under the ACS Act, any reference in Part 7 of the ACS Act to a cover assets hedge contract includes Pool Hedge Collateral or security provided to the Institution under or for that contract.

Part 7 of the ACS Act disapplies with respect to Institutions, the Companies Act, the Bankruptcy Acts 1988 and 2001, the Taxes Act (within the meaning of section 811(1) (a) of the Taxes Consolidation Act 1997), legislation relating to the regulation of credit institutions in Ireland and any other enactments or rules of law relating to an insolvency process, except insofar as they are specified in relation to laws relevant to fraud and misrepresentation. Certain insolvency provisions relating to fraud continue to have effect with respect to Part 7 of the ACS Act, in addition to any enactment or rule of law that would render the security or contract void or unenforceable on the grounds of fraud or misrepresentation.

The ACS Act provides that the fact that an Institution or its parent entity or any company related to the Institution has become insolvent or potentially insolvent does not affect:

(a) the claims and rights of holders of Mortgage Covered Securities issued by the Institution;

(b) the claims and rights of a person (other than the holder of a Mortgage Covered Security issued by the Institution) who has rights under or in respect of any such Mortgage Covered Security by virtue of any legal relationship with the holder;

(c) the claims and rights that the other contracting party has under any cover assets hedge contract entered into by the Institution;

(d) the appointment of a Monitor and the relevant claims and rights of such Monitor in so far as those claims and rights relate to the appointment or arise under the ACS Act (for a description of the role of a Monitor see *The Cover-Assets Monitor*);

(e) the appointment of a manager in respect of the Institution and the relevant claims and rights of such manager in so far as those claims and rights relate to the appointment or arise under the ACS Act (for a description of the circumstances in which a manager may be appointed to an Institution, see *Supervision and Regulation of Institutions/Managers*); or

(f) the functions of the NTMA under Part 6 of the ACS Act and the relevant claims and rights of the NTMA in so far as those claims and rights relate to those functions (for a description of the role of the NTMA under Part 6 of the ACS Act, see *Supervision and Regulation of Institutions/Managers*).

Where an Institution, or its parent entity or any company related to the Institution becomes subject to an insolvency or resolution process, preferred creditors (see below) are, for the purpose of satisfying their claims and rights under Part 7 of the ACS Act, entitled to have recourse to the cover assets that are comprised in the Pool maintained by the Institution ahead of members of, and contributories to, the Institution and all other creditors of the Institution, its parent entity or company related to the Institution. This provision applies irrespective of whether the claims of creditors other than preferred creditors are preferred under any other enactment or any rule of law and whether those claims are secured or unsecured.

"**Preferred creditors**" means, in respect of an Institution, all or any of the following persons:

(a) a tier 1 creditor; and

(b) a tier 2 creditor.

"**Tier 1 creditors**" means, in respect of an Institution, all or any of the following persons:

(a) the holder of an outstanding Mortgage Covered Security issued by the Institution;

(b) a person (other than the holder) who has rights under or in respect of any such Mortgage Covered Security by virtue of any legal relationship with the holder; and

(c) a person with whom the Institution has entered into a cover assets hedge contract, but only if the person is in compliance with the financial obligations imposed under the contract.

"**Tier 2 creditors**" means, in respect of an Institution, all or any of the following persons appointed to the Institution:

(a) a Monitor;

(b) a manager.

From 8 July 2022 (other than with respect to Grandfathered ACS), the claims of tier 1 creditors rank ahead of those of the other preferred creditors (being tier 2 creditors).

Prior to 8 July 2022 (and this remains the case with respect to Grandfathered ACS), the claims of tier 2 creditors ranked ahead of those of tier 1 creditors.

The ACS Act provides that the claims of the preferred creditors have effect irrespective of when the Mortgage Covered Security, contract or appointment of the Monitor or manager giving rise to a claim was issued or made, of when a claim of a preferred creditor arose and of the terms of that security, contract or appointment.

To the extent that the claims of all preferred creditors are not fully satisfied from the proceeds of the disposal of the Cover Assets comprised in the Pool maintained by the relevant Institution, such creditors become unsecured creditors in the insolvency or resolution process relating to the Institution.

The following obligations of an Institution continue under Part 7 of the ACS Act to have effect in relation to the Institution, and are enforceable, despite the Institution, or its parent entity or a company related to the Institution, becoming subject to an insolvency process:

(a) obligations arising under or in respect of a Mortgage Covered Security issued by the Institution;

(b) obligations arising under or in respect of any cover assets hedge contract entered into by the Institution;

(c) obligations towards the Monitor appointed in respect of the Institution;

(d) obligations towards any manager appointed to manage affairs of the Institution; or

(e) obligations towards the NTMA under Part 6 of the ACS Act.

The ACS Act provides that in the event that an Institution or its parent or a related company becomes subject to an insolvency process, the obligation of the Institution to appoint a Monitor, and the powers of the Central Bank and the NTMA with respect to the appointment of a manager, continue to have effect until the claims of all preferred creditors have been fully satisfied and the functions of each Monitor and manager appointed in respect of the Institution have been fully discharged.

Part 7 of the ACS Act provides that if an Institution, or where the Institution has a parent entity or a company is related to the Institution, the parent entity or related company, becomes subject to an insolvency or a resolution process:

(a) all Mortgage Covered Securities issued by the Institution remain outstanding, subject to the terms and conditions specified in the security documents under which those Mortgage Covered Securities are created;

(b) every cover assets hedge contract relating to those Mortgage Covered Securities continues to have effect, subject to the terms and conditions of the contract;

(c) each Monitor or manager appointed by or in respect of the Institution continues to hold office as such in accordance with the terms and conditions applicable to the appointment; and

(d) the Institution's obligations under those Mortgage Covered Securities, or any such contract or appointment, continue to be enforceable.

The ACS Act expressly excludes Cover Assets that are included in a Pool from forming part of the assets of an Institution, its parent or a related company, for the purposes of any insolvency or resolution process until the claims secured by Part 7 of the ACS Act are fully discharged.

The ACS Act provides that Cover Assets that are included in a Pool are not liable to attachment, sequestration or other form of seizure, or to set-off by any persons, that would otherwise be permitted by law so long as claims secured under Part 7 of the ACS Act remain unsatisfied.

The ACS Act provides that an Institution may not be dissolved under an insolvency process until the claims and rights of all preferred creditors have been fully satisfied. However, if the High Court is satisfied that the Institution has no assets capable of meeting the claims and rights of those creditors, it may make an order dissolving the Institution.

Security interests on the Pool

An Institution may not create a security interest in respect of any Cover Assets in a Pool if Mortgage Covered Securities are outstanding or if a cover assets hedge contract is in existence and if such security interest would, but for Part 7 of the ACS Act, adversely affect the priority conferred by Part 7 of the ACS Act on preferred creditors. If an Institution creates any such security interest, the interest is void and any money secured by it is repayable immediately. The ACS Act provides that, if a cover asset included in a Pool is subject to a security interest which would contravene the above provisions of the ACS Act, the relevant Institution is required to replace such cover asset in accordance with the relevant provisions of the ACS Act.

The ACS Act permits an Institution to create a security interest in respect of its Cover Assets if:

(a) the relevant assets are located outside of Ireland; and

(b) the person who (directly or indirectly) has the benefit of the interest is the same person as the person who is entitled to security over those assets in accordance with the order of priority prescribed by Part 7 of the ACS Act.

Under the ACS Act, for the purposes of (b) above, there may be disregarded claims over the relevant assets arising from mandatory laws in the relevant jurisdictions and any costs associated with administering the security interest and realising assets under the security interest.

With effect from 8 July 2022, the ACS Act provides that where an Institution which has issued Mortgage Covered Securities is subject to resolution, the Central Bank shall ensure that the rights and interests of investors in those securities are preserved, including by verifying the continuous and sound management of the Covered Bond Programme during the period of the resolution process.

European and Irish Insolvency Law relevant to Institutions

CIWUD Directive

The CIWUD Directive was required to be implemented into the national law of the Member States on 5 May 2004. It was first implemented in Ireland by the 2004 Regulations with effect from 5 May 2004. With effect from 4 February 2011, the 2004 Regulations were revoked by the 2011 Regulations which are now the implementing regulations for the CIWUD Directive in Ireland.

The purpose of the CIWUD Directive is to create unified proceedings for EU credit institutions that are subject to the imposition of reorganisation measures or the commencement of winding-up proceedings (as such terms are defined in the CIWUD Directive and the 2011 Regulations). The CIWUD Directive provides that, with some exceptions and exclusions, the application of reorganisation measures to, or the winding-up of, a credit institution (including in respect of its branches in other Member States) will be effected in accordance with the national law of its home Member State. It also provides that only the administrative or judicial authorities in that home Member State can authorise the implementation of reorganisation measures or the opening of winding up proceedings in respect of the credit institution, including branches in other Member States.

To this end, the 2011 Regulations provide, among other things, that the "relevant applicable enactment" applies to and in relation to a reorganisation measure imposed, or to be imposed, in respect of an "authorised credit institution" (except as otherwise provided by the 2011 Regulations) and also applies to proceedings to wind up an "authorised credit institution".

An "**authorised credit institution**" is defined in the 2011 Regulations as including the holder of a licence under section 9 of the Irish Central Bank Act 1971 (now an ECB banking authorisation) which would include an Institution. The term "relevant applicable enactment" would in the context of an Institution include the ACS Act. Therefore, the 2011 Regulations confirm, subject as described below, that the ACS Act will apply to any reorganisation measure imposed or to be imposed, or any proceedings to wind up, an Institution.

Reflecting the provisions of the CIWUD Directive, the 2011 Regulations recognise that reorganisation measures or winding-up proceedings in respect of an Irish authorised credit institution should not affect certain rights in rem of its creditors to assets of the credit institution located in another Member State when the reorganisation measure is imposed or the winding-up proceedings commenced.

Again reflecting the provisions of the CIWUD Directive, the 2011 Regulations provide that reorganisation measures or winding-up proceedings, in respect of an Irish authorised credit institution should not affect certain set-off rights of its creditors where such set-off is permitted by the law that applies to the institution's claims. To the extent that such law is Irish law, a creditor of an Irish authorised credit institution which is subject to reorganisation measures or winding-up proceedings could only assert a right of set-off to the extent that Irish law would otherwise permit. With regard to the prohibition under the ACS Act of set-off against Cover Assets comprised in the Pool maintained by an Institution, see *Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution* above.

However, to the extent that the law that applies to any claim of a relevant credit institution, within the meaning of the 2011 Regulations, is a law other than Irish law, the 2011 Regulations, together with that law, may operate to displace provisions of Irish law prohibiting the exercise of a right of set-off by a creditor against the relevant credit institution, including, in the context of Cover Assets comprised in a Pool maintained by an Institution, the provisions of the ACS Act referred to above. It should be noted in this regard that neither the CIWUD Directive nor the 2011 Regulations provide any guidance on the meaning of the terms "the law applicable to the institution's claim" (CIWUD Directive) or "the law that applies to the institution's claim" (2011 Regulations) and so, in the absence of any Irish or EU judicial authority on the point, it is not possible to confirm, for example, whether this would comprise the governing law of the claim or, if different, the lex situs of the claim.

Single Resolution Mechanism

The European institutions have also established the SRM under the SRM Regulation. The SRM applies to banks covered by the SSM.

Recovery and Resolution Directive

The BRRD establishes a framework for the recovery and resolution of credit institutions and investment firms.

Consequences of Issuer's Status as an Unlimited Company

The Issuer is an unlimited company. Under the Companies Act, there is no limit on the liability of a then-current member (i.e., a registered shareholder of record) of an unlimited company to contribute to that company in an insolvent liquidation of the company to the extent that the company's assets are insufficient to meet its liabilities. In that event, the liquidator of the unlimited company or the court seeks the contributions from each of the members. A company's unlimited status does not confer on the creditors of the company the right to seek payment of the company's liabilities from the company's members or to seek contributions for the company from the members in the event of the unlimited company becoming insolvent or otherwise. This right rests with the liquidator or the court on an insolvent winding-up. If the persons who are the members of an unlimited company at the date of commencement of the winding-up cannot contribute sufficiently to the assets of the company, the liquidator or court may have recourse to persons who were members within one year before the winding up commenced, although these former members will only be liable to contribute in respect of liabilities contracted by the company while they were members.

At the date of this Base Prospectus, AIB Bank is the sole member of the Issuer. AIB Bank beneficially owns the entire issued share capital of the Issuer. The Issuer is thus a wholly-owned subsidiary of AIB Bank which is a wholly-owned subsidiary of AIB Group plc. The Issuer's liabilities under the Securities will be contracted by the Issuer on the date when the Securities are issued and their issue price is paid up in full. The members of the Issuer on the date on which the Securities are issued and the issue price is paid up in full will be liable to contribute in respect of the Issuer's liabilities in respect of the Securities on an insolvent winding-up of the Issuer (if the Issuer does not have sufficient resources to discharge its liabilities in respect of the Securities in full) if they are still members of the Issuer at the date of the commencement of such winding up, or if they were members of the Issuer within one year before such winding-up commenced.

Neither AIB Bank nor AIB Group plc is a guarantor of the Securities.

SUPERVISION AND REGULATION OF INSTITUTIONS/MANAGERS

Introduction

The Central Bank is primarily responsible for the supervision and regulation of Institutions. In certain circumstances (summarised below) the Central Bank may under the ACS Act appoint the NTMA or a person recommended by the NTMA as manager of an Institution.

In addition, each Institution is required by the ACS Act to appoint a Monitor. For a description of the obligations of an Institution towards the Monitor appointed by it, and the rights and duties of a Monitor, see *The Cover-Assets Monitor*.

Regulation of Institutions under banking legislation other than the ACS Act

As Irish incorporated credit institutions authorised by the Central Bank under legislation relating to banking activities in Ireland, Institutions are subject to regulation under the Irish banking legislation applicable to Irish banks generally in addition to regulation under the ACS Act in respect of the activities regulated thereby.

As regards the relationship between the Central Bank's powers and functions under the Irish Banking Code and those under the ACS Act, the ACS Act provides that the Central Bank has, in relation to Institutions and other persons to whom the ACS Act relates, the functions imposed and powers conferred on the Central Bank by or under the Irish Banking Code in relation to credit institutions within the scope of the Irish Banking Code, except as required or provided by the ACS Act and subject to such modifications to those functions and powers as are necessary in order to adopt those functions and powers for the purposes of the ACS Act.

