# Term Sheet

Indicative Terms and Conditions (our ref. **CE2253BAR**) as of November 03rd, 2016

## 7Y Call Certificate linked to Basket on BNP Paribas Fd Emerging Market Debt & Equity Funds Index (EUR) and BNP Paribas Fd Emerging Markets Corporate Debt Funds Index (EUR) in SEK Quanto

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| **Issuer** | **BNP Paribas Arbitrage Issuance B.V. (S&P's A)** |
| **Guarantor** | BNP Paribas (S&P's A / Moody's A1 / Fitch A+) |
| **Issue Type** | Custom Index Certificate |
| **Issue Amount** | Up to SEK 50,000,000 |
| **Number of Certificates** | Up to 5,000 |
| **Notional Amount per Certificate (N)** | 1 Certificate = SEK 10,000 |
| **Currency** | SEK Quanto |
| **Issue Price per Certificate** | 110% |
| **Public Offering** | Yes, in Sweden |
| **Listing** | Listing on Nordic Derivatives Exchange (NDX) will be applied for ; however no guarantuee is given that this will be successfull. |
| **Subscription Period** | November 14th, 2016 to December 30th, 2016 |
| **Trade Date** | January 12nd, 2016 |
| **Strike Date** | January 13th, 2017 |
| **Issue Date** | January 27th, 2017 |
| **Redemption Valuation Date** | January 16th, 2024 |
| **Redemption Date** | January 30th, 2024 |

**Underlying Indices**

| i | Name of Underlying Index$^i$ | Bloomberg Code | $Index^i_{initial}$ | Weighting ($W^i$) |
|---|---|---|---|---|
| 1 | BNP Paribas Fd Emerging Market Debt & Equity Funds Index | BNPIEMFT | TBD | 50% |
| 2 | BNP Paribas Fd Emerging Markets Corporate Debt Funds Index | BNPIECFT | TBD | 50% |

**Final Redemption**

On the **Redemption Date**, the Issuer shall redeem each Certificate at the following Cash Settlement Amount:

1) If $\textbf{Basket}_{\textbf{Final}}$ is greater than or equal to $\textbf{Basket}_{\textbf{Initial}}$:

$$N \times \left[100\% + \left(G\% \times \frac{Basket_{Final} - Basket_{Initial}}{Basket_{Initial}}\right)\right]$$

2) If $\textbf{Basket}_{\textbf{Final}}$ is less than $\textbf{Basket}_{\textbf{Initial}}$:

**N** x **100**%

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| **Where** | $\textbf{Basket}_{\textbf{initial}} = \textbf{1}$ <br> $$\textbf{Basket}_t = \sum_{i=1}^{2}\left(W^i \times \frac{\textbf{Index}_t^i}{\textbf{Index}_{\text{Initial}}^i}\right)$$ <br> $\textbf{Basket}_{\textbf{Final}}$ is the arithmetic average of $\textbf{Basket}_t$ on the **Averaging Dates.** <br> $\textbf{Index}^i_{\textbf{intial}}$ **with i from 1 to 2** is the official closing level of the $\textbf{Index}^i$ on the **Strike Date.** <br> $\textbf{Index}^i_t$ **with i from 1 to 2** is the official closing level of the $\textbf{Index}^i$ on the $\textbf{Averaging Date}_t$**.** <br> **G% expected to be about 170 per cent but which will not be less than 150 per cent as determined by the Issuer on the Trade Date after the end of the Offer Period. Notice of the rate will be published in the same manner as the publication of these Final Terms and be available by accessing the following link : http://eqdpo.bnpparibas.com/ [TBD]** |

**Averaging Dates**

| t | Averaging Date$_t$ |
|---|---|
| 1 | January 17th, 2023 |
| 2 | February 16th, 2023 |
| 3 | March 16th, 2023 |
| 4 | April 17th, 2023 |
| 5 | May 16th, 2023 |
| 6 | June 16th, 2023 |
| 7 | July 17th, 2023 |
| 8 | August 16th, 2023 |
| 9 | September 18th, 2023 |
| 10 | October 16th, 2023 |
| 11 | November 16th, 2023 |
| 12 | December 18th, 2023 |
| 13 | January 16th, 2024 |

