

**Final Terms dated 13 february 2019**



**BANQUE PALATINE**

**€5,000,000,000**

**Euro Medium Term Note Programme**

**30,000,000.00 € to 50,000,000.00 € Notes indexed to the performance of the EURONEXT EUROZONE ENERGY TRANSITION LEADERS 50EW DECREMENT 5% and maturing on 7 may 2027**

Issue Price: 100%

**Banque Palatine**

**MiFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET** – Solely for the purposes of the manufacturer's product approval process, the target market assessment in respect of the Notes taking into account the five categories referred to in item 18 of the Guidelines published by European Securities and Markets Authority ("ESMA") on 5 February 2018 has led to the conclusion that: (i) the target market for the Note is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU, as amended ("**MiFID II**"); and (ii) all channels for distribution; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, portfolio management, non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the manufacturer's target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Note (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.

## PART A – CONTRACTUAL TERMS

Terms used below shall be deemed to have the same meanings as given to them in the Terms and Conditions set forth in the Base Prospectus dated 4 July 2018 (in respect of which the *Autorité des marchés financiers* granted visa no. 18-279 on 4 July 2018) and the prospectus Supplement no.1 dated 10 August 2018 (in respect of which the *Autorité des marchés financiers* granted visa no. 18-383) and the prospectus Supplement no.2 dated 11 December 2018 (in respect of which the *Autorité des marchés financiers* granted visa no. 18-557) which constitute together a base prospectus as defined in Directive 2003/71/EC of the European Parliament and Council dated 4 November 2003, as amended (including the amendments introduced by Directive 2010/73/EC) (the "**Prospectus Directive**").

This document constitutes the Final Terms of the Notes described herein (the "**Notes**") for the purposes of Article 5.4 of the Prospectus Directive and contains the final terms of the Notes. These Final Terms are supplemental to the Base Prospectus dated 4 July 2018 relating to the Issuer's Euro Medium Term Note Programme and must be read in conjunction therewith. A summary of the issue is attached to these Final Terms.

The Base Prospectus is available on the websites of (a) the *Autorité des marchés financiers* ([www.amf-france.org](http://www.amf-france.org)) and (b) the Issuer ([www.palatine.fr](http://www.palatine.fr)), and during normal office opening hours at the registered office of the Issuer where copies may be obtained.

The provisions of the Technical Annex 2 and 8 shall apply to these Final Terms and such documents shall be read and construed together.

- |    |  |   |
|----|--|---|
| 1. | <b>Issuer:</b>                         | Banque Palatine   |
| 2. | (a) Series n°:                         | 17  |
|    | (b) Tranche n°:                        | 1   |
| 3. | <b>Specified Currencies:</b>           | <b>Currency or</b> EUR  |
| 4. | <b>Aggregate Nominal Amount:</b>       | An amount in Currency between 30,000,000.00 and 50,000,000.00   |
|    | (a) Series:                            | Determined by the Issuer at the end of the Subscription period and published on 26 April 2019 at the latest on the website of the Issuer ( <a href="http://www.palatine.fr">www.palatine.fr</a> ) and made available without charge at the headquarters of the Issuer 42, rue d'Anjou, Paris ( 75008) |
|    | (b) Tranche:                           |   |
| 5. | <b>Issue Price:</b>                    | 100% of the Aggregate Nominal Amount  |
| 6. | <b>Specified Denomination:</b>         | 1,000.00 EUR  |
| 7. | (a) <b>Issue Date:</b>                 | 30 April 2019   |
|    | (b) <b>Interest Commencement Date:</b> | Not Applicable  |

8.	<b>Maturity Date:</b>	07 may 2027
9.	<b>Hybrid Notes:</b>	No
10.	<b>Interest Basis:</b>	Not Applicable
11.	<b>Redemption/Payment Basis:</b>	Index Linked Redemption
12.	<b>Change of Interest Basis or Redemption/Payment Basis:</b>	Not Applicable
13.	<b>Put/Call Option:</b>	Not Applicable
14.	<b>(a) Status of the Notes:</b>	Unsubordinated
	<b>(b) Date of the corporate authorizations for issuance of the Notes:</b>	Decision of the Board of Directors dated 8 February 2019 and of the Directeur Ingénierie & Trading dated 13 February 2019.
15.	<b>Distribution method:</b>	Non syndicated
16.	<b>Calculation Agent:</b>	BNP Paribas Arbitrage S.N.C.

