

# BNP PARIBAS

## Islamic-linked Enhanced Growth Certificate Series 2 (USD)

**AUGUST 2022**

Technical Document

Subscription Period End Date:  
26 September 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 Islamic 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.

**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 (11 October 2027) on which the Final Index Level is recorded.

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

**Index** – the underlying index is the BNP Paribas Europe Islamic Select 50 PR Index (Bloomberg: BNPIEUIS 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 Islamic Issuance B.V.

**Knock Out Barrier** – 70% of the Initial Index Level.

**Maturity Date** – the date (25 October 2027) on which you will receive the proceeds that are due from the Certificate.

**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. This level is indicatively 150%. It will be fixed on the Trade Date but will not be lower than 140% of the Index Performance. 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 Islamic 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 (11 October 2022) on which the Initial Index Level is recorded.

**Trade Date** – the date (10 October 2022) on which the Participation Level will be set.

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 14.*

## Introduction

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

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

- A potential return, in USD, linked to the performance of the BNP Paribas Europe Islamic Select 50 PR Index (the Index).
- An Enhanced Performance at maturity due to a Participation Level indicatively estimated at 150% (1.5 times) of the Index Performance if positive (as explained on page 6). The Participation Level will be set on the Trade Date and will not be less than 140%.
- Principal redemption at maturity: your Initial Investment<sup>(1)</sup> is returned on the Maturity Date if the Final Index Level is at or above the Knock Out Barrier. Otherwise, if the Final Index Level closes below the Knock Out Barrier, **a portion or all of the Initial Investment will be lost.**
- A return in USD: you are fully protected from foreign exchange (EUR/USD) fluctuations (as explained on page 11).

## 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 European stocks excluding non-Islamic activities (as explained on page 5).</li> <li>■ Accept the risk that you may not receive any return on your investment.</li> <li>■ Accept the risk that the repayment of the Initial Investment<sup>(1)</sup> depends on the performance of the Index.</li> <li>■ Do not need to access your money during the five year investment term<sup>(2)</sup>.</li> <li>■ Are comfortable with the risks associated with this Certificate.</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 USD 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>■ Do not want to risk losing Initial Investment<sup>(1)</sup> in the event of Index being below the Knock Out Barrier at the end of the investment term.</li> <li>■ Require a minimum or guaranteed return.</li> <li>■ Want a regular income as opposed to the potential for capital growth.</li> <li>■ May need access to your investment during the five year investment term<sup>(2)</sup>.</li> <li>■ Do not wish to be exposed to the credit risk of BNP Paribas Islamic 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 14.*

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.*

## What is the methodology of the BNP Paribas Europe Islamic Select 50 PR Index?

1

### Step 1 – Investment Universe: ~ 312 stocks

The starting investment universe is composed of the **Dow Jones Islamic Market Europe Index** components where companies in controversial activities such as alcohol and tobacco, pork-related products, gambling, weapon and defense, conventional financial services are not part of the Index.



2

### Step 2 – Liquidity: ~ 165 stocks

The Index selects the stocks with an average daily volume observed at or above 10M EUR over a 3-month period.



3

### Step 3 – Final selection: ~ 50 stocks

The Index privileges the companies paying a dividend during the next month and completes the selection with the least volatile ones (according to the 6-month historical volatility\*).



4

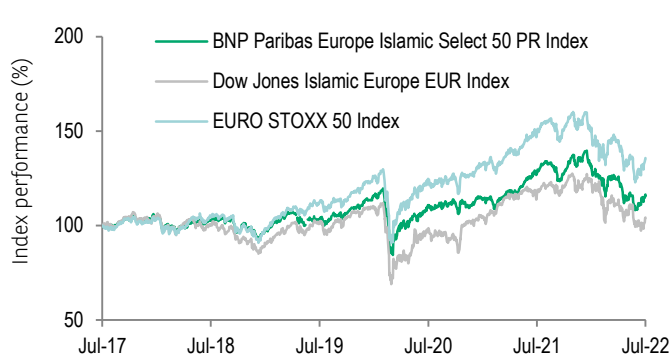
### Step 4 – Risk Parity Weighting: 50 stocks

The selected components are weighted according to their volatility, with the lowest volatility stocks weighting the highest in the portfolio.