General functions of the Central Bank under the ACS Act

The ACS Act provides that the functions of the Central Bank are as follows:

(a) to designate credit institutions for the purposes of the ACS Act;

(b) to administer the system of supervision and regulation of DCIs in accordance with the ACS Act in order to promote the maintenance of the proper and orderly regulation and supervision of those institutions; and

(c) to perform such other functions as are prescribed by or under the ACS Act.

The ACS Act provides that the Minister may, by order, impose on the Central Bank functions additional to those specified above. At the date of this Base Prospectus, no such order has been made by the Minister.

In addition, the Central Bank is given a general power pursuant to the ACS Act to do all things necessary or expedient to be done for or in connection with, or incidental to, the performance of its functions.

Various provisions of the ACS Act oblige, or confer on the Central Bank the power, to make regulations or publish regulatory notices to make provision for a range of matters arising from the operation of the ACS Act. In addition, the ACS Act confers on the Central Bank a general power to make regulations, not inconsistent with the ACS Act, for or with respect to any matter that by the ACS Act is required or permitted to be prescribed, or that is necessary or expedient to be prescribed, for carrying out or giving effect to the ACS Act.

Under the ACS Act, where the Central Bank makes an order, regulation, regulatory notice or other notice under the ACS Act, the Central Bank is required to have regard to the following principles and policies to the extent applicable:

(a) the facilitation of the establishment and operation in Ireland of DCIs (which include Institutions);

(b) the facilitation of the establishment and operation of a market in asset covered securities (which include Mortgage Covered Securities) so as to make available further sources of funds to those Institutions;

(c) the need to develop the business of one or more types of DCIs having regard to domestic or international markets in which the institutions operate or may propose to operate;

(d) the need to protect the interests of preferred creditors or other creditors of one or more types of DCIs;

(e) the need for proper and proportionate regulation of one or more types of DCIs; and

(f) CRD IV and any regulations and directives made by competent organs of the EU which have been implemented in Irish law relevant to among other types of securities, asset covered securities.

Role of the Central Bank as competent authority under the Covered Bonds Directive

With effect from 8 July 2022, the Central Bank is designated as the competent authority for the purposes of public supervision of asset covered securities referred to in Article 18(1) of the Covered Bonds Directive. From that date, the Central Bank is required to cooperate closely with competent authorities in other Member States for the purposes of Article 18(2) of the Covered Bonds Directive and with the EBA and ESMA for the purposes of the Covered Bonds Directive. The Central Bank is required to communicate all relevant information at the request of such a competent authority and, on its own initiative, communicate any essential information to such a competent authority. 'Essential information' in this context means any information which could materially influence the assessment of the issue of covered bonds in another Member State.

The Central Bank is also required from that date to publish, and update when necessary, the following information on its official website:

(a) the text of the ACS Act and any other Act relating to the issue of ACS;

(b) the text of statutory instruments, if any, relating to the issue of ACS;

(c) the text of administrative rules and general guidance, if any, adopted in relation to the issue of ACS;

(d) a list of DCIs;

(e) a list of ACS that are entitled to use the label 'European Covered Bond';

(f) a list of ACS that are entitled to use the label 'European Covered Bond (Premium)'.

The above information published by the Central Bank is required to be sufficient to enable a meaningful comparison of the approach adopted by the Central Bank and the approach adopted by competent authorities designated pursuant to Article 18(2) of the Covered Bonds Directive by Member States other than Ireland.

Additionally, the Central Bank is empowered to apply any of the following sanctions to an Institution in relation to a list of prescribed contraventions of the ACS Act:

(a) withdrawal of a permission for a Covered Bond Programme;

(b) a public statement which indicates the identity of the natural or legal person and the nature of the contravention concerned;

(c) an order requiring a natural or legal person responsible for the contravention to cease, and desist from a repetition of, the conduct concerned.

The ACS Act provides that the Central Bank may adopt and implement supervisory guidelines relating to the issue of asset covered securities which is shall publish on its website.

Use of 'European Covered Bond' and 'European Covered Bond (Premium)' Labels

From 8 July 2022, subject to the following paragraph, a DCI shall not use the label 'European Covered Bond' or an official translation of that phrase in any of the official languages of the EU for ACS unless those ACS are issued in compliance with the ACS Act (as amended by the Irish Covered Bond Directive Implementing

Regulations). A DCI shall not use the label 'European Covered Bond (Premium)' or an official translation of that phrase in any of the official languages of the EU for ACS unless those ACS are issued in compliance with the ACS Act (as so amended) and Article 129 of CRR (as amended with effect from 8 July 2022 by the EU Covered Bonds Regulation).

From 8 July 2022, a DCI may use the label 'European Covered Bond' or an official translation of that phrase in any of the official languages of the EU for ACS which are issued before 8 July 2022 and which meet the criteria for bonds under Regulation 70(3)(a) of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as it applied on the date of their issue.

From 8 July 2022, a DCI shall, when it issues ACS entitled to use the label 'European Covered Bond' or the label 'European Covered Bond (Premium)', notify the Central Bank as soon as practicable after such issue that it has issued such ACS.

From 8 July 2022, the Central Bank is required to notify the EBA on an annual basis of the list of DCIs and the lists of ACS that are entitled to use the labels 'European Covered Bond' and 'European Covered Bond (Premium)' published by it.

Power of the Central Bank to appoint the NTMA or a recommended person as manager of an Institution

The ACS Act sets out the circumstances in which the Central Bank may appoint the NTMA or a person recommended by the NTMA as manager of an Institution and the role and functions of the NTMA and a manager appointed under the ACS Act.

The ACS Act provides that the Central Bank may request the NTMA to attempt to locate persons who are suitably qualified for appointment to manage asset covered securities business activities (described below), or specified asset covered securities business activities, of an Institution in any of the following circumstances:

(a) if the Institution has become insolvent or potentially insolvent (for a description of the circumstances in which an Institution is regarded as insolvent or potentially insolvent for the purposes of the ACS Act, see *Insolvency of Institutions – Meanings of "**insolvent**", "**potentially insolvent**" and "**insolvency process**" for the purposes of the ACS Act*);

(b) if as a result of becoming aware of information provided to the Central Bank, it is of the opinion that a manager should be appointed in respect of the Institution in order to safeguard the interests of:

  (i) holders of Mortgage Covered Securities issued by the Institution; or

  (ii) persons who have rights under cover assets hedge contracts entered into by the Institution (for a general description of the circumstances in which an Institution may enter into cover assets hedge contracts and the rights and obligations attaching thereto, see *Restrictions on the Activities of an Institution – Permitted business activities in which an Institution may engage – (f) entering into certain hedging contracts for the purpose of hedging risks associated with the foregoing activities/dealing in and holding Pool Hedge Collateral*); or

  (iii) other creditors of the Institution; or

(c) the Institution has been determined to be failing or likely to fail pursuant to Article 32(1) of BRRD;

(d) in exceptional circumstances, if the Central Bank determines that the proper functioning of the Institution is seriously at risk; or

(e) if the registration of the Institution as a DCI is revoked under the ACS Act or the Institution is subject to a direction given under certain provisions of the ACS Act (for a description of the relevant provisions see *Registration of Institutions/Revocation of Registration – Revocation of registration and – Direction of the Central Bank requiring an Institution to suspend its business*).

The ACS Act defines "**asset covered securities business activities**" in relation to an Institution or former Institution, for the purposes of Part 6 of the ACS Act, as:

(a) issuing Mortgage Covered Securities and otherwise financing or refinancing the activities referred to in (b) to (d) below;

(b) entering into cover assets hedge contracts;

(c) dealing with mortgage credit assets or substitution assets;

(d) holding Cover Assets and maintaining the related Pool;

(e) the keeping of the Business Register (for a description of the provisions of the ACS Act requiring an Institution to maintain a Business Register, see *Cover Assets Pool – Register of mortgage covered securities business*); and

(f) administering and servicing those activities.

Under the ACS Act, the Central Bank may by notice in writing given to a manager appointed in respect of an Institution, confer on that manager such additional responsibilities or powers as it considers appropriate for the effective management of the asset covered securities business activities of the Institution.

Under the ACS Act, if a liquidator, examiner or receiver is appointed in respect of an Institution to which a manager has been appointed, the manager may enter into arrangements with respect to the management of the Institution, including such matters as may be specified in a notice of the kind referred to in the paragraph immediately above. Those arrangements must include payment of the manager's costs and remuneration and are subject to any conditions specified in such a notice or as the Central Bank may notify the manager in writing.

Where an Institution, in respect of which a manager has been appointed, has property or assets located for the purposes of the ACS Act outside Ireland and those assets or property are relevant to the manager's functions under the ACS Act, under the ACS Act, the manager may, with the prior written consent of the Central Bank, appoint agents with such powers of the manager and on such terms as the manager considers are required to enable the manager to carry out the manager's functions under the ACS Act and the claims of any such agent are deemed to be claims of the manager for the purposes of the ACS Act.

The ACS Act also contains provisions in relation to nominations by the NTMA to the Central Bank of prospective candidates for manager to an Institution, selection and appointment of the manager by the Central Bank and publication of that appointment.

In the event that such a person cannot be located, the NTMA will then attempt to find an appropriate body corporate to become the parent entity of the Institution concerned in place of the existing parent (if any).

The ACS Act provides that in the event that the NTMA cannot locate a suitable appointee as manager or replacement parent entity, the Central Bank is required to appoint the NTMA as manager to manage the asset covered securities business activities of the Institution concerned, or such of those activities as are specified by the Central Bank.

The ACS Act provides that the Central Bank may, while the NTMA is attempting to locate a suitably qualified person for appointment as manager or an appropriate body corporate to become the parent entity of the Institution concerned, appoint the NTMA as a temporary manager to manage the asset covered securities business activities of the Institution concerned, or such of those activities as are specified by the Central Bank.

The ACS Act provides that, on appointment, a manager becomes responsible for managing the asset covered securities business of the relevant Institution, or such of those activities as are specified in the manager's notice of appointment, and performing the functions, and exercising the powers, of the relevant Institution insofar as they relate to those activities. A manager is also responsible under the ACS Act for the initiation of proceedings in order to bring assets back into the Cover Pool of the Institution and for the transferral of the remaining assets to the insolvency estate of the Institution which issued the ACS after all liabilities in relation to those securities have been discharged.

The ACS Act provides that the manager is required to assume control of the assets of the Institution that relate to the Institution's asset covered securities business activities, or such of those assets that relate to the asset covered securities business activities specified in the manager's notice of appointment. The manager is required to carry on that business in such manner as appears to the manager to be in the commercial interest of the holders of Mortgage Covered Securities issued by the relevant Institution and of persons with whom the Institution has entered into cover assets hedge contracts, subject to and in accordance with any directions of the Central Bank. The manager will also be required to verify the continuous and sound management of the Institution's Covered Bond Programme during the period of the manager's appointment.

The ACS Act provides that the provisions set out in schedule 1 to the ACS Act are applicable to a manager appointed in respect of an Institution. Schedule 1 includes provisions relating to the replacement of managers in certain circumstances, the vacation of the office of manager in certain circumstances and the fees and expenses payable to a manager.

The ACS Act requires the Central Bank and a manager that has been appointed in respect of an Institution which is subject to an insolvency or resolution process to co-ordinate their activities and exchange information for the purposes of the insolvency or resolution process.

Limitations on the civil liability of the Central Bank/the NTMA/any manager

The ACS Act provides that the Central Bank, members and employees of the Central Bank, and persons acting under the direction of the Central Bank are not liable in any civil proceedings for any act done, or omitted to be done, by the person for the purposes of, or in connection with, performing or exercising any function or power imposed or conferred on the Central Bank by or under the ACS Act if the act was done, or was omitted, in good faith for the purposes of the ACS Act.

The NTMA and any manager, the chief executive of the NTMA, officers of a manager and employees of the NTMA or a manager, and persons acting under the direction of the NTMA or a manager are not liable in any civil proceedings for any act done, or omitted to be done, by the person for the purposes of, or in connection with, performing or exercising any function or power imposed or conferred on the NTMA or, as applicable, the manager by or under the ACS Act if the act was done, or was omitted, in good faith for the purposes of the ACS Act.

The powers of managers with respect to security trustees

The ACS Act makes provisions for the holding by a security trustee of security (other than under the ACS Act) over assets comprised in the Pool which are located outside of Ireland in order to augment the security provided for under the ACS Act (see *Insolvency of Institutions – Security interests on the Pool*). A manager may under the ACS Act enter into arrangements with the security trustee in connection with:

(a) their respective functions under the ACS Act and operations relating to Cover Assets which are also subject to such additional security arrangements; and

(b) their respective functions under the ACS Act and the enforcement or administration of Cover Assets which are also subject to such additional security arrangements.

TRANSFERS OF A BUSINESS OR ASSETS UNDER THE ACS ACT INVOLVING AN INSTITUTION

Transfer to be effected by means of a statutory scheme

The ACS Act contains a statutory mechanism for effecting a transfer of a business or assets from a credit institution which is not an Institution to a credit institution which is an Institution. The ACS Act also contains a statutory mechanism for effecting a transfer of a business or assets from an Institution to another credit institution (which may be another Institution). A transfer is effected by means of a scheme which must be approved by the appropriate relevant person. The ACS Act provides that the transferor credit institution and transferee credit institution are required to jointly submit to the relevant person (see - *Approval of the Minister or the Central Bank required*) for approval a scheme for the proposed transfer of the business or assets concerned. The scheme must contain such details as the relevant person may require with respect to that business or those assets and must specify the date or dates on which the transfer is to take place or how that date or those dates are to be ascertained.

Transfer may be subject to conditions

As a prerequisite to giving approval, the relevant person may impose on the parties to the proposed transfer such conditions relating to the scheme as that person thinks necessary for the purpose of:

(a) safeguarding the interests of the parties to the transfer and of persons who have financial obligations in respect of the business or assets concerned;

(b) ensuring an orderly transfer of that business or those assets; and

(c) providing for publication of the proposed transfer.

Transfer scheme to be approved by order

On being satisfied that a scheme submitted to the relevant person will achieve the purpose referred to in *Transfer may be subject to conditions* above and that the conditions (if any) imposed by that person in respect of the scheme have been or will be complied with, the relevant person:

(a) must, by order, approve a transfer of the business or assets concerned; and

(b) must publish a notice giving particulars of the transfer in one or more daily newspapers circulating in Ireland.

The relevant person may, by further order, vary an initial approval. If such an approval is varied, the relevant person must publish a notice giving particulars of the variation in one or more daily newspapers circulating in Ireland.

Effect of a transfer scheme

The ACS Act provides that a transfer of a business or assets under the ACS Act takes effect:

(a) subject to any conditions imposed on the approval of the transfer; and

(b) on the date or dates specified in the scheme.