#### PROVISIONS RELATING TO INTEREST

17.	<b>Provisions relating to Fixed Rate Notes:</b>	Not Applicable
18.	<b>Provisions relating to Floating Rate Notes:</b>	Not Applicable
19.	<b>Provisions relating to Zero Coupon Notes:</b>	Not Applicable
20.	<b>Interest Rate provisions applicable to Underlying Linked Notes:</b>	Not Applicable
21.	<b>Provisions relating to Automatic Interest Basis Conversion and Automatic Interest Rate Conversion:</b>	Not Applicable
22.	<b>Coupon Payouts:</b>	Not Applicable
23.	<b>Additional provisions relating to Inflation Index Linked Notes:</b>	Not Applicable
24.	<b>Additional provisions relating to Index Linked Notes:</b>	Applicable
	<b>(a) Calculation Agent:</b>	BNP Paribas Arbitrage S.N.C.

(b) Index Sponsor:	EURONEXT N.V.
(c) Index (Indices):	EURONEXT EUROZONE ENERGY TRANSITION LEADERS 50EW DECREMENT 5%, code Bloomberg CLIE50D Index
(d) Composite Index /Indices	No
(e) Trade Date:	Issue date
(f) Knock-In Event:	Not Applicable
(g) Knock-Out Event:	Not Applicable
(h) Weighting:	Not Applicable
(i) Automatic Early Redemption Event:	Applicable

An Automatic Early Redemption Event will be deemed to have occurred if, at any Automatic Early Redemption Valuation Date (i), Performance (i)  $\geq$  Automatic Early Redemption Level, where :

- Performance (i) =  $(S(i) / S_0) - 1$ , for i = 1 to 7
- S (i) = the level of the Index on the Automatic Early Redemption Valuation Date (i) and at the Valuation Time as specified in the Technical Annex 2
- S<sub>0</sub> = the level of the Index on the Issue Date and at the Valuation Time as specified in the Technical Annex 2

In this case, the Note is repaid at the Automatic Early Redemption Amount at the Automatic Early Redemption Date (i).

- SPS AER Not Applicable
- Automatic Early Redemption Amount If, at any Automatic Early Redemption Valuation Date (i), Performance (i)  $\geq$  Automatic Early Redemption Level (i) then the Note is redeemed in full at the Automatic Early Redemption Date (i) at the following value :  
  
Specified Denomination  $\times (1 + i \times 6.20\%)$
- Automatic Early Redemption Valuation Date(s) An Automatic Early Redemption Valuation Date (i) is defined as :
  - i=1, 30 April 2020
  - i=2, 30 April 2021

- i=3, 02 May 2022
  - i=4, 02 May 2023
  - i=5, 30 April 2024
  - i=6, 30 April 2025
  - i=7, 30 April 2026
- Automatic Early Redemption Valuation Period Not Applicable
  - SPS AER Value Not Applicable
  - Automatic Early Redemption Date(s) An Automatic Early Redemption Date (i) is defined as :
    - i=1, 8 May 2020
    - i=2, 7 May 2021
    - i=3, 9 May 2022
    - i=4, 9 May 2023
    - i=5, 8 May 2024
    - i=6, 8 May 2025
    - i=7, 8 May 2026
  - Automatic Early Redemption Rate (s) Not Applicable
  - Automatic Early Redemption Level Automatic Early Redemption Level(i) is defined as: i=1 to 7, -5%
- (j) Exchange: Any stock exchange on which are traded one or more securities included in the Index, as defined by the Index Sponsor
- (k) Additional Disruption Event: Change in Law and Hedging Disruption
- (l) Protected Capital Termination Amount: Not Applicable
- (m) Cut-Off Date: Not Applicable
- (n) Averaging Date: Not Applicable
- (o) Determination Date(s): Not Applicable
- (p) Valuation Date: Not Applicable
- (q) Valuation Time: In accordance with Technical Annex 2