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| **Index Calculation Agent** | BNP Paribas Arbitrage SNC |
| **Specified Maximum Days of Disruption** | Eight (8) Scheduled Custom Index Business Days |
| **Scheduled Custom Index Business Day** | Single Custom Index Basis, which means any Banking Day on which (i) the level of the Custom Index is scheduled to be calculated and made available and (ii) the Issuer and/or any of its Affiliates determines, in its sole and absolute discretion, that it is scheduled to be a Custom Index Trading Day. |
| **Custom Index Trading Day** | Means a day with respect to which the Issuer and/or any of its Affiliates determines in its sole and absolute discretion it is able to acquire, establish, re-establish, substitute, maintain, unwind or dispose of any asset it deems necessary to hedge its obligations in respect of such Custom Index under the Certificates. |
| **Additional Disruption Events** | Hedging Disruption<br>Increased Cost of Hedging<br>Change in Law<br>Loss of Stock Borrow (Maximum Stock Loan Rate: 5%) |
| **Business Day Convention** | Following Business Day |
| **Payment Business Days** | Stockholm |

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| **Calculation Agent** | BNP Paribas Arbitrage S.N.C. |
| **Governing Law** | **English** |
| **Documentation** | The securities will be issued under the Issuer's Note, Warrant and Certificate Programme (the "**Programme**") by way of Final Terms or Pricing Supplement. Copies of the Programme's base prospectus (the "**Base Prospectus**") dated 9 June 2016 (which sets out the terms and conditions to be completed by the Final Terms or Pricing Supplement) and any supplements thereto are available from BNP Paribas Arbitrage S.N.C. on request.<br><br>In the event of any inconsistency between this termsheet and the Final Terms relating to the Certificates, the Final Terms will prevail. |
| **Form** | Swedish Dematerialised Securities |
| **Codes** | – ISIN: SE0009268642<br>– Common: 151634966 |
| **Reuters Ric for Structure** | ISIN=BNPP |
| **Common Depositary** | Svenska Handelsbanken A.B. |
| **Minimum Trading Size** | 1 Certificate (and multiples of 1 Certificate thereafter) |
| **Secondary Trading** | Daily price indications including accrued interest (dirty) will be published on Reuters.<br><br>No representation is made as to the existence of a market for the Certificates. BNP Paribas Arbitrage S.N.C. will endeavour to make a secondary market in the Certificates, subject to it being satisfied that normal market conditions prevail. Any prices indicated will be dependent upon factors affecting or likely to affect the value of the Certificates such as, but not limited to, the remaining time to the Redemption Date, the outstanding principal amount, the Issuer's or, if applicable, the Guarantor's credit risk, the performance and volatility of the underlying asset, interest rates, exchange rates, credit spreads, and any incidental costs. To the extent BNP Paribas Arbitrage S.N.C. holds Certificates that it can offer and subject to it being satisfied that normal market conditions prevail, such prices will have a bid-offer spread no greater than 1%.<br><br>Holders should be aware that the secondary market price for any Certificate quoted on or after the fourth ($4^{th}$) Clearing System Business Day preceding any date on which the Issuer is due to make a payment thereon, shall exclude the amount so payable per Certificate. The Holder of the Certificates on the record date, as determined by the rules of the relevant Clearing System, shall be entitled to receive or retain any such amount on the due date for payment thereof. |
| **Initial Settlement** | Delivery versus payment.<br>BNP Paribas Arbitrage S.N.C. will settle through Euroclear Sweden AB.<br>BNPP will settle with SVENSKA HANDELSBANKEN<br>BIC Code: HANDSESSXXX<br>Cash Account: 40 332 799<br>Settlement must be made in Nominal. |
| **Fees** | In connection with the offer and sale of the Certificates, the Distributor will acquire the Certificates from BNP Paribas Arbitrage S.N.C. at a discount to the Issue Price or at the Issue Price. If the Distributor acquires the Certificates at the Issue Price, BNP Paribas Arbitrage S.N.C. will pay to the Distributor a distribution fee. Such amounts received by the Distributor may be in addition to the brokerage cost/fee normally applied by the Distributor. They cover distribution and or structuring cost for a maximum annual amount equivalent to 1.2% of the Issue Amount. The purchaser acknowledges that such distribution fee may be retained by the Distributor. Further information regarding such discount/distribution fee is available from the Distributor on request. |
| **Selling Restrictions** | As set out in the Base Prospectus. |

*No action has been or will be taken in any jurisdiction that would, or is intended to, permit a public offering of the Certificates.*
*The Certificates are sold to investors on the understanding that they will comply with all relevant securities laws and public offer requirements in the jurisdictions in which the Certificates are placed or resold, including, without limitation, Directive 2003/71/EC (the EU Prospectus Directive) as amended (which includes the amendments made by Directive 2010/73/EU the "2010 PD Amending Directive") and the relevant implementing measures in any EU member state. Where the investor of the Certificates is not the only purchaser of the Certificates, any public offer exemption relying solely on offers only being made to a restricted number of investors (classified by type or location, as applicable) may not be available.*

