# Annex VII.b - TBG type market risk portfolios

| Portfolio number Risk factor | Portfolios | Currency | Comments |
|---|---|---|---|
| | **Equity Portfolios** | | |
| 1<br>Equity | **Equity index futures**<br>***Long delta***<br>• Long 30 contracts ATM 3-month front running FTSE 100 index futures<br>** Futures price is based on the index level at NYSE Liffe London market close on [N].*<br>*1 contract corresponds to 10 equities underlying.* | GBP | |
| 2<br>Equity | **Bullish leveraged trade**<br>***Long gamma and long vega***<br>• Long 100 contracts OTC Google (GOOG) OTM 3-month call options (1 contract = 100 shares underlying)<br>** Strike price is out-of-the-money by 10% relative to the stock price at market close on [N].* | USD | |
| 3<br>Equity | **Volatility trade #1**<br>***Short short-term vega & long long-term vega***<br>• Short straddle 3-month ATM* S&P 500 Index OTC options (30 contracts)<br>• Long straddle 2-year ATM S&P 500 Index OTC options (30 contracts)<br>*1 contract corresponds to 100 equities underlying effective date [N]*<br>** Strike price is based on the index level at NYSE at 4.30 pm New York on [N].* | USD | |
| 4<br>Equity | **Volatility trade #2 (smile effect)**<br>***Long/short puts on FTSE 100***<br>• Long 40 contracts of 3-month put options on FTSE 100 index (with a strike price that is 10% OTM* based on the end-of-day index value)<br>• Short 40 contracts of 3-month put options on FTSE 100 index (with a strike price that is 10% ITM* based on the end-of-day index value)<br>** Strike price is based on the index level at NYSE Liffe London market close on [N].*<br>*1 contract corresponds to 10 equities underlying.* | GBP | |
| 5<br>Equity | **Equity variance swaps on Eurostoxx 50 (SX5E)**<br>• Long ATM variance swap on Eurostoxx 50 with a maturity of 2 years, Vega notional amount of €50,000. The payoff is based on the following realized variance formula:<br>$\frac{252}{n-2}\sum_{i=1}^{n-1}[\ln(\frac{S_{(i+1)}}{S_i})]^2$<br>where n = number of working days until maturity. The strike of the variance swap should be defined on the trade date *[N]* to cancel the value of the swap.<br>(Please provide the strike you determined on the pre-exercise validation data template together with the initial market value of the trade.) | EUR | |
| 6<br>Equity | **Barrier option**<br>• Long 40 contracts of 3-month ATM* S&P 500 down-and-in put options with a barrier level that is 10% OTM* and continuous (monitoring frequency. | USD | |