	(r) Strike Date:	Not Applicable
	(s) Strike Period:	Not Applicable
	(t) Observation Date:	Not Applicable
	(u) Exchange Business Day:	In accordance with Technical Annex 2
	(v) Trading Day:	In accordance with Technical Annex 2
	(w) Related Exchange:	Means any exchange, quotation system or market, if so, on which options or futures are processed or traded or any successor, as determined by the Calculation Agent.
	(x) Maximum Number of Disrupted Days:	In accordance with Technical Annex 2
	(y) Screen Page:	Reuters .CLIE5, Bloomberg CLIE50D Index
	(z) Relative Performance Basket:	Not Applicable
	(aa) Index Correction Period:	In accordance with Technical Annex 2
	(bb) Observation Period:	Not Applicable
	(cc) Settlement Price:	Not Applicable
	(dd) Averaging:	Not Applicable
	(ee) Initial Stock Loan Rate:	Not Applicable
	(ff) Maximum Stock Loan Rate:	Not Applicable
	(gg) Deferred Redemption following an Index Adjustment Event:	Not Applicable
	(hh) Deferred Redemption following an Additional Disruption Event	Not Applicable
<b>25.</b>	<b>Additional provisions relating to Strategy Index Linked Notes:</b>	Not Applicable
<b>26.</b>	<b>Additional provisions relating to Equity Linked Notes:</b>	Not Applicable
<b>27.</b>	<b>Additional provisions relating to Fund Linked Notes:</b>	Not Applicable
<b>28.</b>	<b>Commodity Linked Notes:</b>	Not Applicable
<b>29.</b>	<b>FX Linked Notes:</b>	Not Applicable
<b>30.</b>	<b>Underlying Interest Rate Linked Notes:</b>	Not Applicable

**PROVISIONS RELATING TO PHYSICAL DELIVERY NOTES**

31. **Physical Delivery Notes:** Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

32. **Issuer Redemption Option:** Not Applicable

33. **Noteholder Redemption Option:** Not Applicable

34. **Final Redemption Amount** The Final Redemption Amount shall be calculated in accordance with the Final Payout

35. **Final Payout:** Applicable

If there was no Automatic Early Redemption Event, then the Final Redemption Amount is equal to:

- Specified Denomination  $\times$  (100%+8\*6.20%) if Performance(8)  $\geq$  -5%

- Specified Denomination  $\times$  100% if

-5% > Performance (8)  $\geq$  - 40%

- Specified Denomination  $\times$  S (8) / S<sub>0</sub>, if Performance (8) < - 40%

36. **Automatic Final Payment Formula Conversion** Not Applicable

37. **Instalment Amount:** Not Applicable

38. **Early Redemption Amount:**

(a) Early Redemption Amount(s) for each Note payable on redemption for tax reasons (Condition 6.6), for Illegality (Condition 6.11) or upon Event of Default (Condition 9): In case of early redemption as specified in paragraphs 6.6, 6.11 and 9 of the Terms and Conditions of the Notes, the Notes will be repaid at the Early Redemption Date at their market value less the cost of unwinding any underlying instrument.

(b) Redemption for tax reasons on dates other than Coupon Payment Dates: Not Applicable

(c) Early Redemption Amount(s) (for reasons other than those referred to in (a) above) for each Note: In case of an early repayment due to an Adjustment of the Index, the Notes will be redeemed as specified in Technical Annex 2, section 2.

In case of an early repayment in the event that the Nominal Amount of the outstanding Notes is reduced or falls below 10 % of Aggregate Nominal Amount, the notes will be redeemed on

the Early Redemption date at their market value less the cost of unwinding any underlying instrument.