#### \*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 Europe Islamic Select 50 PR Index



Jul. 17 - Jul. 22	BNP Paribas Europe Islamic Select 50 PR Index	EURO STOXX 50 Index	Dow Jones Islamic Europe EUR Index
Annualised Performance	3.11%	6.29%	0.82%
Annualised Volatility	15.35%	17.47%	20.89%
Sharpe Ratio	0.20	0.36	0.04
Max Drawdown	-29.44%	-30.05%	-38.27%

Source: Bloomberg, BNP Paribas, from 21 July 2017 to 21 July 2022. 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.

## Calculation of the Enhanced Performance

- The Final Index Level is the official closing level of the Index recorded on the Final Observation Date.
- 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 but will not be lower than 140% (1.4 times) of the Index Performance.

## Conditional repayment of the Initial Investment at maturity

On the Final Observation Date, the Final Index Level is checked and compared to the Initial Index Level:

- If the Final Index Level is at or above the Initial Index Level, you will receive 100% of your Initial Investment<sup>(1)</sup> plus the Enhanced Performance as calculated above;
- If the Final Index Level is below the Initial Index Level, but at or above the Knock Out Barrier, you will receive 100% of your Initial Investment<sup>(1)</sup>;
- Otherwise if the Final Index Level is below the Knock Out Barrier, a portion or all of the Initial Investment will be lost. The amount payable will be the Initial Investment reduced by the Index Performance of the Index.

**In the event of bankruptcy or default of payment by the Issuer or Guarantor, investors may lose some or all of their Initial Investment and any potential enhanced return due. 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

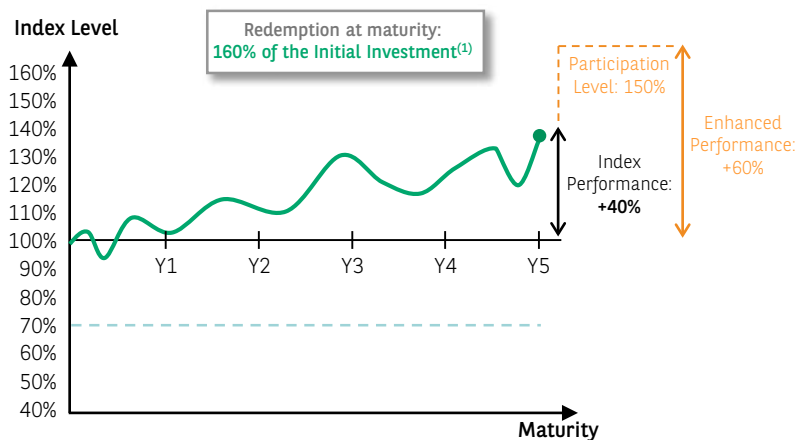
Benefits	Risks
<ul style="list-style-type: none"> <li>■ You will participate in the performance of the BNP Paribas Europe Islamic Select 50 PR Index.</li> <li>■ On the Maturity Date, you will benefit from an indicatively estimated 150% of the Index Performance, if positive.</li> <li>■ On the Maturity Date, If the Final Index Level is at or above the Knock Out Barrier, you will receive 100% of your Initial Investment<sup>(1)</sup>.</li> </ul>	<ul style="list-style-type: none"> <li>■ You will not receive any return if the Index Performance is negative at maturity.</li> <li>■ Principal redemption is only applicable at maturity, If the Final Index Level is at or above the Knock Out Barrier. 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 Islamic Issuance B.V. and the Guarantor, BNP Paribas S.A. (Société Anonyme).</li> <li>■ On the Maturity Date, there is a risk of partial or total loss of your Initial Investment<sup>(1)</sup> if the Final Index Level is below the Knock Out Barrier.</li> </ul>