On the transfer of a business or assets under the ACS Act:

(a) the transferee credit institution has the same rights (including priorities) and obligations in respect of that business or those assets from the date of the transfer as the transferor credit institution had immediately before the transfer took effect; and

(b) the transferor ceases to have those rights and obligations.

The ACS Act exempts a transfer of an asset under the ACS Act, whether specifically or as part of a transfer of a business, from any requirement to be registered under the Registration of Deeds Act 1707 (which has been

repealed and replaced by the Registration of Deeds and Title Act 2006), the Bills of Sale (Ireland) Acts 1879 and 1883, the Companies Act, the Registration of Title Act 1964, and any other Act that provides for the registration of assets or details of them.

If legal proceedings are pending immediately before the time when a transfer under the ACS Act takes effect, those proceedings are to continue. At that time, the transferee credit institution:

(a) replaces the transferor credit institution as a party to the proceedings; and

(b) assumes the same rights and obligations in relation to those proceedings as the transferor credit institution had immediately before that time.

Approval of the Minister or the Central Bank required

For the purposes of the transfer mechanism under the ACS Act, the "**relevant person**" is the Minister, if the relevant credit institutions are not associated, or the Central Bank, if the relevant credit institutions are associated.

If the approval of the Minister is required for a transfer of a business or assets under the relevant provision of the ACS Act (i.e. because the relevant credit institutions are not associated), the Minister is required to consult the Central Bank before approving the transfer.

For the purposes of the relevant provision of the ACS Act, a transferor credit institution is "**associated**" with the transferee credit institution if:

(a) either of the institutions is the beneficial owner of not less than 90 percent of the issued share capital of the other institution (whether directly or indirectly through any other person or persons); or

(b) a body corporate (other than the transferor or transferee credit institution) is the beneficial owner of not less than 90 percent of the issued share capital of each of the institutions (whether directly or indirectly through any other person or persons).

Transfer of AIB Bank's Irish Residential Loan Book and Business to the Issuer

On 13 February 2006, AIB Bank transferred to the Issuer the Irish residential loans and related security held by its home mortgage department and the home mortgage business related to that department of AIB Bank. The aggregate principal amount outstanding of and accrued but unpaid interest on, the Irish residential loans transferred by AIB Bank to the Issuer on 13 February 2006 was approximately €13.6 billion. The transfer was effected pursuant to the statutory transfer mechanism provided for in the ACS Act described above. This statutory mechanism involved the putting in place of a scheme in accordance with the ACS Act between AIB Bank and the Issuer on 8 February 2006 which permits the transfer of Irish residential loans and related security and/or Irish residential loan business between AIB Bank and the Issuer. Transfers under that scheme were approved by order of the Central Bank on 8 February 2006 as required by the ACS Act. The scheme permits further transfers from AIB Bank to the Issuer or from the Issuer to AIB Bank.

On 25 February 2011, AIB Bank transferred substantially all of its mortgage intermediary originated Irish residential loans, related security and related business to the Issuer. The aggregate principal amount outstanding of, and accrued but unpaid interest on, the Irish residential loans transferred by AIB Bank to the Issuer on 25 February 2011 was approximately €4.2 billion. The transfer was effected pursuant to the above mentioned statutory transfer mechanism provided for in the ACS Act.

Case-law

As a result of the High Court decision in *AIB Mortgage Bank v Nadine Thompson* [2016] IEHC 864, a concern was raised whether the scheme under the ACS Act between the Issuer and AIB Bank effected an equitable as opposed to legal transfer of a housing loan. However, in a subsequent High Court judgment on that case, *AIB Mortgage Bank v Thompson (No.2)* [2018] IEHC 306, the High Court stated the first judgment was not a precedent as to the legal effect of a statutory transfer made pursuant to section 58 of the ACS Act as no argument on that point was made to the High Court hearings for the first judgment.

REGISTRATION OF INSTITUTIONS/REVOCATION OF REGISTRATION

Registration of an eligible credit institution as an Institution

A person may not purport to issue Mortgage Covered Securities in accordance with the ACS Act unless the person is registered as an Institution in accordance with the ACS Act.

An eligible person may apply to the Central Bank to be registered as an Institution. A person is an eligible person for the purposes of the ACS Act only if it is a credit institution incorporated or formed in Ireland that holds an authorisation issued by the Central Bank authorising it to carry on business as a credit institution.

A "**credit institution**" is defined in the ACS Act to include the holder of a banking licence under section 9 of the Central Bank Act 1971 (now an ECB banking authorisation).

The ACS Act provides that the Central Bank may register an applicant as an Institution only if it is satisfied that the applicant:

(a) is or will be able to carry out, in a proper manner, the responsibilities that an Institution is required by the ACS Act to carry out; and

(b) complies with, or will be able to comply with, such requirements (if any) relating to an Institution as are prescribed by the regulations made and regulatory notices published by the Central Bank under the ACS Act.

The ACS Act provides that in granting an application, the Central Bank may impose conditions on the applicant with respect to the orderly and proper regulation of the applicant's business which it considers appropriate.

The ACS Act provides for the recording of the particulars of successful applicants for registration in the Register of Institutions as an Institution (see further below) and the issuance of certificates of registration to registered Institutions.

Registration authorises the Institution named in the certificate to carry on the business of an Institution. An Institution is required to comply with the conditions contained in its certificate of registration or in any document issued with the certificate. A registration of an Institution remains in force until it is revoked.

The Central Bank may from time to time vary a condition of an Institution's registration or impose on the Institution a new condition, but only after giving to the Institution concerned notice in writing of its intention to do so and after giving the Institution an opportunity to make written representations to the Central Bank in relation to the proposed variation or proposed new condition.

Register of Institutions maintained by the Central Bank

The Central Bank is required to establish and maintain the Register of Institutions. The Register of Institutions must contain the name and address of the principal place of business of each Institution and such other information as the Central Bank determines. The Issuer is registered in the Register of Institutions on the date of this Base Prospectus as an Institution.

Members of the public are entitled, without charge, to inspect the Register of Institutions during the ordinary business hours of the Central Bank. The Central Bank must, not less frequently than once every 12 months, publish a list of Institutions. If regulations made by the Central Bank so require, the list must contain such other particulars as are prescribed by such regulations. As at the date of this Base Prospectus, no such regulations have been made by the Central Bank.

Revocation of Registration

The ACS Act provides for the revocation by the Central Bank of the registration of an Institution at the request of the Institution, but only if the Central Bank is of the opinion that the Institution has fully satisfied all claims and liabilities that are secured in respect of the Institution as provided by Part 7 of the ACS Act (see *Insolvency of*

Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution).

The Central Bank may, with the consent of the Minister, revoke the registration of an Institution in circumstances where the revocation is not requested by the Institution. These circumstances arise when the Central Bank is satisfied on reasonable grounds that:

(a) the Institution has not begun to carry on any business of a designated mortgage credit institution within 12 months after the date on which the registration was notified to the Institution;

(b) the Institution has not carried on any of that business within the immediately preceding 6 months;

(c) the registration was obtained by means of a false or misleading representation;

(d) the Institution has contravened or is contravening, or has failed or is failing to comply, with a provision of the ACS Act or a regulatory notice published by the Central Bank;

(e) the Institution has become subject to an insolvency process (for a description of the meaning of "**insolvency process**" for the purposes of the ACS Act, see *Insolvency of Institutions – Meaning of `insolvent', `potentially insolvent' and `insolvency process' for the purposes of the ACS Act*);

(f) the Institution no longer has sufficient 'own funds' (as referred to in CRD IV);

(g) the Cover Assets comprised in a Pool maintained by the Institution do not comply with any provision of Part 4 of the ACS Act (for a description of the provisions of the ACS Act governing the composition of a Pool, see *Cover Assets Pool*);

(h) the business of, or the corporate structure of, the Institution has been so organised to such an extent that the Institution can no longer be supervised to the satisfaction of the Central Bank;

(i) the Institution has come under the control of any other entity that is not supervised by the Central Bank to such an extent that the Institution can no longer be supervised to the satisfaction of the Central Bank;

(j) since the Institution was registered as a designated mortgage credit institution, the circumstances under which the registration was given have changed to the extent that an application for registration would be refused had it been made in the changed circumstances; or

(k) the Institution, or any of its officers, is convicted on indictment of:

  (i) an offence under the ACS Act or under any other enactment prescribed by regulations made by the Central Bank for the purpose of section 19 of the ACS Act (as at the date of this Base Prospectus, no such regulations have been made by the Central Bank); or

  (ii) an offence involving fraud, dishonesty or breach of trust.

In the case of an Institution whose registration has been revoked under the ACS Act, but which is not a company or building society, or, being a company or building society, is not being wound up, the Institution is required to continue to carry out the financial obligations of the Institution that are secured under Part 7 of the ACS Act (see *Insolvency of Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution* below) until all those obligations have been fully discharged to the satisfaction of the Central Bank. In relation to such an Institution which is being wound up and the position of the liquidator under the ACS Act, see *Position of a Liquidator* below.

Direction of the Central Bank requiring an Institution to suspend its business

The ACS Act provides that if the Central Bank reasonably believes that there may be grounds for revoking the registration of an Institution under the ACS Act, it may, subject to Part 7 of the ACS Act (see *Insolvency of Institutions – Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to*

an Institution), give to the Institution a direction in writing prohibiting it from engaging in the following specified activities except with the permission of the Central Bank:

(a) dealing with the Institution's assets generally or dealing with any specified class of assets or any specified asset;

(b) engaging in transactions generally or engaging in any specified class of transactions or any specified transaction; or

(c) making payments generally or making any specified class of payments or any specified payment.

If such a direction is in effect:

(a) winding up or bankruptcy proceedings may be initiated in respect of the Institution concerned;

(b) a receiver over the assets of that Institution may be appointed; and

(c) the assets of that Institution may be attached, sequestered or otherwise distributed,

only if the prior approval of the High Court has been obtained.

The ACS Act also confers on the Central Bank a power in certain circumstances to give an Institution, whose registration has been revoked and which is not a company or a building society, or, being a company or a building society, is not being wound up, a direction to a similar effect as one described above.

A direction given by the Central Bank under the ACS Act must include a statement of the Central Bank's reason for giving the direction and its duration (not exceeding six months). The Central Bank may by notice in writing to the relevant Institution amend or revoke a direction and extend the duration of a direction by a further period not exceeding six months.

Position of a liquidator

In the case of an Institution whose registration is revoked under the ACS Act and that (being a company or a building society) is being wound up, the ACS Act provides that, except as otherwise provided by the ACS Act, the liquidator of the Institution has a duty to ensure that the Institution performs the obligations of an Institution under the ACS Act. The Central Bank may, by notice in writing given to the liquidator, substitute the liquidator's obligations referred to above with other obligations referred to above of a similar nature as specified in that notice.

TAXATION

General

The following summary of the anticipated tax treatment in Ireland in relation to the payments on the Securities is based on Irish taxation law and the practices of the Revenue Commissioners in force at the date of this Base Prospectus, each of which is subject to change, possibly with retrospective effect. It does not constitute tax or legal advice and it does not purport to be, and is not, a complete description of all of the tax considerations that may be relevant to a decision to subscribe for, buy, hold, sell, redeem or dispose of the Securities. The summary relates only to the position of persons who are the absolute beneficial owners of the Securities and the interest payable on them and who are not associated with the Issuer (otherwise than by virtue of holding such Securities) (in this Taxation section referred to as "**Security Holders**"). Particular rules not discussed below may apply to certain classes of taxpayers holding Securities, such as dealers in securities, investment funds etc. Prospective investors should consult their own professional advisers on the implications of subscribing for, buying, holding, selling, redeeming or disposing of Securities and the receipt of interest or discount on the Securities under the laws of the jurisdictions in which they may be liable to taxation.

Withholding tax on Interest

In general, withholding tax at the standard rate of income tax (currently 20 percent) must be deducted from Irish source yearly interest payments made by an Irish company. However, no withholding for or on account of Irish income tax is required to be made from such interest in certain circumstances, including those set out below.

This withholding tax does not apply to interest payments made by a company in the ordinary course of an Irish banking business. The Revenue Commissioners have previously confirmed that interest payments made by an Institution on Mortgage Covered Securities issued by that Institution will be regarded as interest paid by such Institution in the ordinary course of its banking business in Ireland. In the case of the Issuer and the Securities, this exemption would cease to apply if the Issuer at any time ceased to be the holder of an ECB banking authorisation to be a DCI under the ACS Act, or to carry on banking business in Ireland.

Separately, section 64 of the Taxes Act provides for the payment of interest on a quoted Eurobond (as defined by that section) without the deduction of tax in certain circumstances.

Also, any requirement to operate Irish withholding tax on interest may be obviated or reduced pursuant to the terms of an applicable double taxation agreement.

Withholding tax on Discount

Discounts arising on the Securities will not be subject to the withholding tax on interest mentioned above.

Deposit Interest Retention Tax

A relevant deposit taker (as defined by section 256 of the Taxes Act) such as the Issuer is obliged to withhold tax currently at a rate of 33 percent from certain interest payments or other returns on a relevant deposit. The term 'deposit' is widely defined and would include a Security. There are a number of exceptions to the requirement to withhold this tax, of which the most relevant to the Securities are set out below:

(a) The interest or discount is paid on a debt on a security issued by a relevant deposit taker within the meaning of section 256 of the Taxes Act (which would include a Security) which is listed on a stock exchange (which includes Euronext Dublin).

(b) The interest or discount is paid on a Wholesale Debt Instrument (as defined in section 246A of the Taxes Act) and either:

  (i) the Wholesale Debt Instrument has a minimum denomination of €500,000, or US$500,000 or if denominated in a currency other than euro or US dollars, the equivalent of €500,000 at the date that programme was first publicised, and is held in Euroclear or Clearstream, Luxembourg or any other clearing system recognised from time to time by the Revenue Commissioners; or

  (ii) (A) the person by whom the payment is made; or

(B) the person through whom the payment is made,

is Irish tax resident or the payment is made either by or through, a branch or agency in Ireland of a company that is not Irish tax resident;

and

(I) the person who is beneficially entitled to the interest is Irish tax resident and has provided their Irish tax reference number to the payer; or

(II) the person who is the beneficial owner of the Security and who is beneficially entitled to the interest thereon is not Irish tax resident and has made a declaration to that effect in the prescribed form.

(c) The person beneficially entitled to interest or discount on the Securities is not Irish tax resident and a declaration to that effect has been made to the Issuer by the payee of interest or discount in the form prescribed by the Revenue Commissioners for this purpose.

