

BASE PROSPECTUS



PERMANENT TSB GROUP HOLDINGS P.L.C.

(Incorporated and registered in Ireland under the Irish Companies Act, 2014 with registered number 474438)

PERMANENT TSB P.L.C.

(Formerly called Irish Life & Permanent plc) (Incorporated and registered in Ireland under the Irish Companies Act, 2014 with registered number 222332)

€15,000,000,000

Euro Note Programme

Under the Euro Note Programme described in this Base Prospectus (the "**Programme**"), Permanent TSB Group Holdings p.l.c. ("**PTSB Holdings**") and permanent tsb p.l.c. ("**PTSB**") (each an "**Issuer**" and together, the "**Issuers**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue notes (the "**Notes**") denominated in any currency agreed between the relevant Issuer and the relevant Dealer(s) (as defined below). The maximum aggregate nominal amount of Notes outstanding under the Programme will not at any time exceed €15,000,000,000 (or the equivalent in other currencies), subject to any increase as provided herein.

Notes issued by the Issuers may be (i) Senior Notes or (ii) Tier 2 Capital Notes (each as defined under "*Terms and Conditions of the Notes*"). The Notes may be issued on a continuing basis to one or more of the Dealers specified on page 1 and any additional Dealers appointed under the Programme from time to time, which appointment may be for a specific issue or on a continuing basis (each a "**Dealer**" and together the "**Dealers**").

This Base Prospectus has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), as a base prospectus issued in compliance with the Prospectus Regulation for the purpose of giving information with regard to the issue of Notes issued under this Programme described in this Base Prospectus during the period of twelve months after the date hereof. The Central Bank only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such an approval should not be considered as an endorsement of the Issuers nor an endorsement of the quality of the securities that are the subject of the Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes. This Base Prospectus is valid for a period of twelve months from the date of approval, the obligation to supplement a prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when a prospectus is no longer valid. Such approval relates only to Notes issued under the Programme within twelve months after the date hereof which are admitted to trading on a regulated market for the purposes of Directive 2014/65/EU on markets on financial instruments (as amended, "**MiFID II**") and / or which are to be offered to the public in any Member State of the European Economic Area or the United Kingdom. Application has been made to the Central Bank for Notes issued under the Programme within twelve months after the date hereof to be admitted to the official list (the "**Official List**") and to trading on the regulated market of the Irish Stock Exchange plc, trading as Euronext Dublin ("**Euronext Dublin**"). The regulated market of Euronext Dublin is a regulated market for the purposes of MiFID II.

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under "*Terms and Conditions of the Notes*") of Notes will be set out in the final terms (the "**Final Terms**") which, with respect to all Notes to be listed on the Official List, will be filed with the Central Bank. Copies of Final Terms in relation to Notes to be listed on the Official List and traded on the regulated market of Euronext Dublin will also be published on the website of Euronext Dublin (www.ise.ie). Any websites referred to herein do not form part of this Base Prospectus.

PTSB has a rating of (P)Baa2 in respect of Senior Unsecured Debt and (P)Ba2 in respect of Subordinated Debt from Moody's Investors Service Ltd ("**Moody's**") and a long term issuer credit rating of BBB- from S&P Global Ratings Europe Limited ("**Standard & Poor's**"). PTSB Holdings has a rating of (P)Ba1 in respect of Senior Unsecured Debt and a long term issuer credit rating of Ba1 from Moody's and a short term issuer credit rating of B and a long term issuer credit rating of BB- from Standard & Poor's. Moody's is established in the United Kingdom and registered under Regulation (EC) No 1060/2009, as amended (the "**CRA Regulation**"). Standard & Poor's is established in the EEA and is registered under the CRA Regulation.

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA or in the United Kingdom and registered (or which has applied for registration and not been refused) under the CRA Regulation, or (2) issued by a credit rating

agency which is not established in the EEA or in the United Kingdom but will be endorsed by a CRA which is established in the EEA or in the United Kingdom and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA or in the United Kingdom but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European (including United Kingdom) 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 EEA or in the United Kingdom and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA or in the United Kingdom but is endorsed by a credit rating agency established in the EEA or in the United Kingdom and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA or in the United Kingdom which is certified under the CRA Regulation. **A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuers to fulfil their respective obligations under the Notes are discussed under "*Risk Factors*" below.

Arranger and Dealer

Morgan Stanley

2 October 2020

IMPORTANT NOTICES

Responsibility for this Base Prospectus

Each of the Issuers accepts responsibility for the information contained in this Base Prospectus and any Final Terms for each Tranche of Notes issued under the Programme and declares that, to the best of its knowledge, the information contained in this Base Prospectus (or the Final Terms, as the case may be) is in accordance with the facts and makes no omission likely to affect the import of such information.

Final Terms/Drawdown Prospectus

Each Tranche of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" (the "**Conditions**") as completed by the Final Terms specific to such Tranche or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each of the Issuers has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus contains all information which is (in the context of the Programme and the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information (in the context of the Programme and the issue, offering and sale of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

The Issuers do not represent that the holder of any Notes would be entitled to receive any payment in respect of such Notes in the event of the insolvency of an Issuer under any depositors' protection scheme existing from time to time in Ireland or elsewhere.

Nothing in the Programme restricts the right of the Issuers to issue any form of subordinated or unsubordinated debt instrument at any time outside the Programme.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuers in connection with the Programme or the Notes or such other information as is in the public domain and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuers, the Trustee or any Dealer.

Neither the Dealers nor the Trustee have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Base Prospectus or any other information provided by the Issuers in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuers in connection with the Programme. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of the Issuers and/or their subsidiaries or associated undertakings during the life of the Programme. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of Issuers since the date thereof or, if later, the date upon which this Base Prospectus has

been most recently supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuers, the Dealers and the Trustee do not represent that this Base Prospectus may be lawfully distributed, or that any Notes 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, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuers, the Dealers or the Trustee which would permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published 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 Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of Notes in the United States, the United Kingdom, Ireland and Japan, see "*Subscription and Sale*". In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the "**Securities Act**") and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons (see "*Subscription and Sale*").

None of this Base Prospectus, any Final Terms or any other information supplied in connection with the Programme or any Notes (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation or constituting an invitation or offer by or on behalf of the Issuers, the Trustee or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should subscribe for or purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuers. None of this Base Prospectus, any Final Terms or any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuers, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Suitability

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should consider, either on its own or with the help of its financial and other professional advisors, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the relevant Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes or where the currency for principal or interest payments is different from the currency in which such investor's financial activities are principally denominated;
- (iv) understands thoroughly the terms of the relevant Notes and is familiar with the behaviour of any relevant financial markets; and
- (v) is 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 investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased by investors as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

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: (i) Notes are legal investments for it; (ii) Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Programme limit

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed €15,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Programme Agreement)). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement as defined under "*Subscription and Sale*".

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are references to a Member State of the European Economic Area (the "**EEA**"), references to "**£**", "**GBP**", "**Sterling**" or "**pounds sterling**" are to the lawful currency for the time being of the United Kingdom, references to "**EUR**", "**euro**" or "**€**" are to the currency introduced at the start of the third stage of European economic and monetary union, pursuant to the Treaty on the Functioning of the European Union, as amended from time to time, references to "**Yen**" or "**¥**" refer to Japanese Yen and references to "**U.S.\$**", "**U.S. dollars**", "**\$**" or "**dollars**" are to United States dollars.

In this Base Prospectus, references to the "**Group**" are to PTSB Holdings and its subsidiary undertakings.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Product Governance under Directive 2014/65/EU (as amended)

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

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

IMPORTANT – EEA OR UK RETAIL INVESTORS - If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA or UK Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**") or in the United Kingdom ("**UK**"). 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; or (ii) a customer within the meaning of Directive 2016/97/EU (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. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

Benchmark Regulation

Interest and/or other amounts payable under the Notes may be calculated by reference to certain reference rates. Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the "**Benchmark Regulation**"). If any such reference rate does constitute such a benchmark, the Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation. Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the Final Terms. The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuers do not intend to update the Final Terms to reflect any change in the registration status of the administrator.

Notification under Section 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "SFA")

Unless otherwise stated in the Final Terms in respect of any Notes and solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuers have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA that all Notes to be issued under the Programme should be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore).

Stabilisation

In connection with the issue of any Tranche of Notes, 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 Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager(s) (or persons acting on behalf of the Stabilising Manager(s)) in accordance with all applicable laws and rules.

CONTENTS

| | Page |
|---|-------------|
| OVERVIEW OF THE PROGRAMME | 1 |
| RISK FACTORS | 8 |
| INFORMATION INCORPORATED BY REFERENCE | 36 |
| FINAL TERMS AND DRAWDOWN PROSPECTUSES | 38 |
| FORMS OF THE NOTES..... | 39 |
| TERMS AND CONDITIONS OF THE NOTES | 42 |
| FORM OF FINAL TERMS..... | 83 |
| SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM..... | 95 |
| DESCRIPTION OF THE BUSINESS OF THE GROUP | 97 |
| TAXATION | 109 |
| SUBSCRIPTION AND SALE | 113 |
| GENERAL INFORMATION | 117 |

OVERVIEW OF THE PROGRAMME

The following overview is a general description of the Programme. It must be read as an introduction to this Base Prospectus, and is qualified in its entirety by the remainder of this Base Prospectus (and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms or Drawdown Prospectus). Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this overview unless otherwise defined herein.

| | |
|--|--|
| Issuers: | Permanent TSB Group Holdings p.l.c. permanent tsb p.l.c. |
| Risk Factors: | There are certain factors that may affect the Issuers' ability to fulfil their obligations under Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " below and include the fact that the Group's results may be adversely affected by the general economic conditions and other business conditions or changes in interest rates, the Group conducts its businesses subject to regulation and associated regulatory risks and in highly competitive environments, downgrades in the Group's ratings could significantly impact its competitive position, adverse experience in the operational risks inherent in the Group's business could have a negative impact on the results of its operations. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under " <i>Risk Factors</i> " and include certain risks relating to the structure of a particular series of Notes and certain market risks. |
| Description: | Euro Note Programme |
| Arranger: | Morgan Stanley & Co. International plc |
| Dealers: | Morgan Stanley & Co. International plc and any other Dealer appointed from time to time by the relevant Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes. |
| Trustee: | The Law Debenture Trust Corporation p.l.c. |
| Issuing and Principal Paying Agent: | Citibank, N.A., London Branch |
| Size: | Up to €15,000,000,000 aggregate nominal amount (or its equivalent in other currencies calculated in accordance with the provisions of the Programme Agreement) outstanding at any time. The Issuers may increase the amount of the Programme in accordance with the terms of the Programme Agreement. |
| Distribution: | Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis. |
| Currencies: | Euro, Sterling, U.S. dollars, Yen and, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, any other currency agreed between the relevant Issuer and the relevant Dealer(s). |
| Maturities: | Any maturity, subject to compliance with all applicable |

legal and/or regulatory and/or central bank requirements.

In respect of any Notes issued by PTSB Holdings, where such Notes have a maturity of less than one year and either (a) the issue proceeds are received by the relevant Issuer in the United Kingdom or (b) the activity of issuing the Notes is carried on from an establishment maintained by the relevant Issuer in the United Kingdom, such Notes must: (i) have a minimum redemption value of £100,000 (or its equivalent in other currencies) and be issued only to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses; or (ii) be issued in other circumstances which do not constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the relevant Issuer.

In respect of any Notes issued by PTSB Holdings having a maturity of less than one year from the date of their issue, PTSB Holdings will issue such Notes only in accordance with one of the exemptions from the requirement to hold a banking licence provided by Notice BSD C 01/02 issued by the Central Bank pursuant to section 8(2) of the Central Bank Act 1971 of Ireland, inserted by section 31 of the Central Bank Act 1989 of Ireland, as amended by section 70(d) of the Central Bank Act 1997 of Ireland. Any such Notes will not have the status of a bank deposit and will not be within the scope of the Deposit Protection Scheme (as defined below).

In the case of Tier 2 Capital Notes, the minimum maturity will be such as will enable such Notes to qualify as regulatory capital for supervisory purposes from time to time.

Issue Price:

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:

The Notes will be issued in bearer form as described in "*Form of the Notes*".

Each Tranche of Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a "CGN"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking, S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system. Each Global Note which is intended to be issued in new global note form (a "**New Global Note**" or "NGN"), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D

Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or any receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons attached and, if appropriate, a Talon for further Coupons.

Fixed Rate Notes:

Fixed Rate Notes will bear interest at the fixed rate(s) of interest specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Conditions.

Reset Notes:

Reset Notes will, in respect of an initial period, bear interest at the Initial Rate of Interest specified in the applicable Final Terms. Thereafter, the fixed rate of interest will be reset on one or more date(s) specified in the applicable Final Terms by reference to the applicable Reset Reference Rate and for a period equal to the relevant reset period, as adjusted for any applicable margin, in each case as may be specified in the applicable Final Terms. Such interest will be payable in arrear on the Interest Payment Date(s) specified in the applicable Final Terms or determined pursuant to the Conditions.

Floating Rate Notes:

Floating Rate Notes will bear interest determined separately for each Series as follows:

- (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 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc.; or
- (ii) by reference to a reference rate appearing on the agreed screen page of a commercial quotation service,

in any such case as adjusted for any applicable margin specified in the applicable Final Terms.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate, or both.

Change of interest or payment basis:

Notes may be converted from one interest and/or payment basis to another if so agreed between the relevant Issuer and the relevant Dealer(s).

Zero Coupon Notes:

Zero Coupon Notes may be issued at their nominal amount or at a discount to their nominal amount and will not bear interest.

Redemption:

Unless previously redeemed, or purchased and cancelled, Notes will be redeemed at their Final Redemption Amount (as specified in the relevant Final Terms) on the Maturity Date.

Optional Redemption:

Notes may be redeemed before the Maturity Date at the option of the relevant Issuer and/or the Noteholders (as described in Condition 10(b) (*Redemption and Purchase – Redemption at the option of the Issuer*) and Condition 10(f) (*Redemption and Purchase – Redemption at the option of Noteholders*)), to the extent (if at all) specified in the relevant Final Terms, subject (in the case of Tier 2 Capital Notes) to obtaining Supervisory Permission and complying with the Regulatory Preconditions (see Condition 10(l)(i) (*Redemption and Purchase – Restrictions on Early Redemption*)) and subject (in the case of Senior Notes issued by PTSB Holdings) to obtaining the permission of the Supervisory Authority and/or the Relevant Resolution Authority (as defined in the Conditions) (if such permission is then required under the Applicable MREL Regulations) (see Condition 10(l)(ii) (*Redemption and Purchase – Restrictions on Early Redemption*)).

Early Redemption:

Except as described in "Optional Redemption" above, early redemption will only be permitted for:

- (a) tax reasons, as described in Condition 10(c) (*Redemption and Purchase – Redemption for tax reasons*); or
- (b) in the case of Tier 2 Capital Notes, regulatory reasons, as described in Condition 10(d) (*Redemption and Purchase – Regulatory Event Redemption of Tier 2 Capital Notes*); or
- (c) in the case of Senior Notes issued by PTSB Holdings, upon the occurrence of an MREL Disqualification Event, as described in Condition 10(e) (*Redemption as a result of an MREL Disqualification Event*),

subject (in the case of Tier 2 Capital Notes) to obtaining Supervisory Permission and complying with the Regulatory Preconditions (see Condition 10(l)(i) (*Redemption and Purchase – Restrictions on Early Redemption*)) and subject (in the case of Senior Notes issued by PTSB Holdings) to obtaining the permission of the Supervisory Authority and/or the Relevant Resolution Authority (if such permission is then required under the Applicable MREL Regulations) (see Condition 10(l)(ii) (*Redemption and Purchase – Restrictions on Early Redemption*)).

Substitution and Variation:

In respect of Senior Notes issued by PTSB Holdings, in the event that an MREL Disqualification Event occurs and is continuing or to ensure the enforceability and effectiveness of Condition 23 (*Statutory Loss Absorption*), PTSB Holdings may substitute all (but not some only) of the Notes or modify the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they become or remain Qualifying Notes, subject to obtaining the permission of the Supervisory Authority and/or the Relevant Resolution Authority (if such permission is then required under the Applicable MREL Regulations).

Denominations:

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer(s) (subject to compliance with all applicable legal and/or regulatory and/or central bank requirements), save that the minimum denomination of each Note will be

€100,000 (or the equivalent in any other currency).

Taxation:

All payments of interest and principal will be made without deduction for or on account of withholding taxes imposed by Ireland, unless such deduction is required by law. Subject to customary exceptions, the relevant Issuer will pay additional amounts in respect of interest and (in respect of Senior Notes issued by PTSB only) principal in the circumstances set out in Condition 13 (*Taxation*).

Cross Default:

The terms of the Notes will not contain a cross default provision.

No Negative Pledge:

The terms of the Notes will not contain a negative pledge provision.

Status of Senior Notes:

The Senior Notes (and the Coupons relating thereto, if any) constitute direct, general, unconditional, unsecured and unsubordinated obligations of the relevant Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

Status of Tier 2 Capital Notes:

The Tier 2 Capital Notes (and the Coupons relating thereto, if any) constitute direct, unsecured and subordinated obligations of the relevant Issuer ranking *pari passu* without any preference among themselves. In the event of the winding up of the relevant Issuer, the claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed), the Holders of Tier 2 Capital Notes and any related Coupons against the relevant Issuer in respect of such Notes and Coupons (including any damages or other amounts (if payable)) shall (i) be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors (as defined in the Conditions); (ii) rank at least *pari passu* with the claims of all other subordinated creditors of the relevant Issuer which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Tier 2 Capital Notes; and (iii) rank senior to the relevant Issuer's ordinary shares, preference shares and any junior subordinated obligations or other securities of the relevant Issuer which by law rank, or by their terms are expressed to rank, junior to the Tier 2 Capital Notes.

Ratings:

PTSB has a rating of (P)Baa2 in respect of Senior Unsecured Debt and (P)Ba2 in respect of Subordinated Debt from Moody's and a long-term issuer credit rating of BBB- from Standard & Poor's. PTSB Holdings has a rating of (P)Ba1 in respect of Senior Unsecured Debt and a long term issuer credit rating of Ba1 from Moody's and a short term issuer credit rating of B and a long term issuer credit rating of BB- from Standard & Poor's.

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. A rating is not

a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Final Terms or Drawdown Prospectus: Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Conditions as completed by the relevant Final Terms or, as the case may be, the relevant Drawdown Prospectus.

Clearing Systems: Euroclear and/or Clearstream, Luxembourg (together, the "ICSDs").

Issuance in Series: Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.

Substitution of the Issuer: The Trustee may in certain circumstances, without the consent of the Noteholders, agree to the substitution of either Issuer, as described in Condition 18 (*Meetings of Noteholders; Modification and Waiver; Substitution – Substitution*).

Listing and Trading: Applications have been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List and to trading on the regulated market of Euronext Dublin. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the relevant Issuer.

An issue of unlisted Notes by an Issuer may lead to an obligation on the relevant Issuer to apply a withholding tax or Deposit Interest Retention Tax as set out in "*Irish Taxation*" on page 101 below unless other exemptions apply. The Final Terms relating to each issue will state whether or not and, if so, on which stock exchange(s) and market(s) the Notes are to be listed and admitted to trading.

Governing Law: The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with (i) in the case of an English Law Note, English law except that Conditions 4(b), 4(c) and 23 (*Statutory Loss Absorption*) and the equivalent provisions of the Trust Deed will be governed by, and construed in accordance with, Irish law or (ii) in the case of an Irish Law Note, Irish Law.

The Trust Deed will be governed by, and construed in accordance with (i) in the case of an English Law Note, English law except that clauses 5.2 (*Status and Subordination of Tier 2 Capital Notes*) and 5.3 (*No set-off*) will be governed by, and construed in accordance with, Irish

law or (ii) in the case of an Irish Law Note, Irish Law.

Selling Restrictions:

There are selling and other restrictions in relation to the offering and sale of Notes and the distribution of offering materials in certain jurisdictions. See "*Subscription and Sale*" below.

Use of proceeds:

The net proceeds from the issue of each Tranche of Senior Notes will be used for the general corporate purposes of the Group. The net proceeds from the issue of each Tranche of Tier 2 Capital Notes will be used for general corporate purposes of the Group and to further strengthen the regulatory capital base of the relevant Issuer and/or the Group. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuers and the industry in which they operate together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the "Terms and Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuers that are not currently known to the Issuers, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuers and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

RISKS RELATED TO THE GROUP

The Group's business has been and will continue to be adversely affected by the economic and social impact of policies designed to contain the spread of the COVID-19 virus

An outbreak of a novel strain of coronavirus ("COVID-19") in late December 2019 has been spreading globally, including within Ireland, the Group's core market. In March 2020, the World Health Organization declared COVID-19 to be a pandemic. Given the ongoing and fluid nature of the circumstances, it is difficult to predict the overall effect of the coronavirus pandemic on the Group's business. The impact to date has included a sharp decline in economic activity, which in combination with general uncertainty regarding the evolution of the pandemic, has resulted in significant volatility in financial markets and substantial harm to the Irish economy.

In addition, measures by various governments to reduce the spread of COVID-19 have led to a sharp decline in global economic activity, resulting in widespread closure of companies and steep rises in the level of unemployment. The impact of the COVID-19 outbreak on health, global economies and financial markets could become more severe if a potential second wave of the virus was to occur, delaying or postponing the re-opening of the Irish economy.

The Group has announced schemes to support its customers and the Irish economy through the unprecedented challenges presented by COVID-19, including payment holidays for mortgage, personal and small and medium sized enterprise ("SME") customers and enhanced flexible credit lines. The Group implemented over 11,500 mortgage and term loan payment breaks in the first half of 2020. This could have a significant effect on the Group's cash flows and liquidity. If mortgage, personal and business customers are unable to repay their loans due to the COVID-19 crisis, this could increase default rates and result in higher expected credit losses. The financial stress experienced by customers is expected, to some degree, to be mitigated by a package of measures implemented by the Irish Government. These include inter alia a temporary wage subsidy scheme (which refunds employers up to 70 per cent. of salary up to a certain level) and a pandemic unemployment payment that exceeds regular welfare benefits. The ultimate impact of these developments on the Group's profitability and financial position remains uncertain at present.

The financial strains caused by the COVID-19 pandemic are expected to be extensive in the Group's core markets, and deteriorating macroeconomic conditions have led to an increase in, and will likely lead to further increases in, the Group's expected credit loss estimates. In the first half of 2020, the impairment charge was a charge of €75 million, compared to €4 million in the corresponding period in 2019. The Group expects a significant increase in 2020 over 2019. Total operating income has decreased by €25 million during the first half of 2020, in particular due to a decrease by €10 million (6%) in net interest income during the first half of 2020 to €171 million which, although partially offset by a decrease in interest expense, was mainly driven by lower yielding treasury assets and the impact of COVID-19 on origination activity. Further information on the impact of COVID-19 during the first half of 2020 is set out in the interim report of PTSB Holdings for the six months ended 30 June 2020 incorporated by reference herein.

The likelihood of customer behavioural change as a result of the crisis (for example an accelerated move to digital and appetite for different products and services) is as yet unknown. The Group has seen increased high levels of usage across its digital channels and significant growth in contactless payments by Irish consumers in the first few months of the crisis. In addition, the COVID-19 pandemic has led the Group to modify its operational practices, including operating at a reduced capacity, ensuring social distancing in branches and facilitating remote working wherever possible.

There is no certainty regarding the duration, severity and lingering effects of the COVID-19 crisis. Any of the factors described above could have a material adverse effect on the Group's business, financial condition and results of operations in addition to those described above.

The Group's business and financial performance has been and will continue to be affected by general economic conditions in Ireland and, to a lesser extent, the UK, and economic conditions globally

The Group is directly and indirectly subject to inherent risks arising from general economic conditions in Ireland and, to a lesser extent, the UK, and the state of the global financial markets both generally, and as they specifically affect financial institutions. All of the Group's operations are based in Ireland and all of its loans and advances to customers are to customers in Ireland; accordingly its interest and other income is derived almost entirely from Irish customers with a particular focus on retail customers and to a lesser extent owner-managed enterprises. The Group is therefore particularly exposed to macroeconomic conditions in Ireland and, to a certain extent, the UK due to the close economic relationship between the UK and Ireland. A substantial increase in interest rates over a short to medium period or a prolonged period of continuing low rates, a decrease in house prices reducing the value of collateral or an increase that negatively impacts affordability, sustained high levels of unemployment, or continued or further constraints on household disposable income (including as result of the COVID-19 pandemic) may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Although the Irish economy has returned to growth since the economic challenges faced during the global financial crisis (between 2008 and 2013), the re-emergence of any such financial turbulence (including as a result of the COVID-19 pandemic or a potential hard Brexit (as further described below)) or the failure of ongoing progress towards more normal economic conditions could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The risk of contagion in the markets in which the Group operates and dislocations caused by the interdependency of financial markets' participants and of members of currency and supranational economic associations is an ongoing risk to the Group's financial condition. Any change in membership of such associations or reductions in the perceived creditworthiness of one or more significant borrower or financial institution could lead to market-wide liquidity problems, losses and defaults, which could adversely affect the Group's results, financial condition and future prospects. In addition, economic uncertainty arising from the result of the UK's decision to leave the European Union (see "*Brexit could lead to a deterioration in market and economic conditions in the UK and Ireland, which could adversely affect the Group's business, financial condition, results of operations and prospects*" below), geo-political tensions and other political risks could also have an impact on the markets in which the Group operates, and therefore on the Group's results, financial condition and prospects.

Brexit could lead to a deterioration in market and economic conditions in the UK and Ireland, which could adversely affect the Group's business, financial condition, results of operations and prospects

On 31 January 2020, the UK formally withdrew from the European Union ("EU") and entered into an 11-month transition period (the "**Transition Period**"), during which the existing (UK-EU) trading arrangements will continue to apply while substantive negotiations take place regarding the UK's future relationship with the EU.

These negotiations will determine the long term economic impact of the UK's exit from the EU ("**Brexit**"). There have been indications that the UK Government intends to establish its own regulatory and customs regime. However, the EU has emphasised that guaranteeing and enforcing a "level playing field" (to ensure open and fair competition) must underpin any future EU-UK trade deal in order to protect the integrity of the Single Market. These differences are likely to create difficulties in reaching a negotiated outcome. As a result, there is a risk that the UK and the EU will not be able to conclude a trade deal (or only a limited scope trade deal) prior to the end of the Transition Period.

If the UK were to leave without a deal (or only a limited scope trade deal), this could have a significant and immediate impact on Ireland's trading activity and interactions with the UK. As a result, it is likely that a so-called "hard Brexit" would act as a significant impediment to growth in the short- to medium-term and delay the return of the economy to pre-pandemic levels of activity. There is a possibility that a hard Brexit could occur before there has been any meaningful economic recovery following the impact of COVID-19 or that a hard Brexit could occur at a time when the coronavirus may be more virulent.

Given the above, the overall impact of Brexit remains uncertain. The level of uncertainty associated with the ultimate outcome is expected to have a negative effect on business and consumer sentiment. This could create a constraint upon investment, as companies delay capital expenditure, and to certain types of household purchases, which dampens Irish economic activity over the medium term.

Furthermore, the UK is a significant trading partner for Ireland. The impact of Brexit may be disproportionate in relation to sectors of the Irish economy with significant linkages to the UK, in particular the agri-food and tourism sectors. The UK also acts as the land bridge route for much of Ireland's exports to mainland Europe. In addition, the imposition of any tariffs or customs controls as a result of the UK's withdrawal from the EU could have an adverse effect on the level of exports of goods or services from Ireland to the UK. Regions of Ireland in proximity to the border with Northern Ireland may be particularly subject to negative risks from a withdrawal of the UK from the EU due to the close day-to-day interactions between Ireland and Northern Ireland.

The UK's withdrawal from the EU may also lead to volatility in the pound sterling to euro exchange rates and interest rates and, as a result, adversely affect the competitiveness of the Irish economy.

The impact of climate change on the Group's business

The effects of climate change may manifest in two different ways, firstly on the operations of the Group's business and secondly, in the longer term, an associated financial risk and increased credit risk for the Group. Retail mortgage portfolios (which is the Group's focus) can be impacted by climate-related physical risks through persistent or chronic changes in the environment. Climate change can lead to an increase in storms and flooding events, such events can subsequently impact property values and defaults, posing credit risk.

Furthermore, there is also a growing need to transition to a low carbon economy, with likely major impacts to reduce oil and gas power generation and increase wind, solar and wave technologies. If the pace of change transition is too slow, a sharper adjustment will ultimately be required, posing macroeconomic and financial stability risks.

Climate risk and sustainability is captured across a number of lenses, including: green products, credit assessment, capital allocation, pricing, Corporate Social Responsibility and carbon footprint. While this is an increasing area of focus for the Group, integrating climate risk into the broader risk management framework will require the Group to measure its potential exposures to climate change. If the Group does not adequately embed risks associated with climate change into its risk management framework to appropriately measure, manage and disclose the various financial and operational risks it faces as a result of climate change, or fails to adapt its strategy and business model to the changing regulatory requirements and market expectations on a timely basis, it may have a material and adverse impact on the Group's level of business, competitiveness, profitability, capital requirements, cost of funding, and financial condition.

A prolonged period of low interest rates, or a substantial increase in interest rates over the short to medium term, is a risk to the Group's business

Interest rates are impacted by factors outside of the Group's control, including the fiscal and monetary policies of governments and central banks as well as political and economic conditions. The mortgage portfolio of the Group includes Irish tracker mortgages which are set by reference to the applicable main refinancing operations rate (whether such rate is, at the relevant time, fixed or variable) of the European Central Bank (the "ECB" and the "ECB Base Rate") and also includes variable interest rate mortgages in respect of which the interest rates are set internally by the Group. The variable and tracker rates are subject to change and consequently the Group could be subject to a higher risk of default in payment by a borrower as a result of a significant increase in variable rate or tracker rates.

To the extent that there is a prolonged period of low interest rates, this will continue to exert downward pressure on net interest income and will reduce returns on certain financial products of the Group, including tracker mortgages, whose interest rates are linked to the ECB Base Rate. In addition, while a prolonged low interest rate environment allows the Group opportunities to reduce the cost of its funding, the reduced return for depositors may reduce the incentive for customers to save and this could restrict the Group's ability to fund its balance sheet and could constrain new lending which could adversely impact on the Group's business, results of operations, financial condition and prospects.

There are differences between the interest rate repricing frequency of the Group's assets (including mortgages) and the Group's liabilities (including deposits). In times of rapidly increasing interest rates liabilities may reprice quicker than assets. This may adversely affect the Group's business, results of operations, financial conditions and prospects.

Conversely, although a rise in interest rates would deliver certain benefits to the Group, it could negatively impact the affordability of mortgages for customers as a result of increasing repayment costs, and this could potentially result in an increase in impairments in the mortgage book which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. Furthermore, rising interest rates may impact on affordability for borrowers and accordingly may adversely impact new mortgage lending and/or other new lending.

Decreases in the credit quality of the Group's borrowers and counterparties, or difficulties in relation to the recoverability of loans and other amounts due from such borrowers and counterparties, are risks to the Group's business

Risks arising from changes in credit quality and the recoverability of both secured and unsecured loans and amounts due from the Group's borrowers and counterparties are inherent in the Group's businesses. Additional or unanticipated adverse changes in the credit quality or behaviour of the Group's borrowers and counterparties or adverse changes arising from a deterioration in economic conditions (including as a result of the COVID-19 pandemic) or a change in the political environment in Ireland or elsewhere, a substantive increase in interest rates, a rise in unemployment, a change in the political environment, or a reduction in household disposable income could increase impaired loans, impairment charges and expected losses which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Within the Group's residential mortgage portfolio is a legacy book of loans originated on an "Interest Only" repayment schedule. The Group is and has been engaged with these customers to advise of the repayment shock and ascertain their capital repayment plan. There is a risk that the customers may not have the ability to address the bullet repayment over time or at the end of their loan without recourse to the underlying security.