<sup>1)</sup> *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 14.*

**LEGEND:** — Index path      - - - Knock Out Barrier      ● Final Observation Date

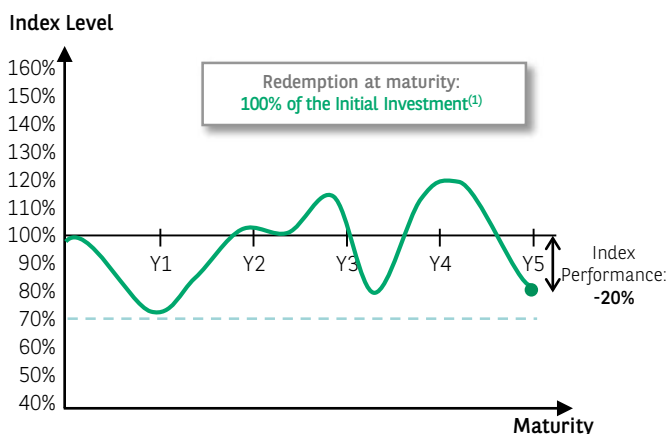
## Scenario 1: Positive

- On the Final Observation Date, the official closing level of the Index is 140% i.e. the Final Index Level.
- The Enhanced Performance can therefore be calculated as +60% (150% x 40%).
- On the Maturity Date, you receive:  
**100% of your Initial Investment<sup>(1)</sup> + 60%**  
**= 160% of your Initial Investment<sup>(1)</sup>.**  
**The annual return is 9.85%.**



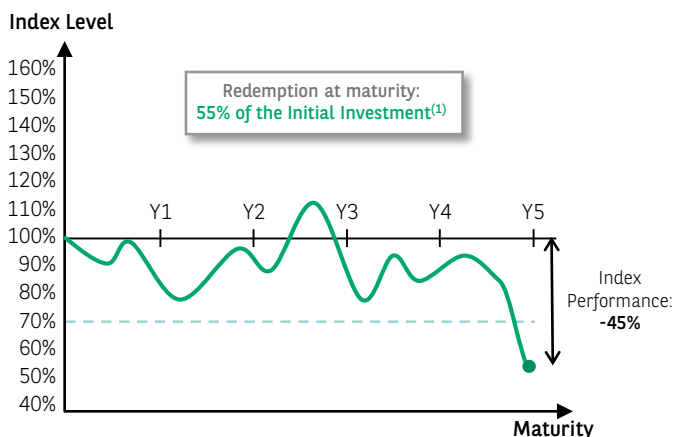
## Scenario 2: Neutral

- On the Final Observation Date, the official closing level of the Index is 80% i.e. the Final Index Level.
- The Final Index Level closes at or above the Knock Out Barrier, but below the Initial Index Level.
- On the Maturity Date, you receive:  
**100% of your Initial Investment<sup>(1)</sup>**  
**The annual return is 0%.**



## Scenario 3: Negative

- On the Final Observation Date, the official closing level of the Index is 55% i.e. the Final Index Level.
  - The Final Index Level closes below the Knock Out Barrier.
  - On the Maturity Date, you receive:  
**100% of your Initial Investment<sup>(1)</sup> - 45%**  
**= 55% of your Initial Investment<sup>(1)</sup>.**  
**The annual return is -11.26%.**
- In this case, investors lose some or all of their Initial Investment**



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 Participation Level, as explained on page 6.**

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 14.

# ILLUSTRATION OF POTENTIAL RETURNS

Examples below have been calculated based on an Initial Investment<sup>(1)</sup> of USD 50,000

Example	Initial Investment <sup>(1)</sup>	Final Index Level	Index Performance	Enhanced Performance (Index Performance x 1.5)	% Return of Initial Investment <sup>(1)</sup>	Investment Return on Maturity Date	Redemption Amount	Annualised Return
1	USD 50,000	127%	+27%	+40.50% (27% x 1.5)	100.00%	140.50%	USD 70,250	7.03%
2	USD 50,000	108%	+8%	+12.00% (8% x 1.5)	100.00%	112.00%	USD 56,000	2.29%
3	USD 50,000	100%	0%	0% (0% x 1.5)	100.00%	100.00%	USD 50,000	0.00%
4	USD 50,000	85%	-15%	0%	100.00%	100.00%	USD 50,000	0.00%
5	USD 50,000	45%	-55%	0%	45.00%	45.00%	USD 22,500	-14.75%

