

PRIME SOLUTIONS & FINANCING DERIVATIVES EXECUTION & CLEARING

THE CONDITIONS OF SUCCESS OF A NEW CRUDE OIL CONTRACT FROM A CLEARING BANK POINT OF VIEW



BERTRAND MEYER
DEPUTY GLOBAL HEAD CORPORATE SALES



BNP PARIBAS

The bank for a changing world

AGENDA

1. **AN UNDERLYING IN LINE WITH THE MARKET TREND**
2. **PRICE DISCOVERY TO FACILITATE TRANSFER OF RISK BETWEEN PARTICIPANTS**
3. **A KEY ELEMENT OF TRADING BUSINESS: TRADE FINANCE**
4. **A GLOBAL MARKET MOVE FROM OTC/BILATERAL TO CLEARING**
5. **BNPP EXPERIENCE**



THE CONDITIONS OF SUCCESS OF A NEW CRUDE OIL CONTRACT FROM A CLEARING BANK POINT OF VIEW

1. AN UNDERLYING IN LINE WITH THE MARKET TREND



BENCHMARK IN LINE WITH MARKET NEEDS

There are dozens of different oil benchmarks, with each one representing crude oil from a particular part of the globe. However, the price of most of them are pegged to one of three primary benchmarks

Brent Blend– traded on ICE - EUROPE

- 4 fields in the North Sea, Brent, Forties, Oseberg and Ekofisk. Unit 1000 barrels
- Light (API Gravity: 38.06) and Sweet (low sulfur 0.37%)= ideal for refining of diesel fuel, middle distillates.
- Water born supply so easy to transport to distant locations

West Texas Intermediate – Traded on CME NYMEX - US

- Oils send via pipeline to Cushing & Oklahoma. Unit 1000 barrels
- Very light and very sweet (API 39.6 degree and low sulfur 0.24%) ideal for gasoline and in line with oil consumed in the US
- Land locked – expensive to ship

Oman Crude Oil Contract – Dubai Mercantile Exchange JV with the CME

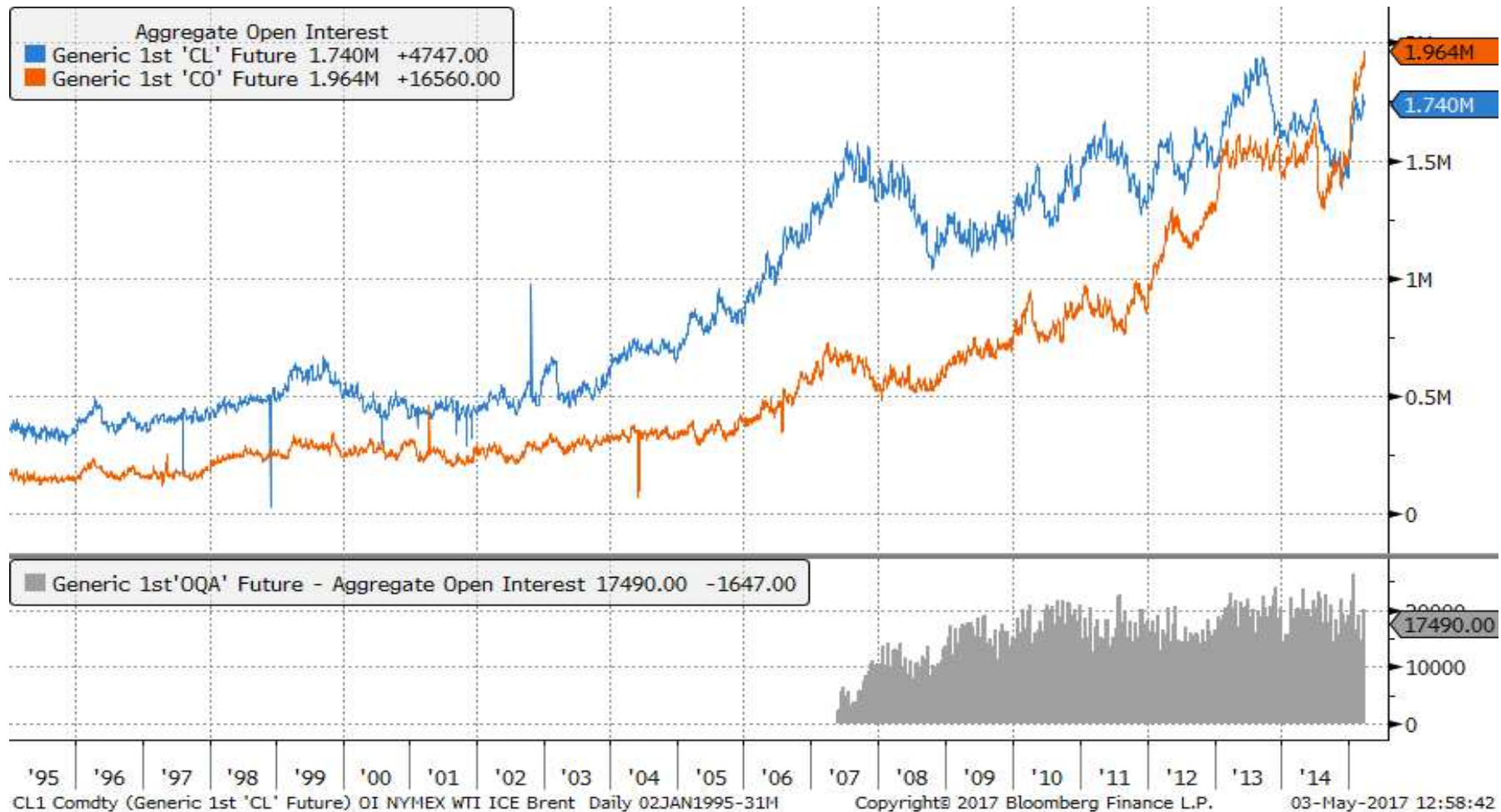
- Lower grade than WTI or Brent: Basket consisting of crude from DUBAI, Oman or Abu Dhabi.
- API gravity 31 Sulfur 2% (total sulfur > 0.5 % = Sour – more impurities to be removed – more corrosive)
- Location : export port of Mina al Fahal into the Gulf of Oman to the Asian Markets.