The global financial crisis and the Irish banking crisis resulted in a significant deterioration in the credit quality of loans and advances to customers in Ireland, and consequently a significant increase in non-performing loans ("NPLs"), forborne loans and impairment provisions at a number of Irish banks, including the Group. If house prices decrease or employment levels decrease, the Group's residential mortgage lending portfolios may be exposed to further increases in impairment charges, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group uses a range of financial instruments to fund and hedge its activities including derivative contracts such as interest rate swaps, cross currency swaps, future rate agreements, futures and options. The Group enters into derivative contracts primarily to hedge the Group's interest rate risk and foreign exchange rate risk in its underlying balance sheet asset & liability positions.

Counterparty risk is the risk that the counterparty to a contract into which the Group has entered defaults prior to the maturity of the contract. Counterparty risk includes derivative contracts where the Group is exposed to the risk of the counterparty defaulting prior to the maturity of "in-the-money" products, thereby necessitating replacement of the contract at applicable market rates.

The Group is exposed to conduct risk in the execution of the Group's activities and processes

Conduct risk is the risk that the conduct of the Group or its staff towards customers or within the market leads to poor customer outcomes, a failure to meet its customers' or regulators' expectations or breaches of regulatory rules or laws.

Conduct risk can occur in every aspect of the Group's activities, including through:

- the strategy of the Group and how it is executed;
- the way the Group is run and managed;
- the existence of groupthink or localised cultures;
- the lack of psychological safety for staff in facilitating a robust "speak-freely" process;
- the design and types of products/services offered, the customers to whom they are offered and the distribution channels used;
- the way sales are made or transactions are executed;
- the post-sales fulfilment process throughout the life of the product; and
- the interactions with customers throughout the lifetime of the relationship, including when customers make complaints or where customer-impacting errors occur.

The Group's aspiration is to ensure that it has a customer centric culture which is focused on delivering fair outcomes for customers at all times as conduct failures are likely to have an adverse effect on the Group's ability to keep and attract customers which further impacts on the retention of corporate and retail deposits and thus may adversely impact the Group's financial condition.

In December 2015, the Central Bank announced an industry-wide review of tracker mortgages (Tracker Mortgage Examination "TME"). The Group has completed its TME and the Central Bank has concluded its related enforcement investigation. The majority of redress and compensation payments have been made. However the Group is exposed to the risk that customers who were impacted, or who may consider themselves to have been impacted, by the loss of a tracker rate mortgage entitlement may seek further redress and compensation, beyond that offered by the Group, including by way of litigation or by way of a complaint to the Financial Services Ombudsman, or seek to criticise the Group's actions. There may also be a number of additional customers who will feel that they have been wrongfully excluded from the impacted population and will seek a further review of this outcome by way of litigation against the Group or by way of a complaint to the Financial Services Ombudsman. The Central Bank (in its final TME report dated July 2019) has indicated it will continue to monitor the outcome of any such complaints/claims. In addition, any such future review or further investigation by the Central Bank, and any related litigation or regulatory action, could significantly adversely affect the Group's business, financial condition, results of operations and profitability, and could result in negative public opinion towards the Group.

Constraints on liquidity are a risk to the Group's business

Financial institutions such as the Group are subject to liquidity risk. Liquidity risk is the risk that the Group may experience difficulty in meeting its contractual obligations as and when they fall due, without incurring excessive cost.

The Group principally raises funding through retail and corporate and institutional deposits and secured and unsecured funding arrangements. Secured funding arrangements include the sale of residential mortgage backed securities ("RMBS"), and repo arrangements (both with the ECB, and with third parties). Given the relative size of the Group's retail deposit base, any serious loss of confidence by its retail depositors could have a significant impact on the Group's liquidity position. The Group can avail of Eurosystem Funding through normal operations. Therefore, any change to the conditions of Eurosystem Funding or a significant withdrawal of such facilities represents a level of risk to the Group's funding profile and business.

The Group maintains a portfolio of unencumbered assets which are a further source of liquidity. These unencumbered assets are largely Irish sovereign bonds and other bonds which qualify as high quality liquid assets under Directive (2013/36/EU) of the European Parliament and Council of 26 June 2013 (as amended, the "**Capital Requirements Directive**") and Regulation (EU) No 575/2013 of the European Parliament and Council of 26 June 2013 (as amended, the "**Capital Requirements Regulation**" or "**CRR**" and together with the Capital Requirements Directive, "**CRD IV**"). The Group's ability to access

deposit and other funding arrangements on satisfactory economic terms is subject to a variety of factors, including a number of factors which are outside its control, such as general market conditions, regulatory requirements and levels of confidence in the Irish banking system. In addition, the availability and extent of the deposit guarantee schemes (which were established under Irish and European legislation to protect eligible depositors in the event of a bank, building society or credit union authorised in Ireland being unable to repay deposits, the "**Deposit Guarantee Schemes**") may have a significant effect on the Group's ability to retain deposits under a severe stress event. The Group's ability to access secured funding is also dependent upon the quality of its underlying collateral and consequently any material deterioration in the value of such collateral, which is likely to be influenced by factors beyond the Group's control, could have a negative effect on the Group's ability to access such funding. If access to funding is constrained for a prolonged period of time, the Group's costs could increase as competition for deposits could intensify and the cost of accessing the funding markets would rise. Similarly, any material decrease in the Group's customer deposits could have a negative effect on the Group's liquidity and also, particularly if accompanied by one of the other factors described above (such as an insufficiency of liquidity or a deterioration in collateral values), could have a negative impact on the Group's ability to meet its minimum liquidity requirements, which may also adversely affect the Group's business, results of operations, financial condition and prospects. A significant constraint on liquidity could lead to the imposition of administrative actions or sanctions against the Group by regulators and in an extreme scenario lead to a suspension or revocation of the Group's banking licence.

The Group is exposed to risk in respect of the manner in which it determines and implements interest rate changes

The Central Bank of Ireland (the "**CBI**" or the "**Central Bank**") has confirmed that the fair treatment of mortgage holders is one of its key priorities. In particular, the Central Bank has stated that it is examining the manner in which lenders are treating new and existing variable rate mortgage holders when determining and implementing rate changes. The Central Bank has emphasised that mortgage interest rates and charges (and in particular the rates set for standard variable rate mortgages, which banks generally have the right to vary unilaterally) should be set in a transparent, fair and consistent manner that does not disadvantage certain groups of customers, especially those that are less able to switch mortgage.

Mortgage lending, and in particular principal dwelling house ("**PDH**") and buy to let mortgage lending, is a significant part of the Group's business. In common with other mortgage lenders, the Group is at risk of a review or investigation by the Central Bank, and potentially sanctions or penalties, in respect of any perceived or actual failure to act appropriately when setting interest rates on its mortgage products.

In addition, the Group's mortgage rates may come under further pressure from competitors in the future. Increasing competitive pressure or political or regulatory focus on an alignment of mortgage rates between those for new business and the existing standard variable rate and/or managed variable rate, or, on an alignment of mortgage rates with those charged by lenders in other euro area markets, may result in a reduction in the Group's standard or managed variable rates, and any such reduction in its rates could impact adversely the Group's net interest income and net interest margin, which in turn may adversely affect the Group's financial condition, results of operations, revenues and profitability.

Weaknesses or failures in the Group's processes and procedures, external events or other operational risks are a risk to the Group's business

The Group is dependent on its ability to process and report, accurately and efficiently, a high volume of complex transactions across numerous and diverse products and services, and subject to a number of legal and regulatory regimes. Operational risk is defined as the risk of loss or unplanned gains from inadequate or failed processes, people (management), systems or from external events. Operational losses, including financial, operational or reputational damages, loss of earnings and economic value of capital and unplanned gains, may result from the engagement and management of third parties contracted internally or externally. The Group may also experience processing, reporting or account maintenance errors, acts intended to defraud, misappropriate property, circumvent regulations, the law or company policy by either an internal party or external parties or a combination of both, which may result in unenforceable contracts, lawsuits or adverse judgements that can disrupt or otherwise negatively affect the operations or condition of the Group. Critical business operations that cannot be maintained or recovered in a timely manner, in the event of a severe business disruption, including loss of premises or people, may also have an adverse effect on the Group's ability to deliver customer services leading to a loss of revenue and/or reputational damage. In addition, the failure of the Group to meet its employment obligations and duty of care to staff or the failure to ensure adequate resources and or skills are in place, or if succession planning

is not used to promote depth of capability to reduce overreliance on any one individual or labour disputes may all affect the Group's ability to maintain and motivate the necessary staff to maintain levels of customer service and operational efficiency. Potential loss or damage to or changes in the value of the Group's property assets and projects that will not achieve the desired objectives may also have a negative impact on asset values and resource levels of the Group.

The Group's risk controls, frameworks and/or loss-mitigating actions (all of which are subject to ongoing review and enhancement) may not be effective in controlling each of or a combination of the operational risks faced by the Group. Any weakness in these controls or actions could result in increased regulatory supervision, enforcement actions (including financial penalties) and other disciplinary actions and could also have a material adverse effect on the Group's business, results of operations, financial condition and prospects, as well as reputational damage which could exacerbate such adverse impact.

Information Technology risk

Information Technology ("IT") risk is the risk of loss due to breach of confidentiality, failure of integrity of systems and data, inappropriateness or unavailability of systems and data or inability to change IT within a reasonable time and with reasonable costs when the environment or business requirements change (i.e. agility). This includes security risks resulting from inadequate or failed internal processes or external events including cyber-attacks or inadequate physical security. Trends in the market indicate an increased level of threat, complexity and sophistication in the cyber security space with multiple worldwide incidents reported in the world media in the last 12 months. The Group's inability to defend against a cyber-attack in a timely manner due to inadequate identification, prevention or detection tools increases the Group's exposure to successful attacks by malicious third parties potentially resulting in financial and reputational damage. Examples of the type of risks the Group faces in this regard include the engagement of a third party, or another Group entity (intra-group outsourcing), to provide information and communications technology systems or related services which may adversely impact the institution's performance and risk management, or that the data stored and processed by IT systems are incomplete, inaccurate or inconsistent across different IT systems, for example as a result of weak or absent IT controls during the different phases of the IT data life cycle (i.e. designing the data architecture, building the data model and/or data dictionaries, verifying data inputs, controlling data extractions, transfers and processing, including rendered data outputs), thereby impairing the ability of an institution to provide services and produce risk, management and financial information in a correct and timely manner. In addition, the institution may be unable to manage IT system changes in a timely and controlled manner, in particular for large and complex change programmes and the failure of IT hardware or software components weaknesses in IT system management or any other event, may result in the performance and availability of IT systems and data to be adversely affected, including the inability to timely recover the institution's services. Any disruption of critical IT services or breaches of information security (such as unauthorised access to IT systems and data from within or outside the institution (e.g. cyber-attacks)), or other third-party service provider's IT or other systems, could harm the Group's reputation and have a material adverse effect on its business, financial condition or results of operations.

Technology

Rapidly shifting consumer behaviours and the proliferation of internet, social and device (mobile, tablet, wearable) technologies are changing the way customers research, purchase and maintain the products and services they consume in their day to day lives, and this is reflected in the evolving banking models for consumers and businesses, both in Ireland and internationally. This not only affects the manner in which customers manage their financial affairs and core products (from operating accounts to deposits to credit facilities and wealth management instruments), but money transmission is also expected to evolve in the coming years with numerous new players entering the payments environment and changing the payment services available. Analytically driven and customer focussed new entrants to the market will intensify competition and are changing the way financial services companies are approaching their routes to market, service and fulfilment value chains, and operating models and core competencies so that they remain relevant and compete in the newly consumerised and digital arena. There are also influences and additional demands from a regulatory perspective, e.g. PSD2 open banking. An inability of the Group to respond to external developments in a timely manner or unnecessary rigidity in the Group's operating model preventing an appropriate response could lead to a deterioration in the Group's results, financial conditions and prospects.

In Ireland, the Group is responsible for contributing to compensation schemes in respect of banks and other authorised financial services firms which are unable to meet their obligations to customers

PTSB is obliged to contribute to investor compensation schemes in Ireland, which are designed to compensate (up to defined limits) certain classes of customers of authorised financial services firms where a firm is unable, or likely to be unable, to pay claims against it. These compensation schemes include, but are not limited to, the Deposit Guarantee Scheme and the funding of the Single Resolution Fund established by the SRM (as defined below), and such schemes are funded by levies on firms authorised by the respective financial regulators. In the event that one or more of these compensation schemes significantly changes the basis for charging fees in respect of these schemes, any associated increased costs to the Group could have an adverse effect on its business, results of operations, financial condition and prospects.

The Group relies on recruiting, retaining and developing appropriate senior management and skilled personnel

The Group's success depends in part on the continued service of key members of its management team and skilled personnel. The ability to continue to attract, train, motivate and retain highly qualified professionals is a key element of the Group's strategy of building a safe, stable and resilient Group. The successful implementation of this and other elements of the Group's strategy more broadly depends on the availability of skilled management and staff. If the Group fails to staff its operations appropriately, or loses a material level of its key senior management and fails to replace them in a satisfactory and timely manner, its business, financial condition and results of operations, including control and operational risks may be adversely affected. Likewise, if the Group fails to attract and appropriately train, motivate and retain qualified professionals, its business may also be affected. Restrictions currently imposed on the remuneration of key executives pursuant to the 2011 placing agreement between the Group, the Minister for Finance and the National Treasury Management Agency (the "NTMA"), as amended through the adoption of an amended Relationship Framework in May 2015 (the "**2011 Placing Agreement**") and the relationship framework between the Group and the Minister for Finance (the "**Relationship Framework**"), or any other external constraints which may be placed on the Group in this regard, may also impact on the Group's ability to attract and/or retain appropriately skilled personnel which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The value of certain financial instruments recorded at fair value is determined using financial models incorporating assumptions, judgements and estimates that may change over time or may ultimately not turn out to be accurate

In establishing the fair value of certain financial instruments, the Group relies on quoted market prices or, where the market for a financial instrument is not sufficiently active, internal valuation models that utilise observable financial market data. In certain circumstances, the data for individual financial instruments or classes of financial instruments utilised by such valuation models may not be available or may become unavailable due to changes in financial market conditions. In such circumstances, the Group's internal valuation models require the Group to make assumptions, judgements and estimates to establish fair value. In common with other financial institutions, these internal valuation models are complex, and the assumptions, judgements and estimates the Group is required to make often relate to matters that are inherently uncertain. For example, in respect of calculations made by the Group as to the fair value of derivatives and debt instruments, the principal dependencies are future interest rates and credit spreads. Such assumptions, judgements and estimates may need to be updated to reflect changing facts, trends and market conditions. Valuations in future periods, reflecting prevailing market conditions, may result in significant changes in the fair values of these instruments, which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Rating downgrades and/or negative market sentiment may impact the Group, the financial services sector and/or Ireland

If sentiment towards Ireland, the banks and/or other financial institutions operating in Ireland (including the Group and/or funding vehicles or the Group) were to deteriorate, or if the Group's credit ratings and/or the ratings of the sector were to be further adversely affected, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and could restrict its ability to source regulatory capital and funding. The Group's credit ratings, and those of its funding vehicles, are subject to change and could be downgraded as a result of many factors, including a reduction in the

Group's credit strength and the credit strength of the Group's collateral, or the failure of the Group to implement its strategies successfully. In addition, any such change in sentiment or reduction in ratings could result in an increase in the costs of, and a reduction in the availability of, wholesale funding and deposit arrangements which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and on its liquidity and funding. In particular, any further downgrade in the Group's credit ratings, or those of its funding vehicles could:

- undermine confidence in the Group (which could, among other matters, result in retail and/or corporate deposit withdrawals);
- limit the range of counterparties willing to enter into transactions with the Group, as many institutions require their counterparties to satisfy minimum ratings requirements;
- increase the Group's borrowing costs; or
- adversely affect the Group's liquidity and competitive position.

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

Taxation changes may directly impact the financial performance of the Group through measures such as the bank levy introduced by the Irish Government in 2014 and potential restrictions on use of tax losses. Such taxation changes could have a material adverse effect on the Group's financial position. Changes in Irish taxation will arise from the Organisation for Economic Co-operation and Development ("OECD") Base Erosion and Profits Shifting ("BEPS") project and the EU Anti-Tax Avoidance Directives ("ATAD1" and "ATAD2"). The detail of these changes is not yet clear in all cases and there remains potential for them to have an adverse impact on the Group's financial position.

In addition, changes in taxation policy and other tax measures adopted by the Irish Government, or by international organisations such as the EU, may have an adverse impact on economic activity generally, or on borrowers' ability to repay their loans and, as a result, on the Group's business.

International initiatives in recent years which could have such impacts include the OECD BEPS project, ATAD1, ATAD2, and various initiatives in relation to the digital economy. There are also various international initiatives in relation to the taxation of the digital economy, including draft proposals at European Union level for a Digital Services Tax, which if enacted could have a significant impact on a number of digital 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 Group's business.

As a result of financial support measures in response to the COVID-19 pandemic, Governments may consider future changes to budgetary and taxation policies to address the increased burden on public finances, which may have an adverse impact on future economic activity and the Group's business, results of operations, financial condition and prospects.

RISKS RELATED TO THE INDUSTRY

Competition in the Irish personal financial services markets may adversely affect the Group's operations

The Irish market for financial services is competitive, with several factors affecting the Group's ability to sell its products, including price, returns offered, range of product lines, product quality, brand, reputation and distribution strength, name recognition and management performance. Within Ireland, the Group's principal competitors comprise the major Irish banks, deposit takers and credit unions, including Allied Irish Bank, Bank of Ireland, KBC Bank Ireland, Ulster Bank and An Post. The Group competes with other providers of personal financial services and operates in a competitive and consolidated market. The main personal financial services markets in which the Group operates is mature and slow growing, so that growth requires taking market share from existing and new competitors entering in market. As a result, the Group's business may be impacted by competitor actions (including by actions of competitors who are less adversely affected by legacy issues (such as tracker mortgage drag) and who may have access to funding at a cheaper rate than the Group). The Group's business could also be impacted by reductions in the variable interest rates (potentially driven by

increased competition or through regulatory intervention) that it applies to its residential mortgage books, which could adversely impact the Group's interest income margins. Competition may increase in some or all of the Group's principal markets or products and this may have a material adverse effect on the Group's business, results of operation, financial condition and prospects.

Competition may elevate the focus on price and service as the key differentiators, each of which carries a cost to the provider. If the Group is unable to match the efficiency of its competitors in these respects, it risks losing competitiveness and being unable to match its strategic, growth and income aspirations.

Competition may intensify further in response to consumer demand, technological changes, the impact of consolidation by the Group's competitors and regulatory actions. Increased competition as a result of these or other factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's business and financial performance could be adversely affected by the exit from the EMU of one or more of its members

The possibility remains that the euro could be abandoned as a currency by one or more countries that have already adopted its use and, in an extreme scenario, abandonment of the euro could result in the dissolution of the European Monetary Union ("EMU"). This would lead to the re-introduction of individual currencies in one or more EMU member states. The effects on the European and global economies of the exit of one or more European Union member states from the EMU, the potential dissolution of the EMU and the redenomination of financial instruments from euro to a different currency, are impossible to predict fully. If any such events were to occur they would likely:

- result in significant market dislocation;
- heighten counterparty risk; and
- affect adversely the management of market risk and, in particular, asset and liability management due, in part, to redenomination of financial assets and liabilities.

Market risks, including interest rate risk, foreign exchange risk and bond price risk are risks to the Group's business

Market risk is the potential adverse change in the Group's earnings or the value of its net assets arising principally from movements in, or volatility of, interest rates, bond prices, exchange rates and other market prices. The major part of the Group's market risk is interest rate risk in the euro market. Changes in interest rate or bond price levels in this or other markets may impact the value of assets, the value of liabilities or the margin received by the Group. The terms of existing loans or facilities may mean that the Group is restricted in its ability to increase interest rates charged to customers in response to changes in interest rates that affect the costs of funding.

Foreign currency exchange risk is the volatility in earnings resulting from the retranslation of foreign currency (e.g. Sterling and US dollar) denominated assets and liabilities from mismatched positions. It arises due to the fact that the Group conducts business in a range of currencies other than Euro, principally Sterling and U.S. dollars. The Group's assets and liabilities subject to foreign exchange risk comprise the retail and corporate deposit books and loan book. Substantial changes in interest rates could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

There may be difficulties in enforcing, or delays in enforcing security against defaulting borrowers

The Group must comply with the Central Bank's Code of Conduct on Mortgage Arrears 2013 (the "CCMA") before enforcing security over a principal private dwelling house against defaulting borrowers in Ireland. The CCMA provides that, subject to certain exceptions, residential mortgage lenders (such as the Group) must wait eight months before taking legal action to repossess a principal private dwelling house in respect of mortgages in arrears so long as the customer is cooperating with the Group. In addition, the Group has agreed to support the Irish Banking Federation statement of intent issued on 10 November 2009. This statement of intent provides that where a customer who is facing repayment difficulties in respect of his principal private residence enters into a mutually acceptable arrangement

with his lender which is implemented, and reviewed on a periodic basis, the lender will not initiate any form of legal action against that borrower in respect of that debt.

In addition to the CCMA and the Consumer Protection Code, the ability of the Group to enforce security against certain defaulting borrowers in Ireland may also be delayed by virtue of the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulation 2015, as amended, (the "**SME Regulations**") which apply to a regulated financial service provider (such as the Group) when providing certain credit products to small- and medium-sized enterprises ("**SMEs**") operating within Ireland. The protections set out in the SME Regulations differ depending on whether the credit is provided to a micro and small enterprise or to a medium-sized enterprise.

Under the SME Regulations, a micro and small enterprise is an enterprise which employs fewer than 50 persons and which has an annual turnover and annual balance sheet total which does not exceed €10 million. A medium-sized enterprise is an enterprise that is not a micro and small enterprise and which has fewer than 250 employees, an annual turnover not exceeding €50 million and an annual balance sheet not exceeding €43 million.

To the extent that the Group engages in lending to SMEs, it will have to comply with the SME Regulations, which includes provisions relating to the arrangements which are to be made with a defaulting borrower prior to enforcing security against defaulting borrowers.

In addition to compliance with the codes referred to above and the SME Regulations, the ultimate enforcement of security against defaulting borrowers by way of legal process can be a lengthy process, with enforcement taking up to six years in some instances. Delays in, or a restriction on, the Group's ability to enforce security against defaulting borrowers may adversely affect the Group's business, results of operations, financial condition and prospects.

Legislative developments may lead to further difficulties in enforcing, or delays in enforcing security against defaulting borrowers. The Land and Conveyancing Law Reform (Amendment) Act 2019 ("**LCLRA**") which came into force on 1 August 2019 provides further protections for home owners in residential mortgage difficulties. Courts must take into account a range of factors set out in the LCLRA 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 reinforces the special status of a PDH in residential mortgage arrears proceedings in Ireland and the 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 Group may face certain additional restrictions on its ability to collect or enforce mortgages that are in arrears. This could result in significant delays in the Group's recoveries in respect of its mortgage portfolio and increased impairments.

In line with the Group's roll out to support its customers and the Irish economy through the unprecedented challenges presented by COVID-19, including payment holidays for mortgage, personal and small and medium sized enterprise ("**SME**") customers and enhanced flexible credit lines, the Group has agreed not to progress repossession proceedings for a six month period (from March 2020). This measure may also give rise to further delays & difficulties with attaining successful enforcement orders.

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 Group.

Changes in accounting policies or in industry accounting standards could materially affect how the Group reports its financial condition and results of operations

From time to time, the International Accounting Standards Board and/or the European Union change the international financial reporting standards issued by the International Accounting Standards Board, as adopted by the European Commission for use in the European Union ("**IFRS**"), that govern the preparation of the Group's financial statements. These changes can be difficult to predict and could materially impact how the Group's records and reports its financial condition and results of operations. In some cases, the Group could be required to apply a new or revised standard retroactively, resulting in restating prior period financial statements. Changes to IFRS or interpretations thereof may cause its

future reported results of operations and financial position to differ from current expectations, or historical results to differ from those previously reported due to the adoption of accounting standards on a retrospective basis. Such changes may also affect the Group's regulatory capital ratios by requiring the recognition of additional provisions for loss on certain assets.

The Group is subject to anti-money laundering, counter-terrorist financing, anti-corruption and sanctions regulations and, if it fails to comply with these regulations, it may face administrative sanctions, criminal penalties and/or reputational damage

The Group is subject to laws and regulations aimed at preventing money laundering, anti-corruption and the financing of terrorism. Monitoring compliance with anti-money laundering ("AML"), countering the financing of terrorism ("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 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.

The 4th EU Anti-Money Laundering Directive ("MLD4"), was enacted into Irish Legislation in November 2018, and emphasises a "risk-based approach" to AML and CFT whilst also imposing obligations on Irish incorporated bodies (such as the Issuers) to take measures to compile information on beneficial ownership. In addition, the 5th EU Anti-Money Laundering Directive ("MLD5") was published on 19 June 2018 with the main updates relating to beneficial ownership registers, increased scrutiny of high-risk countries and the regulation of virtual currencies. Member states were required to transpose the requirements of this directive into domestic law by the 10 January 2020 (with certain later transposition dates for certain aspects of MLD5 over an 18 month period). As at the date of this Base Prospectus, MLD5 has yet to be enacted into Irish Law.

A further 6th EU Anti-Money Laundering Directive ("MLD6") was agreed by the EU in December 2018 and Member States will have until mid-2021 to harmonise predicate offences giving rise to money laundering.

This pattern of ongoing amendments to the AML/CFT regulatory landscape is likely to continue, particularly given the recent money laundering scandals and the announcement by the European Commission of their intention to implement a comprehensive action plan to address the specific AML/CFT threats, risks and vulnerabilities currently facing the EU. The Group will need to continue to monitor and reflect these changes in its own policies, procedure and practices, and to update its framework to take account of the risk-based approach and the specific manner in which these requirements are transposed into national law, together with any related industry guidance from regulators in each jurisdiction.

There has also been an increase in the use of targeted financial sanctions and global money laundering cases have recently received greater scrutiny, with a number of major European banks implicated in such matters. Given the scale, nature and complexity of these sanctions and the extent to which the targets of these are integrated into the wider global economy, there remains a risk that the Group could find itself transacting with customers who could become subject to such sanctions and potentially face the consequence of secondary sanctions as a result of this.

In June 2018, the Criminal Justice (Corruption Offences) Act, 2018 was enacted in Ireland, which updated and consolidated a range of previous Irish legislation on bribery and corruption. The Group has designed and implemented anti-bribery and corruption policies and procedures, which are proportionate and reasonable with regard to the particular bribery and corruption risks faced by the Group in conducting business.

Although the Group has policies and procedures that are designed to comply with applicable AML/CFT, anti-bribery and 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. This is particularly relevant since the onset of the COVID-19 pandemic whereby new techniques and channels of money laundering are likely to emerge. Whilst measures have been implemented to mitigate against these risks internally within the Group, any such events may have severe consequences, including litigation, sanctions, fines and reputational

consequences, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

RISKS RELATED TO REGULATION, SUPERVISION AND TAXATION

The Group must comply with a wide range of laws and regulations and a change in law could lead to increased risks

As a financial services firm, the Group is subject to extensive and comprehensive regulation. The Group is exposed to many forms of risk in connection with compliance with such laws and regulations, including, but not limited to:

- breaching general organisational requirements, such as the requirement to have robust governance arrangements, effective processes to identify, manage, monitor and report the risks the Group is or might be exposed to, and internal control mechanisms, including sound administrative and accounting procedures and effective control and safeguard arrangements for information processing systems;
- the possibility of mis-selling of financial products or the mishandling of complaints related to the sale of such products by or attributed to an employee of the Group;
- breaching laws and requirements relating to the safeguarding of customer data, the detection and prevention of money laundering, terrorist financing, bribery and corruption and other financial crime; and
- non-compliance with legislation relating to unfair or required contractual terms or disclosures.

Any breach or non-compliance with the wide range of laws and regulations may result in adverse consequences for the Group, including:

- substantial monetary damages or fines, other penalties and injunctive relief, the amounts of which are difficult to predict and may exceed the amount of provisions set aside to cover such risks;
- regulatory investigations, reviews, proceedings and enforcement actions;
- being required to amend sales processes, product and service terms and disclosures, withdraw products or provide redress or compensation to affected customers;
- the Group either not being able to enforce contractual terms as intended or having contractual terms enforced against the Group in an adverse way;
- civil or private litigation (brought by individuals or groups of individuals/claimants) in Ireland, the UK or other jurisdictions (which may arise out of regulatory investigations and enforcement actions);
- criminal enforcement proceedings; and
- regulatory restrictions on the Group's business,

any or all of which could result in the Group incurring significant costs, may require provisions to be recorded in the Group's financial statements, could adversely impact future revenues from affected products and services and could have a negative effect on the Group's reputation and the confidence of customers in the Group, as well as taking a significant amount of the Directors' and management's time and resources away from the implementation of the Group's strategy. Regulatory restrictions could also require additional capital and/or liquidity to be held. Any of these risks, should they materialise, could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. In addition to the consequences above, any failure to comply with the wide range of laws and regulations could result in the Group's regulators taking administrative actions or imposing sanctions against the Group, as well as potentially cancelling or restricting the Group's regulatory authorisations altogether, thereby preventing it from carrying on its business.

Furthermore, any future changes in law, regulation, fiscal or other policies are unpredictable and beyond the Group's control and could limit new lending cause the Group to raise further capital, increase the Group's expense and/or otherwise materially adversely affect the Group's business, results of operations, financial condition and prospects.

A change in Irish Government policy could have a material adverse effect on the Group

Irish Government policy in respect of the banking sector, including its recapitalisation and structure, has and will continue to have a major impact on the Group. The Irish Government can implement policies by utilising its powers under existing legislation, the introduction of new or amended legislation or, in the case of the Group, the exercise of the Irish Government's shareholder and other rights. Public policy on the banking market in general and mortgage product pricing in particular has been receiving increased attention. The Central Bank has, under the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Housing Loan Requirements) Regulations 2015, as amended, imposed restrictions on Irish residential mortgage lending by lenders which are regulated by the Central Bank. The restrictions impose limits on residential mortgage lending by reference to loan-to-value and loan-to-income ceilings. The current policies of government may not be continued and the introduction of new policies or the amendment of existing policies could have a significant impact on the Group's business, results of operations, financial condition, liquidity and prospects.

Capital and liquidity requirements will continue to have an effect on the Group's business

From 1 January 2014, the Group has been regulated under CRD IV, as implemented in Ireland. CRD IV's main impact has been to set higher capital and liquidity requirements. On 23 November 2016, the European Commission presented a comprehensive package of reforms to further strengthen the resilience of EU banks (the "**EU Banking Reforms**") which amended many of the existing provisions set forth in CRD IV and the BRRD (as defined below). On 14 May 2019, the text was formally approved by the Council of the European Union and published in the Official Journal on 7 June 2019. The initial elements of the proposals came into force on 27 June 2019, with the majority of amendments applying from 18 months thereafter. The changes in the approved text include setting higher capital and additional loss absorbing capacity requirements, increasing the powers of the relevant competent authorities and incorporating the regulatory definition of trading activity, standardised and advanced risk weighted assets calculation methodologies for market risk and new standardized risk weighted assets rules for counterparty credit risk. These changes also include phase-in arrangements for the regulatory capital impact of IFRS 9 and the ongoing interaction of IFRS 9 with the regulatory framework, including changes to relevant accounting standards, which came into force on 1 January 2018 and which resulted in changes to the methodologies which the Group is required to adopt for the valuation of financial instruments. The text relating to the EU Banking Reforms was published in the Official Journal of the European Union on 7 June 2019 and entered into force 20 days thereafter. The majority of rules are expected to apply from 18 months after that date however, the principal rules brought into force by the amended CRR shall apply from two years after that date.

