

## Corporate and Investment Banking



### Applicable Pricing Supplement

#### ABSA BANK LIMITED

*(Incorporated in the Republic of South Africa with limited liability with company registration number 1986/004794/06)*

#### **Issue of ZAR 60,000,000.00 Series Floating Rate Portfolio Credit Linked Notes - iTraxx® Europe Crossover due June 2024**

under its ZAR40,000,000,000 Master Structured Note Programme registered by the JSE Limited t/a The Johannesburg Stock Exchange

This Applicable Pricing Supplement must be read in conjunction with the Master Structured Note Programme Memorandum dated 7 November 2018 and registered by the JSE on or about 31 October 2018, as amended and/or supplemented from time to time ("the Master Programme Memorandum"), prepared by Absa Bank Limited in connection with the Absa Bank Limited ZAR40,000,000,000 Master Structured Note Programme.

With effect from the date on which this Applicable Pricing Supplement is signed, this Applicable Pricing Supplement shall replace and supersede the any previous Applicable Pricing Supplement in all respects and this Applicable Pricing Supplement shall constitute the only pricing supplement relating to the Notes of this Tranche.

Any capitalised term not defined in this Applicable Pricing Supplement has the meaning ascribed to it in Schedule 1 (Glossary of Terms) to Section II-A (Terms and Conditions of the Notes) of the Master Programme Memorandum.

This document constitutes an Applicable Pricing Supplement relating to the Notes described herein and to be issued by the Issuer. The Notes described herein are subject to the Terms and Conditions of the Notes, as replaced, amended and/or supplemented by this Applicable Pricing Supplement. To the extent that there is any conflict or inconsistency between the provisions of this Applicable Pricing Supplement and the provisions of the Master Programme Memorandum, the provisions of this Applicable Pricing Supplement will prevail for purposes of the Notes which are governed by it.

This Applicable Pricing Supplement supersedes any previous term sheet, pricing supplement, confirmation, or other communication in respect of the Notes described below.

By purchasing the Notes, the Holders of the Notes acknowledge and confirm that: (i) they fully understand the nature of the Notes and the extent of their exposure to risks under and imbedded in the Notes, and (ii) they had considered the suitability of the Notes as an investment in the light of their own circumstances and financial position.

The Notes involve a high degree of risk, including the risk of losing some or a significant part of the Noteholder's initial investment. A Noteholder should be prepared to sustain a total loss of its investment in the Notes. The Notes represent general, unsecured, unsubordinated, contractual obligations of the Issuer and rank *pari passu* in all respects with each other.

DESCRIPTION OF THE NOTES	
1. Issuer	Absa Bank Limited ("Absa")
2. Applicable Product Supplement	2014 Credit Linked Note Applicable Product Supplement contained in Section IV-B of the Master Programme Memorandum.
3. Status of Notes	Unsubordinated and Unsecured  The default status of the Notes under the Master Structured Note Programme is 'unsubordinated and unsecured' per Condition 5 (Status of Notes) of the Master Programme Memorandum.
4. Listing	Listed Notes
5. Issuance Currency	ZAR (South African Rand)
6. Series Number	2019-63
7. Tranche Number	01
8. Aggregate Nominal Amount:	
(a) Series	ZAR60,000,000.00, (" <b>Original Aggregate Nominal Amount</b> ") subject to the occurrence of one or more Relevant Event Determination Dates in respect of any of the Reference Entities during the Notice Delivery Period, whereupon the Aggregate Nominal Amount outstanding will be determined by the Calculation Agent as follows:  The Original Aggregate Nominal Amount reduced to reflect the redemption and delisting (as described paragraph 27 ( <i>Effect of a Credit Event</i> ) of such