(d) The person beneficially entitled to interest or discount on the Securities is a company within the charge to corporation tax on such interest or a pension scheme and has in each case provided an Irish tax reference number to the Issuer.

Reporting Requirements

The Issuer, in respect of interest payments made by it to a person who is Irish tax resident, is required by the Revenue Commissioners, to provide the names, addresses and tax reference numbers of the persons to whom interest was paid or credited and the amount of interest paid or credited.

Encashment Tax

A paying agent outside Ireland is not obliged to deduct Irish encashment tax from interest on the Securities. A collecting agent in Ireland acting on behalf of the holder of the Securities that obtains payment of interest in respect of a Security that is quoted on a recognised stock exchange (Euronext Dublin is recognised for this purpose) may be required to withhold tax from that payment ("**Encashment Tax**") at a prescribed rate of 25 percent. This is unless it is proved, on a claim made in the required manner to the Revenue Commissioners, that the person owning the Securities and beneficially entitled to such interest is not Irish tax resident (for this purpose, it is necessary that such interest is not deemed under the provisions of Irish tax legislation to be income of another person that is Irish tax resident). In addition, an exemption will apply where the payment is made to a company where that company is beneficially entitled to that income and is or will be within the charge to corporation tax in respect of that income. No encashment tax will apply where a bank's only role is the clearing of a cheque, or the arranging for the clearing of a cheque, by the bank.

Liability of Security Holders to Irish Income Tax

In general, persons who are tax resident and domiciled in Ireland are liable to Irish taxation on their world-wide income whereas persons who are not resident or ordinarily resident in Ireland for tax purposes are only liable to Irish taxation on their Irish source income. All persons are under a statutory obligation to account for Irish tax on a self-assessment basis and there is no requirement for the Revenue Commissioners to issue or raise an assessment.

Where a Security Holder is a company that is not Irish tax resident and the interest or discount, as the case may be, is not attributable to a branch or agency or other permanent establishment of that company in Ireland (in each case whereby Irish corporation tax would apply), then unless an exemption applies, Irish income tax applies to the interest or discount, as the case may be, at the standard rate of Irish income tax (currently 20 percent).

Where a Security Holder is a natural person, unless an exemption applies, Irish income tax applies to the interest or discount, as the case may be, at the person's marginal rate of Irish income tax (currently up to 40 percent) and PRSI and the universal social charge, if applicable.

Credit is available for any Irish tax withheld from income on account of the related income tax liability.

Notwithstanding that a Security Holder may receive interest payments or discount, as the case may be, on the Securities free of withholding tax, the Security Holder will technically be liable for Irish tax (and, if applicable, PRSI and universal social charge if an individual recipient) in respect of such interest payments or discount, as the case may be, unless an exemption applies. There is an exemption from Irish income tax on interest or discount, as the case may be, under section 198 of the Taxes Act that applies in certain circumstances.

These circumstances include:

(a) where the interest is paid on an asset covered security within the meaning of section 3 of the ACS Act (which includes the Securities) and the recipient is either:

  (i) a person who is regarded as being resident in an EU Member State (other than Ireland) under the law of that EU Member State, or is a resident of a territory with which Ireland has signed a double taxation agreement under the terms of that agreement; or

  (ii) a company which is not resident in Ireland and which is controlled, either directly or indirectly, by persons resident in an EU Member State (other than Ireland) under the law of that EU Member State, or resident in a territory with which Ireland has signed a double taxation agreement under the law of that territory, and who are not under the control, whether directly or indirectly, of a person who is, or persons who are not so resident; or

  (iii) a company the principal class of shares of which is substantially and regularly traded on a stock exchange in Ireland, on a recognised stock exchange in an EU Member State or in a territory with which Ireland has signed a double taxation agreement or on such other stock exchange as is approved by the Minister; or

(b) where discount arises on Securities to a person that is not Irish tax resident and is regarded as being resident in an EU Member State (other than Ireland) under the law of that EU Member State, or is a resident of a territory with which Ireland has signed a double taxation agreement under the terms of that agreement.

Security Holders receiving interest on the Securities that does not fall within the above exemptions may be liable to Irish income tax and, where applicable, PRSI and universal social charge on such interest.

Capital Gains Tax

Where the Securities are listed on a stock exchange (which would include Euronext Dublin) or do not derive the greater part of their value directly or indirectly from Irish land or certain Irish mineral rights or exploration rights, a Security Holder will not be subject to Irish tax on capital gains in respect of the Securities unless that Security Holder is either resident or ordinarily resident in Ireland for tax purposes or that Security Holder has an enterprise, or an interest in an enterprise, which carries on a trade in Ireland through a branch or agency, to which or to whom the Securities are or were attributable.

The rate of capital gains tax is currently 33 percent.

Capital Acquisitions Tax

If the Securities are comprised in a gift or inheritance taken from a disponer that is resident or ordinarily resident in Ireland for tax purposes or, in the case of certain settlements, an Irish domiciled disponer, or if the recipient is resident or ordinarily resident in Ireland for tax purposes, or the Securities are regarded as property situate in Ireland, the recipient (or, in certain cases, the disponer) may be liable for Irish capital acquisitions tax.

Bearer Securities would be regarded as property situate in Ireland if the Securities are physically kept or located in Ireland with a depository or otherwise at the relevant time. Accordingly, if Bearer Securities are comprised in a gift or inheritance, the recipient and the disponer may be liable to Irish capital acquisitions tax, even though the disponer may not be domiciled in Ireland, resident or ordinarily resident in Ireland for tax purposes, if the Bearer Securities are physically located in Ireland at the date of the gift or inheritance.

Registered Securities would be regarded as property situate in Ireland if the register of the Securities is maintained in Ireland. At the date of this Base Prospectus, the register of Registered Securities is maintained outside of Ireland. It is possible that the location of the register of Securities may change.

The rate of capital acquisitions tax is currently 33 percent.

Stamp Duty

No Irish stamp duty is payable on the issue or transfer of the Securities.

Automatic Exchange of Information for Tax Purposes

DAC2 provides for the implementation among Member States (and certain third countries that have entered into information exchange agreements with the relevant EU member state or the EC) of the automatic exchange of information in respect of various categories of income and capital and broadly encompasses the CRS regime proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions.

Under the CRS, governments of participating jurisdictions are required to collect detailed information to be shared with other jurisdictions annually.

The CRS is implemented in Ireland by the Returns of Certain Information by Reporting Financial Institutions Regulations 2015 of Ireland (S.I. 583 of 2015) made under section 891F of the Taxes Act.

DAC2 was transposed into Irish law under the Mandatory Automatic Exchange of Information in the Field of Taxation Regulations 2015 (S.I. No. 609 of 2015) made under section 891G of the Taxes Act.

Pursuant to the above referenced regulations, the Issuer will be required to obtain and report to the Revenue Commissioners of Ireland annually certain financial account and other information for all Security holders (other than Irish and US Security holders) in respect of their Securities. The returns must be submitted by 30 June annually with respect to the previous calendar year. The information must include amongst other things, details of the name, address, Tax Identification Number, place of residence and, in the case of Security holders who are individuals, the date and place of birth, together with details relating to payments made to Security holders and their holdings. This information may be shared with tax authorities in other Member States and jurisdictions which implement the CRS.

FATCA

Pursuant to FATCA, non-US financial institutions that become subject to provisions of local law intended to implement IGA legislation entered into pursuant to FATCA may be required to identify "**financial accounts**" held by US persons or entities with substantial US ownership, as well as accounts of other financial institutions that are not themselves participating in (or otherwise exempt from) the FATCA reporting regime. IGA legislation has been entered into between the US and Ireland and Irish domestic legislation, the Financial Accounts Reporting (United States of America) Regulations 2014, has been implemented to give effect to the Ireland-US IGA legislation. Failure by the Issuer to report certain information on its US account holders to the Revenue Commissioners could result in the Issuer becoming subject to FATCA withholdings on payments it receives. In certain limited circumstances, the Issuer could also be required to withhold 30 percent from all, or a portion, of certain payments.

The Securities are expected to be held in bearer or registered global form and held within the Clearing Systems. It is generally expected by market participants that FATCA should not affect the amount of any payments made under, or in respect of, debt securities issued by regulated banks (such as the Securities) by the Issuer, any Paying Agent and the Common Depositary/Common Safekeeper, given that each of the entities in the payment chain beginning with the Issuer and ending with the Clearing Systems will generally be a major financial institution whose business is dependent on compliance with FATCA and that any alternative approach introduced under an intergovernmental agreement should be unlikely to negatively affect the FATCA treatment of such debt securities. However, the Conditions expressly contemplate the possibility that the Securities may go into definitive form and therefore that they may be taken out of the Clearing Systems. If this were to happen, then a non-FATCA compliant holder could be subject to withholding in limited circumstances. However, definitive Securities will only be issued in exchange for Securities held in global form in the event of an Exchange Event.

FATCA may also affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA), provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Securities are discharged once it has paid the Common Depositary or Common Safekeeper for the Clearing Systems (as registered holder or, as applicable, bearer of the Securities) and the Issuer has therefore no responsibility for any amount thereafter transmitted through hands of the Clearing Systems and custodians or intermediaries.

If an amount were to be deducted or withheld from interest, principal or other payments on the Securities as a result of FATCA, none of the Issuer, any Paying Agent or any other person would, pursuant to the Conditions of the Securities be required to pay additional amounts as a result of the deduction or withholding of such tax. As a result, investors may receive less interest or principal than expected.

SUBSCRIPTION AND SALE, TRANSFER AND SELLING RESTRICTIONS AND SECONDARY MARKET ARRANGEMENTS

Subscription and Sale: Programme Agreement

The Dealers have, in a programme agreement (as amended and/or supplemented and/or restated from time to time, the "**Programme Agreement**") dated 27 September 2024 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Securities. Any such agreement will extend to those matters stated under *Form of the Securities, Issue Procedures and Clearing Systems and Terms and Conditions of the Securities*. In the Programme Agreement, the Issuer has agreed to reimburse the Dealers for certain of their expenses in connection with the establishment of the Programme and the issue of Securities under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith. The Issuer may pay the Dealers commission from time to time in connection with the sale of Securities. The Issuer has also agreed to reimburse the Dealers for certain of their expenses in connection with any future update of the Programme. The Dealers are entitled to be released and discharged from their obligations in relation to any agreement to issue and purchase Securities under the Programme Agreement in certain circumstances prior to payment to the Issuer.

The names and addresses of the initial Dealers are set out at the end of this Base Prospectus. The name and address of any additional Dealer appointed after the date of this Base Prospectus will be disclosed in the applicable Final Terms and notified to Euronext Dublin/Central Bank.

Transfer Restrictions

Each purchaser of Registered Securities (other than a person purchasing an interest in a Registered Global Security with a view to holding it in the form of an interest in the same Global Security) or person wishing to transfer an interest from one Registered Global Security to another or from global to definitive form or *vice versa*, will be required to acknowledge, represent and agree as follows (terms used in this paragraph that are defined in Regulation S are used herein as defined therein):

(i) that it is outside the US and is not a US person;

(ii) that the Securities are being offered and sold in a transaction not involving a public offering in the US within the meaning of the Securities Act, and that the Securities have not been and will not be registered under the Securities Act or any other applicable US State securities law and may not be offered or sold within the US or to, or for the account or benefit of, US persons except as set forth below;

(iii) that, unless it holds an interest in a Registered Global Security and either is a person located outside the US or is not a US person, if in future it decides to resell, pledge or otherwise transfer the Securities or any beneficial interests in the Securities, it will do so, prior to the date which is two years after the later of the last issue date for the Series and the last date on which the Issuer or an affiliate of the Issuer was the owner of such Securities, only (a) to the Issuer or any affiliate thereof; (b) outside the United States in compliance with Rule 903 or Rule 904 under the Securities Act, in each case in accordance with all applicable US State securities laws;

(iv) it will, and will require each subsequent holder to, notify any purchaser of the Securities from it of the resale restriction referred to in paragraph (iii) above, as applicable;

(v) if it is outside the US and is not a US person, that if it should resell or otherwise transfer the Securities prior to the expiration of the distribution compliance period (defined as 40 days after the completion of the distribution of the Securities following the original issuance of the Securities, as certified by the Dealers in accordance with the Agency Agreement), it will do so only (a) outside the US in compliance with Rule 903 or 904 under the Securities Act or (b) in accordance with all applicable US States securities laws; and it acknowledges that the Registered Global Securities will bear a legend to the following effect unless otherwise agreed to by the Issuer.

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (the "**SECURITIES ACT**"**)** AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO U.S. PERSONS (AS THOSE TERMS ARE DEFINED IN REGULATION S UNDER THE SECURITIES ACT) UNLESS AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT IS AVAILABLE."; and

(vi) that the Issuer and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that if any of such acknowledgements, representation or agreements made by it are no longer accurate, it shall promptly notify the Issuer; and if it is acquiring any Securities as a fiduciary or agent for one or more accounts it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Selling Restrictions

United States

The Securities have not been and will not be registered under the Securities Act, and may not be offered, sold or delivered, directly or indirectly, within the US or to, or for the account or benefit of, US persons except pursuant to an exemption from the registration requirements of the Securities Act. The Securities are initially being offered and sold only outside the US in reliance on Regulation S. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

In addition, the Securities in bearer form are subject to US tax law requirements and may not be offered, sold or delivered within the US or its possessions or to a US person, except in certain transactions permitted by US Treasury regulations. Terms used in this paragraph have the meanings given to them by the US Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has agreed (and each further Dealer named in a Final Terms will be required to agree) that it will not offer, sell or deliver Securities (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Tranche of which such Securities are part, as determined and certified to the Agent by such Dealer (in the case of a non-syndicated issue) or the relevant Lead Dealer (in the case of a syndicated issue) (the "**Distribution Compliance Period**") within the US or to, or for the account or benefit of, US persons, and it will have sent to each dealer to which it sells Securities during the Distribution Compliance Period a confirmation or other notice setting out the restrictions on offers and sales of the Securities within the US or to, or for the account or benefit of, US persons. Terms used in this paragraph have meanings given to them by Regulation S.

In addition, until 40 days after the completion of the distribution of all Securities of the Tranche of which such Securities are a part, an offer or sale of the Securities within the US by any dealer whether or not participating in the offering of such Tranche may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

Unless the Final Terms in respect of any Securities specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

(iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

If the Final Terms in respect of any Securities specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area (each, a "**Relevant State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Securities to the public in that Relevant State:

(a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Securities referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision:

- the expression "**an offer of Securities to the public**" in relation to any Securities in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities; and

- the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the UK. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of:

(i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of the UK MiFIR or

(iii) not a qualified investor as defined in Article 2 of Regulation of the UK Prospectus Regulation; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Securities to be offered so as to enable an investor to decide to purchase or subscribe for the Securities.