| | | | |
|---|---|---|---|
| | *1 contract corresponds to 100 equities underlying*<br>** Strike price is based on the index level at NYSE market close on [N].* | | |
| 7<br>Equity | **Quanto index call**<br>• 3-year USD Quanto call on Eurostoxx 50<br>See details in Section 2.1 of this Annex. | EUR | |
| | **Interest Rate** | | |
| 8<br>IR | **Curve flattener trade**<br>***Long long-term and short short-term treasuries***<br>• Long €5 million 10-year German Treasury bond (ISIN: DE0001135374, expiry [N+5])<br>• Short €20 million 2-year German Treasury note (ISIN: DE0001135291, expiry [N+5]) | EUR | |
| 9<br>IR | **Interest rate swap**<br>*Bloomberg code eusw10v3 curncy*<br>• Receive fixed rate and pay floating rate<br>• Fixed leg: pay annually<br>• Floating leg: 3-month Euribor rate, pay quarterly<br>• Notional: €5 million<br>• Roll convention and calendar: standard<br>• Effective date [N] (ie rates to be used are those at the market as [N])<br>• Maturity date: [N+10] | EUR | |
| 10<br>IR | **Two-year swaption on 10-year interest rate swap**<br>*Bloomberg code eusv0210 curncy*<br>• Seller* of an OTC receiver swaption with maturity of two years on the interest rate swap described in #9 (ie ten years fixed for variable IRS) but with an effective date of [N+2] and a maturity date of [N+12].<br>• effective date [N]<br>• expiry date (of swaption) [N+2]<br>• maturity date (of underlying swap) [N+12]<br>• premium paid at expiry<br>• cash settled<br>** strike price is based on the IRS rate as per #9 (ie the strike price is the fixed rate as per #9)*<br>** Banks should consider they sell the option on the swap. The counterparty of the bank buys the right to enter a swap with the bank; if the counterparty exercises its right, it will receive the fixed rate while the bank will receive the floating rate.* | EUR | |
| 11<br>IR | **LIBOR range accrual**<br>Structured coupon indexed on the number of days in the interest rate period when the Libor fixes in a predetermined range.<br>See details in Section 2.2 of this Annex. | USD | |
| 12<br>IR | **Inflation zero coupon swap**<br>EURHICPX index 10Y maturity par zero coupon swap<br>See details in Section 2.3 of this Annex. | EUR | |
| | **FX** | | |
| 13<br>FX | **Covered FX call**<br>***Short EUR/USD and short put EUR call USD option***<br>• Short 3-month EUR/USD forward contracts (ie long USD short EUR) with USD 20 million notional purchased at the EUR/USD ECB reference rate as of end of day [N] | USD | |

| | | | |
|---|---|---|---|
| | • Short 3-month put EUR call USD option notional USD 40 million (ie short USD against EUR) with strike price corresponding to the three-month forward exchange rate as of end of day [N]<br>• effective date [N]<br>• expiry date [N+3months] | | |
| 14<br>FX | **Mark-to-market cross-currency basis swap**<br>***2 Year USD 3M LIBOR vs EUR 3M EURIBOR swap***<br>See details in Section 2.8 of this Annex. | EUR | |
| 15<br>FX | **Knock-out option**<br>Vanilla option that ceases to exist if the underlying spot breaches a predetermined barrier before maturity<br>See details in Section 2.4 of this Annex. | USD | |
| 16<br>FX | **Double no touch option**<br>Digital option that pays a predetermined amount if the spot does not touch any of the barriers during the life of the option<br>See details in Section 2.5 of this Annex. | USD | |
| **Commodity** | | | |
| 17<br>Commodity | **Curve play from contango to backwardation**<br>***Long short-term and Short long-term contracts***<br>• Long 3,500,000 3-month ATM OTC London Gold Forwards contracts (1 contract = 0.001 troy ounces, notional: 3,500 troy ounces)<br>• Short 4,300,000 1-year ATM OTC London Gold Forwards contracts (Notional: 4,300 troy ounces) | EUR | |
| 18<br>Commodity | **Short oil put options**<br>• Short 30 contracts of 3-month OTC WTI Crude Oil puts with strike = 6-month end-of-day forward price on [N] (1 contract = 1000 barrels, total notional 30,000 barrels) | EUR | |
| **Credit Spread** | | | |
| 19<br>Credit Spread | **Sovereign CDS portfolio**<br>***Short protection via CDS on five countries***<br>• Short €2 million per single-name 5year CDS (total 10 million notional) on the following countries:<br>• effective date: [N]<br>• restructuring clause: FULL<br><br>Country / RED Code / currency<br>Italy / 4AB951 / USD<br>UK / 9A17DE / USD<br>Germany / 3AB549 / USD<br>France / 3I68EE / USD<br>US / 9A3AAA / EUR | EUR | |
| 20<br>Credit Spread | **Sovereign bond/CDS portfolio**<br>***Long protection via CDS on five countries***<br>• Long €2 million per single-name 5 year CDS (total 10 million notional) on the following countries: Italy, UK, Germany, France, US as in portfolio #19.<br>• Long €2 million per single-name 5 year bonds (total 10 million notional) on the following countries: Italy, UK, Germany, France, US (as identified in the following table)<br>• effective date [N] | EUR | |