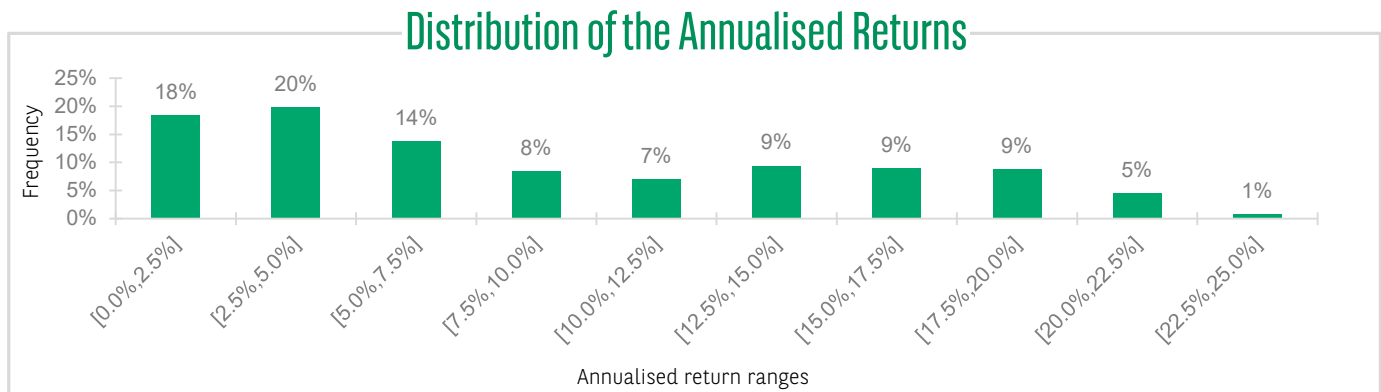
Source: BNP Paribas. For illustrative purposes only.

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 Simulation of the BNP PARIBAS Islamic-linked Enhanced Growth Certificate Series 2 (USD)

Simulated outcomes have been computed for investments starting in the date range 27 January 2005 – 19 July 2017 (totaling 3,255 simulations). This means the corresponding maturities were 27 January 2010 – 19 July 2022. We assumed that the Enhanced Performance is fixed at the current indicative level. Simulations are summarised below:

Outcome	Initial Investment <sup>(1)</sup>	Index Performance	Enhanced Performance (Index Performance x 1.5)	% Return of Initial Investment <sup>(1)</sup>	Investment Return on Maturity Date	Redemption Amount	Annualised Return
Maximum	USD 50,000	134.04%	+201.06% (134.04% x 1.5)	100.00%	301.06%	USD 150,530	24.65%
Average	USD 50,000	38.76%	+58.14% (38.76% x 1.5)	100.00%	158.14%	USD 79,070	8.79%
Minimum	USD 50,000	-20.52%	0.00%	100.00%	100.00%	USD 50,000	0.00%



Source: Bloomberg, BNP Paribas, as of 21 July 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 2.5% - 5% p.a. (which happened 20% of the time historically) and returns in the range 0.0% - 2.5% p.a. (which happened 18% 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 12.



## 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).

**SIP** *nordic*  
SOUTH AFRICA

## How can I invest in BNP PARIBAS Islamic-linked Enhanced Growth Certificate Series 2 (USD)?

BNP PARIBAS Islamic-linked Enhanced Growth Certificate Series 2 (USD) 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 26 September 2022.

You can invest in this product through Momentum Wealth International via a linked endowment policy (International Endowment Option) or a linked investment policy (International Investment Option).

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

Yes, the minimum initial investment is set at USD 50,000.