UK

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(1) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of

Section 21 of the FSMA) received by it in connection with the issue or sale of any Securities in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(2) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Securities in, from or otherwise involving the UK.

Japan

The Securities have not been and will not be registered under the Financial Instruments and Exchange Law and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not, directly or indirectly, offer or sell any Securities in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Law No. 228 of 1949), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and all other applicable laws, regulations and ministerial guidelines of Japan. As used in the paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or entity organised under the laws of Japan.

Republic of Italy

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that the offering of the Securities has not been registered pursuant to Italian securities legislation and, accordingly, the Securities may not be offered, sold or delivered, nor may copies of this Base Prospectus or any other document relating to the Securities be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined in Article 2 of the Prospectus Regulation and any applicable provision of the Financial Services Act and the relevant implementing regulations of the CONSOB; or

(b) in other circumstances which are exempted from the rules on solicitation of investments pursuant to Article 1 of the Prospectus Regulation and Article 34, first paragraph, of Regulation No. 11991 and applicable Italian laws, each as amended from time to time.

Furthermore, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer, sale or delivery of the Securities or distribution of copies of this Base Prospectus or any other document relating to the Securities in the Republic of Italy under (a) or (b) above must be:

(i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (the "**Italian Banking Act**");

(ii) in compliance with Article 129 of the Italian Banking Act and the implementing guidelines of the Bank of Italy from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and

(iii) in accordance with any other applicable laws and regulations including those imposed by CONSOB or other Italian authority.

Ireland

(1) Each Dealer has represented and agreed that, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold, underwritten or placed and will not offer, sell, underwrite or place any Securities or do anything in Ireland otherwise than in conformity with the provisions of:

(a) the Central Bank Acts 1942 to 2018 and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended);

(b) the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and any codes or rules of conduct applicable thereunder, Regulation (EU) No 600/2014 and any delegated or implementing acts adopted thereunder and the provisions of the Investor Compensation Act 1998 (as amended);

(c) the Companies Act (as amended);

(d) the Prospectus Regulation, the Irish Prospectus Regulations and any rules and guidance issued by the Central Bank under section 1363 of the Companies Act (as amended);

(e) the Market Abuse Regulation (EU596/2014) (as amended), the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidance issued under section 1370 of the Companies Act (as amended) by the Central Bank.

(2) in respect of any Securities that are not listed on any recognised stock exchange and that do not mature within two years:

(a) its action in any jurisdiction will comply with the then applicable laws and regulations of that jurisdiction;

(b) it will not knowingly offer to sell such Securities to an Irish resident, or to persons whose usual place of abode is Ireland, and it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Securities;

(c) it will not offer, sell or deliver any such Securities to any person in a denomination of less than €500,000 or its equivalent; and

(d) such Securities will be held in a recognised clearing system; and

(3) in respect of any Securities that are not listed on any recognised stock exchange and that mature within two years, it will not offer, sell or deliver any such Securities in Ireland or elsewhere to any person in a denomination of less than €500,000 if the relevant Securities are denominated in euro, US$500,000 if the relevant Securities are denominated in US dollars, or if the relevant Securities are denominated in a currency other than euro or US dollars, the equivalent of €500,000 at the date the Programme is first publicised and that such Securities will be held in a recognised clearing system.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been, and will not be, registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any Securities or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Securities are subscribed or purchased under section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulations 2018 of Singapore.

In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the "**CMP Regulations 2018**"), unless otherwise specified before an offer of Securities, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the Securities are 'prescribed capital markets products' (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

Switzerland

No Securities may be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit any Securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Base Prospectus nor any other offering or marketing material relating to any Securities constitutes a prospectus pursuant to the FinSA, and neither this Base Prospectus nor any other offering or marketing material relating to any Securities may be publicly distributed or otherwise made publicly available in Switzerland.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Securities or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Securities under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer nor any of the other Dealers shall have any responsibility therefor.

None of the Issuer nor any of the Dealers has represented that Securities may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating any such sale.

None of the Dealers will be liable to the Issuer or any other parties as a result of any breach by any other Dealer of the restrictions set out in the Programme Agreement.

With regard to each Tranche, the Relevant Dealer(s) will be required to comply with such other restrictions as the Issuer and the relevant Dealer(s) shall agree as a term of the issue and purchase of the Securities as indicated in the applicable Final Terms.

Secondary Market Arrangements

The Issuer may enter agreements with Dealers or other persons in relation to a Tranche or Series of Securities whereby such Dealers may agree to provide liquidity in those Securities through bid and offer rate arrangements.

The relevant Dealers or relevant persons in such agreements may agree to quote bid and offer prices for the relevant Securities at such rates and in such sizes as are specified in the relevant agreement and the provision of such quotes may be subject to other conditions as set out in the relevant agreement. Not all issues of Securities under the Programme will necessarily benefit from such agreements. A description of the main terms of any such agreements and the names and addresses of the relevant Dealers or other persons who are party to such will be disclosed in the applicable Final Terms for the relevant Securities.

GENERAL INFORMATION

1. The board of directors of the Issuer authorised the establishment of the Programme and the creation and issue of Securities on 28 February 2006. The update of the Programme and the issue of Securities within a period of 12 months from the date of this Base Prospectus have been duly authorised by resolutions of the board of directors of the Issuer on 18 September 2024.

2. For so long as Securities are capable of being issued under the Programme, copies of the following documents may be inspected physically at the registered office of the Issuer during business hours:

   (a) the Constitution (Memorandum and Articles of Association) of the Issuer;

   (b) the audited financial statements of the Issuer for the financial year ended 31 December 2023 and the auditor's report dated 5 March 2024 by PricewaterhouseCoopers thereon;

   (c) the audited financial statements of the Issuer for the financial year ended 31 December 2022 and the auditor's report dated 6 March 2023 by Deloitte Ireland LLP thereon; and

   (d) terms and conditions of the Securities as contained in the base prospectuses dated 14 September 2009, 20 December 2013, 18 December 2014, 17 July 2015, 8 July 2016, 6 July 2017, 25 October 2018, 19 December 2019, 16 December 2020, 10 December 2021 and 19 May 2023 as incorporated by reference in this Base Prospectus in respect of the Programme.

   Copies of those documents including any final terms issued in connection with this Base Prospectus will also be available on the website of the Issuer at https://aib.ie/investorrelations/debt-investor/mortgage-bank.

3. There are no governmental, legal or arbitration proceedings which may have or have had a significant effect on the Issuer's financial position or profitability have been held against the Issuer in the 12 months preceding the date of this Base Prospectus and the Issuer is not aware of any such proceedings which are pending or threatened.

4. Agency Agreement/Deed of Covenant

   The following provides a brief description of the contents of each of the Agency Agreement and the Deed of Covenant. A description of the contents of the Programme Agreement is set out in the first paragraph under *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements* above. A description of the hedging contractual arrangements entered into by the Issuer are set out at *Cover Assets Pool – Cover assets hedge contracts above.*

   (a) Agency Agreement

   In the Agency Agreement the Issuer has agreed the terms of the appointment of the principal paying agent, registrar and the other agents specified therein. In particular, the Agency Agreement sets out terms governing the issue of Securities, the duties of the agents, provisions relating to the payment of the agents' commissions and expenses, an indemnity from the Issuer in favour of the agents and provisions governing changes to the identity of the agents. The Agency Agreement also contains in a number of schedules, the forms of the Securities and the form of the Deed of Covenant.

   (b) Deed of Covenant

   Under the Deed of Covenant the Issuer has agreed, subject to the terms thereof, to grant certain direct contractual rights to Relevant Account Holders (as defined in the Deed of Covenant) in respect of Securities that are issued initially in global form and where a Global Security becomes void in accordance with its terms provides for such contractual rights to arise.

5. There has been no significant change in the financial or trading position and no material adverse change in the prospects of the Issuer since 31 December 2023, the date of the Issuer's last published audited financial statements.

6. The Bearer Securities have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and ISIN for each Tranche of Bearer Securities allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Securities are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

7. No website referred to in this Base Prospectus forms part of this Base Prospectus, other than those website links at which the documents incorporated by reference in this Base Prospectus are stated to be available.

8. Deloitte Ireland LLP were appointed as auditors of the Issuer on 20 June 2013 and ceased to be auditors in May 2023. PricewaterhouseCoopers were appointed in May 2023 as auditors of the Issuer. Both Deloitte Ireland LLP and PricewaterhouseCoopers are members of the Institute of Chartered Accountants in Ireland.

9. Where information in this Base Prospectus is identified as having been sourced by the Issuer from a third party or otherwise attributed to a third party such information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the information reproduced in this Base Prospectus inaccurate or misleading.

10. The language of this Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

11. Credit ratings included or referred to in this Base Prospectus have been or, as applicable, may be, issued by Moody's and/or S&P. S&P is established in the EU, registered under the EU CRA Regulation and appears on the latest update of the list of registered credit rating agencies on the European Securities and Markets Authority website. Moody's is established in the UK and registered under the UK CRA Regulation. Moody's is not established in the EU and has not applied for registration under the EU CRA Regulation. The ratings issued by Moody's have been endorsed by Moody's Deutschland GmbH in accordance with the EU CRA Regulation. Moody's Deutschland GmbH is established in the EU and registered under the EU CRA Regulation. As such, Moody's Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority. Securities issued under the Programme may be rated by Moody's, S&P and/or such other rating agency or agencies as may be appointed by the Issuer to rate the Securities, such ratings together with the relevant status of the relevant rating agency/agencies as may be appointed by the Issuer to rate the Securities, such rating(s) together with the relevant status of the relevant rating agency/agencies under the EU CRA Regulation or the UK CRA Regulation, as applicable, to be disclosed in the applicable Final Terms for the relevant Securities.

12. The Issuer LEI is 549300CGO72ED3XVUZ04.

DEFINITIONS AND INTERPRETATION

In this Base Prospectus, unless the context otherwise requires:

a reference to (i) any enactment, statute, act, statutory instrument, regulation, order, decree, regulatory notice, code of conduct, directions or other legislative measure under the laws of Ireland or the laws of any other jurisdiction, (ii) an EU directive, EU regulation or any other legislative measure made under EU law or applying in respect of the EEA, (iii) any treaty, international agreement or other international legal act whether between Member States of the EU; the EEA or otherwise, or (iv) a provision of any of the foregoing measures referred to at or contemplated by (i) to (iii) above (in this paragraph, a (''**Legal Measure''**) is to that Legal Measure as extended, amended or replaced as of the date of this Base Prospectus or to any other date indicated and includes any other Legal Measure that is to be read as one therewith;

references to "**€**" or "**euro**" are to the common currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, to "**£**" or "**GBP**" or "**Sterling**" are to pounds sterling, the lawful currency of the UK, to "**$**", or "**US dollars**" are to United States dollars, the lawful currency of the United States of America;

"**€STR**" means the euro short- term rate published by the ECB;

"**2004 Regulations**" means the European Communities (Reorganisation and Winding-up of Credit Institutions) Regulations 2004;

"**2007 Irish Residential Loan/Property Valuation Notice**" means the Asset Covered Securities Act 2001 Regulatory Notice ((Sections 41(1) and Section 41A (7)) 2007;

"Error! Reference source not found.**"** means non-cumulative redeemable preference shares that AIB Bank issued to the State in 2009;

"**2011 Regulations**" means the European Communities (Reorganisation and Winding-Up of Credit Institutions) Regulations 2011;

"**30/360**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**30E/360**" has the meaning given to it under the section entitled *Terms and Conditions of the* Securities of this Base Prospectus;

"**30E/360 (ISDA)**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**360/360**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Accrual Period**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**ACS**" means the asset covered securities;

"**ACS Act**" means the Asset Covered Securities Act 2001 (as amended);

"**Actual/360**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Actual/365 (Fixed)**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Actual/Actual**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Actual/Actual (ICMA)**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Additional Financial Centre**" means the city or cities specified as such in the applicable Final Terms for a particular Tranche of Securities;

"**Adjustment Spread**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"Agency Agreement" means the amended and restated agency agreement (such agency agreement as amended and/or supplemented and/or restated from time to time) dated 19 May 2023 and made between the Issuer and the Bank of New York Mellon, London Branch as Principal Paying Agent and Transfer Agent and the Bank of New York Mellon SA/NV, Luxembourg Branch as Registrar;

"**Agents"** has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**AIB Bank**" means Allied Irish Banks, p.l.c.;

"Error! Reference source not found.**"** means the offer and sale of 678,595,310 AIB Bank shares by the Minister to institutional and retail investors at the price at which AIB Bank shares were offered and sold under the AIB initial public offering, being €4.40) (which offer and sale increased to 780,384,606 AIB Bank shares on exercise of an over-allotment option), together with the AIB Bank admission to the Official Lists and to trading on the main markets for listed securities of Euronext Dublin and the London Stock Exchange;

"**AIB Board"** means the board of directors of AIB Bank and/or AIB Group plc, as the context so requires;

"**AIB Group ALCo**" means the AIB Group asset and liability committee;

"**AIB (NI)"** means AIB Northern Ireland;

"**AIB Group plc**" or "**AIB**" means a company incorporated and registered in Ireland with registered number 594283, whose registered office is at 10 Molesworth Street, Dublin 2, Ireland;

"**AIB Relationship Framework**" means the relationship framework specified by the Minister on 11 December 2017 in relation to AIB Group plc, AIB Bank and the Group, amending and restating the relationship framework specified by the Minister in relation to the AIB Bank and the Group on 12 June 2017 with effect from a scheme of arrangement in relation to AIB Group plc and AIB Bank taking effect;

"**AIB UK**" means AIB Group (UK) p.l.c.;

"**Alternative Rate**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**American Depositary Shares**" means equity shares of a non-US company that are held by a US depositary bank and are available for purchase by US investors;

"**AML**" means anti-money laundering;

"AML Acts" means the Criminal Justice (Money Laundering and Terrorist Financing) Acts 2010 to 2021;

"AML/CFT" means anti-money laundering/counter-terrorist financing;

"AMLD4" means Directive 2015/849 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing;

"**AMLD5**" means the proposed Directive 2018/843 to amend AMLD4, commonly referred to as the Fifth EU AML Directive;

"**AMLD6**" means Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by criminal law;

"**an offer of Securities to the public**" has the meaning given to it under the section entitled *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements – Selling Restrictions* of this Base Prospectus;

"**applicable Final Terms**" means the Final Terms (or the relevant provisions thereof) attached to or endorsed on a Security;