*The Certificates may not be offered or sold in the United States or to U.S. persons at any time (as defined in regulation S under the U.S. Securities Act of 1933 or the U.S. internal revenue code). The Certificates have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or the securities laws of any state in the United States, and are subject to U.S. tax requirements. In purchasing the Certificates you represent and warrant that you are neither located in the United States nor a U.S. person and that you are not purchasing for the account or benefit of any such person. The Certificates may not be offered, sold, transferred or delivered without compliance with all applicable securities laws and regulations.*

***Risk Analysis***

*The Securities are expressed to have capital protection at maturity. This protection applies to the nominal value of the Securities only and provided you hold your Securities until maturity. If you sell your Securities prior to maturity you are likely to receive less than the nominal value of the Securities.*

*BNP Paribas is not providing the recipients of this document with any investment advice or recommendation to enter into any potential transaction. Any purchaser of Certificates, other than a BNP Paribas counterparty or distributor, will be purchasing the Certificates from such counterparty or distributor and will have no contractual relationship with BNP Paribas or any of its affiliates. In particular BNP Paribas will not be responsible for assessing the appropriateness or suitability of an investment in the Certificates in relation to such third parties. This document should be read together with the Base Prospectus and the applicable Final Terms for the Certificates. Any proposed issuance described in this document cannot be fully assessed without a careful review of the terms and conditions contained in the Base Prospectus and the Final Terms. In particular, potential investors should carefully read the sections headed "Risk Factors" in the Base Prospectus and the Final Terms for a full description of the potential risks associated with the Certificates, and "Offering and Sale", for certain limitations on the purchase and onward sales of the Certificates.*

*Any indicative price quotations, investment cases or market analysis contained in this document or any related marketing materials we may have provided to you have been prepared on assumptions and parameters that reflect our good faith judgement or selection but must be subject to your own independent analysis and due diligence before you make any investment decision. Please note that there can be conflicts of interests between BNP Paribas and potential investors (see below) and we can therefore not assume any responsibility for the financial consequences of your investment decision, which must be independent. We require that you undertake your own independent due diligence and avail yourself of your own advisors in order to assess the suitability of Certificates in relation to your own financial objectives. Accordingly, if you decide to purchase Certificates, you will be deemed to understand and accept the terms, conditions and risks associated with the Certificates. You will also be deemed to act for your own account, to have made your own independent decision to purchase the Certificates and to declare that such transaction is appropriate for you based upon your own judgement the advice from such advisers as you have deemed necessary to consult. Each holder of the Certificates shall also be deemed to assume and be responsible for any and all taxes of any jurisdiction or governmental or regulatory authority and should consult their own tax advisers in this respect.*

*You should note and assess for the purposes of any investment decision that members of the BNP Paribas group may face possible conflicts of interest in connection with certain duties under the Certificates, such as trading in an underlying for their own account or for the account of others, receiving fees in a number of capacities or taking market views which are not consistent with the objective of the Certificates.*

*BNP Paribas is lead supervised by the ECB and the ACPR and is authorised by the ECB and the ACPR in France. BNP Paribas is incorporated in France with Limited Liability. Registered Office: 16 Boulevard des Italiens, 75009 Paris, France. www.bnpparibas.com.*

***Custom Index Business Day***

*Pursuant to the operational rules of the Index, the Index is scheduled to be calculated on each weekday. In the event that one of the levels of a component included in the Index is not available for any reason on any weekday (i.e., either because it is a non-scheduled trading day in respect of that index component or that index component is subject to a market disruption or otherwise) ("Disrupted Index Day"), then the Index Calculation Agent may, but is not obliged to, calculate the level of the Index on that day by taking a value for the affected index component from the first preceding day on which a level for such affected index component was available.*
*For the avoidance of doubt, the Issuer and/or its affiliates may not be able to trade on and hedge its obligations in respect of the Index under the Certificates notwithstanding the calculation of the level of the Index. In the event that the Strike Date or a Valuation Date or any other reference date is a Disrupted Day for the Index, the Strike Date or Valuation Date or any other reference date shall be the first succeeding day on which the Issuer or relevant affiliate is able to trade on and hedge it obligations in respect of the Index, subject to a specified maximum days of disruption, as more fully set out in the Terms and Conditions of the Certificates.*