<table>
<tr><td></td><td>

- to convert the notional of the non-euro bonds use the FX spot as at end of day [N]

| Identifier | Description |
|---|---|
| IT0003493258 | BTP 1 February 2019 |
| DE0001135374 | BUND 4 January 2019 |
| GB00B39R3F84 | GILT 7 March 2019 |
| FR0000189151 | OAT 25 April 2019 |
| US912828SH49 | TBOND 28 February 2019 |

</td><td></td><td></td></tr>
<tr><td>21<br>Credit Spread</td><td>

**Sector concentration portfolio**

***Short protection via CDS on 10 financials***

- Equivalent of short 1 million notional per single-name 5 year CDS (total €10 million notional) on the following 10 companies
- effective date [N]

| Name | RED Code | Currency | Doc clause |
|---|---|---|---|
| *Met Life* | 5EA6BX | USD | MR |
| *Allianz* | DD359M | EUR | MM |
| *Prudential* | 7B8752 | USD | MR |
| *AXA* | FF667M | EUR | MM |
| *ING BANK* | 48DGFE | EUR | MM |
| *Aegon* | 007GB6 | EUR | MM |
| *Aviva* | GG6EBT | EUR | MM |
| *Swiss Re* | HOB65N | EUR | MM |
| *Principal Financial Group* | 7B676W | USD | MR |
| *Suncorp Group* | 8ED955 | USD | MR |

</td><td>EUR</td><td></td></tr>
<tr><td>22<br>Credit Spread</td><td>

**Diversified index portfolio**

***Short protection via CDS index***

- Short €10 million notional iTraxx 5-year Europe index Series 20, Version 1 – maturity 20 December 2018 (RED Pair Code: 2I666VBA2)

effective date [N]

</td><td>EUR</td><td></td></tr>
<tr><td>23<br>Credit Spread</td><td>

**Diversified index portfolio (higher concentration)**

***Short protection via CDS index***

- Short €5 million notional* iTraxx 5-year Europe index Series 20, Version 1 – Maturity 20 December 2018 (RED Pair Code: 2I666VBA2)
- Short €5 million notional (equally weighted) on the following five financials belonging to the iTraxx 5-year Europe index Series 20, Version 1 – Maturity 20 December 2018 (RED Pair Code: 2I666VBA2):

| CDS name | RED Code | Currency | Doc clause |
|---|---|---|---|
| *ING BK CDS* | 48DGFEAH6 | EUR | MM |

