

# BNP PARIBAS

## Tandem Certificate (ZAR) Series 8

**MAY 2022**

Technical Document

Subscription Period End Date:  
24 May 2022



**BNP PARIBAS**

The bank  
for a changing  
world

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Below is a short description of some of the important terms used to describe this product throughout this brochure. Throughout the brochure any terms written with initial capitals will be explained here.

**Certificate** – this investment is a Certificate. A Certificate is effectively an IOU between the issuer of the Certificate (in this case BNP Paribas Issuance B.V.) and an investor. The Issuer agrees to pay the investor a return, if applicable, at maturity as described in the product documentation of the Certificate. If the Issuer and Guarantor default and are unable to repay the investor at maturity, the investor could lose some or all of their investment.

Certificates can be listed on a stock exchange and traded like a share, meaning the investor can buy and sell the Certificate during the investment term.

**Enhanced Performance** – the Index Performance multiplied by the Participation Level.

**Final Index Level** – the official closing level of the Index on the Final Observation Date.

**Final Observation Date** – the date (1<sup>st</sup> June 2027) on which the Final Index Level is recorded.

**Fixed Payment Date** – the date (19 June 2023) prior to maturity on which you will receive part of the proceeds that are due from the Certificate (half of your Initial Investment<sup>(1)</sup> plus the Guaranteed Fixed Income Return<sup>(1)</sup>).

**Guaranteed Fixed Income Return<sup>(1)</sup>** – the return (applied to half of your Initial Investment<sup>(1)</sup> and set indicatively at 13.5%) which you will receive on the Fixed Payment Date, regardless of Index Level. This return is indicative. It will be fixed on the Trade Date but will not be lower than 12%.

**Guarantor** – BNP Paribas S.A. (Société Anonyme).

**Index** – the underlying index is BNP Paribas World Climate Care RC8 AR Index (Bloomberg code: BNPIEWC8 Index).

**Index Level** – the official closing level of the Index on the relevant date, expressed as a percentage of the Initial Index Level.

**Index Performance** – the percentage change from the Initial Index Level to the Final Index Level. This performance will be used to calculate whether or not you shall receive any additional return on the Certificate on the Maturity Date and, if applicable, the size of that return.

**Initial Index Level** – the official closing level of the Index on the Strike Date.

**Initial Investment<sup>(1)</sup>** – the total amount invested into this Certificate, before deduction of any fees.

**Issuer** – BNP Paribas Issuance B.V.

**Maturity Date** – the date (17 June 2027) on which you will receive the remaining part of the proceeds that are due from the Certificate (the remaining half of your Initial Investment<sup>(1)</sup>, plus a potential enhanced return linked to the Index Performance).

**Max Drawdown** – a portfolio risk indicator. It measures the gap between the highest and the lowest values of an underlying on a given period of time. It is used to assess the relative riskiness of one investment strategy versus another.

**Participation Level** – the multiple of the Index Performance payable on the Maturity Date, applied to the remaining half of your Initial Investment<sup>(1)</sup>. This level is indicatively 150%. The definitive terms of the product are dependent on the prevailing market conditions in the credit, equity and currency markets. If those market conditions change materially over the subscription period, BNP Paribas Issuance B.V. reserves the right to cancel the issuance and reimburse the investments collected.

**Sharpe Ratio** – a measure for calculating risk-adjusted return. It indicates the return earned in excess of the risk-free rate per unit of risk. The higher the ratio, the better the risk-adjusted return.

**Strike Date** – the date (1<sup>st</sup> June 2022) on which the Initial Index Level is recorded.

**Trade Date** – the date (31<sup>st</sup> May 2022) on which the Participation Level will be set.

**ZAR** – South African Rand.

1) *There is a risk of partial or total loss of your Initial Investment and any potential return in the case of bankruptcy or payment default by the Issuer and Guarantor. Please see pages 11-12 for credit ratings and other financial information. For more information on the risks associated with an investment in the Certificate, please see page 10.*

## Introduction

**The Issuer of the Certificate is BNP Paribas Issuance B.V. (the Issuer) and the Certificate is guaranteed by BNP Paribas S.A. (Société Anonyme) (the Guarantor).**

**On the Fixed Payment Date, after one year, this investment offers you:**

- A Guaranteed Fixed Income Return<sup>(1)</sup> indicatively estimated at 13.5% on half of your Initial Investment<sup>(1)</sup>. The Guaranteed Fixed Income Return<sup>(1)</sup> will be set on the Trade Date and will not be less than 12%;
- Principal partial redemption: half of your Initial Investment<sup>(1)</sup> is returned on the Fixed Payment Date regardless of Index Level.

**On the Maturity Date, after five years, this investment offers you:**

- A potential return on the remaining half of your Initial Investment<sup>(1)</sup> (in ZAR), linked to the performance of the BNP Paribas World Climate Care RC8 AR Index (the Index), which has the addition of a risk control mechanism;
- A Participation Level indicatively estimated at 150% (1.5 times) of the Index Performance if positive (as explained on page 7), applied to the remaining half of your Initial Investment<sup>(1)</sup>. The Participation Level will be set on the Trade Date and will not be less than 150%;
- Principal protection: the remaining half of your Initial Investment<sup>(1)</sup> is returned on the Maturity Date even if the Final Index Level is below the Initial Index Level;
- A return in ZAR: you are fully protected from foreign exchange (EUR/ZAR) fluctuations (as explained on page 10).