BNP PARIBAS

The bank for a changing world

TOTAL AGGREGATED OI ON NYMEX WTI (CL), ICE BRENT (CO) AND DME OMAN FUTURES



Physical differences in crude oil specification, regional demand, currency and politics evens will explain price and OI differences between these 3 index crudes.



BNP PARIBAS

The bank for a changing world

THE PROPER BENCHMARK

SINGAPORE, April 24 (Reuters) - Iraq's Oil Marketing Company (SOMO) has informed its long-term oil buyers that it plans to sell 2 million barrels of Basra **Light crude** for June loading through an auction on the Dubai Mercantile Exchange (DME) this Friday, trade sources said.

- This will be the first ever Basra crude sales on DME
- The cargo has a fixed destination for Asia and only bids at a premium to Iraq's Basra Light June official selling price (OSP)

Iraq to sell June-loading Basra Light crude via DME auction - sources - RTRS | News Wires

- In Asia, as of today, there is no true local benchmark, which is also the motivation of Shanghai crude.
- Chinese importers are using ICE Brent, Dubai Swaps and DME Oman to hedge their physical exposures. For most cases, they have to combine two or three of above index e.g. ICE Brent + Dubai EFS.
- **One of essentials for the new SH crude oil contract is grading of which must be in line with demands from Asia's main refineries.**



