BNP Paribas
3 Year Oil & Gas Sector Monthly Autocall July 2020
Factsheet

INVESTMENT DESCRIPTION

A 3 year investment linked to the performance of the SPDR S&P Oil & Gas Exploration & Production ETF.

If on any monthly observation date (including the Final Observation date), starting at 3 months, the Underlying is at or above the Autocall Trigger, the investment will autocall. Initial capital plus the coupon for each monthly period which has elapsed is paid and the investment will end.

If the investment does not autocall then at the Final Observation date, if the Underlying is at or above 60% of its initial levels, full capital is returned.

If the Underlying is below 60% of its original level on the Final Observation date, capital return will be reduced on a 1-for-1 basis. For example if the Underlying has fallen to 40% of its original level, 40% of the capital will be returned.

BENEFITS

- Autocall feature potentially shortens the investment term and is triggered by minimal market growth.
- Snowballing coupon.
- Early maturity provides an opportunity to re-assess client's wealth strategy.
- Minimal market growth needed to deliver enhanced returns.
- Daily pricing.

RISKS

- The return is limited to the pre-defined investment terms.
- The coupon payment is conditional upon the Underlying performance.
- Investors will be exposed to the credit risk of the Issuer. If the Issuer becomes insolvent or cannot make the payments on the Product for any other reason, investors could lose some or all of their investment. A decline in the Issuer's credit quality is likely to reduce the market value of the Product and therefore the price an investor may receive for the Product if they were to sell it in the market.
- Should investors need to sell their investment before maturity, the trading price will likely mean they get back less than they invested.

PRODUCT FACTS & FEATURES

Issuer:	BNP Paribas Issuance B.V.
Credit Ratings:	Fitch AA-, Moody's Aa3, S&P A+ **Source**: Bloomberg 22.06.2020
Maximum Term:	3 years
Investment Structure:	Classic Autocall
Autocall Opportunities:	Monthly (First Observation at 3 months)
Autocall Trigger:	100% of initial level
Coupon Rate:	GBP = 1.10% monthly (13.20% p.a.) USD = 1.30% monthly (15.60% p.a.)
Capital Risk:	Not capital protected
Capital Protection Barrier:	60% Final level (European style)
Underlying:	SPDR S&P Oil & Gas Exploration & Production ETF
Bloomberg Code:	XOP UP Equity

KEY INFORMATION

Subscription Period:	22 Jun 2020 – 15 Jul 2020 (4.30pm UK Time)
Issue Price:	100%
Strike Date:	16 July 2020
Issue Date:	23 July 2020
1st Autocall Observation:	16 October 2020
Final Observation:	17 July 2023
Maturity Date:	24 July 2023
Denominations:	1,000 then lots of 1,000
ISIN:	GBP = XS2144372286 USD = XS2144372013

This investment has a maximum term of 3 years, a relatively short term for an equity-linked investment. It is designed for experienced investors or to be used as a small portion of a diversified portfolio.

HOW THE INVESTMENT WORKS

First Observation 3 Months → Is the Underlying at or above 100% of its initial level. → Yes → Early Maturity = Full capital returned Plus a coupon for each month elapsed.

No = Investment Continues

Observations 2 to 33 → Is the Underlying at or above 100% of its initial level. → Yes → Early Maturity = Full capital returned Plus a coupon for each month elapsed.

No = Investment Continues

Final Observation → Is the Underlying at or above 100% of its initial level. → Yes → Full capital returned = Plus all accumulated coupons for each month elapsed.

No → Full capital repaid if above 60% of initial level. If below 60%, capital is reduced on 1-for-1 basis in-line with the Underlying.

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THE UNDERLYING

SPDR S&P Oil & Gas Exploration & Production ETF is an exchange-traded fund incorporated in the USA. The Fund's objective is to replicate as closely as possible the S&P Oil & Gas Exploration & Production Select Industry Index, an equal-weighted index.