## Is this investment right for me?

May be suitable if you:	May not be suitable if you:
<ul style="list-style-type: none"> <li>■ Are seeking exposure to stocks demonstrating strong Environmental, Social and Governance (ESG) standards, strong commitment to energy transition and a positive financial outlook (as explained on page 5).</li> <li>■ Wish to benefit from full principal protection at maturity, regardless of the Index Performance<sup>(1)</sup>.</li> <li>■ Do not need to access 50% of your Initial Investment<sup>(1)</sup> during the first year and the remaining 50% before the end of the five year investment term<sup>(2)</sup>.</li> <li>■ Are happy to accept the credit risk of BNP Paribas Issuance B.V. and BNP Paribas S.A. (Société Anonyme)<sup>(3)</sup> for five years.</li> <li>■ Wish to have an investment with ZAR as the base currency and no exposure to the currency of the underlying Index (EUR).</li> </ul>	<ul style="list-style-type: none"> <li>■ Are not comfortable with the investment strategy of the Index.</li> <li>■ Are not looking for a diversified investment across regions or asset classes.</li> <li>■ May need to access 50% of your Initial Investment<sup>(1)</sup> during the first year and the remaining 50% before the end of the five year investment term<sup>(2)</sup>.</li> <li>■ Do not wish to be exposed to the credit risk of BNP Paribas Issuance B.V. and BNP Paribas S.A. (Société Anonyme)<sup>(3)</sup>.</li> <li>■ Wish to be exposed to the currency of the underlying index (EUR).</li> </ul>

**You should consult your financial adviser to advise you as to the suitability of the Certificate for your personal investment needs.**

- 1) *Except in the event of bankruptcy or default of payment by the Issuer and Guarantor. Please see pages 11-12 for credit ratings and other financial information. For more information on the risks associated with an investment in the Certificate, please see page 10.*
- 2) *You can withdraw your investment before the Maturity Date but you will then receive the market value of your investment, which may be less than your Initial Investment.*
- 3) *The bankruptcy or default of payment by the Issuer and Guarantor.*

## The BNP Paribas World Climate Care RC8 AR Index: a 3-step selection process

1

### Filters on companies

First, companies are selected from the Vigeo Eiris World Initial Universe (approximately 2,700 companies) according to ESG compliant and energy transition strategy filters:

- **Exclusion of companies** with a V.E. ESG score in the lowest 25% in their sector or below 30/100, or involved in armament, nuclear, tobacco, pornography or in critical controversies;
- **Exclusion of companies** with a BNP Paribas Asset Management ESG Score of 9 or 10 (10 being the worst score);
- Among intense emitters only those with the best **energy transition score** in their sector, as assessed by V.E., can be selected.

2

### Constraints on portfolios

The remaining companies are finally used to determine the composition of the Index and should then expect some constraints such as a strong financial outlook, being liquid enough, being diversified by sector and equally weighted.

3

### Final selection

The final selection must meet three requirements : a maximum volatility of alpha 5%, a carbon footprint 50% lower than the benchmark and maximize the V.E. score.

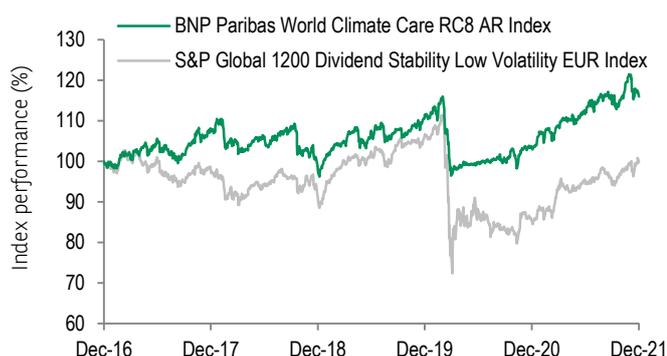
## Risk control mechanism

The Index incorporates a risk control mechanism to target a volatility\* of 8%. The mechanism will dynamically adjust exposure to the components of the Index in order to keep an exposure proportional to the target volatility of 8%. If the volatility level is higher than 8% the Index will allocate into bonds by creating a portfolio composed of equities and bonds.

### \*What is Volatility?

Volatility is a measure of price movements, or of the amount by which the daily return of the Index moves from its average daily return over a set period of time. It is an indicator of the level of risk. High volatility equates to high risk.

## Historical performance of the BNP Paribas World Climate Care RC8 AR Index



Dec. 16 – Dec. 21	BNP Paribas World Climate Care RC8 AR Index	S&P Global 1200 Dividend Stability Low Volatility EUR Index
Annualised Performance	3,01%	-0,05%
Annualised Volatility	8,04%	13,60%
Sharpe Ratio	0,38	-
Max Drawdown	-16,85%	-35,05%

Source: Bloomberg, BNP Paribas, from 20 December 2016 to 20 December 2021. Past performance and simulated past performance are not indicative of future performance.

# HOW THE INVESTMENT RETURN IS CALCULATED?

All illustrative returns are shown before the deduction of any applicable tax. The numbers used in this example are for illustration of the mechanics of the product only. These figures are not an indication of future performance. The calculations on this page uses the indicative Guaranteed Fixed Income Return and Participation Level, as explained on page 3.

## Calculation of the Enhanced Performance

- The Index Performance is calculated as the percentage change from the Initial Index Level to the Final Index Level.
- The Enhanced Performance is expected to be 150% (1.5 times) of the Index Performance. This is indicative and will be set on the Trade Date. The Enhanced Performance will be applied to 50% of your Initial Investment<sup>(1)</sup>.

## Calculation of the investment return

**On the Fixed Payment date, after one year, you will receive:**

- 50% of your Initial Investment<sup>(1)</sup>; plus
- A Guaranteed Fixed Income Return<sup>(1)</sup> indicatively estimated at 13.5% on half of your Initial Investment<sup>(1)</sup>.

**On the Maturity Date, after five years, you will receive:**

- The remaining 50% of your Initial Investment<sup>(1)</sup>; plus
- A potential enhanced return on that remaining 50% of your Initial Investment<sup>(1)</sup>, if the Index Performance is positive.