The Group is also subject to leverage ratio requirements. The leverage ratio is calculated as the institution's Tier 1 capital divided by total exposures in assets and liabilities. Reporting of the current leverage ratio to the relevant authorities began during 2014. The EU Banking Reforms contain a proposal for introducing a minimum of 3% leverage ratio for any type of credit institution. However, the European Council has also indicated that the requirement may vary depending on the business models of the credit institutions concerned. Legislative and regulatory uncertainty could affect Noteholders' ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent and impact that one or more regulatory or legislative changes could have on the Notes.

A market perception or an actual shortage of capital issued by the Group could result in regulatory actions, including requiring the Group to issue additional Common Equity Tier 1 securities, requiring the Group to retain earnings or prohibit dividends or the imposition of sanctions or trigger a conversion or write-down of additional tier 1 ("**AT1**") securities. These factors may affect the Group's capacity to continue its business operations, generate a return on capital, or pursue acquisitions or other strategic opportunities, impacting future growth potential. The Group is subject to regular reviews of its internal capital adequacy assessment process ("**ICAAP**") through the Supervisory Review and Evaluation Process ("**SREP**"). Following the outcome of the latest SREP report which is applicable for 2020, there is a restriction imposed on PTSB from paying dividends to PTSB Holdings. SREP requirements are reviewed on an annual basis. There are no entities within the Group other than PTSB subject to minimum capital requirements.

Furthermore, the Group may be required to hold higher levels of capital than currently required, either as a result of new rules or regulations (e.g. the pending introduction of a systemic risk buffer), or as a consequence of supervision by the regulators or otherwise, and in such circumstances, this could adversely impact the Group's operational flexibility, reduce earnings and/or restrict earnings growth.

The Group is subject to extensive regulation and supervision in relation to the levels of capital in its business. The minimum regulatory capital requirements, as well as the manner in which existing regulatory capital is calculated, could change in the future

The global financial crisis and the Irish banking crisis has resulted in banking regulation internationally and in Europe that has been strongly focused on capital adequacy rules. If the Group fails to meet its minimum regulatory capital requirements, this may result in administrative actions or sanctions against it or supervisory measures or resolution. Effective management of the Group's capital is critical to its ability to operate and grow its business and to pursue its strategy. Any change that limits the Group's ability to effectively manage its balance sheet and capital resources (including, for example, reductions in profits and retained earnings as a result of credit losses, write-downs or otherwise, increases in risk-weighted assets, delays in the disposal of certain assets or the inability to raise capital or funding through funding markets as a result of market conditions or otherwise) could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group may incur substantial costs in monitoring and complying with capital adequacy and recovery and resolution framework requirements and regulatory action in the event of a failure of the relevant Issuer could materially adversely affect the value of the Notes

Recovery and Resolution Directive

The Bank Recovery and Resolution Directive (Directive 2014/59/EU) ("**BRRD**") has been implemented in Ireland pursuant to the European Union (Bank Recovery and Resolution) Regulations 2015, as amended. The BRRD sets out the necessary steps and powers to ensure that bank failures across the EU are managed in a way which mitigates the risk of financial instability and minimises costs for taxpayers.

The BRRD is designed to provide relevant authorities with a set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system. The Group, similar to other financial institutions, may incur substantial costs in monitoring and complying with these new requirements.

The BRRD confers substantial powers on national resolution authorities designed to enable them to take a range of actions in relation to credit institutions which are considered to be at risk of failing. The exercise of any of these actions in relation to an Issuer could materially adversely affect the value of any Notes.

The BRRD authorises the authorities designated by Member States of the European Union ("**national resolution authorities**") to apply the resolution tools and exercise the resolution powers set forth in the BRRD. The Central Bank is designated as the national resolution authority for Ireland. The BRRD resolution powers include a statutory "write-down and conversion power" (the "**Write-Down Tool**") with respect to capital instruments (which could include the Tier 2 Capital Notes) and a "bail-in power", which will give the national resolution authority the power to cancel all or a portion of the principal amount of, or interest on, certain other eligible liabilities (which could include the Notes), whether unsubordinated or subordinated, of a failing financial institution and/or to convert certain unsecured debt claims (which could include the Notes) into another security, including ordinary shares of the surviving group entity, if any, which may itself be written down. The bail-in power can be used to recapitalise an institution that is failing or about to fail, allowing authorities to restructure it through the resolution process and restore its viability after reorganisation and restructuring. The Write-Down Tool can be used either together with, or also, independently of, a resolution action.

In addition to the loss absorption requirements, the BRRD provides national resolution authorities with broader powers to implement other resolution measures with respect to distressed banks, which may include (without limitation): (i) directing the sale of the bank or the whole or part of its business on commercial terms without requiring the consent of the shareholders or complying with the procedural requirements that would otherwise apply, (ii) transferring all or part of the business of the bank to a "bridge institution" (a publicly controlled entity) which may limit the capacity of the bank to meet its

repayment obligations, (iii) transferring the impaired or problem assets to an asset management vehicle to allow them to be managed and worked out over time, (iv) replacing or substituting the bank as obligor in respect of debt instruments, (v) modifying the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), and/or (vi) discontinuing the listing and admission to trading of financial instruments.

Noteholders should assume that, in a resolution situation, financial public support will only be available to a relevant entity as a last resort after the national resolution authorities have assessed and used, to the maximum extent practicable, the resolution tools, including the bail-in tool (described above).

The exercise of any resolution power, including the sale or transfer of all or part of the Group's business or any exercise of the bail-in tool in respect of an Issuer and the Notes, or any suggestion of any such exercise, could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of such Issuer to satisfy its repayment and other obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes.

Single Resolution Mechanism

The BRRD is complemented by the directly binding regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010 (the "**SRM**"). The primary scope of the SRM is the euro area. The Single Resolution Fund will be financed by bank levies raised at a national level. The SRM establishes a single European resolution board (the "**Resolution Board**") having resolution powers over the significant institutions that are subject to the SRM, thus replacing or exceeding the powers of the national resolution authorities for those significant institutions. The Issuers are designated as less significant institutions and as such the Central Bank is designated as the resolution authority directly responsible for the Issuers. The Central Bank or the Resolution Board ("**relevant resolution authorities**") may apply the resolution tools and exercise the resolution powers set forth in the BRRD or the specific resolution powers pursuant to the SRM similar to those under the BRRD in respect of the Issuers. The Resolution Board will only do so in exceptional cases, where necessary to ensure the consistent application of high resolution standards, upon the request of the Central Bank or on its own initiative. The relevant resolution authority is required to draw up and adopt a resolution plan for the entities subject to its powers, including the Issuers. It will also determine, after consultation with competent authorities, a minimum requirement for own funds and eligible liabilities subject to write-down and conversion powers which the Issuers will be required to meet at all times. The relevant resolution authority will also use the powers of early intervention as set forth in the SRM, including the power to require an institution to contact potential purchasers in order to prepare for resolution of institution. The resolution tools available to the relevant resolution authority include the sale of business tool, the bridge institution tool, the asset separation tool and the bail-in tool, each as further specified in the SRM. The use of one or more of these tools will be included in a resolution scheme to be adopted by the relevant resolution authority.

Pursuant to the SRM, the bail-in tool may be applied to recapitalise an institution to restore its ability to comply with the licensing conditions and to sustain market confidence in the institution or to convert claims or debts to equity or reduce their principal amount. The bail-in tool covers bonds and notes issued by the institution subject to resolution measures, but certain defined instruments are excluded from the scope, such as covered bonds.

The provisions relating to resolution plans and cooperation between the Resolution Board and the national authorities have been applied as of 1 January 2015. The resolution powers of the Resolution Board took effect from 1 January 2016.

Risks relating to BRRD and the SRM

The Notes may be part of the claims and debts in respect of which the relevant resolution authorities could use the bail-in powers under the SRM or the BRRD to write-down or convert the principal of the Notes. There can be no assurances that the taking of any such actions would not adversely affect the price or value of an investment in Notes, subject to the provisions of the BRRD or the SRM and/or the ability of the relevant Issuer to satisfy its obligations under such Notes. The Issuers cannot predict the precise effects of the bail-in power and the write-down and conversion power and the likelihood of their future

use in relation to the Notes. Prospective investors in the Notes should consult their own advisors as to the consequences of the SRM and the BRRD.

Any write down or conversion of amounts in accordance with the Write-Down Tool will not constitute an event of default under the terms of the relevant instruments. Consequently, any amounts so written down will be irrevocably lost and the holders of such instruments will cease to have any claims thereunder, regardless whether or not the credit institution's financial position is restored. Pursuant to the SRM and the BRRD, the relevant resolution authorities must ensure when applying the resolution tools, that creditors do not incur greater losses than they would have incurred if the credit institution had been wound down in normal insolvency proceedings. Furthermore, the Group's regulator may require the Group to make changes to the legal structures and/or business model of the Group pursuant to its implementation of requirements under the SRM, the BRRD or other applicable law or regulation.

Where the relevant conditions for intervention under the BRRD or the SRM and the use of the bail-in tool have been met, the relevant resolution authority would be expected to exercise these powers without the consent of the Noteholders.

The exercise of any resolution power, including the bail-in powers in relation to the relevant Issuer or any suggestion of any such exercise could materially adversely affect the rights of the Noteholders, the price or value of their investment in the Notes and/or the ability of the relevant Issuer to satisfy its obligations under the Notes and could lead to Noteholders losing some or all of the value of their investment in such Notes. In addition, even in circumstances where a claim for compensation is established under the 'no creditor worse off' safeguard in accordance with a valuation performed after the resolution action has been taken, it is unlikely that such compensation would be equivalent to the full losses incurred by the Noteholders in the resolution and there can be no assurance that Noteholders would recover such compensation promptly.

As covered deposits are excluded from the scope of the bail-in tool and other preferred deposits (and covered deposits) rank ahead of any Notes issued by PTSB, such Notes would be more likely to be bailed-in than certain other unsubordinated liabilities of PTSB (such as other preferred deposits)

The BRRD contemplates the establishment of a statutory preference in the insolvency hierarchy (i) firstly, for deposits that are covered under the Deposit Guarantee Scheme ("**covered deposits**") to rank with existing preferred claims as 'ordinary' preferred claims and (ii) secondly, for certain other deposits of individuals and micro, small and medium sized enterprises held in EEA or non-EEA branches of an EEA bank ("**other preferred deposits**"), to rank as 'secondary' preferred claims only after the 'ordinary' preferred claims. In addition, Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes which was implemented into Irish law by the European Union (Deposit Guarantee Schemes) Regulations 2015 (S.I. No. 516 of 2015) on 20 November 2015, will increase the nature and quantum of covered deposits under the Deposit Guarantee Scheme to include a wide range of deposits, including corporate deposits (unless the depositor is a public sector authority or financial institution) and some temporary high value deposits. The effect of these changes is generally to increase the size of the class of preferred creditors. All such preferred deposits will rank in the insolvency hierarchy ahead of all other unsecured senior creditors of the Issuers, including the Noteholders. Furthermore, covered deposits will be excluded from the scope of the bail-in tool. As a result, the Notes issued by the Issuers would be more likely to be bailed-in than certain other unsubordinated liabilities of the Issuers such as other preferred deposits.

Mandatory write-down and conversion of capital instruments may affect the Tier 2 Capital Notes, which may result in Noteholders losing some or all of their investment in the Notes

The BRRD includes a requirement for the relevant authority to permanently write-down, or convert into equity, Tier 1 capital instruments and Tier 2 capital instruments (such as the Tier 2 Capital Notes) at the point of non-viability of the relevant entity and before any stabilisation power is exercised (except in the case of an exercise of the bail-in power to include other liabilities, when such instruments would be written down or converted into equity pursuant to the exercise of the bail-in power, as described above, rather than the mandatory write-down and conversion power). This power will be extended to include eligible liabilities once the BRRD is amended pursuant to Directive (EU) 2019/879.

For the purposes of the application of such mandatory write-down and conversion power, the point of non-viability is the point at which the relevant authority determines that the relevant entity meets the conditions for resolution (but no resolution action has yet been taken) or that the relevant entity will no

longer be viable unless the relevant capital instruments are written-down or converted or the relevant entity requires extraordinary public support without which, the relevant authority determines that, the relevant entity would no longer be viable.

Holders of Tier 2 Capital Notes may be subject to write-down or conversion into equity on application of such powers (without requiring such Noteholders' consent), which may result in such Noteholders losing some or all of their investment. The 'no creditor worse off' safeguard may not necessarily apply in relation to an application of such powers. The exercise of such mandatory write-down and conversion power or any suggestion of such exercise could, therefore, materially adversely affect the rights of Holders of Tier 2 Capital Notes, the price or value of their investment in the Tier 2 Capital Notes and/or the ability of the relevant Issuer to satisfy its obligations under the Notes.

Minimum requirement for own funds and eligible liabilities ("MREL")

In order to ensure the effectiveness of bail-in and other resolution tools, the BRRD requires that all institutions must meet an individual MREL requirement, calculated as a percentage of total liabilities and own funds and set by the relevant resolution authorities. Items eligible for inclusion in MREL will include an institution's own funds along with 'eligible liabilities'.

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 Group's MREL requirements will be set by the Central Bank, in consultation with the ECB and the SRB. The calculation of MREL should consider the need, in case of any application of the bail-in tool, to ensure that the institution is capable of absorbing an adequate amount of losses and being recapitalised by an amount sufficient to restore its own funds position to a level sufficient to maintain its capital requirements for authorisation and sustain market confidence.

The SRB continues to develop its MREL policy for setting binding MREL targets for the most systemic banking groups in the European Union.

The MREL requirements imposed on the Group will require the Group to raise additional funds in order to meet its obligations. The Group has received confirmation of revised MREL requirements, reflecting the reduction in the Counter Cyclical Buffer ("CCyB") from 1% to 0%, and has been given an extended transitional period of six months to 30 June 2021 to comply with this requirement. The Group awaits confirmation of a new MREL decision by early 2021. The cost of such funding could be higher than that which the Group might otherwise have incurred in circumstances where it was not subject to the relevant MREL requirements. The MREL requirements could have an impact on the Group's operations, structure, costs and/or capital/funding requirements.

In addition, the Conditions stipulate that the relevant resolution authority may determine that all or part of the nominal amount of the Notes, including accrued but unpaid interest in respect thereof, must be written down, reduced, cancelled or converted (in whole or in part) into shares or other instruments of ownership or that the terms of the Notes must be varied or that the Notes must otherwise be applied to absorb losses or give effect to resolution tools or powers, all as prescribed by, and in accordance with, the Irish Statutory Loss Absorption Powers (as defined in Condition 23). See Condition 23 (*Statutory Loss Absorption*) for more details.

Supervision by the ECB

Banking activities in Ireland are regulated and supervised by the ECB under the European Union (Single Supervisory Mechanism) Regulations 2014 (the "**SSM Regulation**"), the Irish Central Bank Acts 1942-2018 (the "**Central Bank Acts**") and related legislation, and in respect of matters falling outside the scope of the SSM Regulation, by the Central Bank under the Central Bank Acts and related legislation. Under the SSM Regulation, the ECB is responsible for all core banking supervisory responsibilities which includes authorisations, capital adequacy, large exposures, liquidity and qualifying holdings and has the power to impose fines for breach of any related requirements. The Group was initially directly supervised by the ECB through the Joint ECB/CBI Supervisory Team but has been informed that, as the Group has not met any of the significant criteria for three consecutive years, a decision was taken to categorise the Group as a less significant institution ("**LSI**"). Therefore with effect from 1 January 2019, the Group became subject to the direct supervision by the CBI as the National Competent Authority. The ECB is responsible for the oversight of the supervision of less significant banks performed by national supervisors

and therefore PTSB will continue to be within the remit of the SSM. Under the SSM, the Central Bank remains responsible in Ireland for all areas of supervision not allocated to the ECB under the SSM Regulation, including conduct of business rules and the protection of customer interests. Any future stress tests carried out by or on behalf of the ECB may have adverse implications for the Group to the extent that it does not meet the thresholds required in any such tests, or to the extent that it passes by only a marginal amount. Such adverse results would require the Group to raise additional capital and/or otherwise adversely affect the Group's reputation, business, results of operations, financial condition and prospects.

The Group is exposed to the risk of changes in tax legislation and its interpretation and to increases in the rate of corporate tax and other tax matters

The Group's activities are principally conducted in Ireland and it is therefore subject to a range of Irish taxes at various rates. Future actions by the Irish Government to increase tax rates or to impose additional taxes could reduce the Group's profitability. Revisions to tax legislation or to its interpretation might affect the Group's financial condition in the future. In addition, the Group is subject to periodic tax audits which could result in additional tax assessments relating to past periods of up to five years being made. Any such assessments could be material which might also affect the Group's financial condition in the future.

In accordance with applicable accounting rules, the Group has recognised deferred tax assets on losses available to relieve future profits to the extent that it is probable that such losses will be utilised. These deferred tax assets are deducted from the Group's CET1, in accordance with Article 478(2) of the Capital Requirements Regulation. The assets are quantified on the basis of current tax legislation and are subject to change in respect of the tax rate or the rules for computing taxable profits and allowable losses. A failure to generate sufficient future taxable profits or changes in tax legislation may reduce significantly the recoverable amount of the deferred tax assets currently recognised in the financial statements with a resultant negative impact on the Group's regulatory capital and capital ratios.

The Irish Government, through the Minister for Finance, may exert a very significant level of influence over the Group

The Irish Government (through the Minister for Finance) is the largest holder of ordinary shares in PTSB Holdings, holding approximately 75% of such shares. Through the Irish Government's shareholding in the Group and the Minister for Finance's relationships with the Group, the Minister for Finance is in a position to exert significant influence over, and to intervene in the conduct and management of, the Group and its business.

Furthermore, even though the level of Irish Government ownership has been reduced following recent capital raisings, the Irish Government is still a significant Shareholder and it could use such shareholding (potentially in combination with the shareholdings of other investors), in addition to its other contractual rights and under legislation, to exert a high level of influence over the Group's business, operations, governance and/or its capital structure. The Irish Government (through the Minister for Finance) could exercise its voting rights in a manner which is not aligned with the interests of the Group or its other shareholders or Noteholders.

RISKS RELATED TO THE STRUCTURE OF A PARTICULAR ISSUE OF NOTES

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the relevant Final Terms specify otherwise, in the event that the relevant Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Ireland or any political subdivision thereof or any authority therein or thereof having power to tax, or if the relevant Issuer is or would not be entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Notes, or if such a deduction is or would be reduced or deferred, such Issuer may redeem all

outstanding Notes in accordance with the Conditions (subject to the Supervisory Authority's prior consent (if such consent is so required) and the compliance with certain regulatory conditions in the case of Tier 2 Capital Notes and subject to obtaining the prior consent of the Supervisory Authority and/or relevant resolution authority (if such consent is so required) in the case of Senior Notes issued by PTSB Holdings).

Furthermore, the relevant Issuer may be entitled to redeem Tier 2 Capital Notes if a change in certain regulatory capital requirements occurs, subject to the Supervisory Authority's prior consent (if such consent is so required) and the compliance with certain regulatory conditions and PTSB Holdings may be entitled to redeem its Senior Notes if an MREL Disqualification Event occurs, subject to obtaining the prior consent of the Supervisory Authority and/or relevant resolution authority (if such consent is so required). As the implementation of the minimum requirements for eligible liabilities under the BRRD is subject to the adoption of further secondary legislation and implementation in Ireland, PTSB Holdings is currently unable to predict whether the Notes will not (or are likely not to) qualify in full towards its or the Group's minimum requirements for own funds and eligible liabilities, or will be fully or partially excluded from its or the Group's minimum requirement for own funds and eligible liabilities, as such minimum requirements are applicable to PTSB Holdings and the Group.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specify that the Notes are redeemable at the relevant Issuer's option in certain other circumstances or at any time (subject to certain conditions mentioned above in the case of Tier 2 Capital Notes and Senior Notes issued by PTSB Holdings), the relevant Issuer may be expected to choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

An optional redemption feature is likely to limit the market value of the Notes. During any period when the relevant Issuer may elect to redeem the Notes (or any period when there is an actual or perceived risk that the relevant Issuer may elect to redeem the Notes), the market value of the Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

Holders of Tier 2 Capital Notes and Holders of Senior Notes issued by PTSB Holdings will have limited remedies

Payment of principal and accrued but unpaid interest on the Tier 2 Capital Notes or Senior Notes issued by PTSB Holdings may only be accelerated in the event of the occurrence of a Winding-up Event (as defined in the Conditions) in respect of the relevant Issuer. There is no right of acceleration in the case of non-payment of principal or interest on such Notes or of the relevant Issuer's failure to perform any of its obligations under or in respect of such Notes.

The sole remedy against the relevant Issuer available for recovery of amounts owing in respect of any non-payment of any amount that has become due and payable under such Notes is, subject to certain conditions and to the provisions set forth in Condition 14 (*Events of Default*), for the Trustee to institute proceedings in Ireland (or such other jurisdiction in which the relevant Issuer may be organised) (but not elsewhere) for the winding-up of such Issuer and/or prove in the winding-up of such Issuer and/or claim in such Issuer's liquidation.

Although the Trustee may institute such proceedings against the relevant Issuer as it may think fit to enforce a Performance Obligation (as defined in the Conditions), the Trustee (acting on behalf of the Noteholders but not the Trustee acting in its personal capacity under the Trust Deed) and the Noteholders shall not enforce, and shall not be entitled to enforce or otherwise claim, against the relevant Issuer any judgment or other award given in such proceedings that requires the payment of money by the relevant Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving such Monetary Judgment in a winding-up of the relevant Issuer.

Tier 2 Capital Notes are subordinated to most of the relevant Issuer's liabilities

Tier 2 Capital Notes will constitute unsecured and subordinated obligations of the relevant Issuer. On a winding-up of the relevant Issuer, all claims in respect of the Notes will rank junior to the claims of

all Senior Creditors (as defined in the Conditions) of the relevant Issuer. If, on a winding-up of the relevant Issuer, the assets of the relevant Issuer are insufficient to enable the relevant Issuer to repay the claims of more senior-ranking creditors in full, the holders of the Tier 2 Capital Notes will lose their entire investment in the Tier 2 Capital Notes. If there are sufficient assets to enable the relevant Issuer to pay the claims of senior-ranking creditors in full but insufficient assets to enable it to pay claims in respect of its obligations in respect of the Tier 2 Capital Notes and all other claims that rank *pari passu* with the Tier 2 Capital Notes, holders of the Tier 2 Capital Notes will lose some (which may be substantially all) of their investment in the Tier 2 Capital Notes.

Although Tier 2 Capital Notes may pay a higher rate of interest than Notes which are not subordinated, there is a substantial risk that investors in the Tier 2 Capital Notes will lose all or some of the value of their investment should the relevant Issuer become insolvent.

Certain Notes may be subject to substitution and/or variation without Holder consent

Subject as provided herein, in particular to the provisions of Condition 11 (*Substitution and Variation*), if an MREL Disqualification Event occurs, PTSB Holdings may, at its option, and without the consent or approval of the Noteholders which may otherwise be required under the terms and conditions of the Notes, elect either (i) to substitute all (but not some only) of the Notes or (ii) to vary the terms of all (but not some only) of such Notes, in each case so that they become or remain Qualifying Notes (as defined in the Conditions). While Qualifying Notes generally must contain terms that are materially no less favourable to Noteholders as the original terms of the Notes, there can be no assurance that the terms of any Qualifying Notes will be viewed by the market as equally favourable, or that the Qualifying Notes will trade at prices that are equal to the prices at which the Notes would have traded on the basis of their original terms.

Further, prior to the making of any such substitution or variation, the Issuer, shall not be obliged to have regard to the tax position of individual holders of the Notes or to the tax consequences of any such substitution or variation for individual holders of Notes. No holder of Notes shall be entitled to claim, whether from the Principal Paying Agent, the Issuer, or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or variation upon individual holders of Notes.

Limitation on gross-up obligation under certain Notes

In relation to Senior Notes issued by PTSB Holdings and to Tier 2 Capital Notes, the relevant Issuer's obligation to pay additional amounts in respect of any withholding or deduction in respect of taxes under the terms of such Notes applies only to payments of interest due and paid under such Notes and not to payments of principal (including any premium payable on a redemption of Notes). As such, the relevant Issuer would not be required to pay any additional amounts under the terms of such Notes to the extent any withholding or deduction applied to payments of principal. Accordingly, if any such withholding or deduction were to apply to any payments of principal under such Notes (including any premium payable on a redemption of Notes), the relevant Noteholders would receive less than the full amount due under such Notes, and the market value of such Notes may be adversely affected.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount (such as Zero Coupon Notes) or premium from their principal 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.

No limitation on issuing senior or pari passu securities

There is no restriction on the amount of securities which an Issuer may issue, nor on the amount of any other obligations it may assume, which rank senior to, or *pari passu* with any Tier 2 Capital Notes of an Issuer. The issue of any such securities and/or the assumption of any such other obligations may reduce the amount recoverable by holders of Tier 2 Capital Notes on a winding-up of the relevant Issuer.

Waiver of set-off

The Holders of Senior Notes issued by PTSB Holdings and of the Tier 2 Capital Notes waive any right of set-off in relation to such Notes insofar as permitted by applicable law. Therefore, a Holder will not be entitled (subject to applicable law) to set off the relevant Issuer's obligations to such Holder under such Notes against obligations owed by such Holder to the relevant Issuer.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Such a feature to convert the interest basis, and any conversion of the interest basis may affect the secondary market and the market value of such Notes as the change of interest basis may result in a lower interest return for Noteholders. Where the Notes convert from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than the prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. Where the Notes convert from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes and could affect the market value of an investment in the relevant Notes.

The interest rate on Reset Notes will reset on each Reset Date, which can be expected to affect the interest payment on an investment in Reset Notes and could affect the market value of Reset Notes

Reset Notes will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date and each Subsequent Reset Date (if any) thereafter, the interest rate will be reset to the sum of the applicable Reset Reference Rate and the First Margin or Subsequent Margin (as applicable) as determined by the Calculation Agent on the relevant Reset Determination Date (each such interest rate, a "**Subsequent Reset Rate of Interest**"). The Subsequent Reset Rate of Interest for any Reset Period could be less than the Initial Rate of Interest or the Subsequent Reset Rate of Interest for prior Reset Periods and could affect the market value of an investment in the Reset Notes.

RISKS RELATED TO NOTES GENERALLY

Set out below is a brief description of certain risks relating to the Notes generally:

PTSB Holdings is a holding company

The Notes issued by PTSB Holdings are the obligation of PTSB Holdings only. PTSB Holdings is a holding company and conducts substantially all of its operations through its subsidiaries, and accordingly the claims of the Noteholders under the Notes issued by PTSB Holdings will be structurally subordinated to the creditors of the PTSB Holdings' subsidiaries. PTSB Holdings plans to fund interest payments under the Notes issued by it using cash received from certain Group companies through intra-Group liquidity arrangements. PTSB Holdings' subsidiaries are separate and distinct legal entities, and have no obligation to pay any amounts due or to provide PTSB Holdings with funds to meet any of PTSB Holdings' payment obligations under the Notes. PTSB Holdings' rights to participate in the assets of any subsidiary if such subsidiary is liquidated will be subject to the prior claims of such subsidiary's creditors and any preference shareholders, except in the limited circumstance where PTSB Holdings is a creditor of such subsidiary with claims that are recognised to be ranked ahead of or *pari passu* with such claims. Accordingly, if one of PTSB Holdings' subsidiaries were to be wound up, liquidated or dissolved, (i) the holders of Notes issued by PTSB Holdings would have no right to proceed against the assets of such subsidiary, and (ii) PTSB Holdings would only recover any amounts (directly, or indirectly through its holdings of other subsidiaries) in the liquidation of that subsidiary in respect of its direct or indirect holding of ordinary shares in such subsidiary, if and to the extent that any surplus assets remain following payment in full of the claims of the creditors and preference shareholders (if any) of that subsidiary.

Change of law

The Conditions are based on either (i) Irish law or (ii) English law as specified in the relevant Final Terms. Further, in respect of English Law Notes, the Conditions in respect of subordination, waiver of set-off and statutory loss absorption will be governed by Irish law. No assurance can be given as to

the impact of any possible judicial decision or change to English law or Irish law, as the case may be, or administrative practice after the date of issue of the relevant Notes and any such change could materially adversely impact the value of any affected Notes.

Such changes in law may include changes in statutory, tax and regulatory regimes during the life of the Notes, which may have an adverse effect on an investment in the Notes. Such legislative and regulatory uncertainty could also affect an investor's ability to accurately value the Notes and, therefore, affect the trading price of the Notes given the extent and impact on the Notes that one or more regulatory or legislative changes, including those described above, could have on the Notes.

Furthermore, the financial services industry continues to be the focus of significant regulatory change and scrutiny which may adversely affect the Group's business, financial performance, capital and risk management strategies. Such regulatory changes, and the resulting actions taken to address such regulatory changes, may have an adverse impact on the Group's, and therefore the relevant Issuer's, performance and financial condition. It is not yet possible to predict the detail of such legislation or regulatory rulemaking or the ultimate consequences to the Group or the Holders, which could be material to the rights of Holders of the Notes and/or the ability of the relevant Issuer to satisfy its obligations under such Notes.

There are risks that certain benchmark rates may be administered differently or discontinued in the future, including the potential phasing-out of LIBOR after 2021, which may adversely affect the trading market for, value of and return on, Notes based on such benchmarks

The London Interbank Offered Rate ("LIBOR"), the Euro Interbank Offered Rate ("EURIBOR") and other rates and indices which are deemed to be "benchmarks" are the subject of recent international, national and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently from the past or disappear entirely or have other consequences that cannot be predicted.

The Benchmark Regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds became applicable from 1 January 2018. The Benchmark Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU (which, for these purposes, includes the United Kingdom). The Benchmark Regulation 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 Issuers) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

The Benchmark Regulation could have a material impact on any Notes linked to a rate or index deemed to be a benchmark, in particular, if the methodology or other terms of a benchmark are changed in order to comply with the requirements of the Benchmark 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, national or other proposals for reform, or the general increased regulatory scrutiny of benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a benchmark and complying with any such regulations or requirements.

Such factors may have the following effects on certain benchmarks: (i) discourage market participants from continuing to administer or contribute to such benchmark; (ii) trigger changes in the rules or methodologies used in the benchmarks or (iii) lead to the disappearance of the benchmark.

Furthermore, LIBOR is the subject of ongoing regulatory reforms. Following the implementation of any of these reforms, the manner of administration of LIBOR may change, with the result that it may perform differently than in the past or be eliminated entirely, or there could be other consequences that cannot be predicted. The FCA has indicated through a series of announcements that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. At this time, it is not possible to predict the effect of any establishment of alternative reference rates or any other reforms to LIBOR that may be enacted in the United Kingdom or elsewhere. Uncertainty as to the

nature of such alternative reference rates or other reforms may adversely affect the trading market for LIBOR-linked securities.