</td><td>EUR</td><td></td></tr>
</table>

<table>
<tr>
<td></td>
<td>
<table>
<tr><td>EUR SR 5Y</td><td></td><td></td><td></td></tr>
<tr><td>CMZB CDS EUR SR 5Y</td><td>2C27EGAG9</td><td>EUR</td><td>MM</td></tr>
<tr><td>AXA SA CDS EUR SR 5Y</td><td>FF667MAD8</td><td>EUR</td><td>MM</td></tr>
<tr><td>AEGON CDS EUR SR 5Y</td><td>007GB6AD4</td><td>EUR</td><td>MM</td></tr>
<tr><td>SANTAN CDS EUR SR 5Y</td><td>EFAGG9AF6</td><td>EUR</td><td>MM</td></tr>
</table>
Effective date: [N]<br>
* Each single name CDS should have a notional of €5 million.
</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24<br>Credit Spread</td>
<td>
Diversified corporate portfolio<br>
Short protection via CDS on 10 A- to AA- corporate
<ul>
<li>Short equivalent of €2 million notional per single-name 5 year CDS (total €20 notional) on the following 10 companies (for USD CDS use the exchange rate at [N]):</li>
</ul>
<table>
<tr><th>Name</th><th>RED Code</th><th>Currency</th><th>Doc clause</th></tr>
<tr><td>P&G</td><td>7B6989</td><td>USD</td><td>MR</td></tr>
<tr><td>Home Depot</td><td>47A77D</td><td>USD</td><td>MR</td></tr>
<tr><td>Siemens</td><td>8A87AG</td><td>EUR</td><td>MM</td></tr>
<tr><td>Royal Dutch Shell</td><td>GNDF9A</td><td>EUR</td><td>MM</td></tr>
<tr><td>IBM</td><td>49EB20</td><td>USD</td><td>MR</td></tr>
<tr><td>Met Life</td><td>5EA6BX</td><td>USD</td><td>MR</td></tr>
<tr><td>Southern Co</td><td>8C67DF</td><td>USD</td><td>MR</td></tr>
<tr><td>Vodafone</td><td>9BADC3</td><td>EUR</td><td>MM</td></tr>
<tr><td>BHP</td><td>08GE66</td><td>USD</td><td>MR</td></tr>
<tr><td>Roche</td><td>7E82AF</td><td>EUR</td><td>MM</td></tr>
</table>
</td>
<td>EUR</td>
<td></td>
</tr>
<tr>
<td>25<br>Credit Spread</td>
<td>
Index basis
<ul>
<li>Short €5 million notional iTraxx 5-year Europe index Series 20, Version 1 – Maturity 20 December 2018 (RED Pair Code: 2I666VBA2)</li>
<li>Effective date: [N]</li>
<li>Long €5 million notional on all constituents of iTraxx 5-year Europe index Series 20, Version 1 – maturity 20 December 2018 (RED Pair Code: 2I666VBA2) (ie the aggregate notional is €5 million and all names are equally weighted)</li>
</ul>
Effective date: [N]
</td>
<td>EUR</td>
<td></td>
</tr>
<tr>
<td>26<br>Credit Spread</td>
<td>
CDS bond basis
<ul>
<li>Long bonds €2 million per single-name 5 year bonds on 5 Financials (3 EU, 2 North America).</li>
</ul>
<table>
<tr><th>ISIN</th><th>Security name</th></tr>
<tr><td>XS0834640541</td><td>MET LIFE GLOB FUNDING I 30 September 2019</td></tr>
</table>
</td>
<td>EUR</td>
<td></td>
</tr>
</table>

<table>
<tr><td></td><td>
<table>
<tr><td>XS0406076843</td><td>ALLIANZ SE<br>18 December 2018</td></tr>
<tr><td>US74432QBG91</td><td>PRUDENTIAL FINANCIAL INC<br>15 June 2019</td></tr>
<tr><td>FR0011322668</td><td>AXA SA<br>20 September 2019</td></tr>
<tr><td>DE000A1HNFX5</td><td>ING BANK NV<br>15 February 2019</td></tr>
</table>
<ul><li>Long protection via CDS on the same names (€2 million per single-name 5 year).</li></ul>
<table>
<tr><th>Name</th><th>RED Code</th><th>Currency</th><th>Doc clause</th></tr>
<tr><td>Met Life</td><td>5EA6BX</td><td>USD</td><td>MR</td></tr>
<tr><td>Allianz</td><td>DD359M</td><td>EUR</td><td>MM</td></tr>
<tr><td>Prudential</td><td>7B8752</td><td>USD</td><td>MR</td></tr>
<tr><td>AXA</td><td>FF667M</td><td>EUR</td><td>MM</td></tr>
<tr><td>ING</td><td>49BEBA</td><td>EUR</td><td>MM</td></tr>
</table>
</td><td></td><td></td></tr>
<tr><td>27<br>Credit Spread</td><td>Short index put on ITraxx Europe Crossover series 20<br>See details in Section 2.6 of this Annex.</td><td>EUR</td><td></td></tr>
<tr><td>28<br>Credit Spread</td><td>Quanto CDS on Spain with delta hedge<br>See details in Section 2.7 of this Annex.</td><td>EUR</td><td></td></tr>
<tr><td colspan="4">All-in portfolios</td></tr>
<tr><td>29</td><td>All-in portfolio (1)<br>Portfolios #1, #2, #4, #8, #9, #13, #17, #18, #19, #20, #21, #24, #26</td><td>EUR</td><td></td></tr>
<tr><td>30</td><td>All-in portfolio (2)<br>Equity portfolios #1, #2, and #4</td><td>EUR</td><td></td></tr>
<tr><td>31</td><td>All-in portfolio (3)<br>Interest rate portfolios #8 and #9</td><td>EUR</td><td></td></tr>
<tr><td>32</td><td>All-in portfolio (4)<br>Commodity portfolios #17 and #18</td><td>EUR</td><td></td></tr>
<tr><td>33</td><td>All-in portfolio (5)<br>Credit spread portfolios #19, #20, #21, #24, #26</td><td>EUR</td><td></td></tr>
</table>