"**asset covered securities business activities**" in relation to the ACS Act has the meaning given to it under the section entitled *Supervision and Regulation of Institutions/Managers - Power of the Central Bank to appoint the NTMA or a recommended person as manager of an Institution* of this Base Prospectus;

"**associated**" in the context of the section entitled *Transfers of a Business or Assets under the ACS Act involving an Institution* has the meaning given to it under the sub-section entitled *Approval of the Minister or the Central Bank required* of this Base Prospectus;

"**ASU**" means an Arrears Support Unit for the purposes of the CCMA and the MARP;

"**ATAD**" mean the EU Anti-Tax Avoidance Directives;

"**authorised credit institution**" has the meaning given to it under the section entitled *Insolvency Institutions - European and Irish Insolvency Law relevant to Institutions* of this Base Prospectus;

"**Bankruptcy Act**" means the Bankruptcy Act 1988;

"**Barclays Bank PLC**" means Barclays Bank PLC, a credit institution whose registered office is at One Churchill Place, Canary Wharf, London, E14 5HP, UK and which for the purposes of this Base Prospectus is acting out of its office at 5 North Colonnade, Canary Wharf, London E14 4BB;

"**Barclays Bank Ireland PLC**" means Barclays Bank Ireland PLC, a credit institution whose registered office is at One Molesworth Street, Dublin 2, DO2 RF29 and which for the purposes of this Base Prospectus is acting out of its office at One Molesworth Street, Dublin 2, DO2 RF29;

"**Base Prospectus**." means this document (including information incorporated by reference in this document) which is a base prospectus for the purposes of the Prospectus Regulation and relevant Irish laws, including the Prospectus Regulation, for giving information with regard to the issue of Securities of the Issuer under the Programme during the period of twelve months after the date of this document;

"**Bearer Securities**" means the Securities in bearer form;

"**Benchmark Amendments**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Benchmark Event**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**BEPS**" means the project of the OECD known as Base Erosion and Profits Shifting;

"**Bond Basis**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"BPFI" means the Banking and Payments Federation of Ireland;

"**bps**" means basis points (one basis point being one hundredth of one percent);

"**Brexit**" means the referendum on the UK's membership of the EU held on 23 June 2016 where a majority voted in favour of the UK's exit from the EU following withdrawal from the EU;

"**BRRD**" means the Banking Recovery and Resolution Directive (Directive 2014/59/EU), as amended;

"**BTL**" means buy-to-let;

"**Business Day**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Business Register**" means the register of mortgage covered securities business maintained by the Institution;

"**Capital Markets**" means AIB Capital Markets, a managed reporting segment within AIB Group plc;

"**category A**" has the meaning given to it under the section entitled *Cover Assets Pool - Location of assets that may be included in a Pool* of this Base Prospectus;

"**category B**" has the meaning given to it under the section entitled *Cover Assets Pool - Location of assets that may be included in a Pool* of this Base Prospectus;

"**CCA**" means the Consumer Credit Act 1995;

"**CCB**" means a capital conservation buffer for the purposes of the CRR;

"**CCMA**" means the Code of Conduct on Mortgage Arrears (2013) and its addendums, issued by the Central Bank;

"**CCPC**" means the Competition and Consumer Protection Commission of Ireland;

"**CCR**" means the Central Credit Register established under the Credit Reporting Act and operated by the Central Bank;

"**CCR Regulations**" means the regulations published by the Central Bank governing the operation of the CCR;

"**CCyB**" means a countercyclical capital buffer for the purposes of the CRR;

"CDD" means customer due diligence;

"**Central Bank**" means:

(a) subject to (b) below, the Central Bank of Ireland (which includes, where appropriate, and in the context of the Conditions, a reference to the former Central Bank and Financial Services Authority of Ireland and its constituent part, the Irish Financial Services Regulatory Authority, in respect of functions or actions carried out prior to the commencement of relevant parts of the Central Bank Reform Act 2010); and

(b) the ECB, but only to the extent that the reference is in respect of functions conferred on the ECB by the SSM Regulation, Regulation 468/2014 of the European Central Bank establishing the framework for cooperation within the SSM between the European Central Bank and national competent authorities and with national designated authorities and the European Union (Single Supervisory Mechanism) Regulations 2014;

"**Central Bank Act 2013**" means the Central Bank (Supervision and Enforcement) Act 2013;

"**Central Bank Act 2023**" means the Central Bank (Individual Accountability Framework) Act 2023;

"**CET1**" means common equity tier 1 for the purposes of the CRR;

"**CFI**" means the classification of financial instruments code;

"**CFT**" means countering the financing of terrorism;

"Error! Reference source not found." means the credit institutions financial support scheme introduced by the Government on 30 September 2008 pursuant to the Credit Institutions (Financial Support) Scheme 2008 (S.I. No. 411 of 2008), which expired on 29 September 2010;

"**Circuit Court**" means the Circuit Court of Ireland as established and for the time being maintained by the laws of Ireland;

"**CIWUD Directive**" means Directive 2001/24/EC of the European Parliament and the Council of 4 April, 2001 on the reorganisation and winding up of credit institutions which is implemented in Ireland by the 2011 Regulations;

"**Clearing Systems**" means Euroclear and Clearstream, Luxembourg;

"**Clearstream, Luxembourg**" means Clearstream Banking, S.A. and whenever the context so permits includes a reference to any additional or alternative clearing system specified in the applicable Final Terms;

"**CMBS**" means commercial mortgage backed securities;

"**Collateral Register**" in relation to the ACS Act, means the register of pool hedge collateral under the ACS Act;

"**collateral security**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted Business Activities – (a) providing mortgage credit and dealing in and holding mortgage credit assets and providing group mortgage trust services* of this Base Prospectus;

"**commercial property**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted Business Activities – (a) providing mortgage credit and dealing in and holding mortgage credit assets and providing group mortgage trust services* of this Base Prospectus;

"Error! Reference source not found." means a common depositary for Euroclear and Clearstream, Luxembourg;

"**Common Safekeeper**" means a common safekeeper for Euroclear and Clearstream, Luxembourg;

"**Companies Act**" means the Companies Act 2014 and every enactment that is to be read or construed as one with that Act;

"**Condition**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus and "**Conditions**" shall be construed accordingly;

"Error! Reference source not found." means the Italian Securities Exchange Commission;

"Consumer Credit Regulations" means the European Communities (Consumer Credit Agreements) Regulations 2010, which gave effect to the Consumer Credit Directive in Irish law;

"**Consumer Credit Directive**" means Directive 2008/48/EC on credit agreements for consumers;

"Error! Reference source not found. **2007**" means the Consumer Protection Acts 2007 to 2019 which implements the Unfair Commercial Practices Directive in Ireland;

"**contained in this Base Prospectus**" means information as set out or incorporated by reference in this Base Prospectus or any supplement thereto;

"**Contractual Overcollateralisation**" has the meaning given to it under the section entitled *Cover Assets Pool - The Pool maintained by the Issuer - Overcollateralisation* of this Base Prospectus;

"**Couponholders**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Coupons**" has the meaning given to it under the *Terms and Conditions of the Securities* of this Base Prospectus;

"**Cover Assets**" in relation to the ACS Act and an Institution, means the permitted assets comprised in a Pool which secure Mortgage Covered Securities issued by that Institution and certain claims of its other preferred creditors, in accordance with the ACS Act;

"**Cover-Assets Monitor Agreement**" means the agreement entered into between Forvis Mazars and the Issuer dated 10 February 2006 (as amended and restated on 10 October 2007) (as further amended) setting out the terms on which Mazers has been appointed and acts as Monitor in respect of the Issuer;

"**Covered Bonds Directive**" means Directive (EU) 2019/2162 of the European Parliament and the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU;

"**Covered Bond Programme**" means, from 8 July 2022, a programme permitting issues of Mortgage Covered Securities authorised under the ACS Act which has been approved by the Central Bank;

"**COVID-19**" means an infectious disease caused by the coronavirus that was first discovered in 2019;

"**CGC Code**" means the Corporate Governance Requirements for Credit Institutions 2015 issued by the Central Bank;

"**CPC**" means the Consumer Protection Code 2012 which was published by the Central Bank and became effective on 1 January 2012 and the addendums thereto as issued by the Central Bank;

"**CRD**" means CRD IV, as amended by CRD V;

"**CRD IV**" means the CRR and the Capital Requirements Directive (2013/36/EU) (as amended by CRD V) together;

"**CRD V**" means the Capital Requirements Directive V (Directive (EU) 2019/878);

"**credit institution**" has the meaning given to it under the section entitled R*egistration Of Institutions/Revocation Of Registration - Registration of an eligible credit institution as an Institution* of this Base Prospectus;

"**Credit Reporting Act**" means the Credit Reporting Act 2013 and the regulations issued thereunder;

"**credit transaction**" has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted business activities – (d) dealing in and holding credit transaction assets* of this Base Prospectus;

"**credit transaction asset**" has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted business activities – (d) dealing in and holding credit transaction assets* of this Base Prospectus;

"**CRA 2022**" means the Consumer Rights Act 2022;

"**CRR**" means the Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (as amended);

"**CRR II**" means Capital Requirements Regulation II (Regulation (EU) 2019/876);

"**CRS**" means the regime known as the Common Reporting Standard proposed by the OECD as a new global standard for the automatic exchange of information between tax authorities in participating jurisdictions and is provided for in Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU);

"**CSO**" means the Central Statistics Office;

"**CSCP Regulations**" means the European Union (Credit Servicers and Credit Purchasers) Regulations 2023, which implements the Credit Servicing Directive in Ireland;

"**CTA Eligible Financial Institutions Regulations**" means the Asset Covered Securities Act 2001 (Section 27(4)) Regulations 2007 (S.I. No. 601 of 2007) made by the Central Bank which came into operation on 31 August 2007;

"**DAC**" means designated activity company;

"**DAC2**" means the automatic exchange of information regime under EU Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by EU Council Directive 2014/107/EU);

"**Day Count Fraction**" has the meanings given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**DCI**" in relation to the ACS Act means a credit institution registered as a designated credit institution under the ACS Act;

"**Dealer**" means a dealer specified under *Overview of the Programme* and any additional Dealer appointed under the Programme from time to time by the Issuer which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Securities being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to purchase such Securities;

"**Dealers**" means more than one Dealer;

"**Deed of Covenant**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Defaults under residential loans**" means that the following accounts are considered as defaulted or non-performing;

(a) where the Group considers a credit obligor to be unlikely to pay his/her credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount; or

(b) the credit obligor is 90 days or more past due on any material credit obligation (date count starts where any amount of principal, interest or fee has not been paid by a credit obligor at the date it was due); or

(c) loans that have, as a result of financial distress (as defined within the Group's definition of default policy), received a concession from the Group on terms or conditions, and will remain in the non-performing probationary period for a minimum of 12 months before moving to a performing classification;

"**Designated Account**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Designated Bank**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**designated mortgage credit institutions**" has the meaning given to it under the section *Overview of the Programme* of this Base Prospectus;

"**Determination Dates**" means, in respect of a Tranche of Fixed Rate Securities, each date specified in the applicable Final Terms or, if none is so specified, each Interest Payment Date;

"**Determination Period**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Distribution Compliance Period**" has the meaning given to it under the section entitled *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements – Selling Restrictions* of this Base Prospectus;

"**distributor**" means any person subsequently offering, selling or recommending the Securities;

("DM Regulations" means the European Communities (Distance Marketing of Consumer Financial Services) Regulations 2004, which implements the Distance Marketing Directive in Ireland;

"**Distance Marketing Directive**" means Directive 2002/65/EC concerning the distance marketing of consumer financial services;

"**DRN**" means a debt relief notice under the Personal Insolvency Act;

"**DSA**" means a debt settlement arrangement under the Personal Insolvency Act;

"**duration**" has the meaning given to it under the section entitled *Cover Assets Pool - Financial matching criteria for a Pool and related Mortgage Covered Securities/Regulatory Overcollateralisation - Meaning of "**duration**" of a Pool or Mortgage Covered Securities* of this Base Prospectus;

"**Duration Regulatory Notice**" means the Asset Covered Securities Act 2001 Regulatory Notice (Sections 32(10) and 47(10)) 2007 dated 31 August 2007 and made by the Central Bank;

"**EBA**" means the European Banking Authority;

"EBS" means EBS d.a.c. (formerly EBS Limited and prior to that EBS Building Society), a company incorporated under the laws of Ireland (registered number 500748) and a wholly-owned subsidiary of AIB Bank;

"**EC**" means the Commission of the EU (provided for under the provision of Title III of the Treaty on European Union), which operates as the executive body of the EU;

"**ECAI**" means an external credit assessment institution for the purposes of CRD IV;

"**ECB**" means the European Central Bank;

"**ECB banking authorisation**" means:

(a) in the case of a licence granted by the Central Bank under section 9 of the Central Bank Act 1971 prior to 4 November 2014 (including that issued to and held by the Issuer or AIB Bank), such a licence which is deemed in accordance with the SSM Regulation to be an authorisation granted by the ECB under the SSM Regulation; or

(b) in any other case, an authorisation granted by the ECB under the SSM Regulation on the application therefor under section 9 of the Central Bank Act 1971;

"**EEA**" means the European Economic Area;

"Error! Reference source not found." means the Eligible Liabilities Guarantee Scheme established under the Credit Institutions (Financial Support) Act 2008 and by the Credit Institutions (Eligible Liabilities Guarantee) Scheme 2009, which expired for new liabilities on 28 March 2013;

"**Eligible Green Mortgage Portfolio**" has the meaning given to it in the section entitled *Green Bond Framework Overview* of this Base Prospectus;

"**Eligible Social Mortgage Portfolio**" has the meaning given to it in the section entitled *Social Bond Framework Overview* of this Base Prospectus;

"**EMMI**" means the European Money Markets Institute;

"**Employment Detail Summary**" means summary provided by the Revenue Commissioners which contains an employee's pay and statutory deductions for the year as reported by their employer or pension provider;

"**Enterprise Securities Market**" means the Enterprise Securities Market of Euronext Dublin;

"**EONIA**" means Euro overnight index average, the daily reference rate that expresses the weighted average of unsecured overnight interbank lending in the EU and the European Free Trade Association as calculated by the ECB;

"**ePrivacy Regulations"** means the European Communities (Electronic Communications Networks and Services) (Privacy and Electronic Communications) Regulations 2011;

"**ESG Bond Working Group**" has the meaning given to it in the section entitled *Green Bond Framework Overview* of this Base Prospectus;

"**ESMA**" means the European Securities and Markets Authority;

"**ESRI**" means the Economic & Social Research Institute;

"**EU**" means the European Union;