	Nominal Amount of the Notes equal to the Reference Entity Nominal Amount, as determined by the Calculation Agent in its sole and absolute discretion.
(b) Tranche	As per 8(a) ( <i>Series</i> ) above
9. Reference Entity Nominal Amount	Means an amount of the Notes expressed in ZAR related to a Reference Entity in respect of which a Relevant Event Determination Date has occurred, calculated as follows:  Reference Entity Weighting of the relevant Reference Entity multiplied by the Original Aggregate Nominal Amount
10. Interest	Interest-bearing
11. Interest Payment Basis	Floating Rate
12. Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	Not Applicable
13. Form of Notes	Registered Listed Notes: The Notes in this Tranche will be in uncertificated form and held by the CSD.
14. Issue Date	23 September 2019
15. Trade Date	16 Septemeber 2019
16. Specified Denomination	ZAR1,000,000.00  Notes are subject to a minimum denomination of ZAR1,000,000.00
17. Issue Price	100%
18. Interest Commencement Date	Issue Date
19. Maturity Date	20 June 2024
20. Applicable Business Day Convention	Following Business Day Convention
21. Definition of Business Day (if different from that set out in Condition 1)	N/A
22. Final Redemption Amount	Means:  (a) Subject to (b) below, the amount determined by the Calculation Agent in its sole discretion as the Aggregate Nominal Amount of the

	<p>Notes outstanding (if any) at the Maturity Date; and</p> <p>(b) The Notes will be redeemed on the Maturity Date at the Final Redemption Amount determined by the Calculation Agent in accordance with (a) above unless the Notes have been previously redeemed in whole and cancelled or are redeemable due to any taxation reasons, due to Change in Law, on an Event of Default (if required) or optional early redemption (however described) occurring on or before the Maturity Date.</p>
23. Last Date to Register	11 calendar days before each Floating Interest Payment Date, i.e. the 9th of March, 9th of June, 9th of September and 9th of December in each year or if such day is not a business day then the close of business on the business day immediately preceding the first day of a books closed period during the period commencing on the Issue Date and ending on the Maturity Date
24. Books Closed Period(s)	The Register will be closed from 10 calendar days before each Floating Interest Payment Date i.e. the 10th of March, 10th of June, 10th of September and 10th of December in each year until the Maturity
25. Value of aggregate Nominal Amount of all Notes issued under the Structured Note Programme as at the Issue Date	ZAR 20,252,914,695.25
26. Reference CDS	<p>Means a notional credit default swap deemed to be entered into in the form set out in Annex I hereto between the Issuer and a notional financial institution entered into pursuant to a 2002 ISDA Master Agreement (Multicurrency-Cross Border) between the Issuer and the notional counterparty governed by English law and with ZAR as the Termination Currency and in respect of which, such Reference CDS is the sole transaction under such ISDA Master Agreement (the “<b>Reference Master Agreement</b>”).</p> <p>For the purposes of the Notes, notwithstanding anything to the contrary contained within the Programme Memorandum and the 2014 Credit Linked</p>

	<p>Conditions, calculations or determinations required to be made by the Calculation Agent in respect of the Notes shall be calculated or determined by the Calculation Agent in its sole and absolute discretion by reference to the Reference CDS and shall be conclusive absent manifest error.</p>
<p>27. Effect of a Credit Event</p>	<p>If a Relevant Event Determination Date occurs in respect of one or more of the Reference Entities specified as per the Reference CDS, the Issuer's obligation will be (subject to paragraph 29 (<i>Swaps Costs Difference</i>) below), in each case to (i) make payment of the relevant Auction Settlement Amount or Cash Settlement Amount (as applicable) determined in respect of the Reference CDS minus Swap Costs (if any) and (ii) to redeem and delist an amount of the Notes equal to the Reference Entity Nominal Amount of the Notes. As such, the Auction Settlement Amounts or Cash Settlement Amounts (as applicable) determined under the Reference CDS will become payable to the Noteholders upon its determination after the Issuer has deducted Swap Costs from such amounts.</p> <p>At the Maturity Date, the Issuer shall redeem the Notes remaining (if any) by payment of the Final Redemption Amount on the basis of the remaining outstanding Aggregate Nominal Amount (if any) on the Maturity Date.</p> <p>Notwithstanding anything to the contrary contained within the Programme Memorandum, all calculations or determinations required to be made by the Issuer or Calculation Agent in respect of the Notes shall be calculated or determined by the Issuer or Calculation Agent in their sole and absolute discretion by reference to the Reference CDS. Any Auction Settlement Amounts and/or Cash Settlement Amounts determined by reference to the Reference CDS will be used to determine the Aggregate Nominal Amount of the Notes outstanding at any time and to determine any interest or redemption amounts due under the Notes.</p> <p>For the purposes of the Notes, notwithstanding anything to the contrary contained within the Reference CDS, calculations or determinations</p>