Separately, the euro risk free-rate working group for the euro area has published a set of guiding principles and high level recommendations for fallback provisions in, amongst other things, new euro denominated cash products (including bonds) referencing EURIBOR. The guiding principles indicate, among other things, that continuing to reference EURIBOR in relevant contracts (without robust fallback provisions) may increase the risk to the euro area financial system.

The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions (as further described in Condition 7(h) (*Benchmark Replacement*)), or result in adverse consequences to holders of any Notes linked to such benchmark (including Floating Rate Notes whose interest rates are linked to LIBOR, EURIBOR or any other such benchmark that is subject to reform). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities (including the Notes) based on the same benchmark.

The "Terms and Conditions of the Notes" provide for certain fallback arrangements in the event that a published benchmark, such as LIBOR, (including any page on which such benchmark may be published (or any successor service)) becomes unavailable, including the possibility that the rate of interest could be set by reference to a successor rate or an alternative rate and that such successor rate or alternative reference rate may be adjusted (if required) in order to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as applicable) to investors arising out of the replacement of the relevant benchmark, although the application of such adjustments to the Notes may not achieve this objective. Any such changes may result in the Notes performing differently (which may include payment of a lower interest rate) than if the original benchmark continued to apply. In certain circumstances the ultimate fallback of interest for a particular Reset Period or Interest Period (as the case may be) may result in the rate of interest for the last preceding Reset Period or Interest Period (as the case may be) being used.

This may result in the effective application of a fixed rate for Floating Rate Notes or Reset Notes, as applicable based on the rate which was last observed on the Relevant Screen Page. In addition, due to the uncertainty concerning the availability of successor rates and alternative reference rates and the involvement of an Independent Adviser (as defined in the Conditions), the relevant fallback provisions may not operate as intended at the relevant time.

Any such consequences could have a material adverse effect on the value of and return on any such Notes.

Investors should consult their own independent advisers and make their own assessment about the potential risks imposed by the Benchmark Regulations reforms, investigations and licensing issues in making any investment decision with respect to the Notes linked to a benchmark.

Modification, waivers and substitution

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

The Conditions also provide that the Trustee may, without the consent of the Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or waiver or authorisation of any breach or proposed breach of, any of the Conditions which, in each case, in the opinion of the Trustee is not materially prejudicial to the interest of the Noteholders or, in the case of a modification, in the opinion of the Trustee is of a formal, minor or technical nature or to correct a manifest error (except that the provisions relating to the Tier 2 Capital Notes shall only be capable of modification, waiver or substitution if such modification, waiver or substitution is in accordance with all other rules and requirements of the Supervisory Authority applicable from time to time); or (ii) determine without the consent of the Noteholders that any Event of Default or Potential Event of Default (as defined in the Trust Deed) shall not be treated as such; or (iii) the substitution of any

wholly-owned Subsidiary of the relevant Issuer as principal debtor under any Notes in place of the relevant Issuer, in the circumstances described in Condition 18(c) (*Meetings of Noteholders; Modification and Waiver; Substitution*).

Further, pursuant to Condition 7(h) (*Floating Rate Note Provisions – Benchmark Replacement*), certain changes may be made to the Conditions of any Notes linked to a rate or index deemed to be a benchmark if a Benchmark Event (as defined in Condition 7(h)) occurs without the requirement for consent of the Noteholders or Couponholders. Please refer to Risk Factor "*There are risks that certain benchmark rates may be administered differently or discontinued in the future, including the potential phasing-out of LIBOR after 2021, which may adversely affect the trading market for, value of and return on, Notes based on such benchmarks*".

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to the Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

The market continues to develop in relation to SONIA as a reference rate for Floating Rate Notes

On 29 November 2017, the Bank of England and the FCA announced that the Bank of England's Working Group on Sterling Risk-Free Rates had been mandated with implementing a broad-based transition to the Sterling Overnight Index Average ("**SONIA**") over the following four years across sterling bond, loan and derivatives markets, so that SONIA is established as the primary sterling interest rate benchmark by the end of 2021. Investors should be aware that the market continues to develop in relation to SONIA as a reference rate in the capital markets and its adoption as an alternative to Sterling LIBOR. In particular, market participants and relevant working groups are exploring alternative reference rates based on SONIA, including term SONIA reference rates (which seek to measure the market's forward expectation of an average SONIA rate over a designated term). The market or a significant part thereof may adopt an application of SONIA that differs significantly from that set out in the Conditions and used in relation to Floating Rate Notes that reference a SONIA rate issued under this Programme. As SONIA is published and calculated by the Bank of England based on data received from other sources, the Issuers have no control over its determination, calculation or publication. There can be no guarantee that SONIA will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in Floating Rate Notes linked to SONIA. If the manner in which SONIA is calculated is changed, that change may result in a reduction of the amount of interest payable on such Notes and the trading prices of such Notes.

The Issuers may in future also issue Notes referencing SONIA that differ materially in terms of interest determination when compared with any previous SONIA referenced Notes issued by it under the Programme. The development of Compounded Daily SONIA as interest reference rates for the Eurobond markets, as well as continued development of SONIA based rates for such markets and the market infrastructure for adopting such rates, could result in reduced liquidity or increased volatility or could otherwise affect the market price of any SONIA-referenced Notes issued under the Programme from time to time.

Furthermore, interest on Notes which reference Compounded Daily SONIA is only capable of being determined at the end of the relevant Reference Period and immediately prior to the relevant Interest

Payment Date. It may be difficult for investors in Notes which reference Compounded Daily SONIA to estimate reliably the amount of interest which will be payable on such Notes, and some investors may be unable or unwilling to trade such Notes without changes to their IT systems, both of which could adversely impact the liquidity of such Notes. Further, in contrast to LIBOR-based Notes, if Notes referencing Compounded Daily SONIA become due and payable as a result of any of the events described in Condition 14 (*Events of Default*), or are otherwise redeemed early on a date other than an Interest Payment Date, the rate of interest payable for the final Interest Period in respect of such Notes shall only be determined immediately prior to the date on which the Notes become due and payable and shall not be reset thereafter.

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

Further, if SONIA does not prove to be widely used in securities like the Notes, the trading price of such Notes linked to SONIA may be lower than those of notes linked to indices that are more widely used. Investors in such Notes may not be able to sell such Notes at all or may not be able to sell such Notes at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

RISKS RELATED TO THE MARKET GENERALLY

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

There is no active trading market for the Notes

The Notes are new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If a market does develop, it may not be very liquid. Therefore, the liquidity of any market in the Notes cannot be assured by the Issuers; a holder of the Notes' ability to sell their Notes or the prices at which they would be able to sell their Notes.

If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the relevant Issuer. It is possible that the market for the Notes will be subject to disruptions. Any such disruption may have a negative effect on holders of either series of the Notes, regardless of the relevant Issuer's prospects and financial performance. As a result, there is no assurance that there will be an active trading market for the Notes. If no active trading market develops, holders of the Notes may not be able to resell their holding of the Notes at a fair value, if at all.

Although application has been made for the Notes to be admitted to listing on the Official List and to trading on the regulated market of Euronext Dublin there can be no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit rating to the Issuers or the Notes. The rating may not reflect the potential impact of all risks related to structure, market, additional factors discussed in this section, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

In general, European (including United Kingdom) regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit

rating agency established in the EU or the United Kingdom and registered under the 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 and non-United Kingdom credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered or United Kingdom registered credit rating agency or the relevant non-EU or non-United Kingdom rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). If the status of the rating agency rating the Notes changes, European (including United Kingdom) regulated investors may no longer be able to use the rating for regulatory purposes and the Notes may have a different regulatory treatment. This may result in European (including United Kingdom) regulated investors selling the Notes which may impact the value of the Notes and any secondary market. The list of registered and certified rating agencies published by the European Securities and Markets Authority ("ESMA") on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Exchange rate risks and exchange controls

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

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer to make payments in respect of the Notes. As a result, holders of the Notes may receive less interest or principal than expected, or no interest or principal.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, holders of the Notes will have to rely on their procedures for transfer, payment and communication with the relevant Issuer

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, holders of the Notes will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, holders of the Notes will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg and their participants.

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

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies.

Interest rate risks

Investment in Fixed Rate Notes or Reset Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes or Reset Notes, as the case may be.

Legal investment considerations may restrict certain investments

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) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. The 2019 Annual Report of PTSB Holdings and the 2018 Annual Report of PTSB Holdings, including the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of PTSB Holdings in respect of the years ended 31 December 2019 and 31 December 2018 (set out on pages 125 to 235 and 109 to 224, respectively, of the 2019 Annual Report of PTSB Holdings and the 2018 Annual Report of PTSB Holdings (together, the "**PTSB Holdings Financial Statements**"). The PTSB Holdings Financial Statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014.

2019 Annual Report of PTSB Holdings:

<https://www.permanenttsbgroup.ie/sites/tsb/files/2019-PTSBGH-annual-report.pdf>

2018 Annual Report of PTSB Holdings:

<https://www.permanenttsbgroup.ie/sites/tsb/files/TSB/2018-full-year-report-for-ptsbgh-27022019.pdf>

2. The 2019 Annual Report of PTSB and the 2018 Annual Report of PTSB, including the audited consolidated and company financial statements (including the auditor's report thereon and notes thereto) of PTSB in respect of the years ended 31 December 2019 and 31 December 2018 (set out on pages 115 to 257 and 98 to 243, respectively, of the 2019 Annual Report of PTSB and the 2018 Annual Report of PTSB (the "**PTSB Financial Statements**"). The PTSB Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014.

2019 Annual Report of PTSB:

<https://www.permanenttsbgroup.ie/sites/tsb/files/TSB/21292-ptsb-plc-arve2019-secondary-v7.pdf>

2018 Annual Report of PTSB:

<https://www.permanenttsbgroup.ie/sites/tsb/files/TSB/ptsb-plc-annual-report-2018.pdf>

3. The Interim Report of PTSB Holdings for the six months ended 30 June 2020, including the unaudited consolidated financial statements (including the notes thereto) of PTSB Holdings in respect of the six month period ended 30 June 2020 (set out on pages 65 to 117 of the Interim Report of PTSB Holdings for the six months ended 30 June 2020) (the "**PTSB Holdings Interim Financial Statements**"). The PTSB Holdings Interim Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014.

2020 PTSB Holdings Interim Report:

<https://www.permanenttsbgroup.ie/sites/tsb/files/TSB/PTSBGH-interim-report-2020.pdf>

4. The Interim Report of PTSB for the six months ended 30 June 2020, including the unaudited consolidated financial statements (including the notes thereto) of PTSB in respect of the six month period ended 30 June 2020 (set out on pages 56 to 108 of the Interim Report of PTSB for the six months ended 30 June 2020) (the "**PTSB Interim Financial Statements**"). The PTSB Interim Financial Statements have been prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2014.

2020 PTSB Interim Report:

<https://www.permanenttsbgroup.ie/sites/tsb/files/TSB/ptsb-interim-report-2020.pdf>

5. The terms and conditions set out on pages 41 to 81 of the base prospectus dated 6 September 2019 relating to the Programme under the heading "*Terms and Conditions of the Notes*" (the "**2019 Conditions**") and found at the following link:

https://www.ise.ie/debt_documents/Base%20Prospectus_60ba779b-b00f-416b-a290-ed00a7a16dff.pdf

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Base Prospectus shall not form part of this Base Prospectus.

Each of the documents incorporated by reference in this Base Prospectus has been filed with both the Central Bank and Euronext Dublin.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "necessary information" means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of each Issuer and of the rights attaching to the Notes and the reasons for the issuance and its impact on the Issuers. In relation to the different types of Notes which may be issued under the Programme, the Issuers have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

FORMS OF THE NOTES

Each Tranche of Notes will initially be in the form of either a temporary global note in bearer form (the "**Temporary Global Note**"), without interest coupons, or a permanent global note in bearer form (the "**Permanent Global Note**"), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a "**Global Note**") which is not intended to be issued in new global note ("**NGN**") form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depositary or a common depositary for Euroclear as operator of the Euroclear System and/or Clearstream, Luxembourg and/or any other relevant clearing system. Each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the ECB announced that Notes in NGN form are in compliance with the "Standards for the use of EU securities settlement systems in ECB credit operations" of the central banking system for the euro (the "**Eurosystem**"), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

The relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA C Rules**") or United States Treasury Regulation §1.163 5(c)(2)(i)(D) (or any successor U.S. Treasury Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010) (the "**TEFRA D Rules**") are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for a Permanent Global Note", then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the relevant Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note, duly authenticated and, in the case of a NGN, effectuated, to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Principal Paying Agent; and
- (ii) receipt by the Principal Paying Agent of a certificate or certificates of non-U.S. beneficial ownership,

within 7 days of the bearer requesting such exchange. The Permanent Global Note will then be exchangeable for definitive Notes ("**Definitive Notes**") in the manner set out in "*Permanent Global Note exchangeable for Definitive Notes*" below.

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being "Temporary Global Note exchangeable for Definitive Notes" and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

If the Specified Denomination of the Notes stated in the relevant Final Terms includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]", the Notes cannot be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being "Permanent Global Note exchangeable for Definitive Notes", then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (i) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (ii) at any time, if so specified in the relevant Final Terms; or
- (iii) if the relevant Final Terms specifies "in the limited circumstances described in the Permanent Global Note", then if either of the following events occurs:
 - (a) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business or
 - (b) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the relevant Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Principal Paying Agent within 30 days of the bearer requesting such exchange.

The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in the relevant Final Terms includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]".

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under "Terms and Conditions of the Notes" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

Legend concerning United States persons

In the case of any Tranche of Notes having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

"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."

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Notes while in Global Form" above.

1. Introduction

- (a) *Programme:* Permanent TSB Group Holdings p.l.c. ("**PTSB Holdings**") and permanent tsb p.l.c. ("**PTSB**" and, together with PTSB Holdings, the "**Issuers**", and each an "**Issuer**") have established a Euro Medium Term Note Programme (the "**Programme**") for the issuance of up to €15,000,000,000 in aggregate principal amount of notes (the "**Notes**"). In these conditions, unless specified otherwise, references to the "**Issuer**" are to PTSB Holdings or PTSB, as the case may be, as the Issuer of the Notes under the Programme and references to the "**relevant Issuer**" shall be construed accordingly.
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Trust Deed:* The Notes are constituted by, are subject to, and have the benefit of, a trust deed dated 6 September 2019 as amended and restated from time to time (the "**Trust Deed**") between the Issuers and The Law Debenture Trust Corporation p.l.c. as trustee (the "**Trustee**", which expression includes all persons for the time being trustee or trustees appointed under the Trust Deed).
- (d) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 6 September 2019 as amended and restated from time to time (the "**Agency Agreement**") between the Issuers, Citibank, N.A., London Branch as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), the other paying agents named therein (together with the Principal Paying Agent, the "**Paying Agents**", which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the Trustee. In these Conditions references to the "**Agents**" are to the Paying Agents and any reference to an "**Agent**" is to any one of them.
- (e) *The Notes:* The Notes will be issued in bearer form. All subsequent references in these Conditions to "Notes" are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at, and copies may be obtained from, the registered office of the Issuer, being 56-59 St. Stephen's Green, Dublin 2, Ireland.
- (f) *Summaries:* Certain provisions of these Conditions are summaries of the Trust Deed and the Agency Agreement and are subject to their detailed provisions. Noteholders (as defined below) and the holders of the related interest coupons, if any, (the "**Couponholders**" and the "**Coupons**", respectively) are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and the Agency Agreement applicable to them. Copies of the Trust Deed and the Agency Agreement are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. Definitions and Interpretation

- (a) *Definitions:* In these **Conditions** the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"Additional Financial Centre(s)" means the city or cities specified as such in the relevant Final Terms;

"Adjustment Spread" means either a spread (which may be positive or negative or zero), or the formula or methodology for calculating a spread, in either case, which the Independent Adviser determines is required to be applied to the relevant Successor Rate or the relevant Alternative Rate (as the case may be) to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate with the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is formally recommended, or formally provided as an option for parties to adopt, in relation to the replacement of the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or
- (b) (if no such recommendation has been made, or in the case of an Alternative Rate), the Independent Adviser, determines is customarily applied to the relevant Successor Rate or Alternative Rate (as the case may be) in international debt capital markets transactions to produce an industry-accepted replacement rate for the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable); or
- (c) (if no such recommendation has been made, or in the case of an Alternative Rate) the Independent Adviser determines, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or
- (d) (if the Independent Adviser determines that no such industry standard is recognised or acknowledged) the Independent Adviser determines to be appropriate;

"Applicable MREL Regulations" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of Ireland, the Supervisory Authority, the relevant resolution authority and/or of the European Parliament or of the Council of the European Union then in effect in Ireland and applicable to the Issuers and/or the Group, including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Supervisory Authority and/or the relevant resolution authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuers or to the Group).

"Benchmark Duration" means the duration specified as such in the relevant Final Terms;

"Broken Amount" means, in respect of any Notes, the amount (if any) that is specified in the relevant Final Terms;

"BRRD" means Directive 2014/59/EU of 15 May establishing the framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive (EU) 2019/879 of 20 May as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC, and as may be further amended or replaced from time to time;

"Business Day" means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and

- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"Business Day Convention", in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) **"Following Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) **"FRN Convention"**, **"Floating Rate Convention"** or **"Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
 - (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

"Calculation Agent" means the Principal Paying Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

"Calculation Amount" has the meaning given in the relevant Final Terms;

"Coupon Sheet" means, in respect of a Note, a coupon sheet relating to the Note;

"CRD IV" means Directive (2013/36/EU) of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013, as amended by Directive (EU) 2019/878 of 20 May 2019 as regards exempted entities, financial holding companies, mixed financial holding companies, remuneration, supervisory measures and powers and capital conservation measures, and as may be further amended or replaced from time to time;

"CRR" means Regulation (EU) No 575/2013 of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms dated 26 June 2013, as amended by Regulation (EU) 2019/876 of 20 May 2019 as regards the leverage ratio, the net stable funding ratio, requirements for own funds and eligible liabilities, counterparty credit risk,

market risk, exposures to central counterparties, exposures to collective investment undertakings, large exposures, reporting and disclosure requirements, and as may be further amended or replaced from time to time;

"Day Count Fraction" means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **"Actual/Actual (ICMA)"** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (b) if **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (c) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (d) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (e) if **"30/360"** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (f) if "30E/360" or "Eurobond Basis" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

- (g) if "30E/360 (ISDA)" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

where:

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

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

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

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

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

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

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

"Early Redemption Amount (Tax)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Early Termination Amount" means, in respect of any Note, its principal amount or such other amount as may be specified in these Conditions or the relevant Final Terms;

"English Law Note" means any Note where "English Law Note" is specified in the relevant Final Terms as being applicable;

"EURIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Money Markets Institute (or any person which takes over administration of that rate);

"Extraordinary Resolution" has the meaning given in the Trust Deed;

"Final Redemption Amount" means, in respect of any Note, its principal amount or such other amount (expressed as a percentage of the principal amount of the Notes) as may be specified in the relevant Final Terms;

"First Interest Payment Date" means the date specified in the relevant Final Terms;

"First Margin" means the margin specified as such in the relevant Final Terms;

"First Reset Date" means the date specified in the relevant Final Terms;

"First Reset Period" means the period from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date;

"First Reset Rate of Interest" means, in respect of the First Reset Period and subject to Condition 6(d) (*Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the First Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Duration to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the First Reset Period (such calculation to be made by the Calculation Agent));

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms;

"Fixed Rate Note" means a Note on which interest is calculated at a fixed rate payable in arrear on a fixed date or dates in each year and on redemption or on such other dates as may be agreed between the relevant Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"Floating Rate Note" means a Note on which interest is calculated at a floating rate payable at intervals of one, two, three, six or 12 months or at such other intervals as may be agreed between the relevant Issuer and the relevant dealer(s) (as indicated in the relevant Final Terms);

"Holder" has the meaning given in Condition 3(b) (*Title to Notes*);

"IFA Selected Bond" means the selected government security or securities denominated in the Specified Currency agreed between the relevant Issuer and an Independent Adviser as having an actual or interpolated maturity comparable with the remaining term of the Notes;

"Independent Adviser" means an independent financial institution of international repute or other independent financial adviser experienced in the international capital markets, in each case appointed by the relevant Issuer at its own expense;

"Initial Rate of Interest" has the meaning specified in the relevant Final Terms;

"Interest Amount" means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

"Interest Commencement Date" means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"Interest Determination Date" has the meaning given in the relevant Final Terms;

"Interest Payment Date" means the First Interest Payment Date and any other date or dates specified as such in the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the First Interest Payment Date) or the previous Interest Payment Date (in any other case);

"Interest Period" means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

"Irish Law Note" means any Note where "Irish Law Note" is specified in the relevant Final Terms as being applicable;

"ISDA Benchmarks Supplement" means the ISDA Benchmarks Supplement (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms)) published by the International Swaps and Derivatives Association, Inc;

"ISDA Definitions" means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) and, if specified in the relevant Final Terms, as supplemented by the ISDA Benchmarks Supplement as published by the International Swaps and Derivatives Association, Inc.;

"Issue Date" has the meaning given in the relevant Final Terms;

"LIBOR" means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of ICE Benchmark Administration Limited (or any other person which takes over the administration of that rate);

"Margin" has the meaning given in the relevant Final Terms;

"Maturity Date" has the meaning given in the relevant Final Terms;

"Maximum Redemption Amount" has the meaning given in the relevant Final Terms;

"Mid-Swap Maturity" has the meaning given in the relevant Final Terms;

"Mid-Market Swap Rate" means for any Reset Period the mean of the bid and offered rates for the fixed leg payable with a frequency equivalent to the Benchmark Duration during the relevant Reset Period (calculated on the day count basis customary for fixed rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent) of a fixed-for-floating interest rate swap transaction in the Specified Currency which transaction (i) has a term equal to the relevant Reset Period and commencing on the relevant Reset Date, (ii) is in an amount that is representative for a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Maturity (as specified in the relevant Final Terms) (calculated on the day count basis customary for floating rate payments in the Specified Currency, such day count basis as determined by the Calculation Agent);

"Mid-Market Swap Rate Quotation" means a quotation (expressed as a percentage rate per annum) for the relevant Mid-Market Swap Rate;

"Mid-Swap Floating Leg Benchmark Rate" means EURIBOR if the Specified Currency is euro or LIBOR for the Specified Currency if the Specified Currency is not euro or the Reference Rate as specified in the relevant Final Terms, in each case as amended from time to time pursuant to Condition 7(h) (*Benchmark Replacement*);

"Mid-Swap Rate" means, in relation to a Reset Determination Date and subject to Condition 6(d) (*Fallbacks*), either:

- (a) if Single Mid-Swap Rate is specified in the relevant Final Terms, the rate for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date,which appears on the Relevant Screen Page; or
- (b) if Mean Mid-Swap Rate is specified in the relevant Final Terms, the arithmetic mean (expressed as a percentage rate per annum and rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards) of the bid and offered swap rate quotations for swaps in the Specified Currency:
 - (i) with a term equal to the relevant Reset Period; and
 - (ii) commencing on the relevant Reset Date,which appear on the Relevant Screen Page,

in either case, as at approximately the Reset Determination Time, all as determined by the Calculation Agent;

"Minimum Redemption Amount" has the meaning given in the relevant Final Terms;

"MREL Disqualification Event" means the determination by the relevant Issuer at any time following the Issue Date of the first Tranche of the relevant Series, that all or part of the aggregate outstanding principal amount of the Notes of the Series does not fully qualify as MREL Eligible Instruments, except where such non-qualification (i) was reasonably foreseeable at the Issue Date of the first Tranche of Notes of the relevant Series or (ii) is solely due to the remaining maturity of such Notes being less than any period prescribed by the Applicable MREL Regulations as at the Issue Date of the first Tranche of Notes of the relevant Series;

"MREL Eligible Instruments" means an instrument that complies with the MREL Requirements;

"MREL Requirements" means the total loss absorbing capacity requirements and/or minimum requirements for own funds and eligible liabilities applicable to the Issuers and/or the Group under the Applicable MREL Regulations;

"Noteholder", has the meaning given in Condition 3(b) (*Title to Notes*);

"Optional Redemption Amount (Call)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Put)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (MREL Disqualification Event)" means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Amount (Regulatory Event)" means, in respect of any Tier 2 Capital Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

"Optional Redemption Date (Call)" has the meaning given in the relevant Final Terms;

"Optional Redemption Date (Put)" has the meaning given in the relevant Final Terms;

"Participating Member State" means a Member State of the European Union which adopts the euro as its lawful currency in accordance with the Treaty;

"Payment Business Day" means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"Person" means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

"Principal Financial Centre" means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Union as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

"PTSB Holdings Group" means PTSB Holdings and each entity which is part of the Irish prudential consolidation group (as that term, or its successor, is used in the Regulatory Capital Requirements) of which PTSB Holdings is part from time to time;

"Put Option Notice" means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Put Option Receipt" means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

"Qualifying Notes" means, at any time, any securities issued directly by PTSB Holdings that:

- (a) save to the extent required to ensure the effectiveness and/or enforceability of Condition 23 (*Statutory Loss Absorption*), have terms not materially less favourable to a Holder of the Notes than the terms of the Notes (as reasonably determined by PTSB Holdings), provided that PTSB Holdings shall have delivered a certificate signed by two Authorised Signatories (as defined in the Trust Deed) to that effect to the Trustee;

- (b) contain terms which comply with the then current requirements for MREL Eligible Instruments as embodied in the Applicable MREL Regulations;
- (c) carry the same rate of interest as the Notes prior to the relevant substitution or variation;
- (d) have the same denomination and aggregate outstanding principal amount as the Notes prior to the relevant substitution or variation;
- (e) have the same date of maturity, the same redemption rights and obligations (including the obligations arising from the exercise of any right) and the same dates for payment of interest as the Notes prior to the relevant substitution or variation;
- (f) have at least the same ranking as the Notes prior to the relevant substitution or variation;
- (g) not, immediately following such substitution or variation, be subject to an MREL Disqualification Event and/or an early redemption right for tax reasons according to Condition 10(c);
- (h) preserve any existing rights under these Conditions to any accrued interest and any other amounts payable under the Notes which, in each case, has accrued to the Holders and has not been paid; and
- (i) are listed or admitted to trading on the regulated market of Euronext Dublin or such other Regulated Market as selected by PTSB Holdings and approved by the Trustee, if the Notes were listed or admitted to trading immediately prior to such variation or substitution;

"Quotation Time" shall be as set out in the relevant Final Terms;

"Rate of Interest" means (i) in the case of Notes other than Reset Notes, the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and as completed by the relevant Final Terms, and (ii) in the case of Reset Notes, the Initial Rate of Interest, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest, as applicable;

"Redemption Amount" means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Make Whole Redemption Amount, the Optional Redemption Amount (Put), the Optional Redemption Amount (Regulatory Event), the Optional Redemption Amount (MREL Disqualification Event), or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

"Redemption Margin" shall be as set out in the relevant Final Terms;

"Reference Banks" (i) in the case of Notes other than Reset Notes, has the meaning given in the relevant Final Terms or, if none, four major banks selected by the relevant Issuer in the market that is most closely connected with the Reference Rate; and (ii) in the case of Reset Notes the Reset Reference Rate for which is a Mid-Swap Rate, has the meaning given in the relevant Final Terms or, if none, four major banks in the swap, money, securities or other market most closely connected with the relevant Mid-Swap Rate as selected by the relevant Issuer on the advice of an investment bank of international repute;

"Reference Bond" shall be as set out in the relevant Final Terms or, if not so specified or to the extent that such Reference Bond specified in the Final Terms is no longer outstanding on the relevant Reference Date, the IFA Selected Bond;

"Reference Bond Price" means, with respect to any Reference Date (in the case of a redemption pursuant to Condition 10(b) (*Redemption and Purchase - Redemption at the option of the Issuer*)) and with respect to any Reset Determination Date (in the case of the calculation of interest in respect of a Reset Period), (i) the arithmetic average of the Reference Government Bond Dealer Quotations for such date of redemption or Reset Determination Date (as applicable), after excluding the highest and lowest such Reference Government Bond Dealer Quotations, or (ii) if

fewer than five such Reference Government Bond Dealer Quotations are received, the arithmetic average of all such quotations, or (iii) if only one Reference Government Bond Dealer Quotation is received or if no Reference Government Bond Dealer Quotations are received, the First Reset Rate of Interest shall be the Initial Rate of Interest and any Subsequent Reset Rate of Interest shall be determined to be the Rate of Interest as at the last preceding Reset Date;

"Reference Bond Rate" means, with respect to any Reference Date or Reset Period (as applicable), the rate per annum equal to the annual, or semi-annual, yield to maturity, as applicable, or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond (in the case of a redemption pursuant to Condition 10(b) (*Redemption and Purchase - Redemption at the option of the Issuer*)) or the Reset Reference Bond (in the case of the calculation of interest in respect of a Reset Period), assuming a price for the Reference Bond or Reset Reference Bond (as applicable) (expressed as a percentage of its principal amount) equal to the Reference Bond Price for such Reference Date or Reset Determination Date (as applicable);

"Reference Date" means the date which is two business days prior to the despatch of the notice of redemption under Condition 10(b) (*Redemption at the option of the Issuer*) or such other date as may be specified in the relevant Final Terms;

"Reference Government Bond Dealer" means each of five banks selected by the relevant Issuer (following, where practicable, consultation with the Independent Adviser, if applicable), or their affiliates, which are (i) primary government securities dealers, and their respective successors, or (ii) market makers in pricing corporate bond issues;

"Reference Government Bond Dealer Quotations" means, with respect to each Reference Government Bond Dealer and any Reference Date or Reset Determination Date (as applicable), the arithmetic average, as determined by the relevant Issuer or the Independent Adviser (as applicable), of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its principal amount):

- (a) which appears on the Relevant Make Whole Screen Page as at the Quotation Time on the Reference Date (in the case of a redemption pursuant to Condition 10(b) (*Redemption and Purchase - Redemption at the option of the Issuer*)); or
- (b) to the extent that, in the case of (a) above, either such bid and offered prices do not appear on that page, fewer than two such Reference Government Bond Dealer bid and offered prices appear on that page, or if the Relevant Make Whole Screen Page is unavailable, then as quoted in writing to the relevant Issuer or the Independent Adviser (as applicable) by such Reference Government Bond Dealer; or
- (c) as at the Reset Determination Time and quoted in writing to the Calculation Agent by such Reference Government Bond Dealer (in the case of the calculation of interest in respect of a Reset Period);

"Reference Price" has the meaning given in the relevant Final Terms;

"Reference Rate" means EURIBOR, LIBOR or SONIA in each case for the relevant currency and for the relevant period as specified in the relevant Final Terms as amended from time to time pursuant to Condition 7(h) (*Benchmark Replacement*);

"Regulated Market" means a regulated market for the purposes of Directive 2014/65/EU on Markets in Financial Instruments, as amended;

"Regulatory Capital Requirements" means any requirements contained in the regulations, requirements, guidelines and policies of the Supervisory Authority, or of the European Parliament and Council or of the European Commission (including, for the avoidance of doubt, CRD IV and CRR), then in effect in Ireland relating to capital adequacy and applicable to the relevant Issuer and/or the PTSB Holdings Group;

"Regular Period" means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but

excluding the First Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"Regulatory Preconditions" means, in relation to any redemption of Tier 2 Capital Notes, to the extent required by prevailing Regulatory Capital Requirements:

- (a) the relevant Issuer having replaced such Tier 2 Capital Notes with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer; or
- (b) the relevant Issuer having demonstrated to the satisfaction of the Supervisory Authority that the own funds and the eligible liabilities of the relevant Issuer would, following such redemption, exceed the minimum requirements applicable to the Issuer under CRR and CRD IV by a margin that the Supervisory Authority considers necessary at such time"; or
- (c) if, at the time of such redemption, the prevailing Regulatory Capital Requirements permit the redemption after compliance with an alternative pre-condition to either of those set out in paragraphs (a) and (b) of this definition, or require compliance with an additional pre-condition, the relevant Issuer having complied with such other pre-condition;

"Relevant Date" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent or the Trustee on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"Relevant Make Whole Screen Page" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Bloomberg) specified as the Relevant Make Whole Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying comparable relevant bid and offered prices for the Reference Bond; and

"Relevant Nominating Body" means, in respect of a benchmark or screen rate (as applicable):

- (a) 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
- (b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (ii) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (iii) a group of the aforementioned central banks or other supervisory authorities or (iv) the Financial Stability Board or any part thereof;

"Relevant Financial Centre" has the meaning given in the relevant Final Terms;

"Relevant Resolution Authority" means the resolution authority with the ability to exercise any Irish Statutory Loss Absorption Powers in relation to the relevant Issuer (being, as at the Issue Date, the Central Bank of Ireland).