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

"**EU Covered Bonds Regulation**" means Regulation (EU) 2019/2160 of the European Parliament and of the Council of 27 November 2019 amending CRR as regards exposures in the form of covered bonds;

"**EU CRA Regulation**" means Regulation (EU) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies;

"**EU Prospectus Regulations**" means Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 and Commission Delegated Regulation (EU) 2019/979 of 14 March 2019;

"**EU Sustainable Finance Taxonomy**" means the framework established by the Sustainable Finance Taxonomy Regulation to facilitate sustainable investment;

"**EURIBOR**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Eurobond Basis**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Euroclear**" means Euroclear Bank SA/NV and whenever the context so permits includes a reference to any additional or alternative clearing system specified in the applicable Final Terms;

"**Euronext Dublin**" means the Irish Stock Exchange plc, trading as Euronext Dublin;

"Error! Reference source not found." means the central banking system of the Eurozone comprising the ECB and the national central banks of the Eurozone Member States;

"**Eurozone**" means the Member States of the EU which have adopted the euro as their common currency;

"**EUWA**" means the the European Union (Withdrawal) Act 2018 (as amended);

"**Exchange Date**" means on or after the date which is 40 days after a Temporary Bearer Global Security is issued;

"**Exchange Event**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**FATCA**" means the Foreign Account Tax Compliance Act of the US;

"**FCA**" means Financial Conduct Authority in the UK;

"**Final Terms**" has the meaning given to it under the section entitled *Final Terms for Securities* of this Base Prospectus;

"**Final Terms for Securities**" means a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Securities;

"**financial asset**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution* of this Base Prospectus;

"Error! Reference source not found." means the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948);

"Error! Reference source not found." means the Republic of Italy Legislative Decree No. 58 of 24 February 1998, as amended;

"**First Trust**" means First Trust Bank, the trading name of AIB Group (UK) p.l.c., in Northern Ireland, where it operates under that trading name;

"**Fixed Interest Period**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Fixed Rate Securities**" means Securities on which interest is calculated at a fixed rate payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

"**Fixed Rate Security**" means a Security on which interest is calculated at a fixed rate payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

"Floating Rate Securities" means Securities on which interest is calculated at a floating rate, payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

"**Floating Rate Security**" means a Security on which interest is calculated at a floating rate, payable in arrear on one or more Interest Payment Dates in each year as may be agreed between the Issuer and the relevant Dealer, as indicated in the applicable Final Terms;

"**Following Business Day Convention**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"FSG" means the Financial Solutions Group.

"**FISN**" means the financial instrument short name code;

"Error! Reference source not found." means the UK Financial Services and Markets Act 2000 (as amended);

"**FSO**" means the Financial Services Ombudsman;

"**FSPO**" means the Financial Services and Pensions Ombudsman, the successor entity to the FSO in Ireland;

"**FTB**" means First-time Buyer;

"GDPR" means Regulation 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data (as amended);

"**Global Security**" means a either a Temporary Bearer Global Security, a Permanent Bearer Global Security, or a Registered Global Security;

"Government" means the government of Ireland;

"**Green Bonds**" means bonds which are issued by a member of the Group in accordance with the Green Bond Framework;

"**Green Bond Framework**" has the meaning given to it in the section entitled *Green Bond Framework Overview* of this Base Prospectus;

"**Green Securities**" means Securities which are issued by the Issuer in accordance with the Green Bond Framework and as specified in the applicable Final Terms;

"**Group**" means the Group which comprises of AIB Bank, and its subsidiaries up to 8 December 2017 and from 8 December 2017 onwards, comprises AIB Group plc and its subsidiaries (including AIB Bank);

"**group entity assets**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted business activities – (a) providing mortgage credit and dealing in and holding mortgage credit assets and providing group mortgage trust services* of this Base Prospectus;

"**Haven**" means Haven Mortgages Limited;

"**Hedging Contracts**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted business activities – (f) entering into certain hedging contracts for the purpose of hedging risks associated with the foregoing activities/dealing in and holding Pool Hedge Collateral* of this Base Prospectus;

"Error! Reference source not found." means the High Court of Ireland;

"**holders of the Securities**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus and "**holder of the Securities**" is to be construed accordingly;

"**home Member State**" means the Member State in which the entity has been authorised as a credit institution;

"**IASB**" means International Accounting Standards Board;

"**ICMA**" means International Capital Markets Association;

"**ICMA Green Bond Principles**" has the meaning given to it in the section entitled *Green Bond Framework Overview* of this Base Prospectus;

"Error! Reference source not found." means the international central securities depositaries, which are, for the purposes of this Base Prospectus, Euroclear Bank SA/NV and Clearstream Banking, SA together;

"Error! Reference source not found." in relation to CRS and DAC2, means information exchange agreements between relevant countries;

"**IFRS**" means International Financial Reporting Standard, as adopted by the EU;

"**IGA legislation**" in relation to FATCA, means an intergovernmental agreement;

"**Independent Adviser**" means an independent financial institution of international repute or an independent adviser with appropriate expertise (which may include the Calculation Agent) appointed by the Issuer at its own expense;

"**Initial Rate of Interest**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**insolvency process**" in relation to the ACS Act, has the meaning given to it under the section entitled *Insolvency of Institutions - Meanings of "**insolvent**", "**potentially insolvent**" and "**insolvency process**" for the purposes of the ACS Act* of this Base Prospectus;

"**Insolvency Service**" means the Insolvency Service of Ireland;

"**insolvent**" in relation to the ACS Act, has the meaning given to it under the section entitled *Insolvency of Institutions - Meanings of "**insolvent**", "**potentially insolvent**" and "**insolvency process**" for the purposes of the ACS Act* of this Base Prospectus;

"**Instalment Amounts**" means in relation to Instalment Securities, the Instalment Amounts as specified in the applicable Final Terms;

"**Instalment Dates**" means in relation to Instalment Securities, the date on which the Instalment Amounts are redeemed, as specified in the applicable Final Terms;

"**Instalment Securities**" means Securities, based upon the Redemption Basis, that are redeemed in the Instalment Amounts and on the Instalment Dates as specified in the applicable Final Terms;

"**Institutions**" means those credit institutions, such as the Issuer, which are registered under the ACS Act as designated mortgage credit institutions and "**Institution**" means any one of them;

"**Insurance Distribution Directive**" means the Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution (recast);

"**Interest Amount**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Interest Commencement Date**" means the issue date or such other date as may be specified pursuant to the applicable Final Terms for any particular series or in the Securities of such series;

"**Interest Payment Date"** has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Investor's Currency**" means a currency or currency unit other than the Specified Currency;

"**IRB**" means the Internal Ratings-Based approach which allows banks, subject to regulatory approval, to use their own estimates of certain risk components to derive regulatory capital requirements for Credit risk across different asset classes. The relevant risk components are: (i) probability of default means the likelihood that a borrower defaults over an observation period, given that they are not currently in default; (ii) loss given default, being the loss associated with a defaulted loan or borrower and; (iii) exposure at default of a borrower, being the exposure of a borrower who is unable to repay his or her obligations at the point of default;

"**Ireland**" means the Republic of Ireland;

"**Irish**" means Ireland, excluding Northern Irish, respectively;

"**Irish Banking Code**" means the laws and regulations applicable to general banking activities in Ireland;

"**Irish Covered Bonds Directive Implementing Regulations**" means the European Union (Covered Bonds) Regulations 2021;

"**Irish Prospectus Regulations**" means the European Union (Prospectus) Regulations 2019;

"**Irish Residential Loans**" in relation to the MCA Valuation Notice, means a mortgage credit asset (other than a securitised mortgage credit asset) which is secured on an Irish Residential Property Asset;

"**Irish Residential Property Asset**" means a property asset which is residential property situated in Ireland and which secures a mortgage credit asset (other than a securitised mortgage credit asset) held by an Institution;

"**ISDA**" means the International Swaps and Derivatives Association, Inc.;

"**ISDA Definitions**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**ISDA Rate**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**ISIN**" in relation to Securities, means the international securities identification number;

"**Issue Date**" means the issue date of the relevant Tranche of Securities, as specified in the applicable Final Terms;

"**Issue Price**" means the issue price for the relevant Tranche of Securities which may be at par or at a discount to, or premium over, par, and as specified in the applicable Final Terms;

"**KID**" means a key information document required by the PRIIPs Regulation;

"**Issuer**" means AIB Mortgage Bank u.c., a wholly-owned subsidiary of AIB Bank;

"**Issuer LEI**" means the Issuer's legal entity identifier;

"**LCLRA 2009**" means the Land and Conveyancing Law Reform Act 2009;

"**LCLRA 2013**" means the Land and Conveyancing Law Reform Act 2013;

"**LCLRA 2019**" means the Land and Conveyancing Law Reform (Amendment) Act 2019;

"**LCR**" means Liquidity Coverage Ratio for the purposes of the new Basel III liquidity related ratios;

"**LCR Commission Regulation**" means Commission Delegated Regulation (2015/62/EU) of 10 October 2014 to supplement Regulation (EU) 575/2013 with regard to liquidity coverage requirement of Credit Institutions;

"**LCR Overcollateralisation Percentage**" has the meaning given to it under the section entitled *Cover Assets Pool – The Pool Maintained by the Issuer – Overcollateralisation* of this Base Prospectus;

"**Lending Criteria**" means the lending criteria that are applied at the date of this Base Prospectus in respect of the Irish residential lending by the Issuer;

"LIBOR" means the London Inter-bank Offered Rate;

"Error! Reference source not found." is as defined in the CPC, being "*a loan secured on a borrower's home where: (a) interest payments are rolled up on top of the capital throughout the term of the loan; (b) the loan is repaid from the proceeds of the sale of the property; and (c) the borrower retains ownership of the home whilst living in it*";

"**Liquidity Sub-Group**" means certain of AIB Bank's subsidiaries (including the Issuer) in the context of a liquidity management agreement dated 29 January 2014 between AIB Bank and its subsidiaries (including the Issuer) pursuant to which AIB Bank manages, and reports on, the liquidity of those subsidiaries (including the Issuer) in accordance with the requirements of CRD IV;

"**London Business Day**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Long Maturity Security**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**LTI**" in relation to a loan, means loan-to-income;

"**LTV**" loan to value is an arithmetic calculation that expresses the amount of the loan as a percentage of the value of security/collateral;

"Error! Reference source not found." means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2022;

"**Main Securities Market**" means the Main Securities Market of Euronext Dublin;

"**Margin**" means the margin applicable to the relevant Tranche of Securities as specified in the applicable Final Terms;

"**MARP**" means the Mortgage Arrears Resolution Process as provided for under the CCMA;

"Error! Reference source not found." means the Mortgage Arrears Resolution Strategy which built on and formalised the MARP and was required to be introduced to comply with the CCMA;

"**Maturity Date**" means the date on which the Issuer will redeem the Relevant Tranche of Securities in full, unless an Extended Maturity Date applies, as specified in the applicable Final Terms;

"**MCA Valuation Notice**" means the Asset Covered Securities Act 2001 Regulatory Notice (Sections 41(1) and 41A(7)) 2011;

"MCC 2011" means the Minimum Competency Code 2011;

"**MCC 2017**" means the Minimum Competency Code 2017;

"**Member States**" means states of the EU or, as the context may require, the EEA;

"**MiFID II Directive**" means Directive 2014/65/EU on markets in financial instruments;

"**MiFID Product Governance Rules**" means the MiFID product governance rules under EU Delegated Directive 2017/593;

"**Minimum Competency Regulations**" means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Minimum Competency Regulations 2017;

"**Minimum Overcollateralisation Level**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Minimum SA Rating**" has the meaning given to it under the section entitled *Cover Assets Pool - The Pool maintained by the Issuer - Substitution Assets* of this Base Prospectus;

"**Minister**" means the Minister for Finance of Ireland;

"**Modified Following Business Day Convention**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Monitor**" means a cover-assets monitor under the ACS Act;

"**Monitor appointed in respect of the Issuer**" means Forvis Mazars, which has agreed in the Cover-Assets Monitor Agreement to monitor compliance by the Issuer with its undertaking regarding the level of Contractual Overcollateralisation;

"**Moody's**" means Moody's Investors Service Limited;

"**Mortgage Covered Securities**" in relation to the ACS Act, means asset covered securities issued by Institutions in accordance with the ACS Act;

"**mortgage credit**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted business activities – (a) providing mortgage credit and dealing in and holding mortgage credit assets and providing group mortgage trust services* of this Base Prospectus;

"**mortgage credit asset**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted business activities – (a) providing mortgage credit and*

dealing in and holding mortgage credit assets and providing group mortgage trust services of this Base Prospectus;

"Error! Reference source not found." means Directive 2014/17/EU on credit agreements relating to residential immovable property, which was transposed into Irish law with effect from 21 March 2016 by the Mortgage Credit Regulations;

"Mortgage Credit Regulations" means the European Union (Consumer Mortgage Credit Agreements) Regulations 2016;

"**mortgage security**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution - Permitted business activities – (a) providing mortgage credit and dealing in and holding mortgage credit assets and providing group mortgage trust services* of this Base Prospectus;

"**Mortgage Servicer**" means AIB Bank's appointment as the agent and servicer of the Issuer under the Outsourcing Agreement in respect of the service and administration of the Irish loans of the Issuer, their related security and certain other related matters;

"**MPM**" means macro-prudential mortgage measures set by the Central Bank which are aimed at strengthening the resilience of both borrowers and the banking sector and which set limits on the maximum size of mortgages that consumers can borrow through the use of LTV and LTI limits;

"**MREL**" in relation to the BRRD and the SRM Regulations, means minimum requirement for own funds and eligible liabilities for the purposes of the BRRD and the SRM Regulation;

"Error! Reference source not found." means the National Asset Management Agency;

"Error! Reference source not found." means the sustainable residual net monthly income of an applicant after meeting the monthly mortgage stressed repayment (see paragraph (b) under the section entitled *Irish Residential Loan Origination and Servicing – Lending Criteria – Repayment Capacity*) for stress testing methodology) and any other regular monthly outgoings (i.e. loan repayments, childcare, maintenance payments, etc);

"Error! Reference source not found." means in relation to Bearer Securities, means the new global note structure;

"**non-performing**" accounts or exposures are considered as defaulted or non-performing:

(a) where the Group considers a credit obligor to be unlikely to pay his/her credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or

(b) the credit obligor is 90 days or more past due on any material credit obligation (date count starts where any amount of principal, interest or fee has not been paid by a credit obligor at the date it was due); or