	<p>required to be made by the Calculation Agent in respect of the Reference CDS shall be calculated or determined by the Calculation Agent in its sole and absolute discretion, effective as of such determination, and shall be conclusive absent manifest error.</p>
<p>28. Swap Costs</p>	<p>The definition of "Swap Costs" in Condition 15.47 of the 2014 Credit Linked Conditions shall be deleted and replaced with the following definition for the purposes of the Notes:</p> <p><b>"Swap Costs"</b> means, in respect of the Notes, an amount determined by the Calculation Agent in a commercially reasonable manner equal to any expense, loss or costs (in which case expressed as a positive number) or gain (in which case expressed as a negative number) incurred (or expected to be incurred) by or on behalf of the Issuer as a result of its terminating, liquidating, modifying, obtaining or re-establishing any hedge term deposit, or funding arrangements entered into by it (including with its internal treasury function) specifically in connection with the Notes.</p>
<p>29. Swap Costs Difference</p>	<p>In the event that the Calculation Agent determines following the occurrence of a Relevant Event Determination Date in respect of one or more of the Reference Entities, that the Swap Costs in respect of any Relevant Event Determination Date are greater than the relevant Auction Settlement Amount or Cash Settlement Amount (as applicable) determined in respect of the Reference CDS, no such Auction Settlement Amount or Cash Settlement Amount (as applicable) will be required to be paid by the Issuer to the Noteholder in respect of that Relevant Event Determination Date and the Auction Settlement Amount or Cash Settlement Amount (as applicable) will be deemed to be zero. Instead, the Noteholder will be required to pay to the Issuer on the relevant Auction Settlement Date or Cash Settlement Date (as specified in the Reference CDS and as applicable), an amount in ZAR equal to the difference between the relevant Auction Settlement Amount or Cash Settlement Amount (as applicable) and the Swaps Costs in respect of the Relevant Event Determination Date in question (the "<b>Swap Costs Difference</b>", and each such payment owing by the Noteholder, a "<b>Swap Costs Difference Payment</b>"), provided that the Noteholders obligation to make any Swaps Costs</p>

		Difference Payment in accordance with this paragraph shall never, when aggregated with other Swaps Costs Difference Payments, exceed the Original Aggregate Nominal Amount of the Notes.
<b>FLOATING RATE NOTES</b>		
30.	(a) Floating Interest Payment Date(s)	The 20 <sup>th</sup> of March, June, September and December in each year, commencing on the 20 <sup>th</sup> of December 2019 and ending on the Maturity Date or, if such day is not a Business Day, the Business Day on which the interest will be paid, as determined in accordance with the applicable Business Day Convention (as specified in this Applicable Pricing Supplement)
	(b) Other terms relating to the method of calculating interest (e.g.: Day Count Fraction, rounding up provision)	<p>Day Count Fraction is Act /365 (Fixed).</p> <p>The Calculation Agent will calculate and determine the Interest Amount payable in respect of the Notes on each Interest Payment Date by multiplying the Interest Rate (Reference Rate plus Margin) by the outstanding Aggregate Nominal Amount of the Notes on the relevant Interest Payment Date and multiplying such amount by the Day Count Fraction and rounding the resultant figure to the nearest cent, half a cent being rounded downwards.</p> <p>Provided that, if a Potential Failure to Pay has occurred in respect of one or more of the Reference Entities on or before an Interest Payment Date, the outstanding Aggregate Nominal Amount of the Notes on such Interest Payment Date will be determined by the Calculation Agent without regard to the Reference Entity Weighting of the Reference Entity in respect of which the Potential Failure to Pay has occurred. If no subsequent Failure to Pay Credit Event occurs in respect of any such Reference Entity prior to the next following Interest Payment Date, the Calculation Agent will increase the Interest Amount on such Interest Payment Date by the amount withheld on the previous Interest Payment Date.</p>
	(c) Manner in which the Interest Rate is to be determined	Screen Rate Determination
	(d) Margin	305 basis points to be added to the relevant