BNP PARIBAS

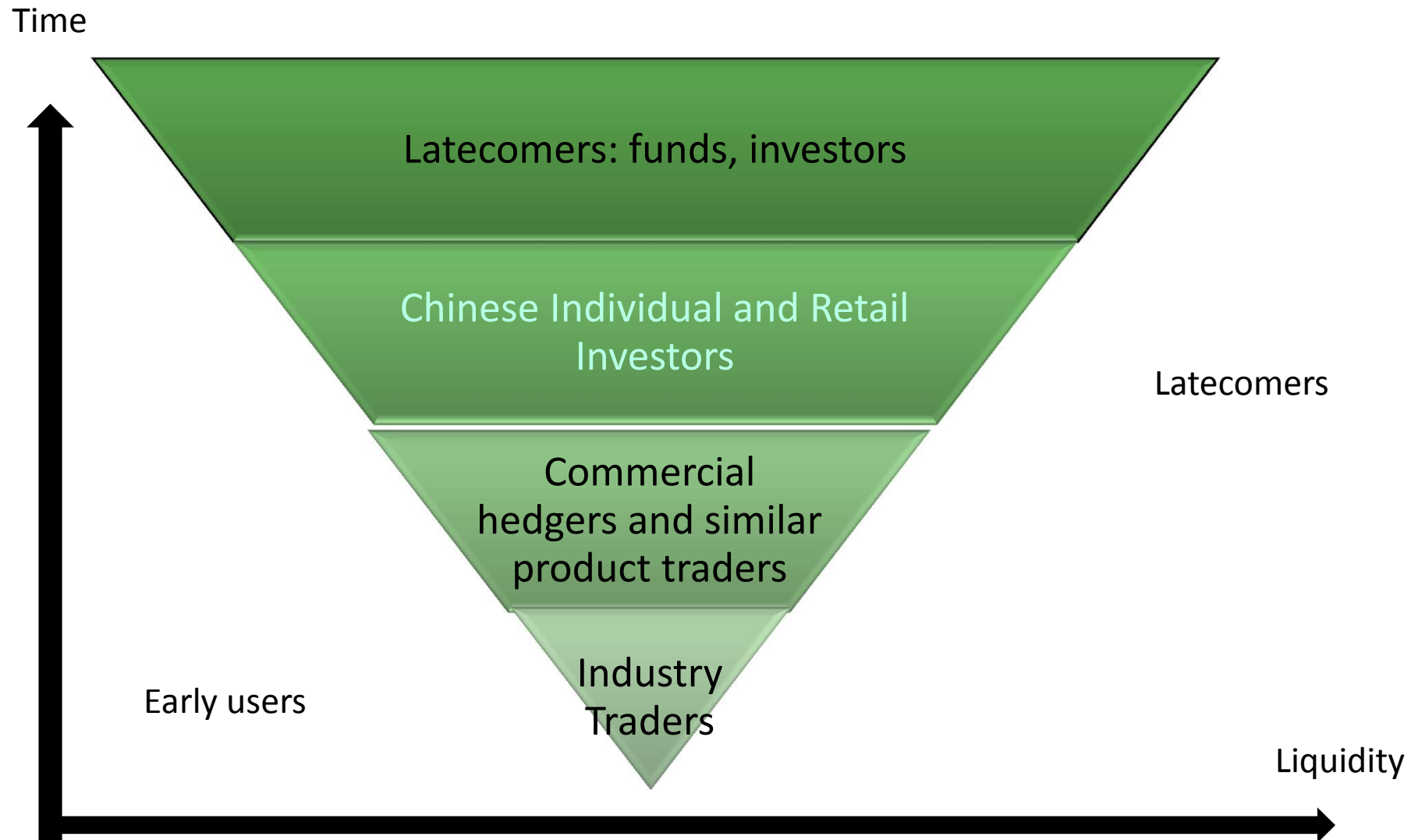
The bank for a changing world

THE CONDITIONS OF SUCCESS OF A NEW CRUDE OIL CONTRACT FROM A CLEARING BANK POINT OF VIEW

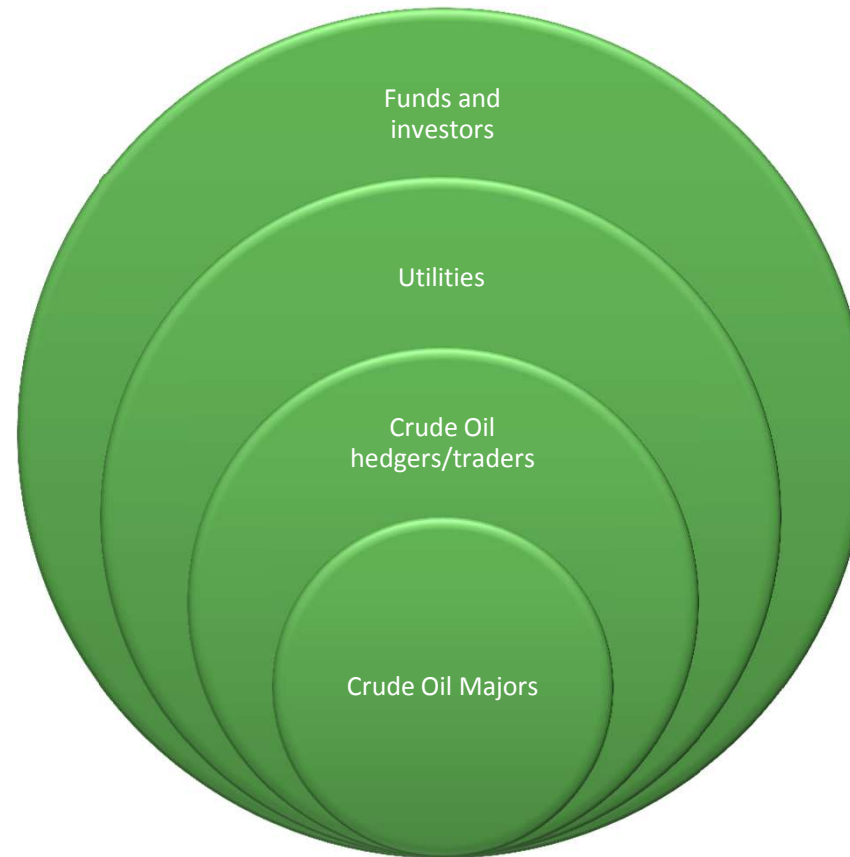
2. PRICE DISCOVERY TO FACILITATE TRANSFER OF RISK BETWEEN PARTICIPANTS



ENLARGING THE USER BASE



USER BASE IN EUROPE AND IN THE US: TRANSFER OF PRICING RISK



As of today, the number of these 'main stream' international players participating