(c) loans that have, as a result of financial distress (as defined within the Group's definition of default policy), received a concession from the Group on terms or conditions, and will remain in the non-performing probationary period for a minimum of 12 months before moving to a performing classification,

provided, however, that "**non-performing**" in relation to assets of an Institution and the ACS Act has the meaning given to it under the section entitled *Cover Assets Pool - Circumstances in which an asset may not be included in the a Pool* of this Base Prospectus;

"**Northern Ireland**" means the counties of Antrim, Armagh, Derry, Down, Fermanagh and Tyrone on the island of Ireland, which form part of the UK;

"**NPE**" means non-performing exposure;

"**NSFR**" means the net stable funding ratio for the purposes of CRD IV and the Basel III liquidity related ratios;

"Error! Reference source not found." means in relation to Registered Global Security, means the new safekeeping structure;

"**NTMA**" means the National Treasury Management Agency;

"**OECD**" means the Organisation for Economic Co-operation and Development;

"**Official List**" means the official list maintained by Euronext Dublin;

"**Origination Market Value**" for the purposes of the MCA Valuation Notice, means, as a general rule, the market value of an Irish Residential Property Asset at the time of origination of the mortgage credit asset secured on that Irish Residential Property Asset equal to the amount determined or accepted by the originator of that mortgage credit asset to have been the market value of that Irish Residential Property Asset at or about that time;

"**Original Reference Rate**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities – Benchmark Discontinuation* of this Base Prospectus;

"**other security**" has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution- Permitted business activities – (a) providing mortgage credit and dealing in and holding mortgage credit assets and providing group mortgage trust services* of this Base Prospectus;

"**Outsourcing Agreement**" means the Outsourcing and Agency Agreement dated 8 February 2006 (as amended) between AIB Bank and the Issuer;

"**outstanding**" in relation to Securities, has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Overcollateralisation Percentage**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Overcollateralisation Regulation**" means the Asset Covered Securities Act 2001 (sections 61(1), 61(2) and 61(3)) Overcollateralisation Regulation 2004;

"**O-SII**" means an 'other systemically important institution' for the purposes of CRD IV;

"**PAYE**" means the pay as you earn tax system for employees;

"**Paying Agent**" has the meaning given to it under the *Terms and Conditions of the Securities* of this Base Prospectus;

"**Payment Day**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**PDH**" means a principal dwelling home;

"**Permanent Bearer Global Security**" means a Tranche of Bearer Securities issued in permanent bearer global form;

"**Personal Insolvency Act**" means the Personal Insolvency Act 2012 (as amended);

"**PIA**" means a personal insolvency arrangement under the Personal Insolvency Act;

"**Pillar 1**" means pillar 1 for the purposes of the CRR;

"**Pillar 2**" means pillar 2 for the purposes of the CRR;

"**Pool**" means a cover assets pool for the purposes of the ACS Act;

"**Pool Hedge**" means the cover assets hedge contract comprised in the Pool entered into by the Issuer with AIB Bank on 29 March 2004 in the form of an International Swap Dealers Association master agreement and credit support annex (as supplemented by transaction confirmations);

"**Pool Hedge Collateral**" in relation to the ACS Act, means collateral posted with an Institution under a cover assets hedge contract;

"**potentially insolvent**" in relation to the ACS Act, has the meaning given to it under the section entitled *Insolvency of Institutions - Meanings of "insolvent", "potentially insolvent" and "insolvency process" for the purposes of the ACS Act* of this Base Prospectus;

"**PRA**" means the Prudential Regulation Authority in the UK;

"**Preceding Business Day Convention**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Preferred creditors**" in relation to the ACS Act, has the meaning given to it under the section entitled *Insolvency of Institutions - Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution* of this Base Prospectus;

"**PRIIPs Regulation**" means Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products;

"**Principal Paying Agent**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**PRISM**" means the Probability Risk Impact System, which is the Central Bank's risk-based framework for the supervision of Central Bank authorised and regulated financial service providers;

"**Programme**" means the €20,000,000,000 Mortgage Covered Securities Programme pursuant to which the Issuer may from time to time issue mortgage covered securities denominated in any currency agreed between the Issuer and the relevant Dealer and subject to the minimum denomination of any Security to be admitted to trading on a regulated market for the purposes of the Prospectus Regulation or offered to the public in a Member State of the EEA being €100,000 (or the equivalent thereof in another currency);

"**Programme Agreement**" has the meaning given to it under the section entitled *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements – Subscription and Sale: Programme Agreement* of this Base Prospectus;

"**Prospectus Regulation**" means Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended);

"**PRSI**" means pay-related-social-insurance;

"**Prudent Market Discount**" in relation to the MCA Valuation Notice, has the meaning given to it under the section entitled *Cover Assets Pool – Valuation of Assets held by an Institution - Prudent Market Discount* of this Base Prospectus;

"**Prudent Market Discount Regulation**" means the Asset Covered Securities Act 2001 (Sections 61(1), 61(2) and 61(3)) Prudent Market Discount Regulation 2004 (S.I. No. 420 of 2004);

"**prudent market value**" in relation to the ACS Act, has the meaning given to it under the section entitled *Cover Assets Pool – Valuation of Assets held by an Institution - Valuation of Relevant Securitised Mortgage Credit Assets* of this Base Prospectus;

"**Put Notice**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Receiptholders**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Receipts**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Record Date**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Redeemed Securities**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Reference Rate**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Reference Banks**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Register**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Register of Institutions**" in relation to the ACS Act means the register of designated mortgage credit institutions maintained by the Central Bank under the ACS Act;

"**Registered Global Security**" means Securities issued in registered global form;

"**Registered Securities**" means the Securities in registered form;

"**Registrar**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**regulated market**" means a regulated market for the purposes of Article 4(21) of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments;

"**Regulation No. 11991**" means CONSOB Regulation No. 11971 of 14 May 1999;

"**Regulation S**" means Regulation S under the Securities Act;

"**Regulatory Overcollateralisation**" means that the prudent market value of the mortgage credit assets and substitution assets comprised in the Pool, expressed as a percentage of the total nominal or principal amounts of the Mortgage Covered Securities in issue, is a minimum of 103 percent after taking into account the effect of any cover assets hedge contract comprised in the Pool;

"relevant applicable enactment" has the meaning given to it under the section entitled *Insolvency of Institutions – European and Irish Insolvency Law relevant to Institutions* of this Base Prospectus;

"**Relevant Date**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Relevant Fallback Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the applicable Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service);

"**Relevant Nominating Body**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**relevant person**" for the purposes of the transfer mechanism under section 58 of the ACS Act has the meaning given to it under the section entitled *Transfers of a Business or Assets under the ACS Act involving an Institution - Approval of the Minister or the Central Bank required* of this Base Prospectus;

"**Relevant Person**" for the purposes of the section entitled *Introduction* of this Base Prospectus only means the Minister, the Department of Finance, the Government, NAMA or any person controlled by or controlling any such person, or any entity or agency of or related to the State, or any director, officer, official, employee, or adviser (including, without limitation, legal and financial advisers) of any such person;

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service (or any successor or replacement page, section, caption, column or other part of a particular information service);

"**Relevant Securitised Mortgage Credit Assets**" means in relation to the MCA Valuation Notice, means a securitised mortgage credit asset the related property assets of which indirectly comprise (in whole or in part) residential property (whether or not located in Ireland);

"**resident of Japan**" has the meaning given to it under the section entitled *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements – Selling Restrictions* of this Base Prospectus;

"**residential property**" in relation to the ACS Act, has the meaning given to it under the section entitled *Restrictions on the Activities of an Institution* of this Base Prospectus;

"**Revenue Commissioners**" means the Revenue Commissioners of Ireland;

"Revised Wire Transfer Regulation" means Regulation (EC) No 2015/847 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006;

"**RMBS**" means residential mortgage backed securities;

"**RWAs**" means risk weighted assets for the purposes of CRD IV;

"**S&P**" means S&P Global Ratings Europe Limited;

"**Scheme**" means the scheme of arrangement proposed to be made under Part 9 of Chapter 1 of the Companies Act between AIB and the holders of the Scheme Shares, as set out in Part III of the Scheme Circular, and the related AIB reduction of capital under sections 84 to 86 of the Companies Act, with or subject to any modifications, addition or condition approved or imposed by the Court and agreed to by AIB and AIB Group plc.;

"**Section 41(3)/(5) Valuation Notice**" means the Asset Covered Securities Act 2001 Regulatory Notice (Section 41(3) and (5)) 2007;

"**Securities**" means mortgage covered securities that are issued under the Programme;

"**Securities Act**" has the meaning given to it under the section entitled *Subscription and Sale, Transfer and Selling Restrictions and Secondary Market Arrangements – Transfer Restrictions* of this Base Prospectus;

"**securitisation**" means the process of aggregation and repackaging of non-tradable financial instruments such as loans and receivables, or company cash flow, into securities that can be issued and traded in the capital markets;

"**securitised mortgage credit assets**" in relation to the ACS Act, means a mortgage credit asset in securitised form; namely, RMBS or CMBS;

"**Security holders**" has the meaning given to it under the section of this Base Prospectus entitled *Terms and Conditions of the Securities*;

"**Security Holders**" has the meaning given to it in under the section of this Base Prospectus entitled *Taxation - General*;

"**Selection Date**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Sensitivity to Interest Rate Changes Regulation**" means the Asset Covered Securities Act, 2001 (Section 91(1)) (Sensitivity to Interest Rate Changes) Regulation, 2004 (S.I. No. 416 of 2004) as amended by the Asset Covered Securities Act 2001 (Section 91(1)) (Sensitivity to Interest Rate Changes – Mortgage Credit) (Amendment) Regulations 2007 (S.I. No. 612 of 2007) (which came into operation on 31 August 2007);

"**Series**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"SFS" means a standard financial statement;

"**SME**" means a small and medium size enterprise;

"Error! Reference source not found." means the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015;

"Error! Reference source not found." means Sustainable Mortgage Resolution Template;

"**Social Bond Framework**" has the meaning given to it in the section entitled *Social Bond Framework Overview* of this Base Prospectus;

"**Social Bonds**" means bonds which are issued by a member of the Group in accordance with the Social Bond Framework;

"**Social Bond Principles**" has the meaning given to it in the section entitled *Social Bond Framework Overview* of this Base Prospectus;

"**Social Securities**" means Securities which are issued by the Issuer in accordance with the Social Bond Framework and as specified in the applicable Final Terms;

"**Specified Currency**" means the specified currency for the relevant Tranche of Securities as specified in the applicable Final Terms;

"**Specified Denomination**" means the specified denomination for the relevant Tranche of Securities as specified in the applicable Final Terms;

"**SRB"** means the Single Resolution Board, the EU resolution authority which, together with the national resolution authorities, forms part of the SRM;

"**SREP**" means supervisory review and evaluation process;

"**SRM**" means the Single Resolution Mechanism;

"**SRM Regulation**" means the Single Resolution Mechanism Regulation (EU) No. 806/2014 of 15 July 2014;

"**SSM**" means the Single Supervisory Mechanism;

"**SSM Regulation**" means Council Regulation (EU) No. 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions;

"**Stabilising Manager**" means the Dealer(s) (if any), named as the stabilisation manager(s) in the applicable Final Terms;

"**State**" means Ireland;

"**Substitution Asset Pool Eligibility Notice**" means the Asset Covered Securities Act 2001 Regulatory Notice (Section 35(9B)) 2014 made by the Central Bank (which came into operation on 4 July 2014);

"**sub-unit**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Successor Rate**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities – Benchmark Discontinuation* of this Base Prospectus;

"**Super-preferred creditors**" has the meaning given to it under the section entitled *Insolvency of Institutions - Effect under the ACS Act of insolvency, potential insolvency or insolvency process with respect to an Institution* of this Base Prospectus;

"**Sustainable Finance Taxonomy Regulation**" means Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088;

"**Switcher Mortgage**Error! Reference source not found." means a mortgage loan where the Issuer is refinancing or taking over an existing mortgage borrowing from another lender;

"**SyRB**" means a system risk buffer for the purposes of the CRR;

"**Talon**" has the meaning given to it under the *Terms and Conditions of the Securities* of this Base Prospectus;

"**T2 System**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Taxes Act**" means the Taxes Consolidation Act 1997;

"**Temporary Bearer Global Security**" means Securities issued in temporary bearer global form;

"**Tracker Mortgage Examination**" means the Central Bank's examination of tracker mortgage related issues
across Irish lenders (including AIB Bank and Irish subsidiaries of the Group);

"**Tranche**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**Transaction Document**" means any document referred to in this Base Prospectus or any supplement or amendment thereto;

"**Transfer Agent**" has the meaning given to it under the section entitled *Terms and Conditions of the Securities* of this Base Prospectus;

"**TRIM**" means Targeted Review of Internal Models, a process undertaken by the ECB to increase harmonisation in approaches to internet models used by banks across the Eurozone;

"**UK**" means the United Kingdom;

"**UK CRA Regulation**" means the EU CRA Regulation (Regulation (EU) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies) as it forms part of UK domestic law by virtue of the EUWA;

"**UK MiFIR**" means Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA;

"**UK MiFIR Product Governance Rules**" means the UK Financial Conduct Authority Handbook Product Intervention and Product Governance Sourcebook;

"**UK Official List**" means the Official List of the UK Listing Authority;

"**UK PRIIPs Regulation**" means the PRIIPS Regulation (Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products) as it forms part of domestic law by virtue of the EUWA;

"**UK Prospectus Regulation**" means the Prospectus Regulation (Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (as amended)) as it forms part of domestic law by virtue of the EUWA;

"**underlying asset**" in relation to the ACS Act, means, in relation to a Pool, a mortgage credit asset or substitution asset that is then comprised in a Pool;

"**US**" means the United States of America;

"Error! Reference source not found." means the European Communities (Unfair Terms in Consumer Contracts) Regulations 1995 to 2000 which implement Council Directive 93/13/EEC on unfair terms in consumer contracts;

"**Unfair Commercial Practices Directive**" means Directive 2005/29/EC concerning unfair business-to-consumer commercial practices in the internal market;

"**variable rates**" means the standard variable interest rates on PDH mortgage lending; i.e. the rate where the lender has the ability to unilaterally vary the rate, unlike a fixed rate or a rate which tracks changes to an ECB official rate;

"**VaR**" means value at risk;

"Wire Transfer Regulation" means Regulation EU 1781/2006 on information accompanying transfer of funds; and

"**Zero Coupon Securities**" means Securities that are offered and sold at a discount or premium to their nominal amount and do not bear interest, as indicated in the applicable Final Terms.

REGISTERED OFFICE OF THE ISSUER

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10 Molesworth Street
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COVER-ASSETS MONITOR

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