Details of the tracked index can be found at https://us.spindices.com/ or Click Here. **Source**: Bloomberg 22.06.2020

OBSERVATION DATES (some dates may vary if a bank holiday occurs, GBP dates are shown below)

	Observation Date	Payment Date	Autocall Trigger		Observation Date	Payment Date	Autocall Trigger
Observation 1	October 16 2020	October 23, 2020	100%	**Observation 18**	March 16, 2022	March 23, 2022	100%
Observation 2	November 16 2020	November 23, 2020	100%	**Observation 19**	April 18, 2022	April 25, 2022	100%
Observation 3	December 16 2020	December 23, 2020	100%	**Observation 20**	May 16, 2022	May 23, 2022	100%
Observation 4	January 19 2021	January 26, 2021	100%	**Observation 21**	June 16, 2022	June 23, 2022	100%
Observation 5	February 16, 2021	February 23, 2021	100%	**Observation 22**	July 18, 2022	July 25, 2022	100%
Observation 6	March 16, 2021	March 23, 2021	100%	**Observation 23**	August 16, 2022	August 23, 2022	100%
Observation 7	April 16, 2021	April 23, 2021	100%	**Observation 24**	September 16, 2022	September 23, 2022	100%
Observation 8	May 17, 2021	May 24, 2021	100%	**Observation 25**	October 17, 2022	October 24, 2022	100%
Observation 9	June 16, 2021	June 23, 2021	100%	**Observation 26**	November 16, 2022	November 23, 2022	100%
Observation 10	July 16, 2021	July 23, 2021	100%	**Observation 27**	December 16, 2022	December 23, 2022	100%
Observation 11	August 16, 2021	August 23, 2021	100%	**Observation 28**	January 17, 2023	January 24, 2023	100%
Observation 12	September 16, 2021	September 23, 2021	100%	**Observation 29**	February 16, 2023	February 23, 2023	100%
Observation 13	October 18, 2021	October 25, 2021	100%	**Observation 30**	March 16, 2023	March 23, 2023	100%
Observation 14	November 16, 2021	November 23, 2021	100%	**Observation 31**	April 17, 2023	April 24, 2023	100%
Observation 15	December 16, 2021	December 23, 2021	100%	**Observation 32**	May 16, 2023	May 23, 2023	100%
Observation 16	January 18 2022	January 25, 2022	100%	**Observation 33**	June 16, 2023	June 23, 2023	100%
Observation 17	February 16, 2022	February 23, 2022	100%	**Final Observation**	July 17 2023	July 24 2023	100%

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BNP Paribas Issuance B.V. operates as a special purpose entity. The Company was formed for the purpose of issuing debt securities to repay existing credit facilities, refinance indebtedness, and for acquisition purposes.

Source: Bloomberg 22.06.2020

RATIONALE

Structured products are becoming increasingly popular for investors due to the wide variety of payoffs and levels of protection that can be achieved by the different types of structures that are available.

Autocalls have been one of the most popular structures over the years. With a classic autocall, returns are paid if the Underlying is at or above the Autocall Trigger on an observation date.

The Underlying has been selected in order to support the anticipated delivery of the coupons.

The autocall payoff can bring an early return of capital allowing the opportunity for a re-assessment of investment strategy. The value of this feature cannot be underestimated as it brings with it the opportunity to secure capital value, as well as the chance to take advantage of future market trends.

To manage the capital risk, a final level barrier set at 60% means the Underlying must fall by more than 40% over 3 years before capital is at risk.

SUITABILITY

This product may be suitable for investors who:

- Are seeking the opportunity for higher returns than current cash rates at the time this product was launched.
- Are seeking growth rather than income.
- Understand and accept there is a risk to capital and how the Capital Protection Barrier works.
- Understand the impact of global economic issues and how they will affect the product.
- Understand the criteria which will determine the coupon payments.
- Are looking to invest for the short term, being happy to remain invested until maturity, and understand the risks associated with this strategy.
- Can afford to have their cash invested for the full term of the Product.
- Wish to use this investment as part of a well-diversified portfolio.
- Understand that the returns are pre-defined and that they will forgo any growth in the Underlying which exceeds the fixed level available with this investment product.
- Understand the risk to capital in the event of a counterparty default.
- Should they need to sell their investment before maturity, accept that the trading price will likely mean they get back less than they invested.

Secondary Market

The Issuing bank will endeavour to provide quotes under normal market conditions for trading purposes upon request, subject to a Bid-Offer spread of 1%. On the secondary market, traded prices will include any accrued interest ("dirty prices").

Sale trades will settle 2 days after the trade date. Trade orders should be sent to orders@idad.com.
All trades will be settled direct with IDAD's Euroclear a/c 44382

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Fees of up to 1.50% p.a. for the maximum term of the investment may be paid by the Issuer to cover marketing, distribution and advice costs. The fees have been fully accounted for in the calculation of the Product's structure. For example, this means that an investment of £10,000 will have any income/growth payments and capital protection based on the full £10,000.

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