China's commodities market is still limited – **we see this as an restriction but also a huge potential!**

- **SH Crude Oil Contract will become a true international benchmark once barriers of access removed for foreign participants.**



THE CONDITIONS OF SUCCESS OF A NEW CRUDE OIL CONTRACT FROM A CLEARING BANK POINT OF VIEW

3. A KEY ELEMENT OF OIL TRADING BUSINESS : TRADE FINANCE

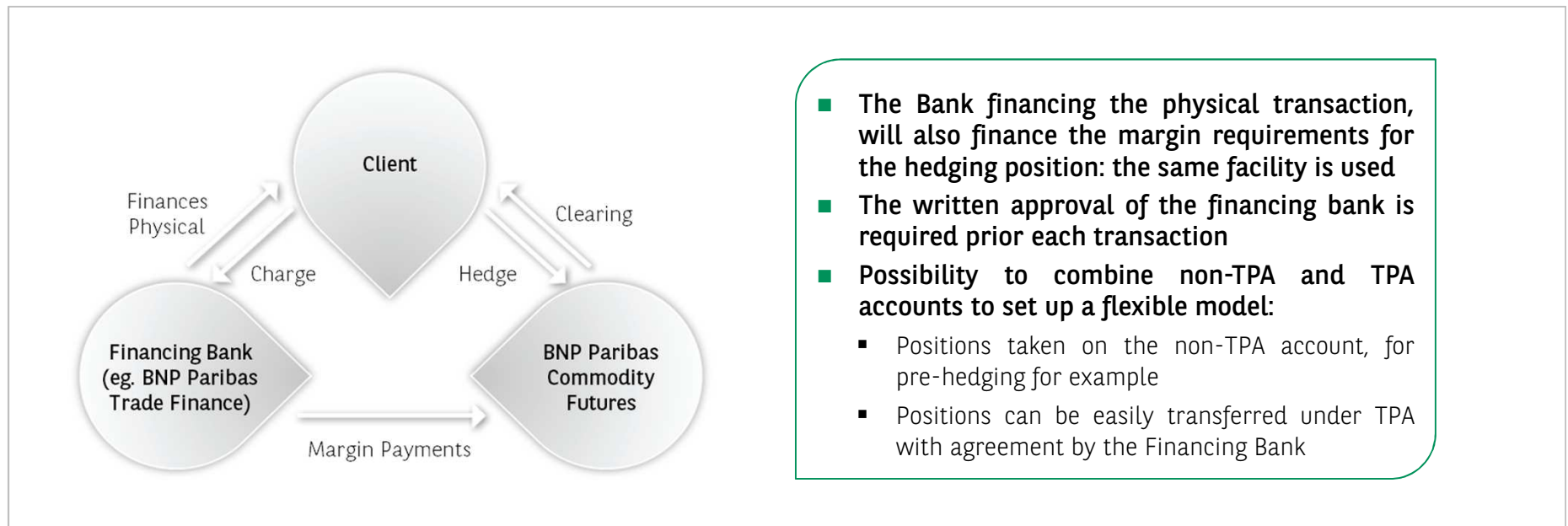


TRIPARTITE AGREEMENT (TPA)

