

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 in accordance with regulatory requirements. 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 Payer Swaption – Client Buyer	
Product name	Interest Rate Payer Swaption - Client Buyer ("Swaption" 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 Swaption, you pay an upfront premium, and on the Exercise Date you have the right, but not the obligation, to (a) enter into the Underlying Swap if the Exercise Type is "physical", or (b) receive the discounted value of that Underlying Swap if the Exercise Type is "cash". You may exercise this right only once.

Underlying Swap:

A contract by which you and the Bank agree to exchange interest payments on the appropriate Notional Amount (in the currency of this product) until maturity:

On each Floating Rate Payment Date, you receive* the applicable Floating Rate applied to the relevant period and the relevant Notional Amount in the Currency of "this Product" (* or pay its absolute value if it is negative).

On each Fixed Rate Payment Date, you pay the Fixed Rate applied to the relevant period and the relevant Notional Amount in the Currency of "this Product" Product Currency.

► PRODUCT MAIN FEATURES

Calculation Agent	BNP Paribas
Buyer of Option	Client
Currency	EUR
Notional Amount	EUR 1,000,000
Exercise Date (or Expiry Date)	13 December 2017
Exercise Type	Cash Settlement
Effective Date	15 December 2017
Final Maturity Date (or Termination Date or Maturity Date)	15 December 2022
Fixed Rate Day Count Fraction (Fixed Rate Basis)	Act/360
Strike (or Fixed Rate)	1.50%
Fixed Rate Payment Date	Quarterly, End of Quarter
Floating Rate Day Count Fraction (Floating Rate Basis)	Act/360

Reference Rate (or Floating Rate)	3m EURIBOR
Fixing Date	In-advance
Floating Rate Payment Date	Quarterly, End of Quarter
Premium	EUR 30,000

► 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, up to maturity, a protection against a possible rise of the Floating Rate, under those debt(s), and are willing to pay the Premium Amount.
- 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
For a Buyer of Swaption, if the Swaption expires worthless at Exercise Date, the premium paid upfront is a cost that cannot be recovered.	For a Buyer of Swaption, the purchased Option offers protection against a possible increase in interest rates beyond the Strike.
For a Seller of Swaption there is unlimited downside.	For a Buyer of Swaption, it protects against the worst-case market scenario and therefore works as an insurance product with a premium paid up-front.
	The Seller of the Swaption receives the premium up-front.

► 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.

Expiry Date	Underlying Swap Rate	Option Exercised?	Rate Applied to Client	Cash Flow EUR
13/12/2022	1.50%	No	-	-
13/12/2022	1.20%	No	-	-
13/12/2022	1.80%	Yes	1.50%	1,350

Scenarios details:

- Underlying Swap Rate = 1.50% (equal Strike of 1.50%)

On 13/12/2022, the option expires at-the-money and there is no cashflow. In addition, client would have paid at inception the premium of 30,000 EUR.

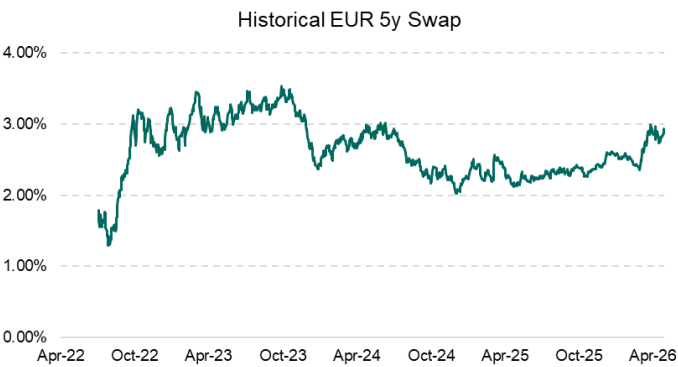
- Underlying Swap Rate = 1.20% (below Strike of 1.50%)

On 13/12/2022, the option expires out-the-money and there is no cashflow. In addition, client would have paid at inception the premium of 30,000 EUR.

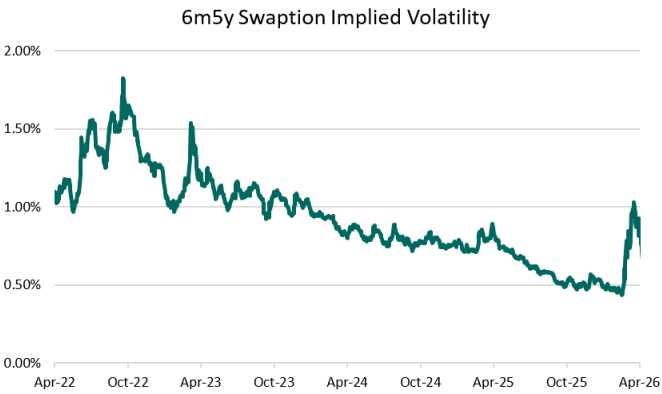
- Underlying Swap Rate = 1.80% (above Strike of 1.50%)

On 13/12/2022, the option expires in-the-money, and the client can exercise it. The cash flow received by the client is equal to $(1.80\% - 1.50\%) \times \text{Discount Factor} = 1,350$ EUR. In addition, client would have paid at inception the premium of 30,000 EUR, thus client would have paid on a net basis 28,650 EUR.

► Market References: Historical Performance



July 2022 – April 2026 Historical EUR 5Y Swap**	
Maximum	3.54%
Minimum	1.30%
Average	2.64%
Last Price	2.88%



July 2022 – April 2026 Historical EUR Implied Volatility 6m x 5Y**	
Maximum	1.83%
Minimum	0.44%
Average	0.91%
Last Price	0.82%

**Interest Rate Swap with standard market terms and conditions.