	Reference Rate
(e) If Screen Determination:	
(i) Reference Rate (including relevant period by reference to which the Interest Rate is to be calculated)	ZAR-JIBAR-SAFEX (3 months)
(ii) Interest Rate Determination Date(s)	(i) The Issue Date, followed by; (ii) Each 20 <sup>th</sup> of March, June, September and December in each year, commencing on Issue Date, 23 <sup>rd</sup> of September 2019, and ending on 20 <sup>th</sup> of March 2024.
(iii) Interest Period	(iii) means each period commencing on (and including) an Interest Payment Date and ending on (but excluding) the following Interest Payment Date; provided that the first Interest Period will commence on (and include) the interest commencement date and end on (but exclude) the following Interest Payment Date (each Interest Payment Date as adjusted in accordance with the applicable Business Day Convention);
(iv) Relevant Screen Page and Reference Code	Reuters RIC <SFX1MYLD> on Reuters Page "SAFEY" (Page number ZA01209)
(f) If Interest Rate to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Interest Rate/Margin/ Fallback provisions	Not Applicable
(g) Interest Expiration Date	If a Relevant Event Determination Date occurs in respect of any of the Reference Entities during the Notice Delivery Period, interest will cease to accrue in respect of the Reference Entity Nominal Amount of the Notes related to that Reference Entity as of the



	Relevant Event Determination Date relating to that Reference Entity, as of the earlier to occur of the day prior to (a) the Interest Payment Date occurring on or immediately preceding the Relevant Event Determination Date and (b) the Maturity Date or, if no Interest Payment Date has occurred, the Issue Date, as applicable, such date being the Interest Expiration Date.
(h) Calculation Agent responsible for calculating amount of principal and interest	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof.
<b>CREDIT EVENT REDEMPTION</b>	
31. Type of Credit Linked Note	Portfolio CLN
(a) Redemption at Maturity	Final Redemption Amount
(b) Redemption following the occurrence of Credit Events	Applicable. Partial redemption as described in this Applicable Pricing Supplement.
(c) Extension interest	Not applicable
<i>Credit Provisions</i>	
(d) Relevant Credit Event	Means the each Credit Event to occur with respect to a Reference Entity in the Reference Portfolio.
(e) Reference Entities	The Reference Entities as per the Reference CDS.
(f) Reference Entity Weightings	The Weighting allocated to each Reference Entity as per the Reference CDS.
(g) Reference Obligation(s)	The Reference Obligations as per the Reference CDS.
(h) Event Determination Date	Means as per the Reference CDS
(i) Credit Event Backstop Date	Means as per the Reference CDS
(j) Transaction Type	Means as per the Reference CDS
(k) All Guarantees	As specified in the Reference CDS.
(l) Notice of Publicly Available Information	As specified in the Reference CDS.