"Relevant Screen Page" means the page, section or other part of a particular information service (or any successor or replacement page, section or other part of a particular information service, including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"Relevant Time" has the meaning given in the relevant Final Terms;

"Remaining Term Interest" means, with respect to any Note, the aggregate amount of scheduled payment(s) of interest on such Note for the remaining term of such Note determined on the basis of the rate of interest applicable to such Note on the Reference Date from (and including) the date on which such Note is to be redeemed by the relevant Issuer;

"Reserved Matter" has the meaning given in the Trust Deed;

"Reset Date" means the First Reset Date and each Subsequent Reset Date (as applicable);

"Reset Determination Date" means, unless otherwise specified in the relevant Final Terms, in respect of the First Reset Period, the second Business Day prior to the First Reset Date, in respect of the first Subsequent Reset Period, the second Business Day prior to the first Subsequent Reset Date and, in respect of each Subsequent Reset Period thereafter, the second Business Day prior to the first day of each such Subsequent Reset Period;

"Reset Determination Time" means, in relation to a Reset Determination Date, 11.00 a.m. in the Principal Financial Centre of the Specified Currency on such Reset Determination Date or such other time as may be specified in the relevant Final Terms;

"Reset Note" means a Note which bears interest at a rate of interest which is recalculated at specified intervals;

"Reset Period" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"Reset Reference Bond" means, for any Reset Period, a government security or securities issued by the government of the state responsible for issuing the Specified Currency (which, if the Specified Currency is euro, shall be Germany) agreed between the relevant Issuer and the Calculation Agent as having the nearest actual or interpolated maturity comparable with the relevant Reset Period and that (in the opinion of the Issuer, after consultation with the Independent Adviser) would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issuances of corporate debt securities denominated in the Specified Currency and of a comparable maturity to the relevant Reset Period;

"Reset Reference Rate" means either (i) the Mid-Swap Rate, or (ii) the Reference Bond Rate, as specified in the relevant Final Terms;

"Senior Creditors" means creditors of the relevant Issuer (i) who are depositors and/or other unsubordinated creditors of such relevant Issuer; or (ii) who are subordinated creditors of such Issuer (whether in the event of winding-up of such Issuer or otherwise) other than those whose claims by law rank, or by their terms are expressed to rank, *pari passu* with or junior to the claims of the Holders of Tier 2 Capital Notes and relevant Couponholders;

"Specified Currency" has the meaning given in the relevant Final Terms;

"Specified Denomination(s)" has the meaning given in the relevant Final Terms;

"Specified Office" has the meaning given in the Agency Agreement;

"Specified Period" has the meaning given in the relevant Final Terms;

"Subsequent Margin" means the margin specified as such in the relevant Final Terms;

"Subsequent Reset Date" means the date or dates specified in the relevant Final Terms;

"Subsequent Reset Period" means the period from (and including) the First Reset Date to (but excluding) the next Subsequent Reset Date, and each successive period from (and including) a Subsequent Reset Date to (but excluding) the next succeeding Subsequent Reset Date;

"Subsequent Reset Rate of Interest" means, in respect of any Subsequent Reset Period and subject to Condition 6(d) (*Fallbacks*), the rate of interest determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the relevant Reset Reference Rate and the relevant Subsequent Margin (with such sum converted (if necessary) from a basis equivalent to the Benchmark Duration to a basis equivalent to the frequency with which scheduled interest payments are payable on the Notes during the relevant Subsequent Reset Period (such calculation to be made by the Calculation Agent));

"Subsidiary" means a subsidiary within the meaning of section 7 of the Companies Act 2014;

"Successor Rate" means a successor to or replacement of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) which is formally recommended by any Relevant Nominating Body;

"Supervisory Authority" means the Central Bank of Ireland and/or any successor or replacement thereto or such other authority having primary responsibility for the prudential oversight and supervision of the relevant Issuer and/or the PTSB Holdings Group for the purposes of CRD IV and CRR;

"Supervisory Permission" means such approval, consent or non-objection from, or notification required within prescribed periods to, the Supervisory Authority, or such waiver of the then prevailing Regulatory Capital Requirements from the Supervisory Authority, as is required under the then prevailing Regulatory Capital Requirements;

"Talon" means a talon for further Coupons;

"TARGET2" means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

"TARGET Settlement Day" means any day on which TARGET2 is open for the settlement of payments in euro;

"Tier 2 Capital" means Tier 2 Capital (or any successor term) for the purposes of the Regulatory Capital Requirements;

"Treaty" means the Treaty on the Functioning of the European Union, as amended;

"Winding-up Event" means:

- (a) an order is made, or an effective resolution is passed, for the winding-up of the relevant Issuer (except, in any such case, a solvent winding-up solely for the purposes of a reorganisation, reconstruction or amalgamation, the terms of which reorganisation, reconstruction or amalgamation have previously been approved in writing by the Trustee or an Extraordinary Resolution and do not provide that the Notes thereby become redeemable or repayable in accordance with these Conditions); or
- (b) liquidation or dissolution of the relevant Issuer or any procedure similar to that described in paragraph (a) of this definition is commenced in respect of the relevant Issuer; and

"Zero Coupon Note" means a Note specified as such in the relevant Final Terms.

(b) *Interpretation*

In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being "outstanding" shall be construed in accordance with the Trust Deed;
- (vii) if an expression is stated in Condition 2(a) (*Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (viii) any reference to the Trust Deed or the Agency Agreement shall be construed as a reference to the Trust Deed or the Agency Agreement, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Denomination and Title**

- (a) *Denomination:* Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Notes with more than one Specified Denomination, Notes of one Specified Denomination will not be exchangeable for Notes of another Specified Denomination.
- (b) *Title to Notes:* Title to Notes and the Coupons will pass by delivery. In the case of Notes, "**Holder**" means the holder of such Note and "**Noteholder**" and "**Couponholder**" shall be construed accordingly.
- (c) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. In the case of English Law Notes, no person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.

4. **Status**

The Notes are either Senior Notes ("**Senior Notes**") or Tier 2 Capital Notes ("**Tier 2 Capital Notes**"), as specified in the relevant Final Terms.

(a) *Senior Notes*

The Senior Notes (and the Coupons relating thereto, if any) constitute direct, general, unconditional, unsecured and unsubordinated obligations of the relevant Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured and unsubordinated obligations of the relevant Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

(b) *Tier 2 Capital Notes*

The Tier 2 Capital Notes (and the Coupons relating thereto, if any) constitute direct, unsecured and subordinated obligations of the relevant Issuer ranking *pari passu* without any preference among themselves. In the event of the winding up of the relevant Issuer, the claims of the Trustee (on behalf of the Noteholders but not the rights and claims of the Trustee in its personal capacity under the Trust Deed), the Holders of Tier 2 Capital Notes and any related Coupons against the relevant Issuer in respect of such Notes and Coupons (including any damages or other amounts (if payable)) shall (i) be subordinated in the manner provided in the Trust Deed to the claims of all Senior Creditors; (ii) rank at least *pari passu* with the claims of all other subordinated creditors of the relevant Issuer which in each case by law rank, or by their terms are expressed to rank, *pari passu* with the Tier 2 Capital Notes; and (iii) rank senior to the relevant Issuer's ordinary shares, preference shares and any junior subordinated obligations or other securities of the relevant Issuer which by law rank, or by their terms are expressed to rank, junior to the Tier 2 Capital Notes.

Nothing in this Condition 4 (*Status*) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

(c) *No set-off*

This Condition 4(c) applies to (i) Senior Notes issued by PTSB Holdings; and (ii) Tier 2 Capital Notes issued by PTSB Holdings or by PTSB.

Subject to applicable law and unless the relevant Notes provide otherwise, claims in respect of any such Notes or related Coupons may not be set off, or be the subject of a counterclaim, by the Holder against or in respect of any of its obligations to the relevant Issuer, the Trustee or any other person and every Holder waives, and shall be treated for all purposes as if it had waived, any right that it might otherwise have to set-off, or to raise by way of counterclaim any of its claims in respect of any such Notes or related Coupons, against or in respect of any of its obligations to the relevant Issuer, the Trustee or any other person. If, notwithstanding the preceding sentence, any Holder receives or recovers any sum or the benefit of any sum in respect of any such Note or related Coupon by virtue of any such set-off or counterclaim, it shall hold the same on trust for the relevant Issuer and shall pay the amount thereof to the relevant Issuer or, in the event of the winding up of the relevant Issuer, to the liquidator of the relevant Issuer.

5. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 5 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (*Fixed Rate Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination. Payments of interest on any Interest Payment Date will, if so specified in the relevant Final Terms, amount to the Broken Amount so specified.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the

Specified Denomination of such Note divided by the Calculation Amount. For this purpose a "sub-unit" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

6. Reset Note Provisions

(a) *Application:* This Condition 6 (*Reset Note Provisions*) is applicable to the Notes only if the Reset Note Provisions are specified in the relevant Final Terms as being applicable.

(b) *Accrual of interest:* The Notes bear interest:

- (i) from (and including) the Interest Commencement Date until (but excluding) the First Reset Date at the rate per annum equal to the Initial Rate of Interest;
- (ii) from (and including) the First Reset Date until (but excluding) the first Subsequent Reset Date or, if a Subsequent Reset Date is not specified in the relevant Final Terms, the Maturity Date at the rate per annum equal to the First Reset Rate of Interest; and
- (iii) for each Subsequent Reset Period thereafter (if any), at the rate per annum equal to the relevant Subsequent Reset Rate of Interest,

payable, in each case, in arrear on each Interest Payment Date subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (*Reset Note Provisions*) (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent or the Trustee has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(c) *Rate of Interest and Interest Amount:* The Rate of Interest applicable for each Reset Period shall be determined by the Calculation Agent at or as soon as practicable after each time at which the Rate of Interest is to be determined on each Reset Determination Date. The Interest Amount payable on the Notes shall be calculated in accordance with the provisions for calculating amounts of interest in Condition 5 (*Fixed Rate Note Provisions*) and, for such purposes, references in Condition 5 (*Fixed Rate Note Provisions*) to "Fixed Rate Notes" shall be deemed to be to "Reset Notes" and Condition 5 (*Fixed Rate Note Provisions*) shall be construed accordingly.

(d) *Fallbacks:* If on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page (other than in the circumstances provided for in Condition 7(h) (*Benchmark Replacement*)) and the Issuer has specified in the relevant Final Terms that the Reference Bond Rate is applicable as the fallback to the Mid-Swap Rate, the Reset Reference Rate shall be the Reference Bond Rate calculated by the Calculation Agent in accordance with these Conditions. Alternatively, if on any Reset Determination Date the Relevant Screen Page is not available or the Mid-Swap Rate does not appear on the Relevant Screen Page and (i) the Reference Bond Rate has not been specified as the fallback to the Mid-Swap Rate, or (ii) if the Reference Bond Rate has been specified as the fallback to the Mid-Swap Rate, only one or no Reference Government Bond Dealer Quotation is received for the purpose of calculating the Reference Bond Price applicable to the Reset Reference Bond, the Calculation Agent shall request each of the Reference Banks to provide the Calculation Agent with its Mid-Market Swap Rate Quotation as at approximately the Reset Determination Time.

If two or more of the Reference Banks provide the Calculation Agent with Mid-Market Swap Rate Quotations, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) for the relevant Reset Period shall be the sum of the arithmetic mean (rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards)) of the relevant Mid-Market Swap Rate Quotations and the First Margin or Subsequent Margin (as applicable), all as determined by the Calculation Agent.

If on any Reset Determination Date only one or none of the Reference Banks provides the Calculation Agent with a Mid-Market Swap Rate Quotation as provided in the foregoing provisions of this paragraph, the First Reset Rate of Interest or the Subsequent Reset Rate of Interest (as applicable) shall be determined to be the Rate of Interest as at the last preceding Reset Date or, in the case of the first Reset Determination Date, the First Reset Rate of Interest shall be the Initial Rate of Interest.

For the avoidance of doubt, this Condition 6(d) shall not apply where the Reset Reference Rate specified in the Final Terms is the Reference Bond Rate.

- (e) *Publication:* The Calculation Agent will cause each Rate of Interest determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the relevant Issuer, the Paying Agents, the Trustee and the competent authority and/or stock exchange by which the Notes have then been admitted to listing and/or trading as soon as possible after such determination but (in the case of each Rate of Interest and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also be given to the Noteholders in accordance with Condition 20 (*Notices*) as soon as possible after the determination or calculation thereof.
- (f) *Notifications etc:* All notifications, opinions, communications, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 6 (*Reset Note Provisions*) by the Calculation Agent will (in the absence of manifest error) be final and binding on the relevant Issuer, the Trustee, the Paying Agents, the Noteholders and the Couponholders. No Noteholder or Couponholder shall be entitled to proceed against the Calculation Agent, the Trustee, the Paying Agents or any of them in connection with the exercise or non-exercise by them of their powers, duties and discretions hereunder, including without limitation in respect of any notification, opinion, determination, certificate, calculation, quotation or decision given, expressed or made for the purposes of this Condition 6 (*Reset Note Provisions*).
- (g) *Determination or calculation by the Trustee:* If the Calculation Agent does not at any time for any reason determine the Rate of Interest or any other item required to be determined or calculated by it under the relevant Final Terms, the Trustee may appoint an agent to do so at the expense of the relevant Issuer, and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent appointed by the Trustee shall apply the foregoing provisions of this Condition 6 (*Reset Note Provisions*) and, where applicable, the relevant Final Terms, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances (subject always to this Condition 6 (*Reset Note Provisions*)).

7. Floating Rate Note Provisions

- (a) *Application:* This Condition 7 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 12 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c)
 - (i) *Screen Rate Determination (other than Floating Rate Notes referencing SONIA):* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate is specified in the relevant Final Terms as being a reference rate other than SONIA, the Rate of

Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (A) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (B) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date, where:
 - (1) one rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (2) the other rate shall be determined as if the relevant Interest Period were the period of time for which rates are available next longer than the length of the relevant Interest Period;

provided, however, that if no rate is available for a period of time next shorter or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate;
- (C) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (D) if, in the case of (A) above, such rate does not appear on that page or, in the case of (C) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
 - (1) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (2) determine the arithmetic mean of such quotations; and
- (E) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

(ii) *Screen Rate Determination (Floating Rate Notes referencing SONIA)*

- (A) If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined and the Reference Rate is specified in the relevant Final Terms as being SONIA, the Rate of Interest for each Interest Period will, subject as provided below, be Compounded Daily SONIA plus or minus (as specified in the relevant Final Terms) the Relevant Margin, all as determined by the Calculation Agent.

For the purposes of this Condition 7(c)(ii)(A):

"Compounded Daily SONIA", with respect to an Interest Period, will be calculated by the Calculation Agent on the Interest Determination Date in accordance with the following formula, and the resulting percentage will be rounded, if necessary, to the fourth decimal place, with 0.00005 being rounded upwards:

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

"d" means, for any Interest Period, the number of calendar days in such Interest Period;

"do" means, for any Interest Period, the number of London Banking Days in such Interest Period;

"i" means, for any Interest Period, a series of whole numbers from one to do, each representing the relevant London Banking Day in chronological order from, and including, the first London Banking Day in such Interest Period to, and including, the last London Banking Day in such Interest Period;

"Interest Determination Date" means, in respect of any Interest Period, the date falling p London Banking Days prior to the Interest Payment Date for such Interest Period (or the date falling p London Banking Days prior to such earlier date, if any, on which the Notes are due and payable);

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

"ni" for any London Banking Day "i", the number of calendar days from, and including, such London Banking Day "i" up to, but excluding, the following London Banking Day;

"p" for any Interest Period, means the number of London Banking Days specified in the relevant Final Terms;

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

"SONIA Reference Rate" means, in respect of any London Banking Day, a reference rate equal to the daily Sterling Overnight Index Average ("**SONIA**") rate for such London Banking Day as provided by the administrator of SONIA to authorised distributors and as then published on the Relevant Screen Page (or

if the Relevant Screen Page is unavailable, as otherwise is published by such authorised distributors) on the London Banking Day immediately following such London Banking Day; and

"**SONIA_{i-pLBD}**" means, in respect of any London Banking Day "i" falling in the relevant Interest Period, the SONIA Reference Rate for the London Banking Day falling p London Banking Days prior to the relevant London Banking Day "i".

For the avoidance of doubt, the formula for the calculation of Compounded Daily SONIA only compounds the SONIA Reference Rate in respect of any London Banking Day. The SONIA Reference Rate applied to a day that is a non-London Banking Day will be taken by applying the SONIA Reference Rate for the previous London Banking Day but without compounding.

If, in respect of any London Banking Day in the relevant Reference Period, the Calculation Bank determines that the SONIA Reference Rate is not available on the Relevant Screen Page or has not otherwise been published by the relevant authorised distributors, such SONIA Reference Rate shall be:

- (1) (i) the Bank of England's Bank Rate (the "**Bank Rate**") prevailing at close of business on the relevant London Banking Day; plus (ii) the mean of the spread of the SONIA Reference Rate to the Bank Rate over the previous five London Banking Days on which a 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
- (2) if the Bank Rate is not published by the Bank of England at close of business on the relevant London Banking Day, the SONIA Reference Rate published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors) for the first preceding London Banking Day on which the SONIA Reference Rate was published on the Relevant Screen Page (or otherwise published by the relevant authorised distributors).

Notwithstanding the paragraphs above, if the Bank of England publishes guidance as to (i) how the SONIA Reference Rate is to be determined or (ii) any rate that is to replace the SONIA Reference Rate, the Calculation Agent shall, subject to receiving written instructions from the relevant Issuer and to the extent that it is reasonably practicable, follow such guidance in order to determine the SONIA Reference Rate for the purpose of the Notes for so long as the SONIA Reference Rate is not available or has not been published by the authorised distributors. To the extent that any amendments or modifications to the Conditions, the Trust Deed or the Agency Agreement are required in order for the Calculation Agent to follow such guidance in order to determine the Interest Rate, the Calculation Agent shall have no obligation to act until such amendments or modifications have been made in accordance with the Conditions, the Trust Deed and the Agency Agreement.

If the Interest Rate cannot be determined in accordance with the foregoing provisions of this Condition 7(A), the Interest Rate shall be (i) that 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) or (ii) if there is no such preceding Interest Determination Date, the initial Interest Rate which would have been applicable to the Notes for the first Interest Period but ending on (and excluding) the Interest Commencement Date (but applying the Margin applicable to the first Interest Period).

- (B) If the relevant Series of Notes become due and payable in accordance with Condition 14 (*Events of Default*), the final Interest Determination Date shall, notwithstanding the definition of Interest Determination Date specified above, be deemed to be the date on which such Notes became due and payable and the Rate of Interest on such Notes shall, for so long as any such Note remains outstanding, be the rate determined on such date.
- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "ISDA Rate" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms;
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on LIBOR for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms; and
 - (iv) if Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Calculation Agent by straight-line linear interpolation by reference to two rates based on the relevant Floating Rate Option, where:
 - (A) one rate shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period; and
 - (B) the other rate shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period

provided, however, that if there is no rate available for a period of time next shorter than the length of the relevant Interest Period or, as the case may be, next longer than the length of the relevant Interest Period, then the Calculation Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.
- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the

Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.

(h) *Benchmark Replacement:*

(i) Notwithstanding the foregoing provisions of this Condition 7, but subject, in the case of SONIA linked Notes to the operation of Condition 7(c)(ii), if the relevant Issuer (in consultation with the Calculation Agent (or the person specified in the relevant Final Terms as the party responsible for calculating the Rate of Interest and the Interest Amount(s))) determines that a Benchmark Event has occurred, when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to a Mid-Swap Floating Leg Benchmark Rate or a Reference Rate (as applicable), then the following provisions shall apply:

(A) the relevant Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the relevant Issuer agree that there is no Successor Rate, an alternative rate (the "**Alternative Benchmark Rate**") and, in either case, an alternative screen page or source (the "**Alternative Relevant Screen Page**") and (in either case) an Adjustment Spread no later than three (3) Business Days prior to the relevant Reset Determination Date, Interest Determination Date relating to the next succeeding Reset Period or Interest Period (as applicable) (the "**Interest Determination Cut-off Date**") for purposes of determining the Rate of Interest applicable to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 7(h)).

In the absence of bad faith or fraud, the Independent Adviser shall have no liability whatsoever to the Issuer, the Trustee, the Paying Agents or the Noteholders for any determination made by it pursuant to this Condition 7(h) and the Trustee will not be liable for any loss, liability, cost, charge or expense which may arise as a result thereof;

(B) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the relevant Issuer acting in good faith agree has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if the Independent Adviser and the relevant Issuer agree that there is no such rate, such other rate as the Independent Adviser and the relevant Issuer acting in good faith agree is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;

(C) if the relevant Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the relevant Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Cut-off Date in accordance with subparagraph (B) above, then the relevant Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) in customary market usage for purposes of determining

floating rates of interest or reset rates of interest in respect of eurobonds denominated in the Specified Currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable), and the Alternative Benchmark Rate shall be the rate so determined by the relevant Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; provided, however, that if this subparagraph (C) applies and the relevant Issuer is unable or unwilling to determine an Alternative Benchmark Rate, Alternative Relevant Screen Page and Adjustment Spread prior to the Interest Determination Cut-Off Date in accordance with this subparagraph (C), the Mid-Swap Floating Leg Benchmark Rate or Reference Rate applicable to such Reset Period or Interest Period (as applicable) shall be equal to the Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) for a term equivalent to the Relevant Interest Period or Reset Period published on the Relevant Screen Page as at the last preceding Reset Date or Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Reset Period or Interest Period from that which applied to the last preceding Reset Period or Interest Period (as applicable), the relevant Margin relating to the relevant Reset Period or Interest Period, in place of the margin relating to that last preceding Reset Period or Interest Period). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Reset Period or Interest Period, and any subsequent Reset Periods or Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 7(h);

- (D) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 7(h));
- (E) the relevant Issuer, in agreement with the Independent Adviser and acting in good faith, shall determine the quantum of, or a formula or methodology for determining the Adjustment Spread, and such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Rate of Interest and Interest Amount(s) (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (F) if a Successor Rate or an Alternative Benchmark Rate and an Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the relevant Issuer's agreement) or the relevant Issuer (as the case may be), may also specify changes to the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Reset Determination Date, Quotation Time, Interest Determination Date and/or the definition of Mid-Swap Floating Leg Benchmark Rate or Reference Rate applicable to the Notes, and the method for determining the fallback rate in relation to the Notes, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Notes for all future Reset Periods or Interest Periods (as applicable) (subject to the subsequent operation of this Condition 7(h)) (such changes, the "**Benchmark Amendments**");
- (G) the relevant Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread give notice thereof and of any changes pursuant to subparagraph (F) above to the Calculation Agent, the Principal Paying Agent and the Trustee and the Noteholders in accordance with Condition 20 (*Notices*); and

- (H) no later than notifying the Trustee of the same, the Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the Issuer:
- (1) confirming (x) that a Benchmark Event has occurred, (y) the relevant Successor Rate or, as the case may be, the relevant Alternative Rate and, (z) the relevant Adjustment Spread and/or the specific terms of any relevant Benchmark Amendments, in each case as determined in accordance with the provisions of this Condition 7(h); and
 - (2) certifying that the relevant Benchmark Amendments are necessary to ensure the proper operation of such relevant Successor Rate or Alternative Rate, and Adjustment Spread.

The Trustee shall be entitled to rely on such certificate (without further enquiry and without liability to any person) as sufficient evidence thereof.

Subject to receipt by the Trustee of this certificate, the Trustee shall, at the direction and expense of the relevant Issuer, effect such consequential amendments to the Trust Deed (including, *inter alia*, by the execution of a deed supplemental to or amending the Trust Deed), the Agency Agreement and these Terms and Conditions as the relevant Issuer certifies are required to give effect to this Condition 7(h) and the Trustee shall not be liable to any party for any consequences thereof.

For the purposes of these Conditions, "**Benchmark Event**" means:

- (aa) the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) has ceased to be published, as a result of such benchmark ceasing to be calculated or administered; or
- (bb) a public statement by the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that it has ceased, or will, by a specified date within the following six months, cease, publishing such Mid-Swap Floating Leg Benchmark Rate or Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Mid-Swap Floating Leg Benchmark Rate or Reference Rate); or
- (cc) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate has been or will, by a specified date within the following six months, be permanently or indefinitely discontinued; or
- (dd) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that means that such Mid-Swap Floating Leg Benchmark Rate or Reference Rate will, by a specified date within the following six months, be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Notes; or
- (ee) a public statement by the supervisor of the administrator of the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) that, in the view of such supervisor, such Mid-Swap Floating Leg Benchmark Rate or Reference Rate is no longer representative of an underlying market; or
- (ff) it has or will, by a specified date within the following six months, become unlawful for the Calculation Agent or the relevant Issuer to calculate any payments due to be made to any Noteholder using the relevant Mid-Swap Floating Leg Benchmark Rate or Reference Rate (as applicable) (including,

without limitation, under the Benchmarks Regulation (EU) 2016/1011, if applicable).

Notwithstanding any other provision of this Condition 7(h), no Successor Rate or Alternative Benchmark Rate (each as applicable) or Adjustment Spread will be adopted, and no other amendments to the terms of the Notes will be made pursuant to this Condition 7(h), if and to the extent that, in the determination of the relevant Issuer, the same could reasonably be expected to prejudice the qualification of the Notes as:

- (A) in the case of Senior Notes issued by PTSB Holdings, MREL Eligible Instruments of such Issuer and/or the Group; or
- (B) in the case of Tier 2 Capital Notes, Tier 2 Capital of the Issuer and/or the PTSB Holdings Group,

or, in the case of Senior Notes issued by PTSB Holdings only, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in the Relevant Resolution Authority treating a future Interest Payment Date or Reset Date as the effective maturity of the Notes, rather than the relevant Maturity Date for the purposes of qualification as eligible liabilities and/or loss absorbing capacity of such Issuer and/or the Group.

- (i) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the relevant Issuer, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.
- (j) *Determination or calculation by the Trustee:* If the Calculation Agent does not at any time for any reason determine the Rate of Interest or calculate the Interest Amount or any other item required to be determined or calculated by it under the relevant Final Terms, the Trustee may appoint an agent to do so, at the expense of the relevant Issuer and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, such agent appointed by the Trustee shall apply the foregoing provisions of this Condition 7 (*Floating Rate Note Provisions*) and, where applicable, the relevant Final Terms, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and in all other respects it shall do so in such manner as it shall deem fair and reasonable in all the circumstances (subject always to Condition 7 (*Floating Rate Note Provisions*)).

8. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 8 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Principal Paying Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

9. **Fixed/Floating Rate Notes**

- (a) *Application:* This Condition 9 (*Fixed/Floating Rate Notes*) is applicable to the Notes only if the Fixed Rate Note Provisions and the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

- (b) *Fixed/Floating Rate*: The relevant Issuer may issue Notes (i) that the relevant Issuer may elect to convert on the date set out in the relevant Final Terms from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note or (ii) that will automatically change from a Fixed Rate Note to a Floating Rate Note, or from a Floating Rate Note to a Fixed Rate Note on the date set out in the relevant Final Terms.

10. **Redemption and Purchase**

- (a) *Scheduled redemption*: Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 12 (*Payments*).

- (b) *Redemption at the option of the Issuer*: Subject to Condition 10(l) (*Restrictions on Early Redemption*) below, if the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the relevant Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) on the relevant Issuer giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable and shall oblige the relevant Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at either:

- (i) the Optional Redemption Amount (Call), together with accrued but unpaid interest up to (but excluding) the relevant Optional Redemption Date (Call); or
- (ii) if "Make Whole Redemption Amount" is specified in the relevant Final Terms, an amount (the "**Make Whole Redemption Amount**") calculated by the relevant Issuer or by an Independent Adviser equal to the higher of (i) 100 per cent. of the nominal amount outstanding of the Notes to be redeemed or (ii) the sum of the present values of the nominal amount outstanding of the Notes to be redeemed and the Remaining Term Interest on such Note (exclusive of interest accrued to the date of redemption) discounted to the date of redemption on an annual basis at the Reference Bond Rate, plus the Redemption Margin, together with accrued but unpaid interest up to (but excluding) the relevant Optional Redemption Date (Call). Such amount shall be notified by the relevant Issuer to the Noteholders and the Agents not less than three Business Days prior to the relevant Optional Redemption Date (Call).

For the avoidance of doubt, all notifications, opinions, determinations, certifications, calculations, quotations and decisions given, expressed, made or obtained for the purposes of determining the Make Whole Amount, shall (in the absence of negligence, wilful default or bad faith) be binding on the relevant Issuer, the Agent, the Trustee, the Paying Agents and all Noteholders and Couponholders.

- (c) *Redemption for tax reasons*: Subject to Condition 10(l) (*Restrictions on Early Redemption*) below, the Notes may be redeemed at the option of the relevant Issuer in whole, but not in part (x) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or (y) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable), at their Early Redemption Amount (Tax), together with any accrued but unpaid interest to the date fixed for redemption, *provided that*:

- (i) the relevant Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee and the Holders of the Notes (such notice being irrevocable) specifying the date fixed for such redemption; and
- (ii) if, immediately before giving such notice, the relevant Issuer satisfies the Trustee that, as a result of any change in or amendment to the laws or regulations of the Republic of Ireland or any authority or political subdivision therein or thereof having power to tax, including any treaty to which such jurisdiction is a party, or any change in the official application or interpretation of those laws or regulations (including a holding by a court or tribunal of competent jurisdiction), which change or amendment becomes effective on or after the Issue Date of the first Tranche of the Notes and, in the case of Tier 2 Capital Notes only, which the relevant Issuer demonstrates to the satisfaction of the Supervisory

Authority is material and was not reasonably foreseeable as at the Issue Date of the first Tranche of the Tier 2 Capital Notes:

- (A) the relevant Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*); or
- (B) the relevant Issuer is or would not be entitled to claim a deduction in computing its taxable profits and losses in respect of interest payable on the Notes, or such a deduction is or would be reduced or deferred,

and in the case of each of (A) and (B), such consequences cannot be avoided by the relevant Issuer taking reasonable measures available to it,

provided, further, that no such notice of redemption shall be given earlier than (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the relevant Issuer would be obliged to pay such additional amounts or is unable to make such deduction if a payment in respect of the Notes were then due; or (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the relevant Issuer would be obliged to pay such additional amounts or is unable to make such deduction if a payment in respect of the Notes were then due.