## Additional information

In order to ensure the accurate and consistent execution of the exercise across all institutions, banks are asked to familiarise themselves with the following supplemental instructions and assumptions:
(a) For the exercise itself, banks should assume they enter all positions on [N], and once positions have been entered, each portfolio ages for the duration of the exercise. Furthermore, banks should assume it does not take any action to manage the portfolio in any way during the entire exercise period. Unless explicitly stated otherwise in the specifications for a particular portfolio, strike prices for options positions should be determined relative to prices for the underlying as observed at market close on [N],
(b) For the purpose of pre-exercise validation banks should provide to their local supervisor on 28 February 2014 the valuation of each portfolio and the 10-day 99% VaR based upon end of day prices observed on [N] using the pre-exercise validation data template provided. Where possible, the exact timing of the valuation should be as per the table below:

| Portfolio number | Valuation time |
|---|---|
| 1 and 4 | 4.30pm London |
| 2, 3 and 6 | 4.30pm New York |
| 5 and 7 | 4.30pm London |
| 8–12 and 14 | 5.00pm London |
| 13 and 15 | 4.30pm New York |
| 16 | 4.30pm New York |
| 17 | 1.30pm New York |
| 18 | 2.30pm New York |
| 19–28 | 5.00pm London |

(c) Banks should calculate the risks of the positions without taking into account the funding costs associated to the portfolios (ie no assumptions are admitted as per the funding means of the portfolios).

(d) Banks should exclude to the extent possible counterparty credit risk when valuing the risks of the portfolios.

(e) For transactions that include long positions in CDS, assume an immediate up-front fee is paid to enter the position as per the market conventions as indicated by Markit Partners (25, 50, 100bps for investment grade, 500bps for high yield).

(f) Assume that the maturity date for all CDS in the exercise follow conventional quarterly termination dates, often referred to as "IMM dates".

(g) Additional specifications required in order to compute pricing calculations required for CDS positions should be done in a way that is consistent with commonly used market standards.

(h) Use the maturity date (ie some options expire on third Saturday of the month, etc) that ensures the deal is closest to the term-to-maturity specified. For any material details of the product specification that are not explicitly stated in this document, please provide the assumptions you have used along with the results (ie day count convention, etc).

(i) The acronyms ATM, OTM and ITM refer to an option's moneyness: ATM stands for "at the money", OTM stands for "out of the money", and ITM means "in the money".

(j) Assume that all options are traded over-the-counter unless explicitly specified in the portfolios

(k) Follow the standard timing conventions for OTC options (ie expiry dates are the business day following a holiday)

(l) Assume that the timing convention for options is as follows: The time to maturity for a n-month option entered [N] is in n months. For example, a 3-month OTC option entered on [N] expires on [N+3months]. If options expire on a non-trading day, adjust the expiration date as per business day conventions consistent with common practices. Also provide explicit details on the nature of the adjustment made.