A STRUCTURED AND COMPREHENSIVE FINANCING SOLUTION INVOLVING THREE PARTIES: THE CLIENT, THE FINANCING BANK AND BNP PARIBAS COMMODITY FUTURES, ACTING AS THE CLEARER

It is designed to:

- **Optimise** the cash flow on initial and variation margin requirements
- **Enhance** capital efficiency
- **Improve** the financing bank's credit appetite as the facility is hedged



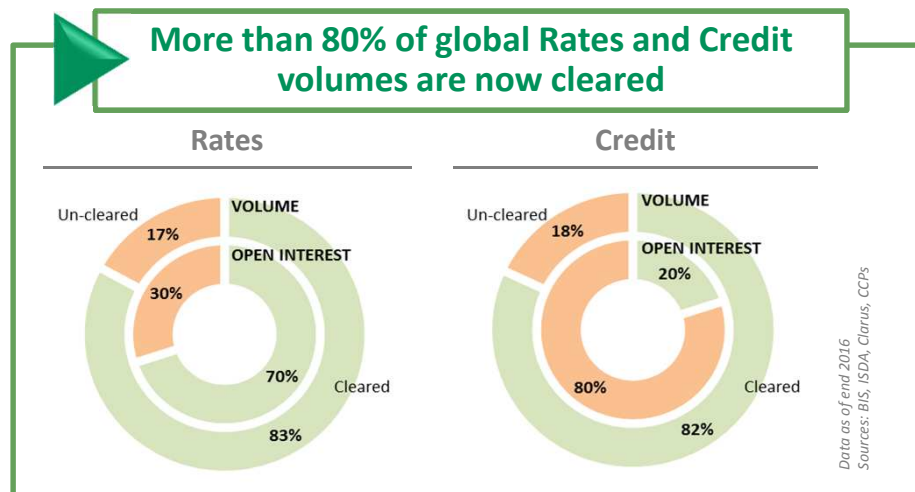
THE CONDITIONS OF SUCCESS OF A NEW CRUDE OIL CONTRACT FROM A CLEARING BANK POINT OF VIEW

4 . A GLOBAL MARKET MOVE FROM OTC/BILATERAL TO CLEARING



OTC CLEARING IS NOW MARKET PRACTICE IN RATES, CREDIT AND COMMODITIES AND GROWING FAST IN FOREX

- Accelerated shift from bilateral to cleared to protect against crisis
 - Dealers' initial self-imposed risk mitigation solution (starting 1999)
 - Then endorsed by **regulation** after 2008 (G20, Dodd-Frank, EMIR): Rates and Credit mandatory clearing live in the US and being rolled-out in Europe and Asia
 - Now **voluntarily anticipated** by the market; mentality shift due to 3 main incentives:
 - Benefit of netting / compression vs. leverage ratio footprint → Cleared / Uncleared basis
 - Non-cleared margin rules (EMIR days 1 and 2): punitive economics and legal uncertainty
 - Operational simplicity vs. maintenance of old uncleared, new uncleared, cleared...



Example of 2016 Sept 1st non-cleared margin rules effect:

- YoY trend 15-16, cleared volumes increase (10.7%) whilst uncleared volumes decrease (15.6%)
- Average daily volumes for non-mandated IRS jump 82% (\$77bn to \$140bn - Sept15 to Sept16)
- 95% of Inflation Swaps now cleared compared to 10% in Aug-16
- 6x increase in cleared NDF volume Aug to Nov 2016, from \$5bn to \$30bn per day
- 6x Increase in Single Name CDS clearing: \$33bln in 2015 / \$190bln in 2016
- Swapclear margin pool doubled Jan 17 vs Jan 16 from EUR 45 to 90bio



BNP PARIBAS

The bank for a changing world

THE CONDITIONS OF SUCCESS OF A NEW CRUDE OIL CONTRACT FROM A CLEARING BANK POINT OF VIEW

5. BNPPP EXPERIENCE AS A CLEARING BANK



THE BANK FOR A CHANGING WORLD

With strong roots anchored in Europe's economic history, BNP Paribas supports its clients in today's changing world and has positioned itself as a leading bank in the Eurozone and a prominent international banking institution.