If the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the relevant Issuer stating that the conditions precedent for redeeming the Notes pursuant to this Condition 10(c) (*Redemption for tax reasons*) have been met, the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of any such notice as is referred to in this Condition 10(c) (*Redemption for tax reasons*), the relevant Issuer shall be bound to redeem the Notes in accordance with this Condition 10(c) (*Redemption for tax reasons*).

(d) *Regulatory Event Redemption of Tier 2 Capital Notes:*

This Condition 10(d) applies only to Tier 2 Capital Notes.

Subject to Condition 10(l) (*Restrictions on Early Redemption*) below, if there is a change (or a pending change which the Supervisory Authority considers to be sufficiently certain) in the regulatory classification of the Tier 2 Capital Notes under the Regulatory Capital Requirements that occurs on or after the Issue Date of the first Tranche of such Tier 2 Capital Notes (and which the relevant Issuer demonstrates to the satisfaction of the Supervisory Authority was not reasonably foreseeable as at the Issue Date of the first Tranche of such Tier 2 Capital Notes) and that does, or would be likely to, result in the whole of the outstanding aggregate principal amount of such Tier 2 Capital Notes being excluded from the Tier 2 Capital of the PTSB Holdings Group (a "**Regulatory Event**"), the relevant Issuer may, at its option, redeem the Tier 2 Capital Notes, in whole but not in part, at the relevant Optional Redemption Amount (Regulatory Event), together with any accrued but unpaid interest to the date fixed for redemption, *provided that* the relevant Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee, the Principal Paying Agent and the Holders of the Tier 2 Capital Notes (such notice being irrevocable) specifying the date fixed for such redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 10(d) (*Regulatory Event Redemption of Tier 2 Capital Notes*), the relevant Issuer shall deliver to the Trustee a certificate signed by two Authorised Signatories (as defined in the Trust Deed) of the relevant Issuer stating that the conditions precedent for redeeming the Tier 2 Capital Notes pursuant to this Condition 10(d) (*Regulatory Event Redemption of Tier 2 Capital Notes*) have been met and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders.

Upon the expiry of such notice period, the relevant Issuer shall be bound to redeem the Tier 2 Capital Notes accordingly.

(e) *Redemption as a result of an MREL Disqualification Event:*

This Condition 10(e) applies only to Senior Notes issued by PTSB Holdings.

Subject to Condition 10(l) (*Restrictions on Early Redemption*) below, upon the occurrence of an MREL Disqualification Event, the Issuer may, at its option, redeem the Notes, in whole but not in part, at the relevant Optional Redemption Amount (MREL Disqualification Event), together with any accrued but unpaid interest to the date fixed for redemption, *provided that* the Issuer provides not less than 30 days' nor more than 60 days' prior notice to the Trustee, the Principal Paying Agent and the Holders of such Notes (such notice being irrevocable) specifying the date fixed for such redemption.

(f) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable to any Series of Senior Notes, the relevant Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice (which notice shall be irrevocable) at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. No Series of Tier 2 Capital Notes shall contain a Put Option. In order to exercise the option contained in this Condition 10(f) (*Redemption at the option of Noteholders*), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put) (or such other period(s) as may be specified in the relevant Final Terms), deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition 10(f) (*Redemption at the option of Noteholders*), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition 10(f) (*Redemption at the option of Noteholders*), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes. The Holder of a Note may not exercise such option in respect of any Note which is the subject of an exercise by the Issuer of its option to redeem such Note under Conditions 10(b) (*Redemption at the option of the Issuer*), 10(c) (*Redemption for tax reasons*), or 10(g) (*Partial redemption*) and any exercise of the first-mentioned option in such circumstances shall have no effect.

(g) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 10(b) (*Redemption at the option of the Issuer*), the Notes to be redeemed shall be selected by the drawing of lots in such place as the Principal Paying Agent approves and in such manner as the Principal Paying Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition 10(b) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

(h) *No other redemption:* The relevant Issuer shall not be entitled to redeem the Notes otherwise than as provided in Condition 10(a) (*Scheduled redemption*) to Condition 10(g) (*Partial redemption*) above.

- (i) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 10(i) (*Early redemption of Zero Coupon Notes*) or, if none is so specified, a Day Count Fraction of 30E/360.

- (j) *Purchase:* The relevant Issuer or any of its Subsidiaries may at any time purchase or otherwise acquire any of the outstanding Notes at any price in the open market or otherwise, **provided that** all unmatured Coupons are purchased or acquired therewith. In the case of Senior Notes issued by PTSB Holdings, any such purchases or acquisitions shall be in accordance with the Applicable MREL Regulations and subject to the permission of the Supervisory Authority and/or the Relevant Resolution Authority (if such permission is then required under the Applicable MREL Regulations). In the case of Tier 2 Capital Notes, any such purchases or acquisitions shall be in accordance with the Regulatory Capital Requirements applicable to the PTSB Holdings Group in force at the relevant time, and subject to Supervisory Permission and to applicable law and regulation.
- (k) *Cancellation:* All Notes which are redeemed by the relevant Issuer pursuant to this Condition 10 (*Redemption and Purchase*) will be cancelled. All Notes purchased or acquired by or on behalf of the relevant Issuer or any of its Subsidiaries may be held, reissued, resold or, at the option of the relevant Issuer or any such Subsidiary, cancelled.
- (l) *Restrictions on Early Redemption:* Notwithstanding any other provision in this Condition 10 (*Redemption and Purchase*):
 - (i) the relevant Issuer may redeem the Tier 2 Capital Notes (and give notice thereof to the Holders) only if it has (x) obtained the Supervisory Permission and (y) complied with the Regulatory Preconditions; and
 - (ii) PTSB Holdings may redeem the Senior Notes (and give notice thereof to the Holders) only if such redemption is permitted by the Applicable MREL Regulations and if it has been granted the permission of the Supervisory Authority and/or the Relevant Resolution Authority (if such permission is then required under the Applicable MREL Regulations).

11. **Substitution and Variation**

This Condition 11 applies only to Senior Notes issued by PTSB Holdings.

If an MREL Disqualification Event occurs and is continuing or to ensure the enforceability and effectiveness of Condition 23 (*Statutory Loss Absorption*), the Issuer may, at its option, substitute all (but not some only) of the Notes or modify the terms of all (but not some only) of the Notes, without any requirement for the consent or approval of the Holders, so that they are substituted for, or varied to become or remain, Qualifying Notes, subject to having given not less than 30 days' nor more than 60 days' prior notice to the Trustee, the Principal Paying Agent and the Holders of such Notes in accordance with Condition 20 (such notice being irrevocable) specifying the date fixed for such substitution or variation and subject to being granted the permission of the Supervisory Authority and/or the Relevant Resolution Authority (if such permission is then required under the Applicable MREL Regulations).

Any such notice shall specify the relevant details of the manner in which such substitution or modification shall take effect and where the Holders can inspect or obtain copies of the new

terms and conditions of the Notes. Such substitution or variation will be effected without any cost or charge to the Holders.

Holders shall, by virtue of subscribing and/or purchasing and holding any Notes, be deemed to accept the substitution or variation of the terms of the Notes and to grant to PTSB Holdings full power and authority to take any action and/or execute and deliver any document in the name and/or on behalf of the Holders which is necessary or convenient to complete the substitution or variation of the terms of the Notes, as applicable.

12. **Payments**

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of the Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to Condition 12(h) (*Payments other than in respect of matured Coupons*) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in Condition 12(a) (*Principal*) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the relevant Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*) and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons (the "**Relevant Coupons**") being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

- (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in Condition 12(a) (*Principal*) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void*: If the relevant Final Terms specifies that this Condition 12(f) (*Unmatured Coupons void*) is applicable, that the Reset Note Provisions are applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition 10(b) (*Redemption at the option of the Issuer*), Condition 10(c) (*Redemption for tax reasons*), Condition 10(d) (*Regulatory Event Redemption of Tier 2 Capital Notes*), Condition 10(f) (*Redemption at the option of Noteholders*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days*: If the due date for payment of any amount in respect of any Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons*: Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by Condition 12(c) (*Payments in New York City*) above).
- (i) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons*: On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Principal Paying Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

13. **Taxation**

- (a) *Gross up*: All payments of interest and principal in respect of the Notes and the Coupons by or on behalf of the relevant Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Ireland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the relevant Issuer shall pay such additional amounts in respect of interest and (in respect of Senior Notes issued by PTSB only) principal as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been receivable by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon:
- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some

connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or

- (ii) where the relevant Note or Coupon is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon for payment on the last day of such period of 30 days; or
 - (iii) where the Holder is able to avoid such withholding or deduction by complying, or procuring that a third party complies with, any applicable statutory requirements or by making, or procuring that any third party makes, a declaration of non-residence or other similar claim for exemption to any tax authority; or
 - (iv) on account of any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.
- (b) *Taxing jurisdiction:* If the relevant Issuer becomes subject at any time to any taxing jurisdiction other than or in addition to the Republic of Ireland, references in these Conditions to the Republic of Ireland shall be construed as or as including (as the case may be) references to such other jurisdiction.

14. **Events of Default**

- (a) *Senior Notes issued by PTSB:* The provisions of this Condition 14(a) (*Senior Notes issued by PTSB*) shall have effect in relation to any Series of Senior Notes issued by PTSB.

If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject, in all cases, to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction) give written notice to PTSB declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their Early Termination Amount together with any accrued but unpaid interest without further action or formality:

- (i) *Non-payment:* any principal or interest on such Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to PTSB requiring the non-payment to be made good *provided that* PTSB shall not, however, be in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such sums were not paid in order to comply with any law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, PTSB will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisers acceptable to the Trustee;
- (ii) *Breach of other obligations:* PTSB defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Trust Deed and that breach has not been remedied within 60 days of receipt of a written notice from the Trustee requiring the same to be remedied;
- (iii) *Enforcement Proceedings:* a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of PTSB or any Principal Subsidiary in respect of a debt of more than €10,000,000 (or its equivalent in another currency) and is not discharged or stayed within 60 days;
- (iv) *Security Enforced:* any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by PTSB or any Principal Subsidiary becomes enforceable and any step is taken to enforce it in respect of a debt of more than €10,000,000 (or its

equivalent in another currency) (including the taking of possession or the appointment of a receiver, manager or other similar person) and such step is not discharged or stayed within 30 days;

- (v) *Insolvency*: PTSB or any Principal Subsidiary is (or is deemed by law or a court to be) insolvent or is unable or deemed to be unable to pay its debts (within the meaning of section 570 of the Irish Companies Act 2014 as amended or section 28 of the Central Bank Act 1971 of Ireland as amended by the Central Bank (Supervision and Enforcement) Act 2013 of Ireland, as the same may be amended, modified or re-enacted), or admits in writing its inability to pay its debts as they mature; or
- (vi) *Winding-up*: a Winding-up Event occurs,

provided that, in the case of paragraphs (ii) to (v) (inclusive) above, the Trustee may only declare the Notes to be due and payable if it shall have certified in writing to PTSB that, in its opinion, such event is materially prejudicial to the interests of the Noteholders.

"Limited Recourse Transaction" means a transaction entered into or to be entered into by PTSB Holdings or any of its Subsidiaries where the sole recourse, insofar as PTSB Holdings or any of its Subsidiaries is concerned, of the provider of funds is to an asset financed by those funds or to an SPC Subsidiary or to SPC Subsidiaries acquired, formed or used in connection with such transaction, such provider having no recourse to the general assets or undertaking of, as the case may be, PTSB Holdings or any of its Subsidiaries. A report by the Auditors (as defined in the Trust Deed) that in their opinion a transaction is or is not or was or was not a Limited Recourse Transaction shall, in the absence of manifest error, be conclusive and binding on all parties.

"Principal Subsidiary" means a Subsidiary of PTSB Holdings (other than an SPC Subsidiary) whose total assets represent 10 per cent. or more of the Total Assets of PTSB Holdings. A certificate signed by two Authorised Signatories (as defined in the Trust Deed) of PTSB Holdings, whether or not addressed to the Trustee, that a Subsidiary is or is not or was or was not at any particular time or throughout any specified period an SPC Subsidiary or a Principal Subsidiary shall, in the absence of manifest error, be conclusive and binding on all parties.

"SPC Subsidiary" means a Subsidiary of PTSB Holdings acquired or formed or used by PTSB Holdings or any Subsidiary of PTSB Holdings for the sole purpose of a Limited Recourse Transaction where, insofar as, as the case may be, PTSB Holdings or any other Subsidiary of PTSB Holdings is concerned the sole recourse of a provider of funds in relation to such Limited Recourse Transaction is to such first-mentioned Subsidiary or the assets of such first-mentioned Subsidiary or the shares in, or the securities, debentures, loan instruments, debts or other covenants of, such first mentioned Subsidiary and neither such provider of funds nor any other party will have any recourse to, as the case may be, PTSB Holdings or any of its other Subsidiaries or its other assets for the liabilities of such first-mentioned Subsidiary and **"SPC Subsidiaries"** shall be construed accordingly.

"Total Assets" means the consolidated total assets of PTSB Holdings as shown by the latest audited consolidated balance sheet of PTSB Holdings.

At any time at its discretion and without notice the Trustee may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Notes or if so directed by an Extraordinary Resolution, shall (subject in each case to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), institute such proceedings or take such steps or actions as it may think fit against PTSB to enforce the provisions of the Trust Deed and these Conditions.

- (b) *Senior Notes issued by PTSB Holdings*: The provisions of this Condition 14(b) (*Senior Notes issued by PTSB Holdings*) shall have effect in relation to any Series of Senior Notes issued by PTSB Holdings.
 - (i) *All Notes*: If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Senior Notes issued by PTSB Holdings or

if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), without further notice:

- (A) *Non-payment*: in the event that any principal or interest on such Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to PTSB Holdings requiring the non-payment to be made good, institute proceedings in a court of competent jurisdiction in Ireland (or such other jurisdiction in which PTSB Holdings is organised) (but not elsewhere) for the winding up of PTSB Holdings and/or prove in its winding-up and/or claim in its liquidation, *provided that* PTSB Holdings shall not be in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such sums were not paid in order to comply with any law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, PTSB Holdings will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisers acceptable to the Trustee; or
- (B) *Limited remedies for breach of other obligations (other than non-payment)*: institute such proceedings against PTSB Holdings as it may think fit to enforce any term, obligation or condition binding on PTSB Holdings under such Notes or Coupons or the terms of the Trust Deed relating thereto (other than any payment obligation of PTSB Holdings under or arising from such Notes or Coupons or the Trust Deed, including, without limitation, payment of any principal or interest) (a "**Performance Obligation**"); provided always that the Trustee (acting on behalf of the Holders but not the Trustee acting in its personal capacity under the Trust Deed) and the Holders shall not enforce, and shall not be entitled to enforce or otherwise claim against PTSB Holdings, any judgment or other award given in such proceedings that requires the payment of money by PTSB Holdings, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving such Monetary Judgment in a winding-up of PTSB Holdings.

Nothing in this Condition 14(b)(i) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

- (ii) If a Winding-up Event occurs, the Trustee at its discretion may and, if so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Senior Notes issued by PTSB Holdings or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) declare such Notes to be due and repayable immediately (and such Notes shall thereby become so due and repayable) at the Early Termination Amount together with any accrued but unpaid interest as provided in the Trust Deed.
- (c) *Tier 2 Capital Notes*: The provisions of this Condition 14(c) (*Tier 2 Capital Notes*) shall have effect in relation to any Series of Tier 2 Capital Notes.
- (i) If any of the following events occurs and is continuing, then the Trustee at its discretion may and, if so requested in writing by Holders of at least one quarter of the aggregate principal amount of the outstanding Tier 2 Capital Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or pre-funded to its satisfaction), without further notice:
 - (A) *Non-payment*: in the event that any principal or interest on such Tier 2 Capital Notes has not been paid within 14 days from the due date for payment and such sum has not been duly paid within a further 14 days following written notice from the Trustee to the relevant Issuer requiring the non-payment to be made good, institute proceedings in a court of competent jurisdiction in Ireland (or such other jurisdiction in which the relevant Issuer is organised) (but not elsewhere) for the winding up of the relevant Issuer and/or prove in its winding-up and/or claim in its liquidation, *provided that* the relevant Issuer shall not be

in default if during the 14 days after the Trustee's notice it satisfies the Trustee that such sums were not paid in order to comply with any law, regulation or order of any court of competent jurisdiction. Where there is doubt as to the validity or applicability of any such law, regulation or order, the relevant Issuer will not be in default if it acts on the advice given to it during such 14 day period by independent legal advisers acceptable to the Trustee; or

- (B) *Limited remedies for breach of other obligations (other than non-payment)*: institute such proceedings against the relevant Issuer as it may think fit to enforce any term, obligation or condition binding on the relevant Issuer under such Tier 2 Capital Notes or Coupons or the terms of the Trust Deed relating thereto (other than any payment obligation of the relevant Issuer under or arising from the Tier 2 Capital Notes or Coupons or the Trust Deed, including, without limitation, payment of any principal or interest) (a "**Performance Obligation**"); provided always that the Trustee (acting on behalf of the Holders but not the Trustee acting in its personal capacity under the Trust Deed) and the Holders shall not enforce, and shall not be entitled to enforce or otherwise claim against the relevant Issuer, any judgment or other award given in such proceedings that requires the payment of money by the relevant Issuer, whether by way of damages or otherwise (a "**Monetary Judgment**"), except by proving such Monetary Judgment in a winding-up of the relevant Issuer.

Nothing in this Condition 14(c)(i) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof.

- (ii) If a Winding-up Event occurs, the Trustee at its discretion may and, if so requested in writing by the Holders of at least one quarter of the aggregate principal amount of the outstanding Tier 2 Capital Notes or if so directed by an Extraordinary Resolution, shall (subject to the Trustee having been indemnified and/or secured and/or prefunded to its satisfaction) declare such Tier 2 Capital Notes to be due and repayable immediately (and such Tier 2 Capital Notes shall thereby become so due and repayable) at the Early Termination Amount together with any accrued but unpaid interest as provided in the Trust Deed and payments shall be subject to the subordination provisions set out in Condition 4(b) (*Tier 2 Capital Notes*).
- (d) *All Notes*: The provisions of this Condition 14(d) shall have effect in relation to any Series of Notes. No Holder of any Notes and no holder of the Coupons (if any) appertaining thereto shall be entitled to institute any of the proceedings referred to in Conditions 14(a) (*Senior Notes issued by PTSB*), 14(b) (*Senior Notes issued by PTSB Holdings*) or 14(c) (*Tier 2 Capital Notes*) above or to prove in the winding up of the relevant Issuer except that if the Trustee, having become bound to proceed against the relevant Issuer as aforesaid, fails to do so or, being able to prove in such winding up, fails to do so, in each case within a reasonable period, and in each such case such failure shall be continuing, then any such holder may itself institute such proceedings and/or prove in such winding up to the same extent (but not further or otherwise) that the Trustee would have been entitled so to do in respect of its Notes and/or Coupons.

In the case of Senior Notes issued by PTSB Holdings and Tier 2 Capital Notes, no remedy against the relevant Issuer other than the institution of the proceedings referred to in Condition 14(b) (*Senior Notes issued by PTSB Holdings*) or 14(c) (*Tier 2 Capital Notes*) above, as the case may be, or proving in the winding up of the relevant Issuer, shall be available to the Trustee or the Holders of such Notes or the Coupons (if any) appertaining thereto whether for the recovery of amounts owing in respect of such Notes or Coupons or under the Trust Deed in relation thereto or in respect of any breach by the relevant Issuer of any of its other obligations under or in respect of such Notes or Coupons or under the Trust Deed in relation thereto.

15. **Prescription**

Claims for principal in respect of the Notes shall become void unless the relevant Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of the Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date.

16. **Replacement of Notes and Coupons**

If any Note or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Principal Paying Agent (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the relevant Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

17. **Trustee and Agents**

Under the Trust Deed, the Trustee is entitled to be indemnified and/or secured and/or prefunded to its satisfaction and relieved from responsibility in certain circumstances and to be paid its costs and expenses in priority to the claims of the Noteholders. In addition, the Trustee is entitled to enter into business transactions with the relevant Issuer and any entity relating to the relevant Issuer without accounting for any profit.

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the relevant Issuer and (to the extent provided therein) the Trustee and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The relevant Issuer reserves the right (with the prior written approval of the Trustee) at any time to vary or terminate the appointment of any Agent and to appoint a successor principal paying agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (i) the relevant Issuer shall at all times maintain a principal paying agent; and
- (ii) if a Calculation Agent is specified in the relevant Final Terms, the relevant Issuer shall at all times maintain a Calculation Agent; and
- (iii) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the relevant Issuer shall maintain a Paying Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders in accordance with Condition 20 (*Notices*).

18. **Meetings of Noteholders; Modification and Waiver; Substitution**

- (a) *Meetings of Noteholders:* The Trust Deed contains provisions for convening meetings of Noteholders to consider any matters relating to the Notes, including the modification of any provision of these Conditions by Extraordinary Resolution, except that the provisions relating to the Tier 2 Capital Notes shall only be capable of modification in accordance with Condition 18(d) (*Supervisory Authority notice or consent*) below.

Such a meeting may be convened by the relevant Issuer or by the Trustee and shall be convened by the relevant Issuer upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be one or more Persons holding or representing more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, one or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at

which one or more Persons holding or representing not less than two-thirds or, at any adjourned meeting not less than, one-third of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of the holders of at least 75 per cent. in aggregate principal amount of the outstanding Notes who for the time being are entitled to receive notice of a meeting of Noteholders under the Trust Deed will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification and waiver:* Subject to certain exceptions and (where applicable) Condition 18(d) (*Supervisory Authority notice or consent*) below, the Trustee may, without the consent of the Noteholders, agree to any modification of these Conditions or the Trust Deed (other than in respect of a Reserved Matter) which is, in the opinion of the Trustee, proper to make if, in the opinion of the Trustee, such modification is not materially prejudicial to the interests of Noteholders and to any modification of the Notes or the Trust Deed which is of a formal, minor or technical nature or is to correct a manifest error.

In addition, the Trustee may, without the consent of the Noteholders, authorise or waive any proposed breach or breach of the Notes or the Trust Deed (other than a proposed breach or breach relating to the subject of a Reserved Matter) if, in the opinion of the Trustee, such authorisation is not materially prejudicial to the interests of the Noteholders.

In addition, the Trustee may determine, without the consent of the holders of Notes of any Series or holders of the Coupons (if any) appertaining thereto (except as set out in the Trust Deed), that any Event of Default or Potential Event of Default (both as defined in the Trust Deed) shall not be treated as such for the purpose of the Trust Deed and such Notes if, in the opinion of the Trustee, the interests of the relevant Noteholders are not materially prejudiced thereby.

In addition, the relevant Issuer may in accordance with Condition 7(h) (*Benchmark Replacement*), vary or amend these Conditions, the Trust Deed and/or the Agency Agreement to give effect to certain amendments without any requirement for the consent or approval of Noteholders or Couponholders, as described in Condition 7(h) (*Benchmark Replacement*) and the Trustee shall agree to such variations or amendments subject to the terms of Condition 7(h) (*Benchmark Replacement*), or as otherwise notified to Noteholders and Couponholders provided that such amendments would not impose, in the Trustee's opinion (acting reasonably), more onerous obligations upon it or expose it to any additional duties, responsibilities or liabilities or reduce, or amend its rights and/or the protective provisions afforded to it.

- (c) *Substitution:* Subject to Condition 18(d) (*Supervisory Authority notice or consent*) below, the Trustee may, without the consent of the Noteholders, agree with the relevant Issuer to the substitution in place of the relevant Issuer (or of any previous substitute under this Condition 18(c) (*Substitution*)) as the principal debtor under the Notes and the Trust Deed of any of its wholly-owned Subsidiaries, subject to:
- (i) the Trustee being satisfied that such substitution is not materially prejudicial to the interests of the Noteholders; and
 - (ii) certain other conditions set out in the Trust Deed being complied with.
- (d) *Supervisory Authority notice or consent:* The provisions relating to the Tier 2 Capital Notes shall only be capable of modification or waiver and the relevant Issuer of Tier 2 Capital Notes may only be substituted in accordance with Condition 18(c) (*Substitution*) above, if the relevant Issuer has notified the Supervisory Authority of such modification, waiver or substitution and/or obtained the relevant Supervisory Permission (if such notice and/or permission is then required by the Regulatory Capital Requirements).
- (e) *Effect for the Holders:* Any such modification, waiver, authorisation or substitution shall be binding on all the Noteholders and Couponholders of the relevant Series and, unless the Trustee agrees otherwise, shall be notified to the holders of Notes of that Series as soon as practicable thereafter in accordance with Condition 20 (*Notices*).

In connection with the exercise of its powers, trusts, authorities or discretions (including, but not limited to, those in relation to any such modification, waiver, authorisation or substitution as aforesaid) the Trustee shall have regard to the interests of the holders of the Notes of the relevant Series as a class and in particular, but without limitation, shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders resulting from the individual Noteholders or Couponholders being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the relevant Issuer any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders.

19. **Further Issues**

The relevant Issuer may from time to time, without the consent of the Noteholders and in accordance with the Trust Deed, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single Series with the Notes. The relevant Issuer may from time to time, with the consent of the Trustee, create and issue other Series of notes having the benefit of the Trust Deed.

20. **Notices**

Notices to the Holders of Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times*) or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Notes.

21. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

22. **Governing Law and Jurisdiction**

(a) *Governing law:* The Notes and the Trust Deed and all non-contractual obligations arising out of or in connection with the Notes and the Trust Deed are governed by, and shall be construed in accordance with (i) in the case of an English Law Note, English law except that Conditions 4(b), 4(c) and 23 (*Statutory Loss Absorption*) and the equivalent provisions of the Trust Deed will be governed by, and construed in accordance with, Irish law or (ii) in the case of an Irish Law Note, Irish Law.

(b) *Jurisdiction:* The parties to the Trust Deed have (i) agreed that:

(A) in the case of English Law Notes, the courts of England shall have exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes) (a "**Dispute**"); and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient; and

- (B) in the case of Irish Law Notes, the courts of Ireland shall have exclusive jurisdiction to settle any Dispute; and (ii) agreed that those courts are the most appropriate and convenient courts to settle any Dispute and, accordingly, that they will not argue that any other courts are more appropriate or convenient.
 - (c) *Service of process:* Each of the Issuers agrees that the documents which start any proceedings in England relating to a dispute ("**Proceedings**") and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to TMF Corporate Services Limited at 6 St. Andrew Street, 5th Floor, London, EC4A 3AE, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the relevant Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law.
23. **Statutory Loss Absorption**
- (a) Notwithstanding, and to the exclusion of, any other term of the Notes or any other agreements, arrangements or understanding between the relevant Issuer and the Trustee or any Noteholder or Couponholder, the Trustee and, by its acquisition of any Note or Coupon, each Noteholder and Couponholder (which for the purposes of this Condition, includes each holder of a beneficial interest in the Notes and/or the Coupons) acknowledges and accepts that any liability arising under the Notes or Coupons may be subject to the exercise of Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:
 - (i) the effect of the exercise of any Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority, which exercise (without limitation) may include and result in any of the following, or a combination thereof:
 - (A) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes and/or Coupons;
 - (B) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes and/or Coupons into shares, other securities or other obligations of the relevant Issuer or another person, and the issue to or conferral on the Noteholder or Couponholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes and/or Coupons;
 - (C) the cancellation of the Notes and/or Coupons or the Relevant Amounts in respect thereof; and
 - (D) the variation of the terms of the Notes and/or Coupons as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority; and
 - (ii) the variation of the terms of the Notes and/or Coupons as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority.
 - (b) No repayment or payment of Relevant Amounts in respect of the Notes will become due and payable or be paid after the exercise of any Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.
 - (c) Neither a reduction or cancellation, in part or in full, of the Relevant Amounts, the conversion thereof into another security or obligation of the relevant Issuer or another person, as a result of the exercise of the Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the relevant Issuer, nor the exercise of the Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes and/or Coupons will be an event of default.

- (d) Upon the exercise of the Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Notes and/or Coupons, the relevant Issuer will provide a written notice to the Noteholders and Couponholders in accordance with Condition 20 as soon as practicable regarding such exercise of the Irish Statutory Loss Absorption Powers. The relevant Issuer will also deliver a copy of such notice to the Trustee for information purposes.

- (e) As used in this Condition 23:

"Irish Statutory Loss Absorption Powers" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Ireland, relating to (i) BRRD or the transposition into Irish law of BRRD (including, without limitation, Article 48 thereof) as amended or replaced from time to time and (ii) the instruments, rules and standards created thereunder, pursuant to which any obligation of the relevant Issuer (or any affiliate of the relevant Issuer) can be reduced, cancelled, modified, or converted into shares, other securities or other obligations of the relevant Issuer or any other person (or suspended for a temporary period); and

"Relevant Amounts" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest and additional amounts and any other amounts due on or in respect of the Notes. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Irish Statutory Loss Absorption Powers by the Relevant Resolution Authority.

FORM OF FINAL TERMS

[PROHIBITION OF SALES TO EEA OR UK RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA") or in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or (ii) a customer within the meaning of Directive 2016/97/EC (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. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.]

[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 Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in [Directive 2014/65/EU (as amended, "**MiFID II**")] [MiFID II]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. *[Consider any negative target market]*. Any person subsequently offering, selling or recommending the Notes (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 Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are ["prescribed capital markets products "]/["capital markets products other than prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).]¹

Final Terms dated [•]

[PERMANENT TSB GROUP HOLDINGS P.L.C.] /

[PERMANENT TSB P.L.C.]

Legal entity identifier (LEI): [635400DTNHVYGZODKQ93] / [549300WL1M55G8FIDZ68]

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

under the [€15,000,000,000] Euro Note Programme

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 Notes (the "**Conditions**") set forth in the base prospectus dated 2 October 2020 [and the supplemental base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document [constitutes the Final Terms for the purposes of the Prospectus Regulation and] ² must be read in conjunction with the Base Prospectus in order to obtain all relevant information.

¹ Relevant Dealer(s) to consider whether it/they have received the necessary product classification from the Issuer prior to the launch of the offer pursuant to S309 of the SFA.

² Delete where the Notes are neither admitted to trading on a regulated market in the EEA nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation. For these purposes, references to the EEA include the UK.

[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 and the relevant terms and conditions from that base prospectus with an earlier date were incorporated by reference in this Base Prospectus.]

[Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the base prospectus dated 6 September 2019, which are incorporated by reference in the base prospectus dated 2 October 2020. These Final Terms contain the final terms of the Notes described herein and must be read in conjunction with the base prospectus dated 2 October 2020 in order to obtain all relevant information [and the supplemental base prospectus dated [•]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation, save in respect of the Conditions which are set forth in the base prospectus dated 6 September 2019 and are incorporated by reference in the Base Prospectus. This document constitutes the Final Terms relating to the issue of Notes described herein for the purposes of the Prospectus Regulation.]

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129.

The Base Prospectus has been published on the Issuers website (<https://www.permanenttsbgroup.ie/investors/debt-investors/debt-issuance-programmes.aspx>) and on the website of Euronext Dublin (www.ise.ie).

[In accordance with the Prospectus Regulation, no prospectus is required in connection with the issuance of the Notes described herein.]

[The securities described by these Final Terms (the "**Securities**") constitute Commercial Paper for the purposes of Notice BSD C 01/02 issued by the Central Bank of Ireland (the "**Notice**"). The Securities are issued in accordance with one of the exemptions from the requirement to hold a banking licence provided by the Notice pursuant to section 8(2) of the Central Bank Act 1971 of Ireland, inserted by section 31 of the Central Bank Act 1989 of Ireland, as amended by section 70(d) of the Central Bank Act 1997 of Ireland. The Securities do not have the status of a bank deposit and are not within the scope of the Deposit Protection Scheme operated by the Central Bank of Ireland. The Issuer is not regulated by the Central Bank of Ireland.]³

[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.]