(m) Assume that the exercise style for all OTC options specified is as follows:
- **American** for single name equities and commodities; and
- **European** for equity indices, foreign exchange and Swaptions.

(n) For all options exclude the premium from the initial market value calculations (ie options are to be considered as "naked").

(o) In the case that a bank is required to make additional assumptions beyond those specified above that it believes are relevant to the interpretation of its exercise results (eg close of business timing, coupon rolls, mapping against indices, etc), it should submit a description of those specifications in a separate document accompanying its return template.

## Details for portfolios

**1. Details for portfolio 7: 3-year USD quanto call on EUROSTOXX 50**

| | |
|---|---|
| Party A: | counterparty |
| Party B: | participating bank |
| Equity Notional Amount (ENA): | USD 5,000,000 |
| Trade date: | [N] |
| Strike date: | [N] |
| Effective date: | [N] |
| Valuation date: ` | [N+3] |
| Termination date: | [N+3] |
| Underlying index: | EURO STOXX 50 (Bloomberg: SX5E Index) |
| Floating rate payer: | Counterparty |
| Notional amount: | USD 5,000,000 |
| Floating rate: | USDLIBOR3M as determined at 11.00am London time two (2) business days prior to the start of the relevant interest period |
| Spread: | + 300 bps |
| Floating rate day count fraction: | act/360 |
| n/floating amount payment dates: | 1/ 21 May 2014<br>2/ 21 August 2014<br>3/ 21 November 2014<br>4/ 20 February 2015<br>5/ 21 May 2015<br>6/ 21 August 2015<br>7/ 20 November 2015<br>8/ 22 February 2016<br>9/ 20 May 2016<br>10/ 22 August 2016<br>11/ 21 November 2016<br>12/ 21 February 2017 |
| Equity amount payer: | participating bank |
| Equity amount: | On the termination date, Party B will pay Party A the following cash settlement amount: |

$$ENA \times \max\left(0\%, \frac{Index_{Final} - Index_{Initial}}{Index_{Initial}}\right)$$

Where

$Index_{Initial}$ is the official closing level of the underlying index on the strike date.

$Index_{Final}$ is the official closing level of the underlying index on the valuation date.

Settlement terms:

| | |
|---|---|
| Settlement currency: | USD Quanto |
| Business days: | New York |

**2. Details for portfolio 11: 3M Libor USD range accrual**

| | |
|---|---|
| Party A | Participating bank |
| Party B | Counterparty |
| Notional amount | USD 10,000,000.0 |
| Trade date: | [N] |
| Effective date: | [N] |
| Termination date: | [N+10] |
| Party A pays: | 4% *n/N |
| n: | Number of days when the range accrual index fixes between the lower barrier and the upper barrier (inclusive) during the relevant interest period |
| N: | Number of days in the relevant interest period |
| Range accrual index: | 3-month USD Libor as quoted on Reuters page LIBOR01, 11:00 London Time |
| USD 3M Libor: | 3-month USD Libor as quoted on Reuters page LIBOR01, 11:00 London time, fixed 2 business days prior to the first day of each interest period |
| Lower barrier: | 2.50% |
| Upper barrier: | 4.00% |
| Day count fraction: | Actual/360 |
| Payment dates: | Quarterly |
| Business day convention: | Modified Following |
| Business days for fixing: | London and New York |
| Business days for payment: | London and New York |
| Party B pays: | USD 3M Libor |
| USD 3M Libor: | 3-month USD Libor as quoted on Reuters page LIBOR01, 11:00 London time, fixed 2 business days prior to the first day of each interest period |
| Day count fraction: | Actual/360 |
| Payment dates: | Quarterly |
| Business day convention: | Modified Following |
| Business days for fixing: | London and New York |
| Business days for payment: | London and New York |
| Interest period: | From the previous payment date (inclusive) to the next payment date (exclusive) |