## Initial Investment<sup>(1)</sup> protection

- On the Fixed Payment Date, regardless of the Index Level, you will receive half of your Initial Investment<sup>(1)</sup> back as well as the Guaranteed Fixed Income Return<sup>(1)</sup>, and thus avoid being exposed to negative market performance.
- On the Maturity Date, even if the Final Index Level is below the Initial Index Level, you will receive the remaining half of your Initial Investment<sup>(1)</sup> back, and thus avoid being exposed to negative market performance.
- Your Initial Investment<sup>(1)</sup> is protected at maturity only. In the case of early withdrawal, you will receive back the current market value of your investment, which may be significantly less than your Initial Investment<sup>(1)</sup>.

## Key Benefits & Risks of investing

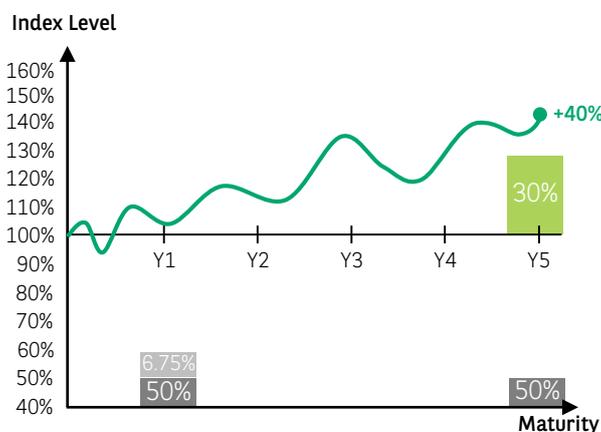
Benefits	Risks
<ul style="list-style-type: none"> <li>■ You will participate in the performance of the BNP Paribas World Climate Care RC8 AR Index, which offers diversified exposure to companies worldwide and also a volatility (Risk Control) mechanism.</li> <li>■ On the Fixed Payment Date (after one year) you will benefit from the return of 50% of your Initial Investment<sup>(1)</sup>.</li> <li>■ On the Fixed Payment Date, you will benefit from a Guaranteed Fixed Income Return<sup>(1)</sup> indicatively estimated at 13.5% on half of your Initial Investment<sup>(1)</sup>, regardless of the Index Level.</li> <li>■ On the Maturity Date, you will benefit from an indicatively estimated 150% of the Index Performance (if positive) applied to the remaining half of your Initial Investment<sup>(1)</sup>, in addition to 100% protection of your Initial Investment<sup>(1)</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>■ You are only exposed to the performance of the Index as measured on the Final Observation Date, and will not benefit from a higher level of the Index observed on any other date.</li> <li>■ You will not receive any additional return above the Guaranteed Fixed Income Return<sup>(1)</sup> (payable on the Fixed Payment Date) if the Index Performance is negative.</li> <li>■ Full principal protection is only applicable at maturity. Early withdrawal is subject to market valuation, which may be significantly less than your Initial Investment<sup>(1)</sup>.</li> <li>■ There is a risk of partial or total loss of your Initial Investment<sup>(1)</sup> in the case of bankruptcy or payment default by the Issuer, BNP Paribas Issuance B.V. and the Guarantor, BNP Paribas S.A. (Société Anonyme)</li> </ul>

1) *There is a risk of partial or total loss of your Initial Investment and any potential return in the case of bankruptcy or payment default by the Issuer and Guarantor. Please see pages 11-12 for credit ratings and other financial information. For more information on the risks associated with an investment in the Certificate, please see page 10.*

**LEGEND:**  Return of the Initial Investment<sup>(1)</sup>  Additional return on the Fixed Payment Date  Index path  Final Index Level  Additional return on the Maturity Date

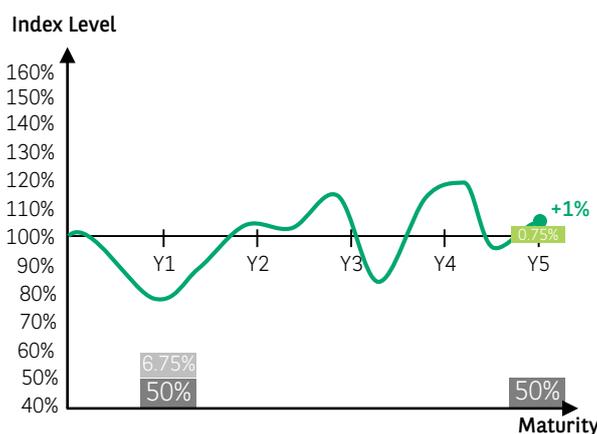
## Scenario 1: Positive

- On the Fixed Payment Date, you receive: 50% of your Initial Investment<sup>(1)</sup> + 6.75% (13.5% Guaranteed Fixed Income Return<sup>(1)</sup> x 50% Initial Investment<sup>(1)</sup>) = 56.75% of your Initial Investment<sup>(1)</sup>.
- On the Final Observation Date, the Index closes 40% above its initial level. The Enhanced Performance is therefore calculated at +60% (150% x 40%).
- On the Maturity Date, you receive: 50% of your Initial Investment<sup>(1)</sup> + 30% (60% Enhanced Performance x 50% Initial Investment<sup>(1)</sup>) = 80% of your Initial Investment<sup>(1)</sup>.
- **The annual return is 10.46%.**