## What are the fees and charges when investing?

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

- The financial adviser upfront fee will not exceed 2.88% (including VAT) of your Initial Investment<sup>(1)</sup> (equivalent to 0.58% p.a.);
- Momentum Wealth International Platform fee will not exceed 3.00% (including VAT) of your Initial Investment<sup>(1)</sup> (equivalent to 0.60% p.a.);
- Momentum Securities Brokerage fee will not exceed 0.50% (including VAT) of your Initial Investment<sup>(1)</sup>;
- Momentum Securities Custody fee will not exceed 1.00% (including VAT) of your Initial Investment<sup>(1)</sup> (equivalent to 0.20% p.a.);
- SIP Nordic Structuring fee will not exceed 1.00% of your Initial Investment<sup>(1)</sup> (equivalent to 0.20% p.a.).

The financial adviser fees and Momentum Wealth International fees<sup>(2)</sup> will be deducted upfront and paid to Momentum Wealth International. 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.

## How does the principal protection work?

- The redemption protection of your Initial Investment is provided by BNP Paribas S.A. (S&P A+, Moody's Aa3, Fitch AA-, as of 21/07/2022) if the Final Index Level is at or above the Knock Out Barrier.
- 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 redemption protection on the part you withdrew.

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

You can obtain information by speaking to your financial adviser directly or by contacting Momentum Wealth International.

## 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 14.*
- 2) *Momentum Wealth International 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.*

## Why this product belong to Islamic finance?

Islamic finance is based on ethical principles in line with the Islamic religious law (i.e. Shari'ah). In order to be Shari'ah compliant, Islamic investments need to comply to specific industry and financial filters. The strategy of the underlying selects European stocks from the components of the Dow Jones Islamic Market Europe Index according to the following filters:

The infographic displays five categories of prohibited items, each represented by a green icon with a diagonal slash through a circle:

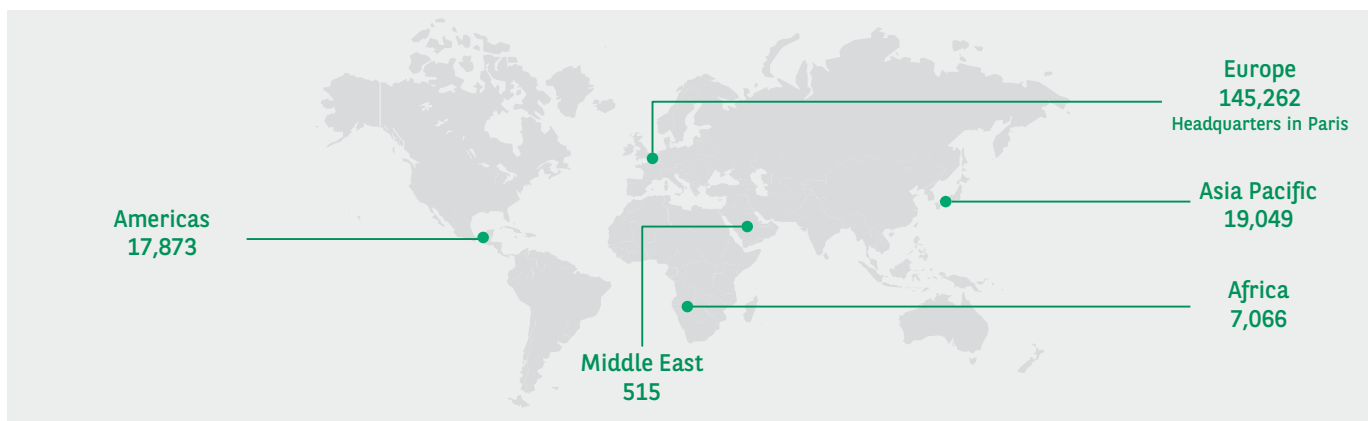
- Alcohol and tobacco**: Icon of a wine glass and a bottle.
- Pork-related products**: Icon of a pig's head.
- Entertainment**: Icon of a film clapperboard.
- Weapons & Defense**: Icon of a handgun.
- Conventional Financial services**: Icon of a classical building with columns.