In case of an Automatic Early Redemption Event which occurs at an Automatic Early Redemption Valuation Date(i), the notes will be redeemed at the Automatic Early Redemption Date at the following value :

Specified Denomination  $\times (1 + i \times 6.20\%)$

(d) Market Value Less Expenses: Not Applicable

#### **GENERAL PROVISIONS APPLICABLE TO THE NOTES**

**39. Form of the Notes:**

(a) Form of the Notes: Dematerialised Notes bearer registered

(b) Registration Agent: Not Applicable

**40. Financial Centres relating to payment dates for the purposes of Condition 7.4:** Not Applicable

**41. Provisions relating to Partly Paid Notes: amount of each payment including the Issue Price and the date on which each payment must be made and the consequences, if any, of payment default, including the right of the Issuer to withhold the Notes and related interest thereon due to delay in payment:** Not Applicable

**42. Provisions relating to Redemption by Instalment Notes** Not Applicable

**43. Noteholder representation ("Masse") (Condition 11):** The names and contact details of the titular Representative of the Masse are:

SCP SIMONIN – LE MAREC – GUERRIER  
Huissiers de Justice Associés  
54 rue Taitbout 75009 Paris

The Representative of the Masse shall receive a fee of € 504 per year for performing his functions.

**44. Possibility to request identification information of the Noteholders** Not Applicable



45. **The aggregate principal amount of Notes issued has been converted into Euros at a rate of [●], producing the sum of [●]** Not Applicable

#### **PURPOSE OF THE FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on Euronext Paris of the Notes described herein pursuant to the €5,000,000,000 Euro Medium Term Note Programme of Banque Palatine.

#### **RESPONSIBILITY**

Tarek Akrouf accepts responsibility for the information contained in these Final Terms.

Signed for and on behalf of Banque Palatine:

By: Tarek Akrouf

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- |     |  |  |
|-----|--|--|
| (a) | Listing:   | Euronext Paris   |
| (b) | (i) Admission to trading:  | Application may be made by (or on behalf of) the Issuer for the Notes to be admitted to trading on Euronext Paris as from 30 April 2019    |
|     | (ii) Regulated Markets or equivalent markets on which, to the Issuer's knowledge, Notes of the same category as the Notes to be admitted to trading have already been admitted to trading: | Not Applicable   |
| (c) | Estimated total expenses relating to admission to trading:   | Determined at the end of the Subscription Period and available without charge at the Issuers's headquarters, 42 rue d'Anjou, Paris (75008) |

### 2. RATINGS

- |          |   |
|----------|---|
| Ratings: | The Notes being issued have not been rated. |
|----------|---|

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

The Issuer and BNP PARIBAS ARBITRAGE S.N.C expect to enter into hedging transactions to cover the Issuer's liabilities under the Notes. If a conflict of interest arises between (i) BNP PARIBAS ARBITRAGE S.N.C responsibilities as Calculation Agent and (ii) the responsibilities of BNP PARIBAS ARBITRAGE S.N.C as counterparty under the hedging transactions mentioned above, the Issuer and BNP PARIBAS ARBITRAGE S.N.C represent that such conflicts of interest will be resolved in accordance with the interests of the holders of the Notes.

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

- |     |                           |  |
|-----|---------------------------|--|
| (a) | Reasons for the offer:    | Please refer to the section "Use of Funds" of the Base Prospectus  |
| (b) | Estimated net proceeds:   | Determined at the end of the Subscription Period and available without charge at the Issuers's headquarters, 42 rue d'Anjou, Paris (75008) |
| (c) | Estimated total expenses: | Determined at the end of the Subscription Period and available without charge at the Issuers's headquarters, 42 rue d'Anjou, Paris (75008) |

**5. PERFORMANCE OF THE UNDERLYING (INDEX/ FORMULA/ OTHER VARIABLE) EXPLANATION OF ITS EFFECT ON THE VALUE OF THE INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION RELATING TO THE UNDERLYING**

Details of past and future performance of the EURONEXT EUROZONE ENERGY TRANSITION LEADERS 50EW DECREMENT 5%, can be obtained on the website of the Index <http://www.euronext.com>

The volatility of the Index may be obtained from the Calculation Agent.

The product price can fluctuate significantly at any time, which may result in some cases in the total loss of the invested amount.

**INFORMATION RELATING TO THE UNDERLYING**

Strike price or final reference price of the underlying: The final reference price of the EURONEXT EUROZONE ENERGY TRANSITION LEADERS 50EW DECREMENT 5% Index will be known on the Final Valuation Date or 30 April 2025.

