

**Nightingale CRE 2018-1 Limited**

(the "Issuer")

**NOTICE OF AMENDMENT TO NOTE TERMS**

GBP193,695,000 Portfolio Credit Linked Notes due 2025 (the "Notes") admitted on the Official List of The International Stock Exchange on 06 November 2018.

Certain provisions in relation to Notes as set out in the Cash Deposit Bank Agreement dated 05 October 2018 and entered into between, among others, the Issuer and National Westminster Bank plc as "Cash Deposit Bank" (the "Cash Deposit Bank Agreement") have been clarified by the Cash Deposit Bank.

Unless otherwise defined, any terms used in this announcement shall have the same meaning given to them in the Cash Deposit Bank Agreement.

The key changes to the Notes are as follows:

- As a result of the Financial Conduct Authority's expectation that the London Interbank Offered Rate ("**LIBOR**") should no longer be available after 31 December 2021, the Cash Deposit Bank has clarified that the definition of Deposit Account Rate under Clause 1.2 of the Cash Deposit Bank Agreement will, from 18 February 2022, be linked to the Sterling Overnight Index Average ("**SONIA**") rate rather than LIBOR.
- To derive the interest payable for an interest period, the daily SONIA rate is aggregated to provide a backward-looking SONIA rate. This is done using an observation period and a lag time. The observation period is equivalent to the relevant interest period, but it begins (and ends) seven Note Business Days before the start (and end) of that interest period. SONIA is taken daily for each Note Business Day in the observation period, with appropriate weighting to take account of weekends and bank holidays.
- In accordance with paragraph (b)(i) of the definition of Deposit Account Rate under Clause 1.2 of the Cash Deposit Bank Agreement, the "**Endorsed Rate**" will apply from the first day of the next Calculation Period (being 18 February 2022). Such Endorsed Rate will be the sum of Compounded Daily SONIA (as defined below) and the Adjustment Spread (as defined below).
- "**Compounded Daily SONIA**" means:
  - the rate of return of a daily compound interest investment (with the daily Sterling overnight reference rate as reference rate for the calculation of interest) and will be calculated by the Cash Administrator on the Calculation Date, as follows, and the resulting percentage will be rounded if necessary to the fifth decimal place, with 0.000005% being rounded upwards:

$$\left[ \prod_{i=1}^{d_o} \left( 1 + \frac{SONIA_{i-7NBD} \times n_i}{365} \right) - 1 \right] \times \frac{365}{d}$$

where:

"**d**" is the number of calendar days in the relevant Note Interest Period;

"**d<sub>o</sub>**" is the number of Note Business Days in the relevant Note Interest Period;

"*i*" is a series of whole numbers from one to do, each representing the relevant Note Business Day in chronological order from, and including, the first Note Business Day in the relevant Note Interest Period;

"*ni*", for any day "*i*", means the number of calendar days from and including such day "*i*" up to but excluding the following Note Business Day; and

"**SONIA<sub>i-7NBD</sub>**" means, in respect of any Note Business Day falling in the relevant Observation Period, the SONIA Reference Rate for the Note Business Day falling seven Note Business Days prior to the relevant Note Business Day "*i*".

- An adjustment spread will be applied to the Compounded Daily SONIA to minimise any value transfer arising out of the change from LIBOR to SONIA. The Adjustment Spread (as defined below) has been calculated as at 05 March 2021 using the ISDA Lookback Approach over interest periods of one, three, six and twelve months and is applied consistently until the end of the Cash Deposit Bank Agreement.
- "**Adjustment Spread**" means:
  - in relation to interest periods of one, three, six or twelve months, a percentage rate per annum set out below (calculated as the median difference between LIBOR for the relevant Interest Period and SONIA over a five-year period ending on 5 March 2021).

<b>Interest Period</b>	<b>Adjustment Spread (%)</b>
1 month	0.0326
3 months	0.1193
6 months	0.2766
12 months	0.4644

- The Issuer confirms that investors are not required to take any action in relation to the above. The clarification of the calculation of the Endorsed Rate will apply from the first day of the next Calculation Period as set out in this notice.

All enquiries in relation to this announcement should be addressed to:

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