Being the bank for a changing world means being able to innovate on behalf of our customers and our employees and supporting them through the changes that affect them.



**staff numbers as of December 2015*

BNP PARIBAS KEY FIGURES - 2015

 **€42.9** BILLION
in revenues

 **189 080** EMPLOYEES

 **75** COUNTRIES

 **€7.3** BILLION
Net income attributable to Equity holders, excluding exceptional items

Source: BNP Paribas 2015 annual report.



CONFIDENCE FROM THE MARKET

WE PLANNED AHEAD

With the Basel 3 regulations coming into play, BNP Paribas has planned ahead. The target of a Basel 3, fully loaded Common Equity Tier 1 (CET1) ratio at 9% was surpassed back in 2012, with the ratio currently at 10.9%.^(*)

With credit ratings of A/A1/A+, BNP Paribas maintains a top position, bringing robustness, stability and confidence to our clients in challenging market conditions.

A ROCK-SOLID BALANCE SHEET

**A High
Solvency Ratio**



As at 31.12.15
+60bp vs. 31.12.14

**A very large
liquidity reserve**



Source: BNP Paribas, 2015 results

(*) Solvency ratio as at 31.12.2015: fully-loaded Basel 3 Common Equity Tier

A STRONG COUNTERPARTY FOR TODAY'S MARKETS

	S&P Credit Rating	Moody's Credit Rating	Fitch Credit Rating
ROYAL BANK OF CANADA	AA-	Aa3	AA
RABOBANK	A+	Aa2	AA-
HSBC BANK PLC	AA-	Aa2	AA-
BNP PARIBAS	A	A1	A+
WELLS FARGO & Co*	A	A2	AA-
CREDIT SUISSE	A	A2	A
DEUTSCHE BANK	BBB+	Baa1	A-
BARCLAYS BANK PLC	A-	A2	A
SOCIETE GENERALE	A	A2	A
UBS	A	A1	A
JPMORGAN CHASE & Co*	A-	A3	A+
COMMERZBANK	BBB+	Baa1	BBB+
RBS PLC	BBB+	A3	BBB+
SANTANDER	A-	A3	A-

BNP PARIBAS



Source: BNP Paribas, Bloomberg, March 11th, 2016. For S&P, rating for Long Term Foreign Issuer Credit is quoted. For Moody's, rating for Senior Unsecured Debt is quoted. For Fitch, rating for Senior Unsecured Debt is quoted. A credit rating (i) is subject to downward revision, suspension or withdrawal at any time by the assigning rating organisation, (ii) does not take into account market risk or the performance-related risks of the investment, and (iii) is not a recommendation to buy, sell or hold securities. Non exhaustive list of banks.

* Holding company as issuer of senior debt



BNP PARIBAS

The bank for a changing world

GLOBAL COVERAGE THROUGH BNP PARIBAS MEMBERSHIPS

AMERICAS

AMEX
BATS/BOX/C2/CBOE/
ISE/MIAX/BX/NOM/
PHLX/AMEX/ARCA
CFE
CME/CBOT
COMEX/NYMEX
DME
ICE Futures US
ICE Futures US Energy
Division
ME Futures
ME Options
MEXDER
MGEX
Montreal
One Chicago
NASDAQ NFX (Q1 2016)
NODAL



*Asigna Compensacion Y
Liquidacion*
*Canadian Derivatives Clearing
Corp*
Chicago Mercantile Exchange
ICE Clear US
ICE Clear Credit
LCH Clearnet Ltd
Minneapolis Grain Exchange
The Options Clearing Corp