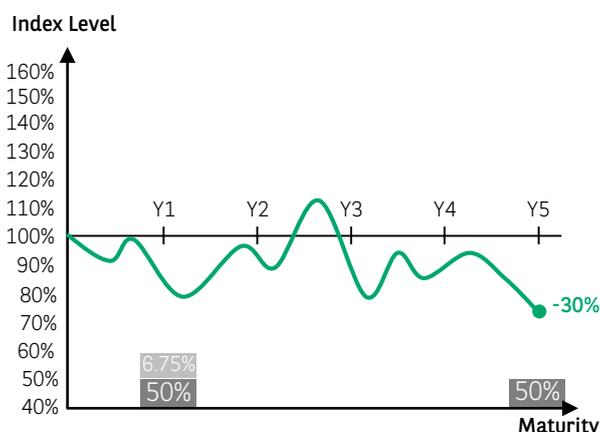
## Scenario 2: Neutral

- On the Fixed Payment Date, you receive: 50% of your Initial Investment<sup>(1)</sup> + 6.75% (13.5% Guaranteed Fixed Income Return<sup>(1)</sup> x 50% Initial Investment<sup>(1)</sup>) = 56.75% of your Initial Investment<sup>(1)</sup>.
- On the Final Observation Date, the Index closes 1% above its initial level. The Enhanced Performance is therefore calculated at +1.50% (150% x 1%).
- On the Maturity Date, you receive: 50% of your Initial Investment<sup>(1)</sup> + 0.75% (1.50% Enhanced Performance x 50% Initial Investment<sup>(1)</sup>) = 50.75% of your Initial Investment<sup>(1)</sup>.
- **The annual return is 2.58%.**



## Scenario 3: Negative

- On the Fixed Payment Date, you receive: 50% of your Initial Investment<sup>(1)</sup> + 6.75% (13.5% Guaranteed Fixed Income Return<sup>(1)</sup> x 50% Initial Investment<sup>(1)</sup>) = 56.75% of your Initial Investment<sup>(1)</sup>.
- On the Final Observation Date, the Index closes 30% below its initial level.
- The Index Performance as well as the Enhanced Performance are negative but due to the principal protection feature, you do not lose any of the remaining part of your Initial Investment<sup>(1)</sup>.
- On the Maturity Date, you receive: 50% of your Initial Investment.
- **The annual return is 2.34%.**



Source: BNP Paribas. Scenarios are for illustrative purposes only.

Scenarios are for illustrative purposes only and assume no bankruptcy or default of payment by the Issuer and Guarantor. The calculations on this page uses the indicative Guaranteed Fixed Income Return and Participation Level, as explained on page 3.

1) There is a risk of partial or total loss of your Initial Investment and any potential return in the case of bankruptcy or payment default by the Issuer and Guarantor. Please see pages 11-12 for credit ratings and other financial information. For more information on the risks associated with an investment in the Certificate, please see page 10.

# ILLUSTRATION OF POTENTIAL RETURNS

Examples below have been calculated based on an Initial Investment<sup>(1)</sup> of ZAR 100,000

Example	Initial Investment	Investment Return on Fixed Payment Date	Index Performance	Enhanced Performance	Investment Return on Maturity Date	Redemption Amount (Guaranteed Fixed Income Return <sup>(1)</sup> plus return at Maturity)	Annualised Return
1	ZAR 100,000	56.75%	40%	60%	80.00%	ZAR 136,750	10.46%
2	ZAR 100,000	56.75%	10%	15%	57.50%	ZAR 114,250	4.66%
3	ZAR 100,000	56.75%	4%	6%	53.00%	ZAR 109,750	3.30%
4	ZAR 100,000	56.75%	0%	0%	50.00%	ZAR 106,750	2.34%
5	ZAR 100,000	56.75%	-12%	0%	50.00%	ZAR 106,750	2.34%
6	ZAR 100,000	56.75%	-28%	0%	50.00%	ZAR 106,750	2.34%

Source: BNP Paribas. For illustrative purposes only.

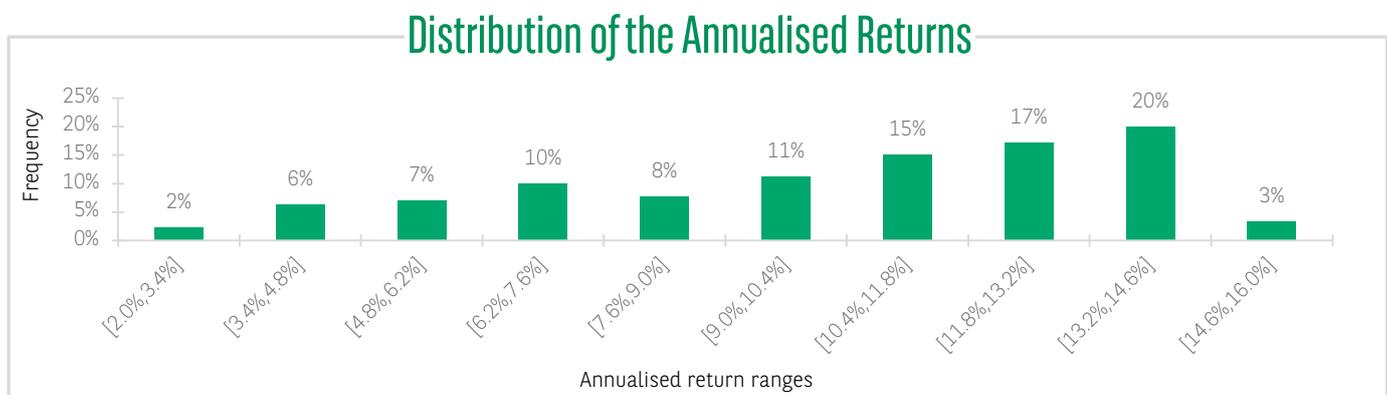
The numbers used in these examples are for illustration of the mechanics of the product only. The calculations assume no bankruptcy or default of payment by the Issuer and Guarantor. These figures are not an indication of future performance.