(m)	Credit Events	As specified in the Reference CDS.
(n)	Credit Event Accrued Interest:	Not applicable
(o)	Obligation(s) and Obligation Characteristics	As specified in the Reference CDS.
(p)	Excluded Obligations (if any)	As specified in the Reference CDS.
(q)	Issuer CLN Settlement Option	Not applicable
(r)	CLN Settlement Method	Auction Settlement, as determined by the Calculation Agent in its sole discretion by reference to the Reference CDS and in accordance with paragraph 27 ( <i>Effect of a Credit Event</i> ) above.
(s)	Fallback CLN Settlement Method	Cash Settlement, as determined by the Calculation Agent in its sole discretion by reference to the Reference CDS and in accordance with paragraph 27 ( <i>Effect of a Credit Event</i> ) above.
(t)	Terms Relating to Cash Settlement:	All terms relating to Cash Settlement to be determined by the Calculation Agent in its sole discretion by reference to the Reference CDS and in accordance with paragraph 27 ( <i>Effect of a Credit Event</i> ) above.
(u)	Credit Event Redemption Amount	As per paragraph 27 ( <i>Effect of a Credit Event</i> ) above and the Reference CDS.
(v)	Additional Business Centre Delivery Method	Not Applicable
(w)	Other Provisions	None
<b>PROVISIONS REGARDING REDEMPTION/MATURITY</b>		
32.	Redemption at the option of the Issuer:	No
(a)	Redemption at the option of Noteholders:	No
(b)	Early Redemption Amount(s) payable on redemption for taxation reasons, Change in Law or on	Yes

Event of Default (if required).	
(c) If yes:	
(d) Amount payable; or	The Early Redemption Amount determined and calculated by the Calculation Agent in accordance with Condition 8.5 of the Terms and Conditions of the Notes.
(e) Method of calculation of amount payable	Not applicable
<b>GENERAL</b>	
33. Financial Exchange:	Johannesburg Stock Exchange
34. Calculation & Paying Agent	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof
35. Specified office of the Calculation Paying Agent::	15 Alice Lane Sandton 2196 Gauteng South Africa
36. Settlement Agent:	Standard Chartered Bank
37. Specified office of the Settlement Agent:	4 Sandown Valley Crescent, Sandton, South Africa
38. Stabilising manager:	Private Placement
39. Additional selling restrictions:	The law of the Republic of South Africa
40. ISIN No.:	ZAG000162678
41. Stock Code:	ASN369
42. Method of distribution:	Private Placement
43. If syndicated, names of Managers:	Not Applicable
44. If non-syndicated, name of Dealer:	Absa Corporate and Investment Banking (a division of Absa Bank Limited) or an affiliate thereof
45. Governing law:	The laws of the Republic of South Africa

46. Pricing Methodology:	Standard JSE pricing methodology.
47. Other provisions	<p>Condition 9 titled "<i>Taxation</i>" in the section II-A of the Master Programme Memorandum titled "<i>Terms and Conditions of the Notes</i>" is amended in relation to this Tranche of Notes by (i) the replacement of the words after the dash in Condition 9.3 with the words "<i>provided that this exception shall only apply to that portion of the withholding or deduction which could lawfully have been so reduced</i>", (ii) the deletion of Condition 9.8 and (iii) the insertion of the the following additional paragraphs immediately after Condition 9.7:</p> <p>"9.8 where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC (or any other directive implementing the conclusions of the 2312<sup>th</sup> Economic and Financial Affairs Council (ECOFIN) meeting of 26 and 27 November 2000) on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such directive; or</p> <p>9.9 held by or on behalf of a Noteholder in circumstances where such party could lawfully reduce the amount of taxation otherwise levied or leviable upon the principal or interest by virtue of any tax treaty or non-South African tax laws applicable to such Noteholder, whether by way of a tax credit, rebate deduction or reduction equal to all or part of the amount withheld or otherwise, and whether or not it is actually claimed and/or granted and/or allowed; or</p> <p>9.10 in respect of any present or future taxes, duties, assessments or governmental charges of whatever nature which are payable otherwise than by withholding from payment of principal or interest, if any, with respect to such Note; or</p> <p>9.11 where any combination of the scenarios or occurrences contemplated in Conditions 9.1 to 9.10 above occurs.</p> <p><b>1</b> The Issuer is not liable for or otherwise obliged to pay any taxes that may arise as a result of the</p>