EMEA

ADEX
CMECE
CEGH/EEEX/EPEX
Spot/HUPX/
POWERNEXT/PXE
EDX
ENDEX/LCE
ENCLEAR
EUREX
EURONEXT
ICE Futures Europe
ICE LIFFE
IDEM
IDEX
LME
LTOM
MATIF
MEFF/MEFRV
NODAL
OMX
OTOB
SAFEX
TURKDEX
WSE



Athens Exchange Clearing House
BME Clearing SA
CC&G
CME Clearing Europe
Eurex Clearing AG
European Commodity Clearing AG
ICE Clear Europe Ltd
KDPW_CCP
LCH Clearnet Ltd
LCH Clearnet SA
LME Clear
NASDAQ OMX Clearing
SAFEX Clearing Co (PTY) Ltd
Takasbank

ASIA PACIFIC

ASX
HKFE
KRX
MDEX
NSE
NZX
OSE/TSE
SEHK
SFE/NZFOE
SGX
SGX DT
SGX Asia
Clear
TFX
TOCOM



Australian Securities Exchange Clear
HKFE Clearing Corp Ltd
Japan Securities Clearing Corporation
Korea Exchange Inc.
Malaysia Derivatives Exchange
National Securities Clearing Corp
New Zealand Clearing Ltd
*Singapore Exchange Derivatives Clearing
Corp*
SEHK Options Clearing House
Tokyo Financial Exchange Inc.
Tokyo Commodity Exchange

Key:
EXCHANGE; CCP

BNP Paribas is a member of the world's largest global exchanges and clearing houses



BNP PARIBAS

The bank for a changing world

FOCUS ON COMMOS EXCHANGES AND CLEARING HOUSES

	Clearing House	Exchange	Voice Execution	DMA	Products
EUROPE	CC&G	IDEX		•	Power
	CME Clearing Europe	CMECE			Agri, Biofuel, Oil, Nat Gas, Power , Petrochem, Freight, Metals Swaps
	ECC	CEGH		•	Natural Gas
		EEX		•	Power, Coal, Emissions, Freight, CAP Futures, Guarantees of Origin
		EPEX Spot		•	Power
		HUPX		•	Power
		POWERNEXT		•	Natural Gas
		PXE		•	Power, Natural Gas
		APX & BELPEX		•	Power
		ICE ENDEX	•	•	Power, Natural Gas
	ICE Clear Europe	ICE Futures Europe	•	•	Crude Oil and refined products, Natural Gas, Coal, Power, Emissions
		ICE Futures U.S Energy Division		•	U.S. Nat Gas, Electric Power Swaps, Physical Environmental Forwards and Options
		ICE Liffe	•	•	Cocoa, Robusta Coffee, White Sugar
	LME Clear	LME	•	•	Metals
	LCH Clearnet Ltd	NODAL			Power, Natural Gas
	LCH Clearnet SA	ENCLEAR		•	Forward Freight Agreements, Coal, Emissions, Iron Ore, Steel ...
AMERICAS	LCH Clearnet SA	Euronext / Paris	•	•	Corn, Rapeseed, Wheat, Biomass (Residential Wood Pellets)
	BME Clearing	MEFF		•	Power
	NASDAQ OMX Clearing AB	NASDAQ Commodities			Power, Natural Gas, Emissions, Freight
	ICE Futures U.S.	ICE Futures U.S.	•	•	Cocoa, Coffee, Sugar, Corn, Soybean, Wheat
	CME Clearing US	CBOT	•	•	Corn, Soybean, Wheat, Ethanol
		COMEX	•	•	Metals
		CME	•	•	Weather, FX
		DME	•	•	Oman Crude Oil
		NYMEX	•	•	Oil, refined products, Nat Gas, Coal, Power, Cocoa, Coffee, Cotton, Sugar, Emissions
		KCBT	•	•	Wheat
	MGEX	MGEX	•		Wheat, Corn, Soybean
ASIA PAC	MDEX	MDEX	•		Palm Oil
	SGX DC	SGX DT			Rubber, Fuel Oil , Metals
		SGX Asia Clear			Iron Ore, Coal, Freight, Oil products, Rubber
	TOCOM	TOCOM			Metals, Rubber, Crude Oil and Refined products
	NZX Clearing	NZX Clearing			Dairy Derivatives



