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## Non-collateralised Structured Products

### Launch Announcement for Derivative Warrants ("Warrants")

to be issued by

**BNP PARIBAS ARBITRAGE ISSUANCE B.V.**

*(incorporated in the Netherlands with its statutory seat in Amsterdam)*

unconditionally and irrevocably guaranteed by

**BNP PARIBAS ("Guarantor")**

*(incorporated in France)*

Sponsor

**BNP Paribas Securities (Asia) Limited**

#### Particulars of Warrants

We intend to issue the following Warrants:

Warrants	28368	28374	28375
Stock code(s)			
Liquidity Provider broker ID	9691	9691	9691
Issue size	100,000,000 Warrants	100,000,000 Warrants	100,000,000 Warrants
Type	European style cash settled call warrants	European style cash settled call warrants	European style cash settled call warrants
Index	Hang Seng Index	Hang Seng Index	Hang Seng Index
Board Lot	10,000 Warrants	10,000 Warrants	10,000 Warrants
Issue Price per Warrant (HK\$)	0.25	0.15	0.16
Strike Level	19,600	19,800	20,000
Index Currency Amount (HK\$)	1.00	1.00	1.00
Divisor	5,000	7,000	7,500
Launch Date	23 May 2016	23 May 2016	23 May 2016
Issue Date	27 May 2016	27 May 2016	27 May 2016
Listing Date	30 May 2016	30 May 2016	30 May 2016
Expiry Date / Valuation Date <sup>Δ</sup>	29 December 2016	28 October 2016	27 February 2017
Implied Volatility*	21.50%	23.00%	21.00%
Effective Gearing*	8.29x	9.26x	8.05x
Gearing*	15.94x	18.97x	16.60x
Premium*	4.67%	4.67%	6.42%

<sup>Δ</sup> If such day is not the day on which the relevant Index Futures Contracts expire on Hong Kong Futures Exchange Limited (or its successor or assign), the day on which the relevant Index Futures Contracts will expire on the Hong Kong Futures Exchange Limited (or its successor or assign).

\* This data may not be comparable to similar information provided by other issuers of derivative warrants. Each issuer may use different pricing models.

### How much will you receive on expiry?

You are not required to deliver any exercise notice and the Warrants will be automatically exercised on the Expiry Date. You will receive a Cash Settlement Amount per Board Lot in Hong Kong dollars (net of Exercise Expenses, if any) calculated as follows (if positive):

*For a series of call Warrants:*

$$\frac{(\text{Closing Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

*For a series of put Warrants:*

$$\frac{(\text{Strike Level} - \text{Closing Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by us.

"**Closing Level**" means the final settlement price for settling the Hang Seng Index Futures Contracts that are scheduled to expire during the month in which the Expiry Date of the relevant series of the Warrants is scheduled to fall (the "**Index Futures Contracts**"), determined pursuant to Regulation 012 of the Regulations for Trading Stock Index Futures Contracts and the Contract Specifications for Hang Seng Index Futures (as amended from time to time) of the Hong Kong Futures Exchange Limited (or its successor or assign), subject to our right to determine the Closing Level in good faith on the Valuation Date upon the occurrence of a Market Disruption Event as described further in the terms and conditions of the Warrants.

"**Exercise Expenses**" means any charges or expenses including any taxes or duties which are incurred in respect of the exercise of the Warrants.

### Listing of the Warrants

We will make an application to the Stock Exchange for listing of and permission to deal in the Warrants on the Stock Exchange.

### Where do you obtain quotes?

You may request to obtain a quote for the Warrants by calling the following telephone number:

*Liquidity Provider:* BNP Paribas Securities (Asia) Limited  
*Telephone number:* +852 2108 5600  
*Address:* 59th-63rd Floors, Two International Finance Centre, 8 Finance Street, Central, Hong Kong

We do not have any special arrangements in place with any brokers with respect to our Warrants.

### Where can you inspect the relevant documents?

The following documents ("**Listing Documents**"), each in separate English and Chinese versions, are available for inspection until the Expiry Date at BNP Paribas Securities (Asia) Limited, 59th-63rd Floors, Two International Finance Centre, 8 Finance Street, Central, Hong Kong:

- 1 our base listing document dated 31 March 2016 ("**Base Listing Document**") and the addendum to the Base Listing Document dated 9 May 2016; and
- 2 the supplemental listing document for the Warrants to be dated on or about 27 May 2016.

## IMPORTANT INFORMATION

### ***Unsecured nature of the Warrants***

The issue of the Warrants was authorised by our board of directors on 4 June 2015. The Warrants constitute our general, unsecured and contractual obligations and of no other person, and the guarantee dated as of 31 March 2016 executed by the Guarantor ("**Guarantee**") in respect of the Warrants constitutes the general, unsecured and contractual obligations of the Guarantor and of no other person. The Warrants will rank equally among themselves and with all our other unsecured obligations and all other unsecured obligations of the Guarantor (save for those obligations preferred by law) upon our liquidation. You are relying upon our creditworthiness and the creditworthiness of the Guarantor and have no rights under the Warrants against the Index Compiler or any other person. If we become insolvent or default on our obligations under the Warrants, or the Guarantor becomes insolvent or defaults on its obligations under the Guarantee, you may not be able to recover all or even part of the amount due under the Warrants (if any). The Guarantor is subject to the exercise of the bail-in powers under the French legislation for implementation of the Bank Recovery and Resolution Directive ("**BRRD**"). For details of the BRRD, please refer to our Base Listing Document.

### ***Guarantor***

Our obligations in relation to the Warrants will be unconditionally and irrevocably guaranteed by the Guarantor.

### ***Credit ratings***

The Issuer's long term credit rating is:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
S&P Global Ratings	A(stable outlook)

The Guarantor's long term credit ratings are:

<i>Rating agency</i>	<i>Rating as of the Launch Date</i>
Moody's Investors Service, Inc.	A1(stable outlook)
S&P Global Ratings	A(stable outlook)
Fitch France S.A.S.	A+(stable outlook)

### ***Are we regulated by any bodies referred to in Rule 15A.13(2) or (3)?***

We are not regulated by any of the bodies referred to in Rule 15A.13(2) or (3) of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited. The Guarantor is regulated by the Hong Kong Monetary Authority. The Guarantor is also regulated by Comité des Etablissements de Crédit et des Entreprises d'Investissement.

### ***Selling restriction***

The Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and will not be offered, sold, delivered or traded, at any time, indirectly or directly, in the United States or to, or for the account or benefit of, any U.S. person (as defined in the Securities Act).

### ***Investment risks***

The price of the Warrants may fall in value as rapidly as it may rise and you may sustain a total loss of your investment. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable by us.

We or the Liquidity Provider may be the only market participant for the Warrants. The secondary market for the Warrants may be limited.

You must:

- carefully study the risk factors set out in the relevant Listing Documents;
- fully understand the potential risks and rewards and independently determine whether the Warrants are appropriate for you given your objectives, experience, financial and operational resources, and other relevant circumstances; and
- consult with such advisers as you deem necessary to assist yourself in making these determinations.

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Hong Kong, 23 May 2016