**3. Details for portfolio 12: EURHICPX index 10Y maturity zero coupon swap**

| | |
|---|---|
| Contract date: | [N] |
| Payer of fixed: | participating bank |
| Payer of HICP XT Float: | counterparty |
| Notional amount: | EUR 10,000,000.00 |
| Start date: | [N] |
| Maturity date: | [N+10] |

**Fixed rate details**

| | |
|---|---|
| Fixed rate | 2.000 per cent |
| Payment day convention | Modified Following |
| Payment days | Target |
| Fixed payment dates | [N+10] |

**HICP XT Float rate details**

| | |
|---|---|
| Float rate | Target |
| Frequency | At maturity in arrears |
| Index name | Eurostat Eurozone HICP Ex Tobacco Unrevised Series NSA |
| Payment days | 21 February 2024 |

**HICP XT Fixed rate calculation method**

Notional amount*[((1+Fixed rate)^n)-1]

HICP XT Floating rate calculation method Notional amount*[Index(end)/Index(start)-1]

Index (end) = HICP XT Feb 2024 Index unrevised

Index (start) = HICP XT Feb 2014 Index unrevised

There is no floor.

**4. Details for portfolio 15: Knock-out currency option**

| | |
|---|---|
| Trade date: | [N] |
| Buyer: | Participating bank (Party B) |
| Seller: | Client (Party A) |
| Currency option style: | European |
| Currency option type: | EUR Call USD Put |
| Call currency and call currency amount: | EUR 15,000,000.00 |
| Put currency and put currency amount: | equivalent amount of EUR 15,000,000.00 based on EUR/USD exchange rate on [N], NY closing time |
| Strike price: | EUR/USD exchange rate on [N], NY closing time |
| Expiration date: | [N+1] |
| Expiration time: | 10:00 AM (local time in NEWYORK) |
| Automatic exercise: | Applicable |
| Settlement: | Deliverable |
| Settlement date: | [N+1] |
| Barrier event: | Applicable |
| Event type: | Knock-out |
| Spot exchange rate direction: | Greater than or equal to the barrier level |
| Initial spot price: | value of USD / EUR on [N] |
| Barrier level: | 1.5000 USD / EUR |
| Event period start date and time: | Trade date at the time of execution hereof |
| Event period end date and time: | Expiration date at the Expiration Time |

**5. Details for portfolio 16: Double no touch binary currency option**

| | |
|---|---|
| Trade Date: | [N] |
| Buyer: | participating bank (Party B) |
| Seller: | Client [Party A] |
| | |
| Currency option style: | Binary |
| Expiration date: | [N+1] |
| Expiration time: | 10:00 am (local time in New York) |
| Automatic exercise: | Applicable |
| Settlement: | Non-deliverable |
| Settlement amount: | EUR 1, 000,000.00 |
| Settlement date: | [N+1] |
| | |
| Barrier event: | Applicable |
| Event type: | Double No-Touch Binary |
| | |
| Initial spot price: | level of USD/EUR on [N] |
| Upper barrier level: | 1.5000 USD / EUR |
| Lower barrier level: | 1.2000 USD / EUR |
| | |
| Event period start date and time: | Trade date at the time of execution hereof |
| Event period end date and time: | Expiration date at the expiration time |
| Business day convention: | Following |

**6. Details for portfolio 27: Index put on ITraxx Europe Crossover series 20**

| | |
|---|---|
| Buyer: | counterparty |
| Seller: | participating bank |
| Option type: | put |
| Trade date: | [N] |
| Maturity: | 29 August 2014 |
| Ticker: | ITRAXX-Xover19 |
| Underlying end: | 20 December 2018 |
| Option style: | European |
| Option strike: | 500.00 bp |
| Notional: | EUR 10,000,000.00 |