## A partner of choice

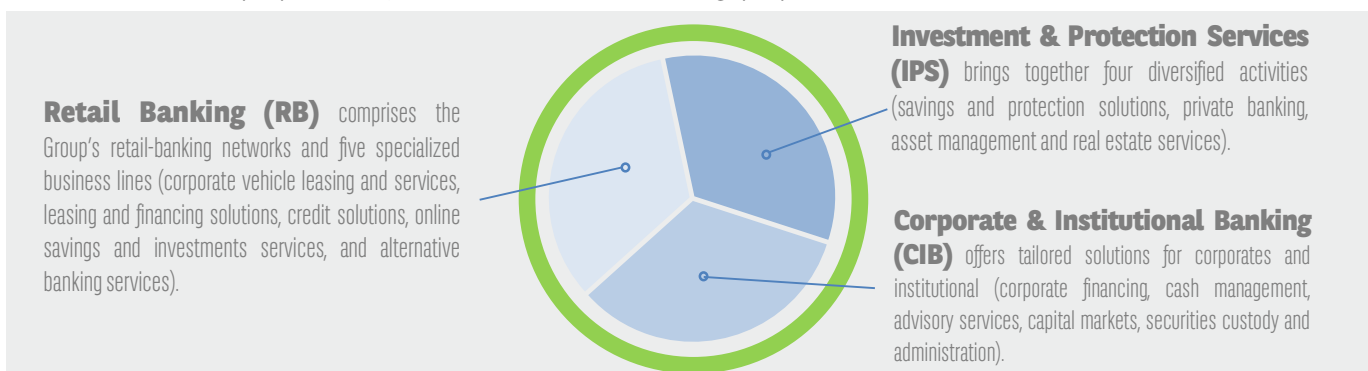
BNP Paribas is one of the world's largest banking groups with domestic markets in France, Italy, Belgium, Luxembourg and retail operations in the USA, Eastern Europe and Africa. Below you can find the number of employees working for BNP Paribas worldwide (split by region).



Source: BNP Paribas, as of 21 July 2022.

## 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 21 July 2022.

### Key Figures:

- Employees: **189,765**
- Net Income 2021: **€9.488 bn<sup>(2)</sup>**
- Country presence 2021: **65**
- Common Equity Tier 1 Capital: **12.9%<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 12.9%<sup>(2)</sup>.

1) As of 21 July 2022

2) Net Income Attributable to equity holders excluding exceptional items

## Confidence from the market

### A strong counterparty for today's markets

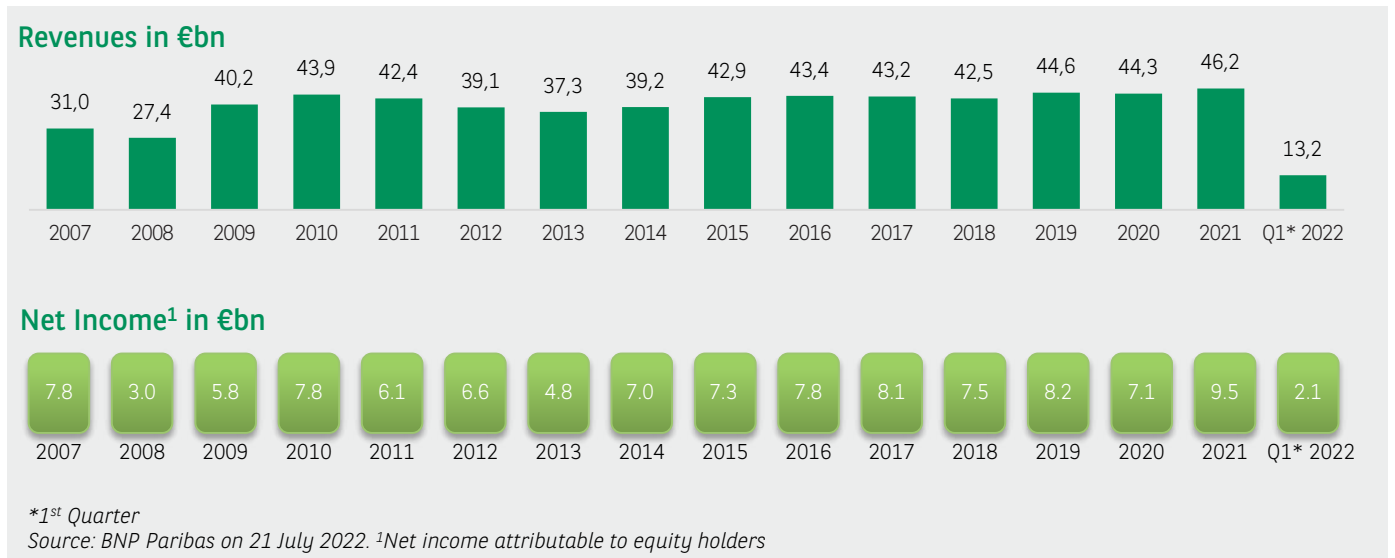
With credit ratings of A+ / Aa3 / AA-, as of 21/07/2022, BNP Paribas brings robustness, stability and confidence to our clients in challenging market conditions.