	<p>ownership, transfer or redemption of any Note.</p> <p>If the Issuer becomes subject generally at any time to any taxing jurisdiction, authority or agency other than or in addition to South Africa, references in Conditions 8.2 (<i>Redemption for Tax Reasons or due to a Change in Law</i>) and 9 (<i>Taxation</i>) to South Africa shall be read and construed as references to South Africa and/or to such other jurisdiction, authority or agency.”</p>
<p>Name of the reference index;</p> <p>The name of the index sponsor and index calculator;</p> <p>The website address where the index’s ground rules document is available;</p> <p>Any changes to:</p> <p>1) the index methodology</p> <p>2) other changes as detailed in the ground rules</p> <p>3) frequency of publication of the level of the index</p>	<p>Markit Itraxx Europe Crossover Index Series 31, BBID: ITXEX531, RED Code: 2I667KFO1, Currency: EUR</p> <p>IHS Markit</p> <p><a href="http://www.markit.com/documentation/product/itraxx">Http://www.markit.com/documentation/product/itraxx</a></p> <p>any changes to the index methodology will be published on SENS and communicated to the JSE.</p> <p>all other changes as detailed in the ground rules document will be published on the following index calculator’s website: <a href="http://www.markit.com/documentation/product/itraxx">Http://www.markit.com/documentation/product/itraxx</a></p> <p>Daily On Bloomberg</p>
48. Inward listing	The Notes will be inward listed securities listed on the JSE in terms of the authority granted by the Financial Surveillance Department of the South African Reserve Bank.
49. Material Change in Financial or Trading Position	The Issuer confirms that as at the date of this Applicable Pricing Supplement, there has been no material change in the financial or trading position of the Issuer and its subsidiaries since the date of the

	Issuer's unaudited condensed consolidated interim financial results for the reporting period ended 30 June 2019. This statement has not been confirmed nor verified by the auditors of the Issuer.
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**Responsibility:**

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that this Applicable Pricing Supplement contains all information required by law and the JSE Debt Listings Requirements. The Issuer accepts full responsibility for the accuracy of the information contained in this Applicable Pricing Supplement and the annual financial report, the amendments to the annual financial report or any supplements from time to time, except as otherwise stated therein.

The JSE takes no responsibility for the contents of the Applicable Pricing Supplement and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the Applicable Pricing Supplement and the annual financial report of the Issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the Programme Memorandum and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

for and on behalf of

**ABSA BANK LIMITED**

  
\_\_\_\_\_

Name: Jeshma Mbuyee

Capacity: Managing Principal

Who warrants his/her authority hereto

  
\_\_\_\_\_

Name: I. INCE

Capacity: PRINCIPAL

Who warrants his/her authority hereto

**ANNEX 1****Form of Reference CDS**

**From:** Absa Bank Limited

**Subject:** iTraxx® Europe Crossover Series 31 Version 1 Master Transaction

The purpose of this communication (this Confirmation) is to set forth the terms and conditions of the Credit Derivative Transaction entered into on the Trade Date specified below (the “**iTraxx® Master Transaction**”) between Absa Bank Limited (“**Party A**”) and a notional counterparty (“**Party B**”). This Confirmation constitutes a "Confirmation" as referred to in the ISDA Master Agreement specified below.

The definitions and provisions contained in the 2014 ISDA Credit Derivatives Definitions as published by the International Swaps and Derivatives Association, Inc. (ISDA) (the 2014 Credit Derivatives Definitions) and the iTraxx® Europe Untranch Standard Terms Supplement, as published by Markit Group Limited on September 20, 2014 (the “**Standard Terms Supplement**”), are incorporated into this Confirmation. In the event of any inconsistency between the 2014 Credit Derivatives Definitions or the Standard Terms Supplement and this Confirmation, this Confirmation will govern. In the event of any inconsistency between the Standard Terms Supplement and the 2014 Credit Derivatives Definitions, the Standard Terms Supplement will govern.

Party A and Party B agree that each time they enter into an iTraxx® Master Transaction they enter into a separate and independent Credit Derivative Transaction in respect of each Reference Entity (each, a “**Component Transaction**”). Each Component Transaction will have the terms specified in the Standard Terms Supplement, as modified hereby, and, subject to Paragraph 5.2 of the Standard Terms Supplement, will not be affected by any other Credit Derivative Transaction between Party A and Party B and will operate independently of each other Component Transaction in all respects.