**7. Details for portfolio 28: Quanto Euro CDS on Spain with USD delta hedge**

**Quanto CDS General Terms:**

| | |
|---|---|
| Trade date: | [N] |
| Effective date: | [N] |
| Scheduled termination date: | 20 June 2018 |
| Protection seller: | counterparty |
| Protection buyer: | participating bank |
| Business day: | London |
| Business day convention: | Modified Following |
| Reference entity: | Kingdom of Spain |
| Notional: | EUR 10,000,000.00 |
| Red Code: | 8CA965 |
| Coupon payment dates: | 20 March, 20 June, 20 September and 20 December in each year |
| Coupon spread: | 1.00% |
| Fixed rate day count fraction: | Actual/365 (Fixed) |

**Floating payment:**

| | |
|---|---|
| Floating rate payer calculation amount: | EUR 10,000,000.00 |
| Conditions to settlement: | Credit Event Notice |
| | Notice of publicly available information applicable |
| Credit events: | The following credit events shall apply to this transaction:<br>Bankruptcy<br>Debt restructuring (CR)<br>Failure to pay |
| Settlement currency: | EUR |

**Delta Hedge CDS General Terms:**

| | |
|---|---|
| Trade date: | [N] |
| Effective date: | [N] |
| Scheduled termination date: | 20 June 2018 |
| Protection seller: | Participating bank |
| Protection buyer: | Counterparty |
| Business day: | London |
| Business day convention: | Modified Following |
| Reference entity: | Kingdom of Spain |
| Notional | USD 10,300,000.00 |
| Red Code: | 8CA965 |
| Coupon payment dates: | 20 March, 20 June, 20 September and 20 December in each year from and including 20 September 2012. |
| Coupon spread: | 1.00% |

| | |
|---|---|
| Fixed rate day count fraction: | Actual/365 (Fixed) |

**Floating payment:**

| | |
|---|---|
| Floating rate payer calculation amount: | USD 10,300,000.00 |
| Conditions to settlement: | Credit Event Notice |
| | Notice of publicly available information applicable |
| Settlement currency | USD |

**8. Details for portfolio 14: Mark-to-market (resettable) cross-currency basis swap**

| | |
|---|---|
| Trade date: | [N] |
| Maturity date: | [N+2] |
| Business day convention: | Modified Following |
| Reset dates: | each quarter starting from [N] |
| Payment dates: | quarterly |
| Notional amount in EUR (constant currency amount): | EUR 20.000.000 |
| Notional amount in USD (variable currency amount): | An amount corresponding to EUR 20.000.000 according to the EUR/USD spot exchange rate at the beginning of each interest period |
| Mark-to-market amount: | The difference between the variable currency amount of the current interest period and the variable currency amount of the previous interest period. |
| Interest period: | From the previous payment date (inclusive) to the next payment date (exclusive) |
| Party A (variable currency payer): | Counterparty |
| Party B (constant currency payer): | Participating bank |
| Party A pays: | USD 3M Libor on the variable currency amount (USD) |
| | USD 3M Libor: 3 month Libor flat as quoted on Reuters page Libor01, 11:00 London Time, fixed 2 business days prior to the first day of each interest period |
| Party B pays: | EUR 3M Euribor minus 20 basis points on the constant currency amount (EUR) |
| | EUR 3M Euribor: 3M Euribor as quoted on Reuters page Euribor01, 11:00 London Time, fixed 2 business days prior to the first day of each interest period |
| | At each reset date party A will pay to party B the mark-to-market amount, if negative. |
| | At each reset date party A will receive from party B the mark-to-market amount, if positive. |

**Initial exchange**

| | |
|---|---|
| Initial exchange date: | Trade date |
| EUR initial exchange amount: | EUR 20 000 000 |
| USD initial exchange amount: | USD equivalent to EUR 20,000,000 |

**Final exchange**

| | |
|---|---|
| Final exchange date: | Maturity date |
| EUR final exchange amount: | EUR 20,000,000.00 |
| USD final exchange amount: | The variable currency amount determined for the final calculation period |