## Payoff simulations of the BNP Paribas Tandem Certificate (ZAR) Series 8

Simulated outcomes have been computed for investments starting in the date range 28 May 2007 – 12 January 2017 (totaling 2,514 simulations). This means the corresponding maturities were 28 May 2012 – 12 January 2022. We assumed that the Enhanced Performance is fixed at the current indicative level. Simulations are summarised below:

Outcome	Initial Investment	Investment Return on Fixed Payment Date	Index Performance	Enhanced Performance	Investment Return on Maturity Date	Redemption Amount (Guaranteed Fixed Income Return <sup>(1)</sup> plus return at Maturity)	Annualised Return
Maximum	ZAR 100,000	56.75%	73.28%	109.92%	104.96%	ZAR 161,710	15.56%
Average	ZAR 100,000	56.75%	40.07%	60.10%	80.05%	ZAR 136,800	10.24%
Minimum	ZAR 100,000	56.75%	-0.65%	0.00%	50.00%	ZAR 106,750	2.33%

The Index was negative (resulting in a total return of 0% on the 5-year component) 0.08% of the time. In all these cases the investor still received their capital back.



Source: Bloomberg, BNP Paribas, as of January 2022.

The bar chart above shows different possible return ranges (horizontal axis) versus their corresponding frequency of occurrences historically. For example, the two biggest bars correspond to returns in the range 13.2% - 14.6% p.a. (which happened 20% of the time historically) and returns in the range 11.8% - 13.2% p.a. (which happened 17% of the time historically).

The analysis has been prepared by BNP Paribas and is for your information only. Historical information for this product has been used by BNP Paribas in order to provide an illustration of how the product may have performed over a defined period. This analysis has been prepared in good faith in accordance with BNP Paribas' own internal models and calculation methods and/or which may be based on or incorporate publicly available market information sources where considered relevant. Analysis based on different models or assumptions may yield different results. Numerous factors may affect the analysis, which may or may not be taken into account. Therefore, this analysis may vary significantly from analysis obtained from other sources or market participants. BNP Paribas does not guarantee the accuracy or completeness of this analysis or calculation methods, the accuracy or reliability of any market information sources used, any errors or omissions in computing or disseminating this analysis, and for any use you make of it. The provision of any historical performance analysis is not an indication of future performance and it should not be viewed as such. This analysis is strictly confidential. You have no authority to use or reproduce this analysis in any way and BNP Paribas shall not be liable for any loss arising from the use of this analysis or otherwise in connection herewith.

All illustrative returns are shown before the deduction of any applicable tax.

- 1) *There is a risk of partial or total loss of your Initial Investment and any potential return in the case of bankruptcy or payment default by the Issuer and Guarantor. Please see pages 11-12 for credit ratings and other financial information. For more information on the risks associated with an investment in the Certificate, please see page 10.*

## What is the role of SIP Nordic SA (PTY) Ltd?

Structured Investment Products South Africa (Pty) Ltd T/A SIP Nordic South Africa is a registered & licensed FSP service provider (FSP number 51065). They are responsible for the exclusive marketing of the products via a network of accredited and licensed Financial Advisers. Contact [info@sipnordic.co.za](mailto:info@sipnordic.co.za).



## How can I invest in BNP Paribas Tandem Certificate (ZAR) Series 8?

BNP Paribas Tandem Certificate (ZAR) Series 8 is open for investment for a limited time. You must make sure that you invest on or before the end of the subscription period on 24 May 2022.

You can invest in this product via a linked endowment policy, available through Itransact, with the assistance of your financial advisor.

## Is there any minimum Initial Investment<sup>(1)</sup> per investor?

Yes, the minimum initial investment is set at ZAR 100,000.

## What are the fees and charges when investing?

Please refer to the Itransact fees<sup>(2)</sup> schedule. Note:

- The financial adviser fee will not exceed 2.88% (including VAT) of your Initial Investment<sup>(1)</sup> (equivalent to 0.58% p.a.).
- The Itransact administration fee will not exceed 2.0125% (including VAT) of your Initial Investment<sup>(1)</sup> (equivalent to 0.4025% p.a.).
- The Guardrisk endowment fee will not exceed 0.5% (not subject to VAT) of your Initial Investment<sup>(1)</sup>.

The Financial adviser fees, Guardrisk endowment fees, and Itransact fees<sup>(2)</sup> will be deducted upfront and paid to Itransact. These fees have been included in the returns described in this brochure and any return will be based on the whole of your Initial Investment<sup>(1)</sup>, before fees<sup>(2)</sup> deducted. Itransact fees<sup>(2)</sup> schedule is available on <https://www.itransact.co.za/>.

## How does the principal protection work?

- The 100% protection of your Initial Investment is provided by BNP Paribas S.A. (S&P A+, Moody's Aa3, Fitch AA-, as of 20/12/2021). It protects your investment<sup>(1)</sup> in ZAR when market performance is negative at maturity.
- You may lose this investment protection if you withdraw your investment before the investment term is over. If you only withdraw a part of your Initial Investment, you will only lose the protection on the part you withdrew. The rest of your investment will still enjoy 100% protection at maturity<sup>(1)</sup>.

## How can I follow the performance of my investment?

You can obtain information by speaking to your financial adviser directly or by contacting Itransact.

## What happens on the Maturity Date?

You will be paid the proceeds of your investment that are due to you on the Maturity Date.