This Confirmation supplements, forms a part of, and is subject to, the Reference Master Agreement, between Party A and Party B (the “**Agreement**”). All provisions contained in, or incorporated by reference in, the Agreement will govern this Confirmation except as expressly modified below.

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

**Index:** iTraxx® Europe Crossover Series 31 Version 1 (BBID : ITXEX531)

**Trade Date:** The Trade Date of the Notes

**Scheduled Termination Date:** The Scheduled Termination Date of the Notes

**Calculation Agent:** Party A

**Original Notional Amount:** The Aggregate Nominal Amount of the Notes on the Trade Date.

**Floating Rate Payer:** Party B (the “Seller”)

**Fixed Rate Payer:** Party A (the “Buyer”)

**Annex Date:** 16<sup>th</sup> September 2019

**Initial Payment Payer:** Not applicable

**Initial Payment Amount:** Not applicable

**Fixed Payments:** The Buyer shall be deemed to have paid the Seller the aggregate Issue Price of all the Notes on the Trade Date. No payments shall be payable pursuant to Paragraph 3 (Fixed Amounts) of the Standard Terms Supplement.

**Additional terms, if any, (including any specific provisions relating to collateral):**

- (a) Section 5.4 of the Standard Terms Supplement shall not apply.
- (b) Section 5.5 of the Standard Terms Supplement shall not apply.
- (c) Section 5.6 of the Standard Terms Supplement shall not apply.
- (d) The Fallback Settlement Method set out in the Index Annex for each Reference Entity shall be amended from Physical Settlement to Cash Settlement (as modified as follows):

Valuation Date:	Single Valuation Date: A Business Day, as selected by Party A that is not less than 52 Business Days following the Event Determination Date (or if the Event Determination Date occurs pursuant to Section 1.16(a)(ii) of the 2014 Credit Derivatives Definitions, the day on which the DC Credit Event Announcement occurs).
Quotation Method:	Bid
Quotation Amount	Representative Amount
Quotations	Exclude Interest
Dealers	A dealer in obligations of the type of Reference Obligation or Asset Package for which Quotations are to be obtained as selected by



	the Calculation Agent (or, in the case of Section 7.7(b) of the 2014 Credit Derivatives Definitions, the relevant party) in good faith and in a commercially reasonable manner (without the requirement of consultation with the parties or the other party, as the case may be).
Valuation Method	Highest
Reference Obligation	An obligation of the Reference Entity selected by Party A, that is capable of constituting a Deliverable Obligation as at the Valuation Date.
Final Price	With respect to each Reference Obligation, the price of such Reference Obligation, expressed as a percentage, determined in accordance with the applicable Valuation Method.

Please confirm your agreement to be bound by the terms of the foregoing by executing a copy of this Confirmation and returning it to us at the contact information listed above.

**[PARTY A]**

**[PARTY B]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name:

Name:

Title:

Title:

iTraxx® is a registered trade mark of Markit Indices Limited.

iTraxx® is a trade mark of Markit Indices Limited and has been licensed for the use by [*Name of customer*]. Markit Indices Limited does not approve, endorse or recommend [*Name of customer*] or iTraxx® derivatives products.

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None of Markit Indices Limited nor any of the iTraxx Associates shall have any liability or responsibility to any person or entity for any loss, damages, costs, charges, expenses or other liabilities whether caused by the negligence of Markit Indices Limited or any of the iTraxx Associates or otherwise, arising in connection with the use of iTraxx® derivatives products or the iTraxx® indices.