- | | | |
|----|--|---|
| 1. | Issuer: | [Permanent TSB Group Holdings p.l.c.] [permanent tsb p.l.c.] |
| 2. | [(i) Series Number:] | [•] |
| | [(ii) Tranche Number:] | [•] |
| | [(iii) Date on which the Notes become fungible:] | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 26 below [which is expected to occur on or about [•]].] |
| 3. | Specified Currency or Currencies: | [•] |
| 4. | Aggregate Nominal Amount: | [•] |

³ Include for Notes which are issued by PTSB Holdings and have a maturity of less than one year from the Issue Date. Any such Notes must be issued and transferable in a minimum amount of €125,000 (or its equivalent in other currencies). Such Notes fall outside the scope of the Prospectus Regulation.

| | | | |
|-----|--------|--|---|
| | [(i)] | [Series]: | [•] |
| | [(ii)] | Tranche: | [•]] |
| 5. | | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]] |
| 6. | (i) | Specified Denominations: | [•] <i>[If the Notes are issued by PTSB Holdings and have a maturity of less than one year from the Issue Date, the minimum denomination may need to be £100,000, €125,000 or its equivalent in any other currency. Such Notes fall outside the scope of the Prospectus Regulation.]</i> |
| | (ii) | Calculation Amount: | [•] |
| 7. | (i) | Issue Date: | [•] |
| | (ii) | Interest Commencement Date: | [[•]/Issue Date/Not Applicable] |
| 8. | | Maturity Date: | <i>[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to the relevant month and year]</i> |
| 9. | | Interest Basis: | [[•] per cent. Fixed Rate] [Reset Notes] <i>[insert period of time e.g. 3 months]</i> [EURIBOR/LIBOR]/+/- [•] per cent. Floating Rate] [Zero Coupon] (see paragraph [14/15/16/17] below) |
| 10. | | Redemption/Payment Basis: | Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [•]/[100] per cent. of their nominal amount. |
| 11. | | Change of Interest or Redemption/ Payment Basis: | <i>[Specify the date when any fixed to floating rate change occurs or refer to paragraphs 14 and 15 below and identify there/Not Applicable]</i> |
| 12. | | Put/Call Options: | [Investor Put] ⁴ [Issuer Call] [(see paragraph [18/19] below)] [Not Applicable] |
| 13. | (i) | Governing law: | English Law Notes / Irish Law Notes |
| | [(ii)] | Status of the Notes: | [Senior/Tier 2 Capital Notes] |

⁴ Clearing systems to be notified of any put option.

[(iii)] [Date [Board] approval for issuance of Notes obtained]: [•]

(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable/Applicable from [•] to [•] [if so elected by the Issuer on or before [•]]]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date
 - (ii) Interest Payment Date(s): [•] [and [•]] in each year
 - (iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount
 - (iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]
 - (v) Day Count Fraction: [30/360 / Actual/Actual (ICMA) Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond basis / 30E/360 (ISDA)]
15. Reset Note Provisions [Applicable/Not Applicable]
- (i) Initial Rate of Interest: [•] per cent. per annum payable in arrear [on each Interest Payment Date]
 - (ii) First Margin: [+/-][•] per cent. per annum
 - (iii) Subsequent Margin: [[+/-][•] per cent. per annum]/[Not Applicable]⁵
 - (iv) Interest Payment Date(s): [•] [and [•]] in each year up to and including the Maturity Date
 - (v) Fixed Coupon Amount up to (but excluding) the First Reset Date: [[•] per Calculation Amount]/[Not Applicable]
 - (vi) Broken Amount(s): [[•] per Calculation Amount payable on the Interest Payment Date falling [in/on] [•]]/[Not Applicable]
 - (vii) Reset Reference Rate: [Mid-Swap Rate] [and] [Reference Bond Rate] [as the fallback Reset Reference Rate to the Mid-Swap Rate]
 - (viii) First Reset Date: [•]
 - (ix) Subsequent Reset Date(s): [•] [and [•]]
 - (x) [Mid-Swap Rate:: [Single Mid-Swap Rate/Mean Mid-Swap Rate]
 - (a) [Mid-Swap Maturity: [•]]

⁵ For Tier 2 Capital Notes, the Subsequent Margin shall be equal to the First Margin.

- (b) [Mid-Swap Floating Leg Benchmark Rate: *[insert period of time e.g. 3 months]* [EURIBOR/LIBOR]]
- (c) Relevant Screen Page: [•]
- (xi) [Reference Bond Rate: [Applicable] / [Not Applicable]
- (a) [Reset Reference Bond: [•]]
- (xii) Reset Determination Time: [•] [As specified in the Conditions]
- (xiii) Reference Banks: [•]
- (xiv) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond basis / 30E/360(ISDA)]
- (xv) Reset Determination Dates: [[•] in each year]/[The provisions in the Conditions apply]
- (xvi) Principal Financial Centre: [•]
- (xvii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Principal Paying Agent]): [[•] shall be the Calculation Agent]
- (xvii) Benchmark Duration: [•][Not Applicable]
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable delete the remaining sub-paragraphs of this paragraph)*
- (i) Specified Period: [•]
- (ii) Specified Interest Payment Dates: [•] in each year
- (iii) First Interest Payment Date: [•]
- (iv) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Modified Business Day Convention/Preceding Business Day Convention/FRN Convention/Eurodollar Convention/No Adjustment]/[Not Applicable]
- (v) Additional Business Centre(s): [Not Applicable/[•]]
- (vi) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vii) Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the Principal Paying Agent): [[•] shall be the Calculation Agent]
- (viii) Screen Rate Determination:
- Reference Rate: *[insert period of time e.g. 3 months]* [EURIBOR/LIBOR/SONIA]
 - Reference Banks: [•]

- Interest Determination Date(s): [•] / [•] London Banking Days prior to the end of each Interest Period]
 - "p": [5] / [•] London Banking Days
 - Relevant Screen Page: [•]
 - Relevant Time: [•]
 - Relevant Financial Centre: [•]
- (ix) ISDA Determination:
- Floating Rate Option: [•]
 - Designated Maturity: [•]
 - Reset Date: [•]
 - ISDA Benchmarks Supplement: [Applicable/Not Applicable]
- (x) Linear Interpolation: [Not Applicable/Applicable – the Rate of Interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (*specify for each short or long interest period*)]
- (xi) Margin(s): [+/-][•] per cent. per annum
- (xii) Minimum Rate of Interest: [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [•] per cent. per annum
- (xiv) Day Count Fraction: [30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond basis / 30E/360(ISDA)]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [•] per cent. per annum
 - (ii) Reference Price: [•]
 - (iii) Day Count Fraction in relation to Early Redemption Amount: [30/360 / Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30E/360 / Eurobond basis / 30E/360(ISDA)]

PROVISIONS RELATING TO REDEMPTION

18. Call Option [Applicable/Not Applicable]
- (i) Optional Redemption Date(s) (Call): [•]
 - (ii) Optional Redemption Amount (Call) of each Note: [•] per Calculation Amount/Make Whole Redemption Amount
 - (iii) Make Whole Redemption Amount: [Applicable/Not Applicable]
 - [(a) Redemption Margin: [•] per cent.

| | | |
|-----|--|---|
| | [(b) Reference Bond: | [•] |
| | [(c) Quotation Time: | [•] |
| | [(d) Relevant Make Whole Screen Page: | [•] / [Not Applicable] |
| | [(e) Reference Date: | [•] / [as per the Conditions] |
| | (iv) Series redeemable in part: | [[Yes; [•] per cent. of the Aggregate Nominal Amount of the Notes may be redeemed on [each][the] Optional Redemption Date (Call)] / [No]] |
| | (v) If redeemable in part: | |
| | Minimum Redemption Amount: | [•] per Calculation Amount |
| | Maximum Redemption Amount | [•] per Calculation Amount |
| | (vi) Notice period: | [•] / As per the Conditions |
| 19. | Put Option | [Applicable/Not Applicable] |
| | (i) Optional Redemption Date(s) (Put): | [•] |
| | (ii) Optional Redemption Amount (Put) of each Note: | [•] per Calculation Amount |
| | (iii) Notice period: | [•] / As per the Conditions |
| 20. | Final Redemption Amount of each Note | [•] per Calculation Amount |
| 21. | Optional Redemption Amount (Regulatory Event) | [[•] per Calculation Amount/Not Applicable] |
| 22. | Optional Redemption Amount (MREL Disqualification Event) | [[•] per Calculation Amount/Not Applicable] |
| 23. | Early Redemption Amount (Tax) | [[•] per Calculation Amount/Not Applicable] |
| 24. | Early Termination Amount | [[•] per Calculation Amount/Not Applicable] |
| 25. | Unmatured Coupons | Condition 12(f) is [applicable/ not applicable] |

GENERAL PROVISIONS APPLICABLE TO THE NOTES

| | | |
|-----|----------------|---|
| 26. | Form of Notes: | Bearer Notes: |
| | | [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] |
| | | [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice] |
| | | [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note] |

27. New Global Note: [Yes] [No]
28. Additional Financial Centre(s): [Not Applicable/[•]]
29. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of [**Permanent TSB Group Holdings p.l.c. / permanent tsb p.l.c.**]:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Admission to Trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of Euronext Dublin with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the regulated market of the Euronext Dublin with effect from [•].] [Not Applicable.]

(When documenting a fungible issue need to indicate that original Notes are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

The Notes to be issued [have [not] been/are expected to be] rated[:

[S&P Global Ratings Europe Limited ("**Standard & Poor's**")]: [•]]

[Moody's Investors Service Ltd ("**Moody's**")]: [•]]

[[Other]: [•]]

[Insert a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]

Option 1 - CRA established in the EEA or in the UK and registered under the CRA Regulation

[[Each of] [Standard & Poor's,] [Moody's] [and [•]] is established in the EEA or in the UK and registered under Regulation (EU) No.1060/2009, as amended (the "**CRA Regulation**")].]

Option 2 - CRA established in the EEA or in the UK, not registered under the CRA Regulation but has applied for registration

[[•] is established in the EEA or in the UK and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].]

Option 3 - CRA established in the EEA or in the UK, not registered under the CRA Regulation and not applied for registration

[[•] is established in the EEA or in the UK and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended

(the "CRA Regulation").]

Option 4 - CRA not established in the EEA or in the UK but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[[•] is not established in the EEA or in the UK but the rating it has given to the Notes is endorsed by [•], which is established in the EEA or in the UK and registered under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").]

Option 5 - CRA is not established in the EEA or in the UK and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[[•] is not established in the EEA or in the UK but is certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation").]

Option 6 - CRA neither established in the EEA or in the UK nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[[•] is not established in the EEA or in the UK and is not certified under Regulation (EU) No 1060/2009, as amended (the "CRA Regulation") and the rating it has given to the Notes is not endorsed by a credit rating agency established in the EEA or in the UK and registered under the CRA Regulation.]

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER]**

(Need to include a description of any interest, including a conflict of interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:)

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking 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)*

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 23 of the Prospectus Regulation.)]

4. **[Fixed Rate Notes only – YIELD]**

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.]

5. **OPERATIONAL INFORMATION**

ISIN: [•]

Common Code: [•]

CFI: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

FISN: [[See/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN/Not Applicable/Not Available]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [•]

Relevant Benchmark[s]: [[*specify benchmark*] is provided by [*administrator legal name*]][*repeat as necessary*]. As at the date hereof, [[*administrator legal name*][appears]/[does not appear]][*repeat as necessary*] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (*Register of administrators and benchmarks*) of the Benchmark Regulation/[As far as the Issuer is aware, as at the date hereof, [*specify benchmark*] does not fall within the scope of the Benchmark Regulation]/ [As far as the Issuer is aware, the transitional provisions in Article 51 of Regulation (EU) 2016/1011, as amended apply, such that [*name of administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union or the United Kingdom, recognition, endorsement or equivalence)]/ [Not Applicable]

[Intended to be held in a manner which would allow Eurosystem eligibility:

[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intraday 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 Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intraday 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.]

6. DISTRIBUTION

- (i) Method of Distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated:
 - (a) Names of Dealers: [•]
 - (b) Stabilising Manager(s) (if any): [Not Applicable/[•]]
- (iii) If non-syndicated, name of Dealer: [Not Applicable/[•]]
- (iv) U.S. Selling Restrictions: [Reg. S Compliance Category 2]; TEFRA C/TEFRA D/TEFRA not applicable]
- (v) [Prohibition of Sales to EEA or UK Retail Investors: [Applicable/Not Applicable]

(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products, "Applicable" should be specified.)

7. USE AND ESTIMATED NET AMOUNT OF PROCEEDS

[•]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

Each Global Note will be in bearer form. Consequently, in relation to any Tranche of Notes represented by a Global Note, references in the Terms and Conditions of the Notes to "Noteholder" are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note (each an "**Accountholder**") must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the relevant Issuer to the bearer of such Global Note and in relation to all other rights arising under the Global Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by the Global Note, Accountholders shall have no claim directly against the relevant Issuer or in respect of payments due under the Notes and such obligations of the relevant Issuer will be discharged by payment to the bearer of the Global Note.

Conditions applicable to Global Notes

Each Global Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the relevant Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the relevant Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note, shall be: if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Exercise of put option: In order to exercise the option contained in Condition 10(e) (*Redemption at the option of Noteholders*) the bearer of the Permanent Global Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Principal Paying Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(b) (*Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note may be redeemed in part in the principal amount specified by the relevant Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are) deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system

and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, except that, for so long as such Notes are listed, quoted and/or traded on or by a competent listing authority, stock exchange and/or quotation system and it is a requirement of applicable law or regulations, such notices shall also be published in accordance with the requirements of such competent listing authority, stock exchange and/or quotation system.

DESCRIPTION OF THE BUSINESS OF THE GROUP

Group Overview

The Group is a significant provider of retail financial services in the Irish domestic banking market. It offers a broad range of banking products and financial services to its customers including current accounts, retail and corporate and institutional deposits, residential mortgages, term loans, credit cards and overdrafts as well as general insurance, pensions, investments and life insurance (through a bancassurance arrangement).

As at 30 June 2020, the Group held €20.7 billion of assets. Funding for the Group comprises a mix of sources including retail deposits and current accounts, corporate and institutional deposits, wholesale funding (funding sources secured on Republic of Ireland mortgages), together with €1.9 billion of equity (as at 30 June 2020). The Group produced net interest income of €356 million in the year ending 31 December 2019 and €171 million in the six months ending 30 June 2020. The Group reported an operating loss before taxation of €57 million for the six months ending 30 June 2020, compared to an operating profit before taxation of €28 million for the six months ended 30 June 2019.

The Group estimates that it holds the third largest customer market share in the Republic of Ireland for its key products: retail deposits and residential mortgages, and is supported by a track record of product innovation, including the only current account in Ireland with the ability to earn cash rewards for using debit cards and by paying specific companies by direct debit and multiple LTV-linked pricing points for mortgages. The Group has a customer franchise built over more than a hundred years, with an established consumer brand. The Group has 76 branches in the Republic of Ireland, distributed widely to provide national coverage, and serving approximately 1.1 million individual customers (out of a population of approximately 4.8 million). In addition to its branch services, the Group operates through four other channels: mobile and telephony, online, automated teller machines and a network of intermediaries. As at 30 June 2020, the Group had approximately 2,465 full time equivalent employees in Ireland.

Since 2012, the Group has undergone a transformation, including taking steps to increase financial resilience such as improving provision coverage, taking measures aimed at reducing reliance on Eurosystem funding and increasing stable deposit funding, streamlining the cost base and closing the pension funding gap. Furthermore, the Group has rebuilt its corporate governance foundation, strengthened its credit risk capabilities, created a highly effective arrears management capability, re-launched the 'permanent tsb' brand with new products and returned to lending which has enabled the Group to re-establish market share.

Information on the Issuers

PTSB Holdings was incorporated on 24 August 2009 as a public limited company and is registered in Ireland with registered number 474438 under the laws of Ireland. The registered office of PTSB Holdings is at 56-59 St. Stephens Green, Dublin 2 (Tel: +353 (0)1 669 5000). PTSB Holdings operates under the Irish Companies Act 2014.

PTSB was incorporated on 21 September 1994 as a public limited company in Ireland under registration number 222332 under the laws of Ireland and was then called Irish Permanent p.l.c. In April 1999, PTSB acquired Irish Life p.l.c. and changed its name to Irish Life & Permanent p.l.c. In April 2001, PTSB acquired TSB Bank and in 2002 launched the permanent tsb brand following the merger of the Group's TSB and Irish Permanent banking units. The registered office of PTSB is at 56-59 St. Stephens Green, Dublin 2 (Tel: +353 (0)1 669 5000). PTSB operates under the Irish Companies Act 2014.

Organisational Structure

PTSB Holdings is the holding company of the Group. PTSB Holdings operates solely as a holding company, and all of the operations of the Group are conducted through its subsidiaries. The principal operating subsidiary of PTSB Holdings is PTSB.

| Group company and Place of Incorporation | Company's direct holding and holding of voting rights | Nature of business |
|---|--|-----------------------------|
| permanent tsb p.l.c. | 100 per cent. | Retail banking and mortgage |

Incorporated in Ireland

All voting rights

lending

PTSB offers a broad range of banking products and services including current account, retail deposits, residential mortgages, term loan, credit cards, overdrafts and general insurance as well as pensions, investments, and life insurance (through a bancassurance arrangement).

History and Development of the Group

The Group has a long history of supporting savers and borrowers in Ireland, having been part of the Irish banking landscape for 130 years. The Group's origin traces back to the formation in 1884 of the mutually owned institution that became known as Irish Permanent Building Society. Over a century later, in 1994, the Irish Permanent Building Society demutualised and converted to a public company called Irish Permanent p.l.c and was listed on the Irish and London Stock Exchanges. In 1999, Irish Permanent p.l.c. acquired Irish Life Group Limited, a life assurance and pension provider, to form Irish Life & Permanent Group. As both a bank and holding company for the new group, Irish Permanent p.l.c. changed its name to Irish Life & Permanent p.l.c. Irish Life & Permanent p.l.c. acquired TSB Bank in 2001, and the Group's rebranded retail banking operation, 'permanent tsb', was launched in 2002.

From 2003 to 2008, the Group's lending book grew quickly, in line with the rapidly expanding market. However, in response to increased competition and a fall in market share in 2004 and 2005, the Group reduced mortgage margins, including on trackers linked to the ECB Base Rate. The mortgages were funded predominantly through the wholesale funding markets.

As the global financial system, including in Ireland and the UK, started experiencing difficulties, the Group began to experience severe funding and liquidity challenges. As access to international credit tightened and corporate and institutional deposits were lost, the Group needed to replace wholesale funding with a substantial amount of Eurosystem funding to cover its funding shortfall.

On 15 January 2010, PTSB Holdings became the holding company of the Group. This saw PTSB become a wholly owned subsidiary of PTSB Holdings.

Since 2011, the Group has been subject to oversight and review by the European Commission under European Union (EU) State Aid rules as a result of the financial support it received from the Irish State during the financial crisis. As part of the review, a restructuring plan (the "**Restructuring Plan**") was prepared by the Group and was approved by the European Commission in April 2015.

Following the Single Supervisory Mechanism's Stress Test of the Group in October 2014, the Group undertook to raise the capital required to meet the shortfall identified (the "**Capital Raise**"). The Capital Raise was completed in April 2015 with a total of €525 million raised and, subsequently the Group's shares were re-listed on the main Irish and London Stock Exchanges. The completion of the Capital Raise also enabled the Group to repay the €400 million Contingent Capital Notes held by the Irish State. The State also sold an additional 21.8 million shares in the Group which returned another approximately €100 million to the tax payer. Following the conclusion of the restructuring period, the Group has now exited the Restructuring Plan.

Group Governing Objective and Strategy

The Group's purpose is to work hard every day to build trust with our customers – we are a community serving the community. The Group's ambition is to be Ireland's best personal and small business bank, which will be delivered by focusing on our strategic priorities.

The Group's priorities are as follows:

Increasing Trust, Advocacy and Loyalty amongst Customers: Focus on building the trust and advocacy of our customers by enhancing Customer Journeys, leveraging Digital Capabilities and repositioning our Brand amongst the Irish public, while focusing on the Group's absolute commitment to fair customer outcomes in all instances.

Enhancing Digital Capabilities: Continue to build a digital first, omnichannel bank, ensuring that the Group maintains relevance in the market, and realising all the benefits of an increasingly digitised environment.

Embedding an open and inclusive growth Culture: Foster a high-performance, risk aware diverse and inclusive culture, where all colleagues feel valued.

Simplifying our business: Review the Group's Operating Model to reduce complexity and deliver greater capability and efficiency.

Growing sustainable Profitability: Grow revenue through diversified income streams, reduce costs year on year through the Group's Transformation Programme and ensure strategic capital and resource allocation.

Directors, Company Secretary and Senior Executives

The business of the Issuers is managed by the Directors, each of whose business address is 56-59 St. Stephen's Green, Dublin 2 (Tel: +353 (0)1 669 5000).

The Directors, their positions and dates of appointment are as follows:

| Name | Position | Date of appointment |
|-----------------------|--|----------------------------|
| Robert Elliott | Non-executive Group Chairman | 31/03/2017 |
| Eamonn Crowley | Chief Executive Officer | 22/06/2020 |
| Mike Frawley | Group Chief Risk Officer | 29/10/2019 |
| Ken Slattery | Independent Non-Executive Director | 30/08/2013 |
| Marian Corcoran | Independent Non-Executive Director | 24/09/2019 |
| Ronan O'Neill | Independent Non-Executive Director and Senior Independent Director | 26/07/2016 |
| Andrew Power | Independent Non-Executive Director | 26/09/2016 |
| Donal Courtney | Independent Non-Executive Director | 03/10/2018 |
| Ruth Wandhöfer | Independent Non-Executive Director | 30/10/2018 |

The Company Secretary is Conor Ryan.

The Senior Executives (other than the Executive Directors), their positions and dates of appointment are as follows:

| Name | Position | Date of appointment to current position |
|------------------------|---------------------------------|--|
| Paul McCann | Interim Chief Financial Officer | 25/09/2020 |
| Ger Mitchell | Group Human Resources Director | 04/05/2017 |
| Breege Timoney | Product Assurance Director | 04/05/2017 |
| Shane O'Sullivan | Group Director of Operations | 23/03/2017 |
| Paul Redmond | Head of Group Internal Audit | 01/06/2012 |
| Andrew Walsh | Group Legal Counsel | 01/10/2014 |
| Tom Hayes | Chief Technology Officer | 20/10/2017 |
| Patrick Farrell | Retail Banking director | 01/12/2018 |

Conflicts of Interest

No Director or Senior Executive has any potential conflict of interest between their duties to the Issuers and their private interests or other duties.

Other Directorships and Partnerships

Directors

| Director Name | Current Directorships |
|----------------------|---|
| Robert Elliott | Global Sustainability Trust plc Saranac Partners Limited Tonbridge School St. Augustine's Chapel Charity Windship Technology Limited Royal Yacht Squadron Racing Limited |
| Eamonn Crowley | None |
| Mike Frawley | None |
| Ken Slattery | National Shared Services Office Oaklee Housing Choice Housing Ireland Ltd (Northern Ireland) Acorn Housing Home Building Finance Ireland Home Building Finance Ireland (Lending) DAC |
| Marian Corcoran | Industrial Development Authority M C2 Change Limited |
| Andrew Power | Andrew Power Consultancy Limited The Tennis & Rackets Association Limited |
| Ronan O'Neill | Woodlands Advisers Limited |
| Donal Courtney | Unicredit Bank Ireland Public Limited Company Dell Bank International DAC Iput PLC Iput Asset Services Limited |
| Ruth Wandhöfer | London Stock Exchange Group Plc Pendo Systems Inc Leximar Limited |

Corporate Governance and Board Practices

Compliance with the UK Code and the Irish Annex

Following the admission of PTSB Holdings' ordinary shares to the Irish Official List and the Official List of the FCA, the UK Corporate Governance Code 2016 (the "**UK Code**") and the Irish annex to the UK

Code (the "**Irish Annex**") apply to the Group (in addition to compliance with the CBI Code, as discussed below). The Directors intend to operate in compliance with the relevant requirements and procedures as set out by the UK Code and the Irish Annex and in any circumstances where the Group does not so comply, to explain within the Group's annual report the reasons why it has chosen not to comply with a particular provision. The UK Code sets out standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relations with shareholders. The Irish Annex contains additional guidance for companies listed on the regulated market in Dublin as to the manner in which such companies should comply with the UK Code. Through their annual report, listed companies are required to report on how they have applied the main principles of the UK Code for the prior financial year, and either to confirm that they have complied with their provisions or, where they have not, to provide an explanation.

Central Bank of Ireland Corporate Governance Code (the "CBI Code")

The CBI Code sets out minimum statutory requirements on how banks and insurance companies in Ireland should organise the governance of their institutions. The purpose of these rules is to ensure that robust governance arrangements are in place so that appropriate oversight exists to avoid or minimise the risk of a future financial crisis. The CBI Code includes provisions on the membership of the Board, the role and responsibilities of the Group Chairman and other directors and the operation of various board committees.

The CBI Code adopts a two tier approach by imposing minimum core standards upon the boards of directors of banks in general with additional requirements defined for firms that the Central Bank designates as major institutions. PTSB has been designated as a major institution under the CBI Code.

Board Governance Structure

The Board is responsible for setting, approving and overseeing the implementation of the overall business strategy taking into account the Group's long-term financial interest and solvency. The Board meets as often as is required to satisfy its own legal, regulatory or main market listing obligations. The Board and the board of PTSB consist of the same Directors.

The Board of Directors

The board is responsible for ensuring that the Group is performing against agreed corporate strategy, that the board and Senior Executives conform to effective, prudent and ethical standards of corporate governance and that risk and compliance is properly managed.

The board retains primary responsibility for corporate governance within the Group at all times. The board may delegate authority to sub-committees or management to act on its behalf but cannot abrogate responsibility for functions delegated.

As members of a unitary board, all Directors have the same legal and fiduciary responsibilities. The board as a whole is collectively responsible for the success of the Group in accordance with its stated objectives. All Directors must take decisions objectively in the interests of the Group.

Board Committees

The board of PTSB Holdings has established four committees: the Audit Committee, the Risk and Compliance Committee, the Remuneration Committee, and the Nomination, Culture and Ethics Committee. The duties and responsibilities of each of these committees are set out clearly in written terms of reference, which have been approved by the board.

All committees are composed of Non-Executive Directors, all of whom are considered by the board to be independent. Membership, the chairmanship and the terms of reference of each committee are reviewed annually. In accordance with the terms of the CBI Code, the Group Chairman is not a member of the Audit Committee.

Audit Committee

Members: Donal Courtney (chairman), Ken Slattery, Andrew Power

The Audit Committee is composed of Independent Non-Executive Directors. Neither the Group Chairman nor the CEO is a member of the Audit Committee. The board requires that the chairman of the Audit Committee has recent and relevant financial experience. The chairman of the Audit Committee is responsible for leadership of the Audit Committee and for ensuring its effectiveness. The members of the Audit Committee meet on their own at the start of each meeting and subsequent attendance by the CEO, CFO, Group Chairman and others is by invitation only and managed to ensure the on-going independence of the Audit Committee. The board requires that a minimum of one member is common to the Audit Committee and the Board Risk and Compliance Committee. On an annual basis the Audit Committee reviews its own terms of reference and its own effectiveness and recommends changes considered necessary to the board.

The Audit Committee monitors the effectiveness and adequacy of internal control, internal audit and IT systems and reviews the effectiveness of risk management procedures, in addition to reviewing the integrity of PTSB Holdings' internal financial controls. The Audit Committee reviews the arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

The Audit Committee monitors the integrity of the financial statements of PTSB Holdings, reviewing significant financial reporting judgements contained therein, to ensure that they give a "true and fair view" of the financial status of PTSB Holdings and to recommend to the board whether to approve the annual and half-year reports.

In considering the fairness, balance and clarity of the annual report, the Audit Committee have regard to the significant issues relating to the financial statements. Each of these significant issues is discussed in the Audit Committee's meeting with the external auditors.

Risk and Compliance Committee

Members: Ronan O'Neill (chairman), Marian Corcoran, Donal Courtney, Ruth Wandhöfer

The Board Risk and Compliance Committee is responsible for monitoring adherence to the Group risk appetite statement. Where exposures exceed levels established in the appetite statement, the Board Risk and Compliance Committee is responsible for developing appropriate responses. This is facilitated by the periodic review of a key risk indicators report calibrated to the risk appetite statement.

The Board Risk and Compliance Committee, in turn, delegates responsibility for the monitoring and management of specific risks to committees that are accountable to it. These committees are the Group Risk Committee, the Group Credit Committee and the Assets and Liabilities Committee. The terms of reference for each committee, whose membership is drawn from Group senior management, are reviewed regularly by the Board Risk and Compliance Committee.

The board ensures that the chairman of the Board Risk and Compliance Committee has relevant risk management and / or compliance experience.

The Board Risk and Compliance Committee has responsibility for oversight and advice to the board on risk governance, the current risk exposures of the Group and future risk strategy, including strategy for capital and liquidity management, the setting of compliance policies and principles and the embedding and maintenance throughout the Group of a supportive culture in relation to the management of risk and compliance.

The Board Risk and Compliance Committee supports the board in carrying out its responsibilities for ensuring that risks are properly identified, reported, assessed and controlled, and that the Group's strategy is consistent with the Group's risk appetite.

Remuneration Committee

Members: Ken Slattery (Chairman), Robert Elliott, Andrew Power, Ruth Wandhöfer, Marian Corcoran

The Remuneration Committee considers all aspects of the performance and remuneration of Executive Directors and senior executives and sets the remuneration of these executives, having consulted with the Group Chairman, the Group CEO and the other Non-Executive Directors. The Remuneration Committee also has responsibility for setting the remuneration of the Group Chairman (without the Group Chairman being present) and the Group CEO. In addition, the Remuneration Committee has responsibility for general oversight of reward policy to ensure its efficacy and compliance with legal and regulatory requirements.

Nomination, Culture and Ethics Committee

Members: Robert Elliott (Chairman), Ronan O'Neill, Donal Courtney

The Nomination Committee is charged with responsibility for bringing recommendations to the Board regarding the appointment of new Directors and of a new Group Chairman. The Group Chairman does not attend the Nomination Committee when it is dealing with the appointment of a successor to the Group Chairman. Decisions on board appointments are taken by the full board. All Directors are subject to re-appointment by election by the shareholders' at the first opportunity after their appointment.

The Nomination Committee keeps under review the leadership needs of the Group, both Executive and Non-Executive, with a view to ensuring the continued ability of the Group to compete effectively in the marketplace. The Nomination Committee is also responsible for reviewing the effectiveness of the board's operations, including the chairmanship and composition of board committees.