	S&P Credit Rating	Moody's Credit Rating	Fitch Credit Rating
ROYAL BANK OF CANADA	AA-	Aa1	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-	A3u	A+
BANCO BILBAO VIZCAYA ARGENTARIA S.A.	A	A3	A-
COMMERZBANK AG	BBB+	A2	-
BARCLAYS PLC	BBB	Baa2	A
CREDIT SUISSE GROUP AG	BBB	Baa1	BBB+
DEUTSCHE BANK AG	A-	A2	A-
ROYAL BANK OF SCOTLAND GROUP PLC	A	A1	A+

Source: BNP Paribas, Bloomberg, as of 21 July 2022. 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.



## 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**



**Euromoney Awards 2022**  
**Global Best Bank**  
**For Markets Award**



## BNP Paribas in South Africa

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

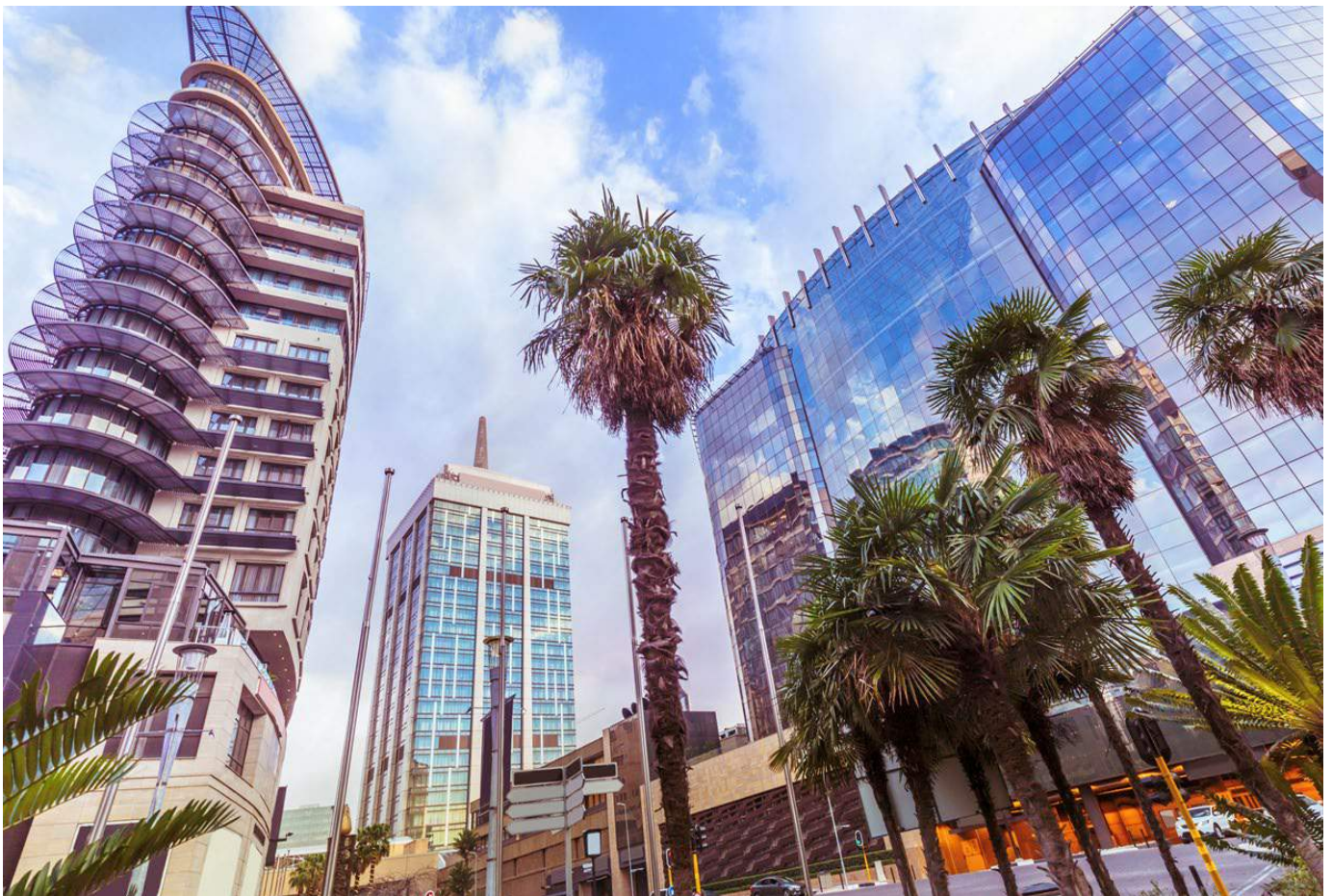
Through its presence on the ground and with the expertise of a team of talented and diverse individuals, BNP Paribas offers a wide range of high quality Corporate and Institutional Banking solutions. Services offered include: trade finance, cash management and forex, fixed income solutions including 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, July 2022.*



## 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 Islamic-linked Enhanced Growth Certificate Series 2 (USD) 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. 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 risks when investing in BNP PARIBAS Islamic-linked Enhanced Growth Certificate Series 2 (USD)?