## **ANNEX 2**

### **Reference Portfolio**

<b>Company Name</b>	<b>Wgt</b>	<b>ISIN</b>
ADLER Real Estate AG	1.334	XS1731858392
Air France-KLM	1.334	FR0011965177
Algeco Global Finance Plc	1.334	XS1767052050
Altice Finco SA	1.334	XS0946155693
Altice France SA/France	1.334	XS1028956149
Ardagh Packaging Finance PLC	1.334	XS1406669983
Atlantia SpA	1.334	XS1558491855
Boparan Finance PLC	1.334	XS1082473395
Cable & Wireless Ltd	1.334	USG77636AB74
Casino Guichard Perrachon SA	1.334	FR0013260379
CECONOMY AG	1.334	DE000A13R8M3
Cellnex Telecom SA	1.334	XS1265778933
Clariant AG	1.334	CH0469273541
CMA CGM SA	1.334	XS1244815111
Constellium SE	1.334	XS1064882316
Elis SA	1.334	FR0013413556
FCC Aqualia SA	1.334	XS1627337881
Fiat Chrysler Automobiles NV	1.334	US31562QAC15
Galp Energia SGPS SA	1.334	PTGALLOM0004
Garfunkelux Holdco 2 SA	1.334	XS1308316568
GKN Holdings Ltd	1.334	XS0830978259
Grifols SA	1.334	XS1598757760
Hapag-Lloyd AG	1.334	XS1645113322
Hellenic Telecommunications Organization SA	1.334	XS1086785182
Hema Bondco I BV	1.334	XS1647643110
Iceland Bondco PLC	1.333	XS1087780166
INEOS Group Holdings SA	1.333	XS1405769990
International Game Technology PLC	1.333	XS1204434028
Intrum AB	1.333	XS1634532748
J Sainsbury PLC	1.333	XS1139087933
Jaguar Land Rover Automotive PLC	1.333	XS1025866119
K+S AG	1.333	XS1854830889
Ladbrokes Coral Group Ltd	1.333	XS1066478014
Lagardere SCA	1.333	FR0013153160
Leonardo SpA	1.333	XS1627782771
Louis Dreyfus Co BV	1.333	XS1000918018
Loxam SAS	1.333	XS1590067432
Marks & Spencer PLC	1.333	XS1531151253
Matalan Finance PLC	1.333	XS1756324684
Matterhorn Telecom Holding SA	1.333	XS1219475792
Monitchem HoldCo 3 SA	1.333	XS1074935229
Nokia OYJ	1.333	XS1577727164
Novafives SAS	1.333	XS1713466222

OI European Group BV	1.333	XS1405765907
Orano SA	1.333	FR0010804500
Peugeot SA	1.333	FR0013153707
Picard Bondco SA	1.333	XS1713474754
Pizzaexpress Financing 1 PLC	1.333	XS1028948047
Premier Foods Finance PLC	1.333	XS1619820324
Public Power Corp Finance PLC	1.333	XS1063837741
Rexel SA	1.333	XS1716833352
Saipem Finance International BV	1.333	XS1487495316
Selecta Group BV	1.333	XS1756356371
Smurfit Kappa Acquisitions ULC	1.333	XS1074396927
Stena AB	1.333	USW8758PAK22
Stonegate Pub Co Financing PLC	1.333	XS1575503146
Suedzucker AG	1.333	XS1524573752
Sunrise Communications Holdings SA	1.333	CH0398633237
Syngenta AG	1.333	XS1050454682
Synlab Unsecured Bondco PLC	1.333	XS1268471494
TDC A/S	1.333	XS0752467497
Telecom Italia SpA/Milano	1.333	XS1347748607
Telefonaktiebolaget LM Ericsson	1.333	US294829AA48
Tesco PLC	1.333	XS0414345974
Thomas Cook Group PLC	1.333	XS1531306717
thyssenkrupp AG	1.333	DE000A1R0410
TUI AG	1.333	XS1504103984
Unilabs Subholding AB	1.333	XS1602515733
United Group BV	1.333	XS1647814968
Unitymedia GmbH	1.333	USD85456AB30
UPC Holding BV	1.333	USN9T41QAG33
Virgin Media Finance PLC	1.333	USG93654AD68
Vue International Bidco PLC	1.333	XS0953085114
Wind Tre SpA	1.333	XS1708450561
Ziggo Bond Finance BV	1.333	XS1170079443