Internal Controls

The board is responsible for maintaining PTSB Holdings' system of internal control and risk management in order to safeguard PTSB Holdings' assets. Such a system is designed to identify, manage and mitigate financial, operational and compliance risks inherent to PTSB Holdings. The system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Group's internal control procedures are designed to safeguard the Group's net assets, support effective management of the Group's resources, and provide reliable and timely financial reporting both internally to management and those charged with governance and externally to other stakeholders. They include the following:

- an organisational structure with formally defined lines of responsibility and delegation of authority;
- established systems and procedures to identify control and report on key risks. Exposure to these risks will be monitored mainly by the Board Risk and Compliance Committee through the operations of the committees accountable to it. These committees include the Group Risk Committee, the Group Credit Committee and the Assets and Liabilities Committee. The terms of reference of these committees, whose members are drawn from Group senior management, are reviewed regularly by the Board Risk and Compliance Committee;
- the preparation and issue of financial reports, including the consolidated annual report is managed by the Group finance department with oversight from the Audit Committee. The Group's financial reporting process is controlled using documented accounting policies and reporting formats issued by the Group finance department to all reporting entities (including subsidiaries) within the Group in advance of each reporting period end. The Group finance department supports all reporting entities with guidance in the preparation of financial information. The process is supported by a network of finance managers throughout the Group, who have responsibility and accountability to provide information in keeping with agreed policies, including the completion of reconciliations of financial information to processing systems. Its quality is underpinned by arrangements for segregation of duties to facilitate independent checks on the integrity of financial data. The financial information for each entity is subject to a review at reporting entity and Group level by senior management. The half year and annual report are also reviewed by the Audit Committee in advance of being presented to the board for their review and approval;

- comprehensive budgeting systems are in place with annual financial budgets prepared and considered by the board. Actual results are monitored and there is regular consideration by the board of progress compared with budgets and forecasts;
- there are clearly defined capital investment control guidelines and procedures set by the board;
- responsibilities for the management of credit, investment and treasury activities are delegated within limits to line management. In addition, Group and divisional management have been given responsibility to set operational procedures and standards in the areas of finance, tax, legal and regulatory compliance, human resources and information technology systems and operations;
- Group Internal Audit is responsible for the independent assessment of the Group's corporate governance, risk management and internal control processes. The head of Group Internal Audit reports directly to the Board of Directors through the Audit Committee;
- the Audit Committee reviews the scope and nature of the work of Group Internal Audit on an on-going basis to confirm its independence;
- compliance in the Group is controlled centrally under the Chief Risk Officer. The Chief Risk Officer reports independently to the Group CEO and to the chairman of the Board Risk and Compliance Committee and has direct access to the Board Risk and Compliance Committee; and
- there is a risk management framework in place in each business throughout the Group whereby Executive management reviews and monitors, on an on-going basis, the controls in place, both financial and non-financial, to manage the risks facing that business.

Management Committees

The board retains primary responsibility for corporate governance within the Group at all times. The board has reserved for itself a documented schedule of matters for its own approval. The board delegates executive responsibility to the Group CEO for the Group's operations, compliance and performance. The Group CEO is the principal executive accountable to the board for the day to day management of the Group and also serves as the main link between the board and the Group's operational units. With approval from the board, the Group CEO has established a number of management committees through which the Group's day to day operations, compliance and performance are managed and controlled.

Capital Management and Capital Adequacy

Capital adequacy, and its effective management, is critical to the Group's ability to operate its businesses and to pursue its strategy. The Group's business and financial condition could be materially adversely affected if the amount of capital available to the Group is insufficient to cover its business risks and support its market strategy and regulatory requirements. This could arise due to a number of factors including, without limitation (i) materially worse than expected financial performance (for example reductions in earnings as a result of impairment charges); (ii) increases in Risk Weighted Assets; (iii) an increase in the minimum regulatory capital requirements imposed on the Group or an amendment to the manner in which existing regulatory capital is calculated; and/or (v) amendments to the regulatory criteria for instruments that qualify as regulatory capital and/or the capital to which those instruments are allocated.

PTSB carries out the banking activities of the Group and is regulated by the Central Bank.

The core objective of the PTSB capital management policy is to ensure it complies with regulatory capital requirements and maintains sufficient capital to cover its business risks and support its market strategy. PTSB goes through a rigorous process of ICAAP to ensure that it is adequately capitalised against the inherent material risks to which its business operations are exposed and to maintain an appropriate level of capital to meet the minimum regulatory capital requirements. The ICAAP is subject to the review and evaluation by the CBI.

The management of capital within the Group is monitored by the Board Risk and Compliance Committee, the Executive Committee, the Capital Adequacy Committee and the Assets and Liabilities Committee in accordance with a Board approved policy.

The European Commission published an amendment to the Capital Requirements Regulation on 28th April 2020 ("**the CRR quick fix**") to bring forward certain changes made to the CRR announced in 2019 as part of the EU Banking Reforms ("**CRR2**") in light of the challenges posed to the banking sector by the current COVID-19 crisis. Other amendments not contained in CRR2 were also announced to provide further flexibility to banks in meeting capital requirements. The European Parliament voted to approve these measures, which contain some amendments to the original text, on 18th June 2020. The key measures in the CRR quick fix include an extension of the IFRS 9 transitional arrangements by 2 years, the introduction of a prudential filter on sovereign bonds held at fair value and the acceleration of CRR2 amendments to exempt certain software assets from capital deduction and to revise the SME supporting factors. The Basel Committee has also announced a delay by one year in the implementation of revisions to the Basel Framework for Credit Risk, Credit Valuation Adjustment ("**CVA**") and Operational Risk. These changes are expected to form part of CRR 3 in the EU with an expected application date of 1 January 2023 as opposed to an application date of 1 January 2022 expected pre COVID-19. The Group monitors these changes and other emerging developments as they relate to regulatory capital to ensure compliance with all requirements when applicable.

The CBI has provided additional flexibility to banks under its direct supervision when meeting its capital requirements. This includes:

- allowing banks to use Additional Tier 1 and Tier 2 capital to partially meet Pillar 2 Requirements ("**P2R**"), bringing forward a measure due to be implemented in January 2021 as part of the amendments to the CRD;
- announcing a reduction in the countercyclical capital buffer ("**CCyB**") rate on Irish exposures to 0% at the beginning of April 2020; and
- allowing banks to operate temporarily below the level of capital defined by the Pillar 2 Guidance ("**P2G**") and the capital conservation buffer ("**CCB**").

The Group's Common Equity Tier1 (CET1) minimum Supervisory Review & Evaluation Process ("**SREP**") requirement of 8.94% comprises a Pillar 1 Requirement of 4.50%, Pillar 2 Requirement of 1.94%, Capital Conservation Buffer (CCB) of 2.5% and CCyB of 0%. The Group's total capital minimum SREP requirement is 13.95% at 30 June 2020 (compared to 14.95% at 31 December 2019). The reduction in SREP Requirement is due to the reduction of the CCyB from 1% to 0% in April 2020 and the introduction of the CRD V amendments in May 2020 which permits banks to meet a portion (up to 44%) of their P2R with non-CET1 capital (i.e. Tier1 and Tier2 capital) reducing CET1 requirements by 1.51%.

At 30 June 2020, the Group's regulatory transitional CET1 was 16.5% (compared to 17.6% at 31 December 2019) and Total Capital ratio was 17.9% (compared to 19.1% at 31 December 2019), exceeding the Group's 2020 minimum SREP requirements of 8.94% and 13.95% respectively. On a fully loaded basis, the CET1 ratio was 13.9% (compared to 14.6% at 31 December 2019) and the Total Capital ratio was 15.5% (compared to 16.3% at 31 December 2019). The reduction in capital ratios in the first half of 2020 was primarily driven by an impairment charge (€75m). The leverage ratio on a fully loaded and transitional basis amounted to 7.2% and 8.3% respectively at 30 June 2020 (compared to 7.8% and 9.1% at 31 December 2019).

General Regulation and Supervision

Banking activities in Ireland are regulated and supervised by the ECB under the SSM Regulation, the Central Bank Acts and related legislation and in respect of matters falling outside the scope of the SSM Regulation by the Central Bank under the Central Bank Acts and related legislation. Under the SSM Regulation the ECB is responsible for all core banking supervisory responsibilities which includes authorisations, capital adequacy, large exposures, liquidity and qualifying holdings for those firms that it regulates. The Group was initially directly supervised by the ECB through the Joint ECB/CBI Supervisory Team but has as the Group did not meet any of the significant criteria for three consecutive years, a decision was taken to categorise the Group as a LSI. Therefore, with effect from 1 January 2019, the Group became subject to direct supervision by the CBI as the National Competent Authority. The ECB is responsible for the oversight of the supervision of less significant banks performed by national supervisors and therefore PTSB continues to be within the remit of the SSM. Under the SSM, the Central Bank remains responsible in Ireland for all areas of supervision not allocated to the ECB under the SSM Regulation, including conduct of business rules and the protection of customer interests.

The Irish banking regulatory rules are primarily set out in the Central Bank Acts, CRD IV, regulations made by the Minister for Finance under the European Communities Act 1972 and regulatory notices and regulations issued by the Central Bank. These regulations and regulatory notices implement in Ireland the EU directives relating to banking regulation, including the CRD and the EU Deposit Guarantee Scheme Directive and give further effect in Ireland to EU regulations (which have direct legal effect).

PTSB holds a bank licence granted under the Central Bank Act, 1971.

Major Shareholders

The only shareholders who, directly or indirectly, are interested in 3 per cent. or more of PTSB Holdings' capital are listed in the table below:

| Name of shareholder | Interest | Date notified |
|---------------------------------|--------------------------------------|----------------------|
| Minister for Finance of Ireland | 74.92 per cent. (340,661,653 shares) | 5 May 2015 |
| Janus Henderson Group | 3.77 per cent. (17,181,881 shares) | 31 May 2017 |

None of the above-named shareholders have different voting rights to the other holders of ordinary shares. Other than the Minister of Finance of Ireland, PTSB Holdings is not aware of any persons who, directly or indirectly, jointly or severally, exercises or could exercise control over the Group, nor is it aware of any arrangement, the application of which would, at a subsequent date, result in a change of control of PTSB Holdings.

Material Contracts

The following is a summary of the material contracts (other than contracts entered into in the ordinary course of business) which have been entered into by the Issuers which may be material to their ability to meet their obligations in respect of the Notes.

Relationship Framework

On 29 March 2012, a relationship framework was specified by the Minister for Finance (the "**Relationship Framework**"), which provides the basis under which the relationship between the Minister for Finance and the Group is governed. It provides for safeguards as to the separate management of each of the State's interests in Irish credit institutions (including its interest in PTSB through the Group) in order to ensure that those interests, and the management of those interests, do not lead to a prevention, restriction or distortion of competition in contravention of merger control or competition law rules. The Minister for Finance agreed to an amended Relationship Framework on 23 April 2015 (the "**Amended Relationship Framework**").

Under the terms of the Amended Relationship Framework, the Minister for Finance expects the Board and management team of the Group to conduct the Group's commercial operations in a prudent and sustainable manner which seeks to create a commercially oriented credit institution that recognises the need to encourage and enforce implementation of lessons learned from the financial crisis. The Minister for Finance recognises that the Group remains a separate economic unit with independent powers of decision and that its Board and management team retain responsibility and authority for determining the Group's strategy and commercial policies (including business plans and budgets) and conducting its day-to-day operations. The Minister for Finance will ensure that the investment in the Group is managed on a commercial basis and will not intervene in day-to-day management decisions of the Group (including with respect to pricing and lending decisions). Transactions and arrangements between the Group and the Minister for Finance will be conducted at arm's-length and on normal commercial terms. The Minister will engage with PTSB Holdings, including in respect of the manner in which he exercises his voting rights, in accordance with best institutional practice in a manner proportionate to the shareholding interest of the State in PTSB Holdings. The views of the Minister for Finance and the Department of Finance are expected to be appropriately considered by the Group as part of any consultation process under the Amended Relationship Framework. However, the Board and management team have full responsibility and authority for determining the Group's strategy and commercial policies. The Amended Relationship Framework also provides that the Minister for Finance and the Group will review the Amended Relationship Framework from time to time.

The Amended Relationship Framework also imposes restrictions on the Group undertaking certain actions without, where specified providing information to, consulting with, or obtaining the consent of the Minister. The principal restrictions include, *inter alia*, the following:

- (i) the Group is required to provide a copy of its draft business plan to the Minister before the business plan is finalised but it is noted that ultimate and final responsibility for the contents of the business plan rests with the Board;
- (ii) the Board is required to consult with the Minister before appointing, removing or reappointing a chairman or a CEO of the Group or PTSB Holdings. The Board is also required to consult with the Minister in respect of any proposed Board appointments;
- (iii) the CEO of the Group is required to notify the Minister in writing of any senior executive (as defined in the Amended Relationship Framework) appointments prior to announcement;
- (iv) the Group is required to procure that up to two nominees of the Minister are appointed as directors of PTSB Holdings upon receipt of written notice from the Minister for Finance naming the proposed nominees;
- (v) subject to any applicable regulatory requirements, the Group is required to keep the Minister informed promptly in writing of developments, including the terms of any settlement, in relation to any material litigation;
- (vi) the Group is required to ensure that the remuneration of its executives does not breach certain terms agreed with the Minister of Finance;
- (vii) the Group is required to consult in writing with the Minister in respect of the following matters: any material acquisitions, disposals, investments, realisations, reorganisations, restructurings or other transactions, (b) the declaration or payment of dividends, (c) the redemption or repurchase of any shares or securities unless such a redemption or repurchase of securities is undertaken at a redemption date or repurchase date in accordance with the terms of those securities, (d) the initiation by PTSB Holdings of any liquidation, receivership, examinership or analogous statutory process in respect of PTSB Holdings, (e) the entry into or variation of any transaction between PTSB Holdings and a former director or senior executive (as defined in the Amended Relationship Framework) (a "**Key Person**") on terms other than on normal commercial arm's-length terms, (f) all important actions in respect of the commencement, defence, conduct or settlement of legal proceedings to which a Key Person or any connected person of a Key Person is party, and (g) any transaction or arrangement which may be classified by the Group as a "related party transaction" under the listing rules of the ISE and/or the FCA involving or for the benefit of any State entity; and
- (viii) PTSB Holdings is required to keep the Minister informed of its lending plans, including in particular small and medium sized enterprise (SME) lending and any changes thereof by means of regular updates to the Department of Finance. The views of the Minister will be considered by the Group in the context of the Board's responsibility for the assessment of credit risk and the Board's responsibility for the determination of a credit risk appetite but it is noted that the responsibility for individual lending decisions and the pricing of loans will remain with the Group.

The Minister for Finance may from time to time specify any amendments to, or revoke or replace, the Amended Relationship Framework, provided that such amendments, revocations or replacements do not conflict with regulatory requirements. Any such amendment, revocation or replacement of the Amended Relationship Framework will be specified or made following consultation with the Group and upon the instruction, or with the agreement, of the Directorate-General for Competition of the European Commission, and once specified will be notified to the Group in writing.

Governmental, Legal or Arbitration Proceedings

Save as disclosed in Note 21 (*Provisions*) to the unaudited consolidated financial statements for PTSB Holdings for the six months ended 30 June 2020 and as disclosed further below, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuers are aware) during the 12 months preceding the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of PTSB Holdings, PTSB and/or the Group.

Transactions with Irish Bank Resolution Corporation

A number of different statutory and regulatory bodies, including the CBI, commenced investigations into a series of transactions involving deposits placed by Irish Life Assurance plc with Irish Bank Resolution Corporation (formerly Anglo Irish Bank) (on 31 March 2008; 26 September 2008; 29 September 2008 and 30 September 2008). While these investigations commenced a number of years ago, they were put on hold pending the determination of criminal proceedings against a number of individuals in respect of the same transactions. The Group understands that these criminal proceedings have concluded and so the Group is waiting to see if the investigations, which, from the Group's perspective, have been dormant for some time will now be re-commenced.

TAXATION

The tax laws of the investor's Member State and of the Issuers' Member State of incorporation might have an impact on the income received from the securities. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries.

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in the jurisdictions mentioned below or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

IRISH TAXATION

Withholding Tax

General withholding tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest (which would include any premium payable on a redemption of Notes). This withholding tax can also apply to any premium paid on Notes. However, there are two main potential withholding tax exemptions which may be available, depending on the circumstances. Certain other exemptions may also be available where the interest is paid to an individual (which generally requires certification of tax residence in a treaty partner jurisdiction and entitlement to exemption from Irish withholding tax under the terms of the relevant double tax treaty) or to a company resident in an EU member state (other than Ireland) or a country with which Ireland has signed a double tax treaty and that country imposes a tax that would generally apply to such interest income.

(a) *Quoted Eurobond withholding tax exemption*

Firstly, an exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the "**1997 Act**") for certain interest bearing securities issued by a body corporate (such as the Issuers) which are quoted on a recognised stock exchange (which would include the Irish Stock Exchange) ("**quoted Eurobonds**").

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

1. the person by or through whom the payment is made is not in Ireland; or
2. the payment is made by or through a person in Ireland, and either:
 - 2.1 the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are so recognised), or
 - 2.2 the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to the person by or through whom the payment is made in the prescribed form.

Accordingly if Notes are quoted on a recognised stock exchange and are held in Euroclear or Clearstream, Luxembourg interest on such Notes can be paid by the Issuers and any paying agent acting on behalf of the Issuers without any withholding or deduction for or on account of Irish income tax.

(b) *Wholesale debt instrument exemption*

Alternatively, if the conditions of the quoted Eurobond exemption are not met (e.g. if Notes are not quoted on a recognised stock exchange), interest can be paid free of withholding tax on certain securities ("**wholesale debt instruments**") issued by an Irish company, being debt

instruments recognising an obligation to pay a stated amount, which are interest bearing (or issued at a discount or premium) and which mature within 2 years of issue.

Any interest paid on a wholesale debt instrument can be paid free of withholding tax provided:

- (a) the wholesale debt instrument is held in a recognised clearing system (Euroclear and Clearstream, Luxembourg are so recognised) and is of an approved denomination (minimum of €500,000, U.S.\$500,000 or the equivalent of €500,000 in any other currency); or
- (b) the person who is beneficially entitled to the interest is resident in Ireland for tax purposes and has provided that person's tax reference number to the relevant Issuer; or
- (c) the beneficial owner of the wholesale debt instrument and the interest paid thereon is not resident in Ireland for tax purposes and has made the requisite declaration to the relevant Issuer.

Deposit Interest Retention Tax

Deposit Interest Retention Tax ("**DIRT**") applies to "relevant deposit takers" as defined in the 1997 Act. PTSB is a relevant deposit taker.

PTSB will not be required to operate DIRT in respect of interest paid on a quoted Eurobond as described above as a quoted Eurobond would constitute a "debt on a security" which is listed on a stock exchange.

Similarly, PTSB will not be required to operate DIRT if the requirements of the wholesale debt instrument exemption set out above are met.

Certain other statutory and concessional exemptions from DIRT (which generally relate to payments to non-residents and require non-resident declarations to be completed) may also be available. The rate of DIRT is currently 33 per cent.

Encashment tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax (currently 20 per cent.) from interest paid on any quoted Eurobond or wholesale debt instrument, where such interest is collected by a bank or other agent in Ireland on behalf of any Noteholder who is Irish resident.

Where a Noteholder is not resident for tax purposes in Ireland, encashment tax will not be deducted provided the bank or agent in Ireland has been furnished with the appropriate non-resident declaration.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on Notes may have an Irish source and therefore be within the charge to Irish income tax, social insurance contributions, the universal social charge and levies. Ireland operates a self assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on Notes will be exempt from Irish income tax if the recipient of the interest is resident in a member state of the European Union (other than Ireland) or a country with which Ireland has signed a double taxation agreement (which would include the US), provided in each case that the Notes are (a) quoted Eurobonds which are exempt from withholding tax or (b) wholesale debt instruments which are exempt from withholding tax, in each case as set out above. Other exemptions from Irish income tax may also be available where the recipient is resident in an EU member state (other than Ireland) or in a country with which Ireland has signed a double taxation agreement (and certain conditions are satisfied).

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which Notes are held or attributed, may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on Notes which do not fall within the foregoing exemptions may be liable to Irish income tax on such interest.

Capital Gains Tax

A holder of Notes will be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held.

The rate of capital gains tax is currently 33 per cent.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the donor or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the donor is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time. However Notes may be regarded as situated in Ireland regardless of their physical location as they secure a debt due by an Irish resident debtor and/or they are secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the donor or the donee/successor.

However, to the extent that Notes are subject to inheritance tax in another jurisdiction, a measure of double taxation relief may be available if Ireland has a double taxation agreement with that country governing inheritance tax. Ireland has two such agreements, one with the US and the other with the UK.

The rate of capital acquisitions tax is currently 33 per cent.

Stamp Duty

No Irish stamp duty will be payable on the issue of Notes.

A transfer of a bearer instrument effected solely by delivery should not give rise to stamp duty.

Alternatively, the transfer of Notes will be exempt from Irish stamp duty under the "*loan capital*" exemption, provided that the Notes:

- (i) do not carry a right of conversion into stocks or marketable securities (other than loan capital) of a company having a register in Ireland or into loan capital having such a right;
- (ii) do not carry rights of the same kind as shares in the capital of a company, including rights such as voting rights, a share in the profits or a share in the surplus on liquidation;
- (iii) are issued for a price which is not less than 90 per cent. of its nominal value (i.e. at a discount of not greater than 10 per cent.); and
- (iv) do not carry a right to a sum in respect of repayment or interest which is related to certain movements in an index or indices (based wholly or partly and directly or indirectly on stocks or marketable securities).

Where the above exemptions (or any other available exemption) do not apply, the transfer of a Note will be subject to stamp duty at the rate of 1 per cent. of the consideration paid in respect of the transfer (or, if greater, the market value thereof), which must be paid in Euro by the transferee (assuming an arm's length transfer) within 30 days of the date on which the transfer of the Note is executed.

Reporting

Persons paying interest on Notes to, or receiving interest on Notes on behalf of, another person may be required to provide certain information to the Irish Revenue Commissioners regarding the identity of the payee (or person entitled to the interest) and the amount of the interest paid.

Provision/Exchange of Information

A Holder of the Notes agrees that the relevant Issuer and any other relevant party on its behalf may (i) request forms, self-certifications, documentation and any other information from such Holder of the Notes which the relevant Issuer may require in order for it to comply with its automatic exchange of information obligations under, for example, FATCA and/or the Common Reporting Standard ("**CRS**"), (ii) provide any such information concerning the Holders of the Notes to the relevant tax authorities and (iii) take such other steps as they deem necessary to comply with its automatic exchange of information obligations under any applicable law.

Foreign Account Tax Compliance Act

The United States has enacted rules, commonly referred to as "**FATCA**," that generally impose a new reporting and withholding regime with respect to certain U.S. source payments (including dividends and interest) and certain payments made by entities that are classified as financial institutions under FATCA. The United States has entered into an intergovernmental agreement regarding the implementation of FATCA with Ireland (the "**Ireland IGA**"). Under the Ireland IGA, payments made on or with respect to the Notes are not currently subject to withholding under FATCA. However, significant aspects of when and how FATCA will apply remain unclear, and no assurance can be given that withholding under FATCA will not become relevant with respect to payments made on or with respect to the Notes in the future. Prospective investors should consult their own tax advisors regarding the potential impact of FATCA.

The Proposed Financial Transactions Tax ("FTT")

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

The Commission's proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

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

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

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

Automatic Exchange of Information

Certain financial institutions, which may include either or both of the Issuers, may have reporting obligations in respect of Holders of the Notes under both FATCA and CRS. Information relating to the Notes, their Holders and beneficial owners may be required to be provided to the Irish tax authorities in certain circumstances pursuant to the FATCA/CRS regimes. This may include (but is not limited to) information relating to the value of the Notes, amounts paid or credited with respect to the Notes and details of the Holders or beneficial owners of the Notes. In certain circumstances, the information obtained by the Irish tax authorities may be provided to tax authorities in other countries.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by either of the Issuers to any one or more of Morgan Stanley & Co. International plc ("**Morgan Stanley**"), and any further dealer appointed from time to time by the Issuers in respect of the Programme or any issue of the Notes (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by either of the Issuers to, and subscribed by, Dealers are set out in the Amended and Restated Programme Agreement dated 2 October 2020 (the "**Programme Agreement**") and made between the Issuers and Morgan Stanley. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer and a single Dealer for that Tranche to be issued by such Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the relevant Issuer and more than one Dealer for that Tranche to be issued by such Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated" and the names of those Dealers and any other interests of any of those Dealers which are material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the relevant Issuer in respect of such subscription. The Programme Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America: *Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.*

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code of 1986 and regulations thereunder.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) 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 or UK Retail Investors

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA or UK 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 Notes 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 EEA or in the UK. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (a) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
- (b) a customer within the meaning of Directive 2016/97/EU (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.

United Kingdom

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

- (a) *No deposit-taking*: in relation to any Notes issued by PTSB Holdings having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:
 - (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
 - (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by PTSB Holdings;

- (b) *Financial promotion*: it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not, or, in the case of PTSB, would not, if it was not an authorised person, apply to the relevant Issuer; and
- (c) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**") and, accordingly, each Dealer has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and other relevant laws and regulations of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Ireland

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that, in the case of unlisted Notes, it will not knowingly offer to sell such Notes to an Irish resident, or to persons whose usual place of abode is Ireland, and that it will not knowingly distribute or cause to be distributed in Ireland any offering material in connection with such Notes. However, the foregoing shall not prohibit the Dealers (i) from selling, or offering to sell, to an Irish resident or ordinarily resident person, unlisted Notes where that person is either the Irish National Treasury Management Agency or a "relevant deposit taker" within the meaning of Section 256 of the Irish Taxes Consolidation Act, 1997,

and is acquiring the unlisted Notes beneficially for its own account; or (ii) from selling or offering to sell, unlisted Notes to an Irish resident company where that company has provided its tax reference number.

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that:

- (a) it will not underwrite the issue of, or place the Notes, otherwise than in conformity with the provisions of the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) and it will conduct itself in accordance with any rules or codes of conduct and any conditions or requirements, or any other enactment, imposed or approved by the Central Bank;
- (b) it will not underwrite the issue of, or place, the Notes otherwise than in conformity with the provisions of the Irish Central Bank Acts 1942-2018 (as amended) and any codes of practice made under Section 117(1) of the Central Bank Act 1989 (as amended);
- (c) it will not underwrite the issue of, or place, or do anything in Ireland in respect of the Notes otherwise than in conformity with the provisions of the Prospectus Regulation, the European Union (Prospectus) Regulations 2019 (as amended) and any guidelines issued under Section 1363 of the Irish Companies Act 2014 (as amended);
- (d) it will not underwrite the issue of, place or otherwise act in Ireland in respect of the Notes otherwise than in conformity with the provisions of Regulation (EU) No. 596/2014 on market abuse (as amended) the European Union (Market Abuse) Regulations 2016 (as amended) and any rules and guidelines issued under Section 1370 of the Irish Companies Act 2014 (as amended);
- (e) it will not offer, sell, place or underwrite the Notes, or do anything in Ireland in respect of the Notes, otherwise than in conformity with the provisions of the Irish Companies Act 2014 (as amended); and
- (f) no Notes issued by PTSB Holdings will be offered or sold with a maturity of less than one year except in full compliance with the Central Bank Notice BSD C 01/02.

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 registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes 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 Notes, 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 Notes 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 Notes pursuant to an offer made under Section 275 of the SFA except:

- (1) 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;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the SFA; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

General

Each Dealer has agreed, and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes 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 Notes 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 Issuers and any other Dealer shall have any responsibility therefor.

None of the Issuers and any of the Dealers represents that Notes 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 such sale.

With regard to each Tranche, the relevant Dealer(s) will be required to comply with such other additional restrictions as the relevant Issuer and the relevant Dealer(s) shall agree and as shall be set out in the applicable Subscription Agreement, Dealer accession letter or Dealer confirmation letter, as applicable.

GENERAL INFORMATION

Authorisation

1. The establishment or subsequent update of the Programme and the issue of Notes under the Programme have been duly authorised pursuant to resolutions of (i) the Board of Directors of PTSB passed on 29 September 2020; and (ii) the Board of Directors of PTSB Holdings passed on 29 September 2020. Each Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

Legal and Arbitration Proceedings

2. Save as disclosed under "*Description of the Business of the Group – Governmental, Legal or Arbitration Proceedings*", there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuers are aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of PTSB Holdings, PTSB and/or the Group.

Significant/Material Change

3. Save as disclosed under "*Risk Factors - The Group's business has been and will continue to be adversely affected by the economic and social impact of policies designed to contain the spread of the COVID-19 virus*", there has been no material adverse change in the prospects of PTSB Holdings, PTSB or the Group since 31 December 2019. There has been no significant change in the financial performance of PTSB Holdings, PTSB or the Group since 30 June 2020.

Auditors

4. The financial statements of PTSB Holdings and PTSB in respect of the years ended 31 December 2019 and 31 December 2018 have been audited without qualification in accordance with International Standards on Auditing (Ireland) by PricewaterhouseCoopers of One Spencer Dock, North Wall Quay, Dublin 1, Ireland, chartered accountants and statutory audit firm ("**PricewaterhouseCoopers**").

PricewaterhouseCoopers, Chartered Accountants and members of the Institute of Chartered Accountants in Ireland are independent of PTSB Holdings and PTSB in accordance with the ethical requirements applicable to their audit of their financial statements in Ireland, including the ethical standards of the Irish Auditing and Accounting Supervisory Authority (IAASA).

Documents on Display

5. Copies of the following documents will be available for inspection at <https://www.permanenttsbgroup.ie/investors/debt-investors/debt-issuance-programmes.aspx> for 12 months from the date of this Base Prospectus:
 - (a) the memorandum and articles of association of each Issuer (as the same may be updated from time to time);
 - (b) the PTSB Holdings Financial Statements and PTSB Holdings Interim Financial Statements;
 - (c) the PTSB Financial Statements and PTSB Interim Financial Statements;
 - (d) the Agency Agreement; and
 - (e) the Trust Deed (which contains the forms of Notes in global and definitive form).

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

This Base Prospectus will be available, in electronic format, on the website of Euronext Dublin (www.ise.ie).

Clearing of the Notes

6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Issue Price and Yield

7. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the relevant Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche. The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Dealers transacting with the Issuers

8. Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuers and their affiliates in the ordinary course of business.

Legal Entity Identifier (LEI)

9. The Legal Entity Identifier (LEI) of PTSB Holdings is 635400DTNHVYGZODKQ93. The Legal Entity Identifier (LEI) of PTSB is 549300WL1M55G8FIDZ68.

10. Issuers' website

The Issuers' website is <https://www.permanenttsbgroup.ie/>. Unless specifically incorporated by reference into this Base Prospectus, information contained on the website does not form part of this Base Prospectus.

11. Validity of prospectus and prospectus supplements

For the avoidance of doubt, the Issuers shall have no obligation to supplement this Base Prospectus after the end of its 12-month validity period.

REGISTERED OFFICES OF THE ISSUERS

Permanent TSB Group Holdings p.l.c.

56-59 St Stephen's Green
Dublin 2, Ireland
Tel: +353 (0)1 669 5000

permanent tsb p.l.c.

56-59 St Stephen's Green
Dublin 2, Ireland
Tel: +353 (0)1 669 5000

ARRANGER and DEALER

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

TRUSTEE

The Law Debenture Trust Corporation p.l.c.

Fifth Floor
100 Wood Street
London EC2V 7EX
United Kingdom

PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square, Canary Wharf
London E14 5LB
United Kingdom

LEGAL ADVISERS

To the Issuers as to English Law:

Clifford Chance LLP

10 Upper Bank Street
London E14 5JJ
United Kingdom

*To the Dealers as to
English Law:*

Allen & Overy LLP

One Bishops Square
London E1 6AD
United Kingdom

To the Issuers as to Irish Law:

A&L Goodbody

International Financial Services Centre
North Wall Quay
Dublin 1
Ireland

AUDITORS TO THE ISSUERS

PricewaterhouseCoopers

One Spencer Dock
North Wall Quay
Dublin 1
Ireland