- 1) *There is a risk of partial or total loss of your Initial Investment and any potential return in the case of bankruptcy or payment default by the Issuer and Guarantor. Please see pages 11-12 for credit ratings and other financial information. For more information on the risks associated with an investment in the Certificate, please see page 10.*
- 2) *Itransact may pay a portion of the administration fee to Structured Investment Products South Africa (Pty) Ltd T/A SIP Nordic SA (Pty) Ltd in accordance with any agreements between the two parties.*

## Can investors withdraw their investment before the end of the investment term?

Subject to market conditions, as determined by BNP Paribas Arbitrage S.N.C. (the Calculation Agent of the Certificates), the BNP Paribas Tandem Certificate (ZAR) Series 8 will be priced daily and fully liquid. This means that you may sell all or part of your investment (with a minimum trading size of one (1) Certificate) before the end of the investment term. There may be a penalty fee for withdrawing the investment early. Please refer to the platform guidelines for more details (available on <https://www.itransact.co.za>). If you would like to sell all or part of your investment before the Maturity Date, you will receive the current market value of the investment and this may be significantly less than your Initial Investment<sup>1)</sup>.

## What are the Exchange Control implications?

- The BNP Paribas Tandem Certificate (ZAR) Series 8 is listed on the Johannesburg Stock Exchange.
  - South African institutional investors may invest in this JSE-listed Certificate (that references foreign assets) using the permissible foreign portfolio investment allowances under Regulation 28.
  - South African corporates, trusts, partnerships and private individuals may invest in this Certificate without restriction.
- For more information on Regulation 28, please visit the Financial Services Board website, [www.fsb.co.za](http://www.fsb.co.za).

## What are the risks when investing in BNP Paribas Tandem Certificate (ZAR) Series 8?

In addition to the risks and drawbacks described on page 6, you should consider the following:

### ■ How does the currency affect the investment?

There is no currency risk in this investment as it is denominated in ZAR, meaning that the value of the South African Rand compared to other currencies has no effect on investment returns or on the Initial Investment<sup>1)</sup>.

### ■ What if BNP Paribas S.A. (Société Anonyme) defaults?

When you invest in BNP Paribas Tandem Certificate (ZAR) Series 8, you take on the credit risk of BNP Paribas S.A. (Société Anonyme). This is the risk that BNP Paribas S.A. (Société Anonyme) will not be able to pay the Initial Investment<sup>1)</sup> (plus any additional return) at the end of the investment term. Investors should note that BNP Paribas S.A. (Société Anonyme) acting as Guarantor is licensed as a credit institution in France and as such is subject to EU legislation, including the Bank Recovery and Resolution regime. EU Authorities have the power to amend the key terms of the Guarantee, to reduce the amounts payable by the Guarantor under the terms of the Guarantee (including a reduction to zero) and convert the amounts due under the Guarantee into shares or other securities, which may be worth significantly less than the amount due to you under the Certificates at expiry. **Therefore, there is a risk that you may lose part or all of your investment.**

### ■ How does market risk affect the investment?

The market value of the investment during the five year investment term will change not only according to the performance of the Index but also according to other market parameters such as market volatility, interest rates and the credit rating of BNP Paribas Issuance B.V. and BNP Paribas S.A. This means that while you can withdraw your investment before the Maturity Date you will then receive the market value of your investment which may be less than the Initial Investment<sup>1)</sup>.

### ■ Adjustment events

Whilst every effort will be made to maintain the conditions and variables of the Certificates, in certain circumstances, BNP Paribas Arbitrage S.N.C. is entitled to make adjustments. Examples of these circumstances include: changes in laws or regulations which affect the ability of BNP Paribas Arbitrage S.N.C. to execute and manage its hedging arrangements in respect of the Certificate or a disruption to trading in the stock market or financial markets or a change in ownership of BNP Paribas Arbitrage S.N.C. The adjustments BNP Paribas Arbitrage S.N.C. may be entitled to make include adjusting the Initial Index Level and the Final Index Level, postponement of the dates on which the levels are observed, substitution of the underlying assets and early redemption of the Certificates and altering or delaying the payment of amounts due to be paid under the Certificates.

1) *There is a risk of partial or total loss of your Initial Investment and any potential return in the case of bankruptcy or payment default by the Issuer and Guarantor. Please see pages 11-12 for credit ratings and other financial information. For more information on the risks associated with an investment in the Certificate, please see page 10.*

## A partner of choice

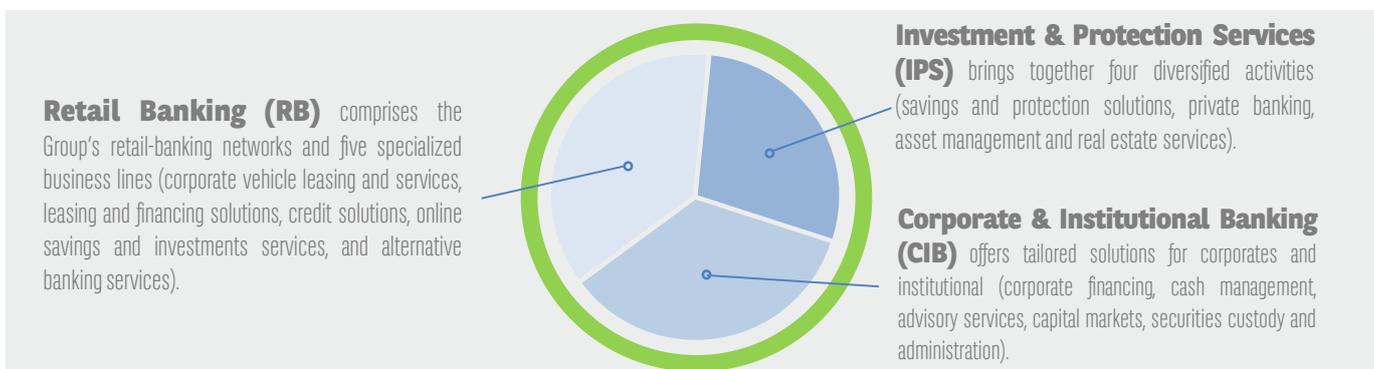
BNP Paribas is one of the world's largest banking groups with domestic markets in France, Italy, Belgium, Luxembourg and retail operations in the USA, Eastern Europe and Africa. Below you can find the number of employees working for BNP Paribas worldwide (split by region).



