

PRODUCT DISCLOSURE DOCUMENT

PURPOSE

This document provides you with information about this product to help you understand the nature, risks, potential gains and losses of the product. The target clients for this product are determined accordingly to the relevant Product Governance procedure of each business line of the Group. This document is made available to you to satisfy regulatory information requirements about financial instruments pursuant to the European markets in financial instruments directive (MIFID II). General disclosures relating to BNP Paribas, its services, and financial instruments (including general risk warnings of the risks associated with financial instruments) it may offer to clients are also contained in the client package that was made available to you. These general disclosures remain applicable to this product.

PRODUCT

Interest Rate Collar	
Product name	Interest Rate Collar - Client Buyer ("Collar" or "this Product")
Product manufacturer	BNP Paribas SA ("BNPP" or "the Bank")

WHAT IS THIS PRODUCT?

► TYPE

An "over the counter" (OTC) derivative contract, in the form of an option, on interest rate.

► OBJECTIVES

The objective of This Product is to manage the risk of unfavourable fluctuations of interest rates, up to maturity.

Via the Collar, on each Floating Rate Payment Date:

- If the Floating Rate < Floor Rate: you pay the Bank the difference between the Floor Rate and the Floating Rate, applied to the Notional Amount (in the currency of this Product).
- If the Floor Rate ≤ Floating Rate ≤ Cap Rate: no payment is made under this product.
- If the Floating Rate > Cap Rate: the Bank pays you the difference between the Floating Rate and the Cap Rate, applied to the Notional Amount (in the currency of this Product).

If the Premium Amount is non-zero, either you or the Bank will pay that premium to the other party upfront.

► PRODUCT MAIN FEATURES

Calculation Agent	BNP Paribas
Buyer of Collar	Client
Currency	EUR
Notional Amount	EUR 1,000,000
Reference Rate (or Floating Rate)	3m EURIBOR
Fixing Date	In-advance
Cap Rate (or Cap Strike)	1.80%
Floor Rate (or Floor Strike)	1.20%
Floating Rate Payment Date	Quarterly
Floating Rate Day Count Fraction (Floating Rate Basis)	Act/360
Effective Date	15 December 2017

Final Maturity Date (or Termination Date or Maturity Date)	15 December 2022
Premium	0

► INTENDED CLIENT

This Product is only for clients who:

- Pay the Floating Rate + credit margin under one or more debt(s)
- Have the financial capacity to enter into This Product and to bear any potential loss related thereto;
- Need, until maturity, protection against a possible rise in the floating rate on the debt(s) and are willing to forgo any benefit from the floating rate below a certain level (the Floor Rate).
- Have sufficient knowledge and experience to understand how This Product works and to assess the associated opportunities and risks.

WHAT ARE THE RISKS AND BENEFITS OF THE PRODUCT?

Risks	Benefits
The buyer of a Collar, will not benefit from a decrease of interest rates below the Floor Rate.	For a Buyer of Collar, the purchased Collar offers protection against a possible increase in interest rates beyond the Cap Strike.
For a Buyer of the Collar, if the Collar expires worthless at each Payment Date, the potential premium paid upfront (If not structured as zero-cost) is a cost that cannot be recovered.	For a Buyer of Collar, it protects against the worst-case market scenario.
	The client can enter a Collar without paying a premium (if structured as zero-cost).

► SCENARIO ANALYSIS

CAUTION: The following scenario is provided solely for illustrative purposes. All figures in the table are hypothetical and are intended only to demonstrate how cash-flows are calculated at each expiration date. They do not represent a precise reference, nor any forecast of future exchange-rate movements. The cash-flows derived from the rates in the table do not incorporate discounting. Therefore, should the scenario materialise, the total cash-flows would not be equivalent to the option's mark-to-market value.

Note that the scenario analysis is based on a single expiry. The possibility of exercise and the associated cash-flow will be evaluated on every Floating Rate Payment Date.

Expiry Date	Reference Rate (or Floating Rate)	Collar Exercised?	Exchange Rate Applied to Client	Cash Flow EUR
15/12/2022	1.50%	No	-	-
15/12/2022	1.00%	Yes	1.20%	-500.00
15/12/2022	2.00%	Yes	1.80%	+500.00

Scenarios details:

- Reference Rate (or Floating Rate) = 1.50% (equal Cap Strike of 1.50%)

On 15/12/2022, the Collar expires without any cashflow.

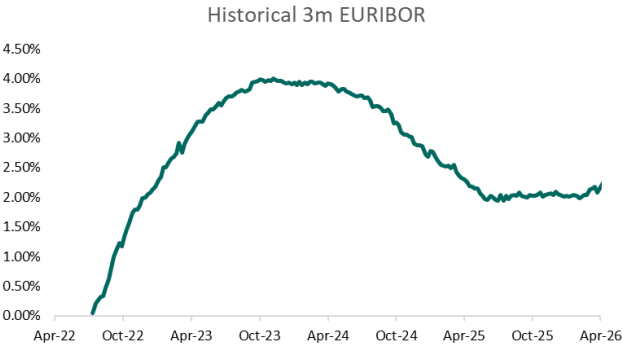
- Reference Rate (or Floating Rate) = 1.00% (below Floor Strike of 1.20%)

On 15/12/2022, the cash flow received by the client is equal to $(1.00\% - 1.20\%) \times \text{Day Count Fraction} \times \text{Notional Amount} = -500.00$ EUR (absolute flow paid by the client).

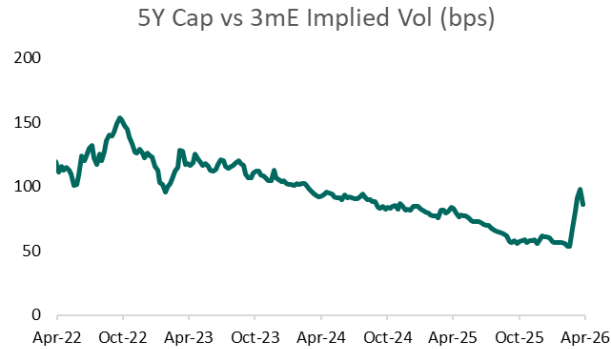
- Reference Rate (or Floating Rate) = 2.00% (above Cap Strike of 1.80%)

On 15/12/2022, the cash flow received by the client is equal to $(2.00\% - 1.80\%) \times \text{Day Count Fraction} \times \text{Notional Amount} = +500.00$ EUR.

► Market References: Historical Performance



July 2022 – April 2026 Historical 3m EURIBOR	
Maximum	4.00%
Minimum	0.04%
Average	2.75%
Last Price	2.15%



April 2022 – April 2026 Historical Implied Volatility	
Maximum	153 bps
Minimum	33 bps
Average	88 bps
Last Price	86 bps