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 USD, meaning that the value of the United States Dollar 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 Islamic-linked Enhanced Growth Certificate Series 2 (USD), 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 Islamic 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 date on which the level is 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.*



## INDICATIVE TERMS &amp; CONDITIONS

<b>Issue type</b>	Certificate
<b>ISIN Code</b>	XS2406082433
<b>Issuer</b>	BNP Paribas Islamic Issuance B.V.
<b>Guarantor</b>	BNP Paribas S.A. (S&P A+, Moody's Aa3, Fitch AA-, 21/07/2022)
<b>Currency</b>	USD
<b>Initial Value per Certificate</b>	USD 1,000
<b>Issue Price</b>	USD 1,000 (100% per Certificate)
<b>Investment Term</b>	5 years
<b>Subscription Period End Date</b>	26 September 2022
<b>Trade Date</b>	10 October 2022
<b>Strike Date</b>	11 October 2022
<b>Final Observation Date</b>	11 October 2027
<b>Maturity Date</b>	25 October 2027
<b>Underlying Index</b>	BNP Paribas Europe Islamic Select 50 PR Index (Bloomberg: BNPIEUIS Index).
<b>Principal Protection</b>	No, the capital is at risk if the Underlying Index closes below the Knock Out Barrier at maturity, and depends on the financial solvency of the Issuer and Guarantor.
<b>Knock-out Barrier</b>	70%
<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 140% 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 Islamic Issuance B.V., reserves the right to cancel the issuance and reimburse the investments collected.</p>
<b>Listing</b>	This Certificate will not be listed on any exchange.
<b>Platform</b>	Momentum Securities.

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