Source: BNP Paribas, as of 20 December 2021.

## A balanced and diversified business model

BNP Paribas operates a diversified business model composed of three core areas: Retail Banking (RB), Investment & Protection Services (IPS) and Corporate & Institutional Banking (CIB).



Source: BNP Paribas, as of 20 December 2021.

### Key Figures:

- Employees 2021: **193,319**
- Net Income 9M21 : **€7.182 bn<sup>(2)</sup>**
- Country presence 2021: **68**
- Common Equity Tier 1 Capital: **13.0%<sup>(1)</sup>**
- Credit rating<sup>(1)</sup>: **A+ / Aa3 / AA-**

## Strong foundations to serve our clients around the world

- BNP Paribas is one of the most solid banks in Europe, ahead of the new Basel 3 rules.
- The target of a Basel 3 (fully loaded) Common Equity Tier 1 ratio at 9,23% is surpassed, with a ratio at 13.0%<sup>(2)</sup>.

1) As of 20 December 2021

2) Net Income Attributable to equity holders excluding exceptional items

## Confidence from the market

### A strong counterparty for today's markets

With credit ratings of A+ / Aa3 / AA-, as of 20/12/2021, BNP Paribas brings robustness, stability and confidence to our clients in challenging market conditions.

	S&P Credit Rating	Moody's Credit Rating	Fitch Credit Rating
ROYAL BANK OF CANADA	AA-	Aa2	AA-
<b>BNP PARIBAS S.A.</b>	<b>A+</b>	<b>Aa3</b>	<b>AA-</b>
COOPERATIEVE RABOBANK UA	A+	Aa2	AA-
SOCIÉTÉ GÉNÉRALE S.A.	A	A1	A
JPMORGAN CHASE & CO	A-	A2	AA-
BANCO SANTANDER S.A.	A+	A2	A
HSBC HOLDINGS PLC	A-	A3	A+
WELLS FARGO & CO	BBB+	A1	A+
UBS GROUP AG	A-	Aa2	A+
BANCO BILBAO VIZCAYA ARGENTARIA S.A.	A	A3	A-
COMMERZBANK AG	BBB+	A1	-
BARCLAYS PLC	BBB	Baa2	A
CREDIT SUISSE GROUP AG	BBB+	Baa1	A-
DEUTSCHE BANK AG	A-	A2	A-
ROYAL BANK OF SCOTLAND GROUP PLC	A	A2	AA-

Source: BNP Paribas, Bloomberg, as of 20 December 2021. Companies as issuers of senior debt. For S&P, Long Term Foreign Currency Issuer Credit Rating is quoted. For Moody's, Senior Unsecured Debt Rating is quoted (Moody's Issuer Rating for Royal Bank Of Scotland Group). For Fitch, Senior Unsecured Debt Rating is quoted (Long Term Issuer Default Rating for Royal Bank Of Scotland Group). A credit rating (i) is subject to downward revision, suspension or withdrawal at any time by the assigning rating organisation, (ii) does not take into account market risk or the performance-related risks of the investment, and (iii) is not a recommendation to buy, sell or hold securities. Non exhaustive list of banks.

## Resilient through crises

The three stable engines of our business, Domestic Markets, Investment & Protection Services and Corporate & Institutional Banking, have allowed BNP Paribas to remain profitable throughout the crisis years.

### Revenues in €bn



### Net Income in €bn



Source: BNP Paribas on 20 December 2021. <sup>1</sup>Net income attributable to equity holders

## BNP Paribas' expertise in indices

- BNP Paribas is one of the world leaders in the development of systematic strategies, with 20 years expertise in derivatives, highly experienced research teams and state-of-the-art in-house infrastructure.
- BNP Paribas has long-standing experience in the construction of indices that follow systematic strategies aiming to provide stability and transparency through the investments we offer. This is achieved through the leveraging of in-house, fully integrated quantitative capabilities.



**SRP awards**  
**Best House, ESG**  
**Best Performance, Netherlands**  
**Best Issuance Platform, Smart Derivatives**



## BNP Paribas in South Africa

BNP Paribas has a presence in South Africa with a full commercial branch in Johannesburg.