• specify the sources from which information on past and future performance of the underlying and volatility may be obtained: Information on past and future performance of the EURONEXT EUROZONE ENERGY TRANSITION LEADERS 50EW DECREMENT 5% can be obtained on the website of the Index <http://www.euronext.com>

• where the underlying is a security: Not Applicable

• where the underlying is an index: Applicable

name of the index and description if compiled by the Issuer. If the index is not compiled by the Issuer, the source from which information on the index may be obtained: Information on past and future performance of the EURONEXT EUROZONE ENERGY TRANSITION LEADERS 50EW DECREMENT 5% can be obtained on the website of the Index <http://www.euronext.com>

• where the underlying is an interest rate: Not Applicable

• other: Not Applicable

• where the underlying is a basket of underlying instruments: Not Applicable

**OTHER**

Name and address of the Calculation Agent: BNP Paribas Arbitrage S.N.C.

160-162 boulevard MacDonald, 75019 Paris, France

## POST-ISSUANCE INFORMATION ON THE UNDERLYING

The Issuer shall not provide any post-issuance information, unless required under applicable laws or regulations.

### 6. OPERATIONAL INFORMATION

ISIN Code: FR0013397775

Common Code: 193771947

Depositories:

(a) Euroclear France acting as Central Depository: Yes

(b) Common Depository for Euroclear Bank and Clearstream Banking, société anonyme: No

Any clearing system(s) other than Euroclear Bank and Clearstream Banking, société anonyme and relevant identification numbers: Not Applicable

Delivery: Delivery against payment on the Issue Date

Name(s) and address(es) of initial Paying Agents appointed for the Notes: Banque Palatine 42, rue d'Anjou 75008 Paris

Name(s) and address(es) of additional Paying Agents appointed for the Notes (if any): Not Applicable

### 7. DISTRIBUTION

If syndicated, names [and addresses] of Syndicate Members and underwriting commitments: Not Applicable

(a) Date of underwriting agreement: Not Applicable

(b) Name and address of entities that have agreed to act as authorised intermediaries on the secondary market by providing bid/ask liquidity and description of the main terms of their undertaking: Not Applicable

(c) Stabilisation Manager(s) (if any): Not Applicable

If non-syndicated, name and address of Dealer: Banque Palatine 42, rue d'Anjou 75008 Paris

Total commissions and concessions: Not Applicable

Non-Exempt Offer

Not Applicable

**8. TERMS AND CONDITIONS OF THE OFFER**

Amount of the Offer	An amount in Currency between 30,000,000.00 and 50,000,000.00
Offer Period:	15 February to 18 April 2019
Offer Price:	100% of the Specified Denomination
Conditions to which the offer is subject:	The offer of the Notes is subject to their issuance
Description of application procedure:	<p>The Offer Period will begin on 15 February 2019 and will end no later than 18 April 2019.</p> <p>The Issuer may at any time decide to close the offer in advance, without waiting for the 18 April 2019, when it deems to have collected enough subscriptions.</p> <p>The end of the offer will be published as soon as total subscribed amount is determined, through a statement released on the website of the Issuer (<a href="http://www.palatine.fr">www.palatine.fr</a>).</p> <p>Once the end of the offer is published, no further subscription will be accepted.</p> <p>All subscriptions registered before closing will be served in full, there will not be any reduction of the subscriptions.</p>
Details of the minimum and/or maximum subscription amounts:	€3,000.00, then by tranches of €1,000.00
Description of option to reduce subscriptions and arrangements for reimbursement of excess amounts paid by subscribers:	Not Applicable
Details of method and time limits for payment for and delivery of Notes:	The Notes shall be issued on the Issue Date against payment to the Issuer of the net subscription proceeds. Investors shall be notified by the Issuer of the Notes allotted to them and the related settlement terms.
Manner and date of publication of the results of the offer:	The results of the offer will be filed with the AMF, published on 26 April 2019 the latest on the website of the Issuer ( <a href="http://www.palatine.fr">www.palatine.fr</a> ) and will be mentioned in the notice of admission of the Notes published by Euronext Paris. They will also be made publicly

available without charge at the headquarters of the Issuer, 42, rue d'Anjou, Paris (75008).

Procedure for exercise of any pre-emption rights, negotiability of subscription rights and treatment of unexercised subscription rights: Not Applicable

Categories of potential investors to which the Notes are offered and if one or more Tranches are reserved for certain countries: The Bonds will be offered in France to French and Italian individual investors and legal entities. The distribution of the Final Terms, of the Base Prospectus and the offer or sale of notes may, in some countries, be subject to legal or regulatory restrictions. People in possession of this Prospectus should seek information on such restrictions and comply to them. Any person who, for some reason whatsoever, transmits or allows the transmission of the Prospectus in such countries must draw the recipient's attention to the stipulations of this paragraph.

Procedure for notifying subscribers of their allotments and indication whether dealing may commence prior to notification: Investors who placed subscription orders pursuant to the Offer will be notified of their allocations by Banque Palatine. They will not be informed of their allocation before the publication by the Issuer of the results of the offer as described in paragraph above. No trading of the Notes on a regulated market within the meaning of Directive 2004 /39 / EC April 21, 2004 concerning financial instrument markets will take place before the Issue Date.

Amount of all expenses and taxes specifically charged to the subscriber or purchaser: Banque Palatine will receive on the Issue Date a maximum remuneration of 2.50% of the issued amount and an annual compensation up to 0.80 % of the amount of bonds actually placed.

Investors may get the details about these costs without charge by request to Banque Palatine.

## 9. PLACEMENT AND UNDERWRITING

Consent of the Issuer to use the Base Prospectus during the Offer Period: Not Applicable

Authorised Offeror(s) in the various countries where the Notes are being offered: Not Applicable

Conditions attached to the Issuer's consent to use the Base Prospectus: Not Applicable

Name(s) and address(es) of entities with overall responsibility for coordinating the issue and the various parties and, to the extent such information is known to the Issuer or the distributor, the relevant dealers in the countries where the Notes are being offered: Not Applicable

Entities that have agreed to underwrite the Notes and those that have agreed to place (but not underwrite) the Notes under a subscription agreement. If the entire issue has not been underwritten, specify the proportion not underwritten: Not Applicable

## ANNEX – ISSUE SPECIFIC SUMMARY

The Notes, whose Aggregate Nominal Amount is between € 30,000,000.00 and € 50,000,000.00, are issued on 30 April 2019 and mature on 7 May 2027.

The Notes are indexed to the performance of the EURONEXT EUROZONE ENERGY TRANSITION LEADERS 50EW DECREMENT 5%, price index.

They have an Automatic Early Redemption mechanism, which can be activated at any Automatic Early Redemption Valuation Date, annually from the first year.

If, at any Automatic Early Redemption Valuation Date, the Index Performance is above the Automatic Early Redemption Level then an Automatic Early Redemption Event occurs and the Notes are redeemed in full at the Automatic Early Redemption Date at the following value:  
Specified Denomination  $\times (1 + 6,20\% \text{ per year})^i$ ,  $i$  being the number of years elapsed.

If at all Automatic Early Redemption Valuation Date, the index remained below the Automatic Early Redemption Level, no Automatic Early Redemption Event occurs and Notes are repaid on the Maturity Date. In this case, if on the Final Valuation Date, the value of the Index is greater than or equal to 95% of its initial level, then each Note is redeemed at  $(100 \% + 8 \times 6.20\%)$  of the Specified Denomination. Otherwise, if on the Final Valuation Date, the value of the Index is strictly lower than 95% of its initial level but higher or equal than 60%, then each Note is redeemed at 100 % of the Specified Denomination. Otherwise, if on the Final Valuation Date, the value of the Index is strictly lower than 60% of its initial level, then each Note is redeemed at the following value:  
Specified Denomination multiplied by  $(100 \% \text{ plus the performance of the Index between the Issue Date and the last Automatic Early Redemption Valuation Date})$ . As the performance of the Index is negative, there is a capital loss.