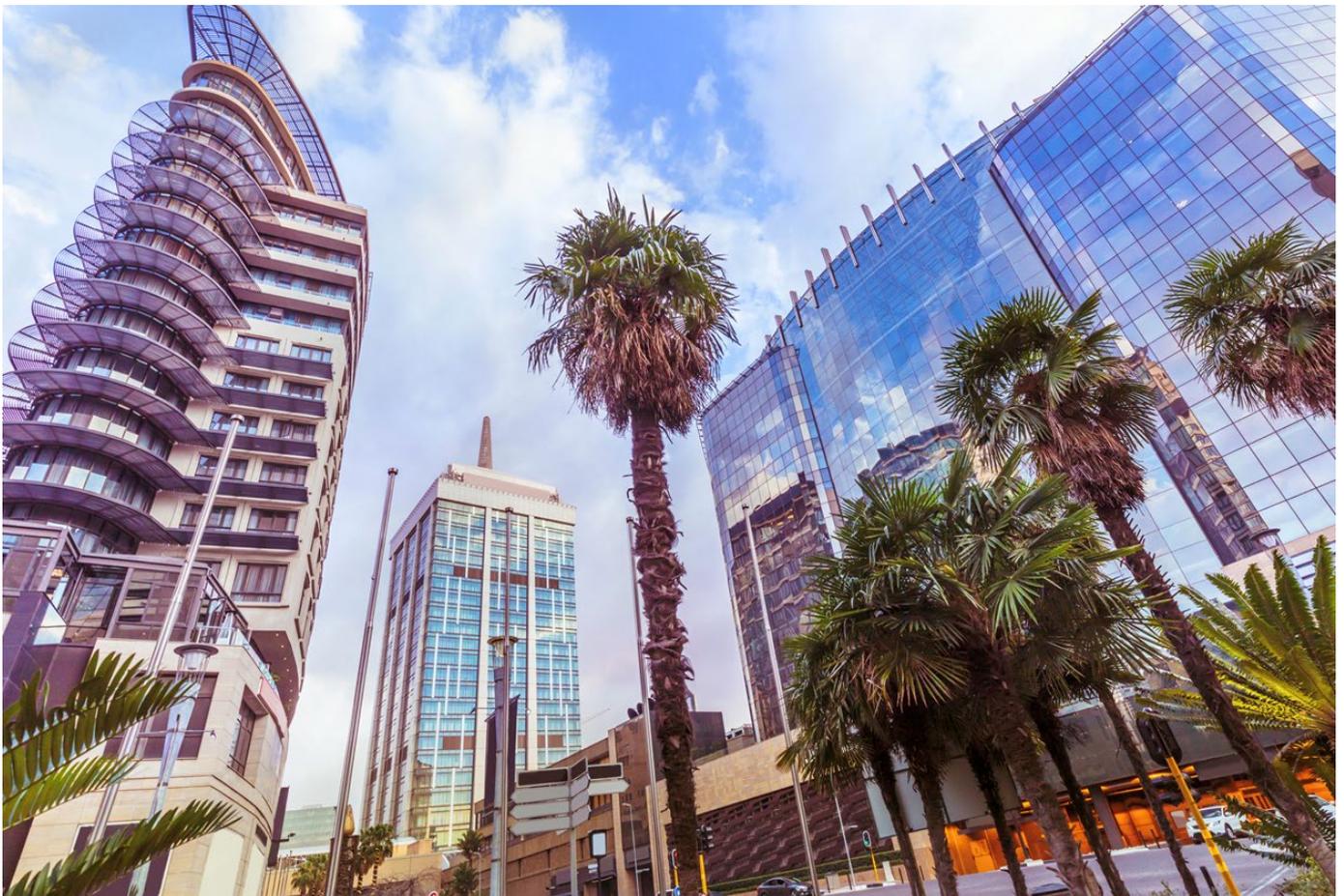
Through its presence on the ground and with the expertise of a team of talented and diverse individuals, BNP Paribas offers a wide range of high quality Corporate and Institutional Banking solutions. Services offered include: trade finance, cash management and forex, fixed income solutions including risk management and debt capital markets, equity derivatives, debt and capital advisory services and specialised financing to meet the needs of South African Corporates with a regional and global reach, Multi-National Corporations and Financial Institution clients.

The South African branch also serves as a regional hub for our Corporate and Institutional Banking business in the Southern African Development Community (SADC).

We have been in South Africa for a long time, and were granted permission to set up a full branch in South Africa by SARB (South African Reserve Bank) in 2012.

BNP Paribas is a bank incorporated in France with a local branch registered with the South African Reserve Bank and registered as an external company in terms of the South African Companies Act, 2008. BNP Paribas is an authorised Financial Services Provider (FSP 44610) and subject to regulation by the Financial Sector Conduct Authority and South African Reserve Bank.

*Source: BNP Paribas, December 2021.*



# INDICATIVE TERMS & CONDITIONS

<b>Issue type</b>	Certificate
<b>ISIN Code</b>	ZAE000310199
<b>Issuer</b>	BNP Paribas Issuance B.V. (S&P A+, 20/12/2021)
<b>Guarantor</b>	BNP Paribas S.A. (S&P A+, Moody's Aa3, Fitch AA-, 20/12/2021)
<b>Currency</b>	ZAR
<b>Initial Value per Certificate</b>	ZAR 100
<b>Issue Price</b>	ZAR 100 (100% per Certificate)
<b>Investment Term</b>	5 years
<b>Subscription Period End Date</b>	24 May 2022.
<b>Trade Date</b>	31 <sup>st</sup> May 2022 (this date is indicative).
<b>Strike Date</b>	1 <sup>st</sup> June 2022 (this date is indicative and will correspond to the final Trade Date).
<b>Fixed Payment Date</b>	19 June 2023 (this date is indicative).
<b>Final Observation Date</b>	1 <sup>st</sup> June 2027 (this date is indicative).
<b>Maturity Date</b>	17 June 2027 (this date is indicative).
<b>Underlying Index</b>	BNP Paribas World Climate Care RC8 AR Index (Bloomberg: BNPIEWC8 Index).
<b>Capital Protection</b>	Yes, on the Maturity Date only, and dependent on the financial solvency of the Issuer and Guarantor.
<b>Guaranteed Fixed Income Return</b>	Estimated at 13.5% on half of your Initial Investment delivered on the Fixed Payment Date, regardless of Index Level. This return is indicative. It will be fixed on the Trade Date but will not be lower than 12%.
<b>Participation Level</b>	<p>A level currently estimated at 150% of (1.5 times) the Index Performance. The Participation Level is indicative, it will be fixed on the Trade Date but will not be lower than 150% of the Index Performance.</p> <p>The definitive terms of the product are dependent on the prevailing market conditions on the credit, equity, and currency markets and if those market conditions change materially over the subscription period, BNP Paribas Issuance B.V., reserves the right to cancel the issuance and reimburse the investments collected.</p>
<b>Listing</b>	Johannesburg Stock Exchange (Common Code: ZA244).
<b>Platform</b>	Itransact.

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