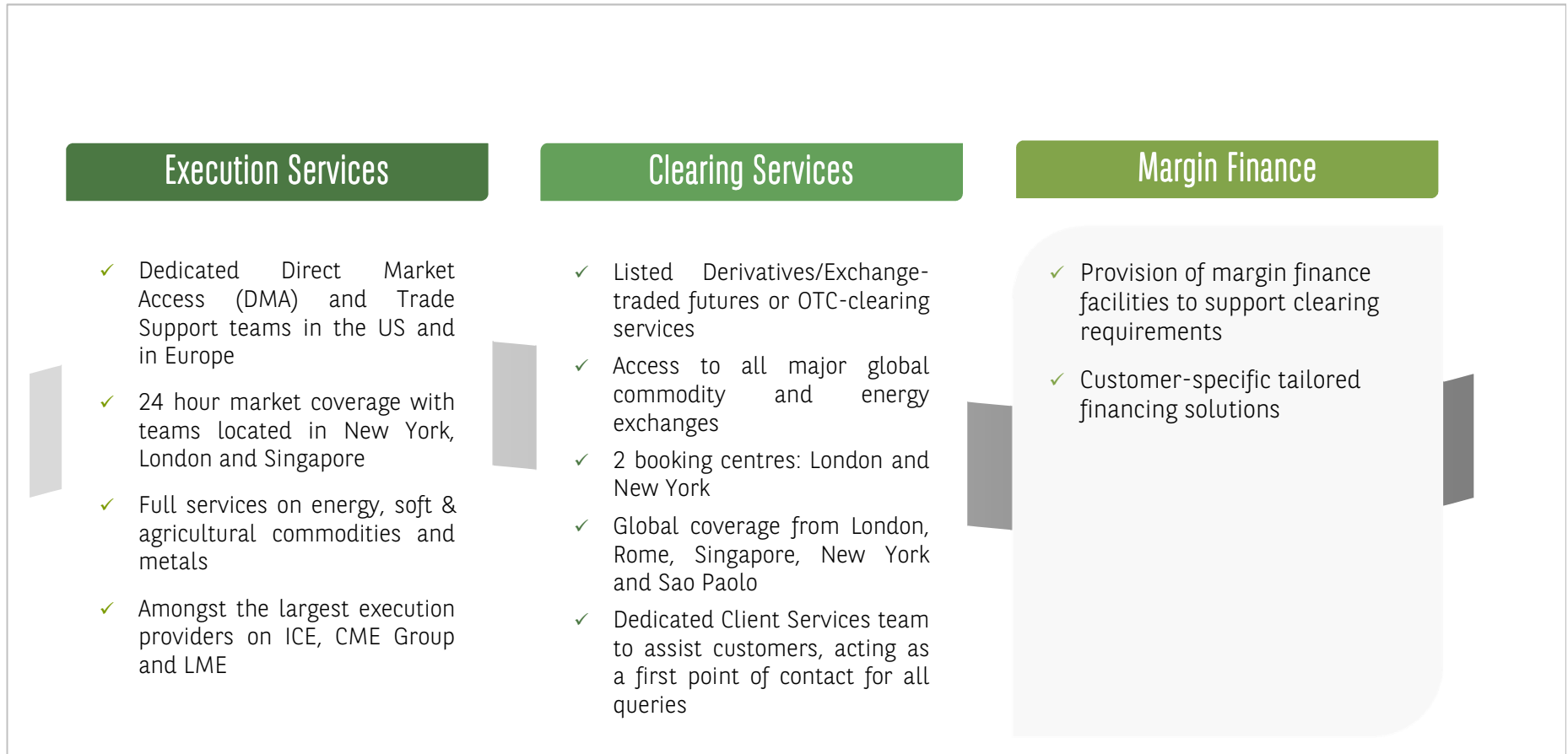
BNP PARIBAS

The bank for a changing world

BNP PARIBAS MULTI ASSETS EXECUTION & CLEARING SERVICES

AN OVERVIEW

- Leading provider of global execution, clearing and financing solutions for listed contracts



CONTACTS



BNP PARIBAS

The bank for a changing world

CONTACTS (1/2) – COMMERCIAL

ASIA CORPORATE SALES

Tobias Lausch	Head of Sales Asia	Tobias.lausch@asia.bnpparibas.com	+65 6210 1259
Yili Wang	Sales	Yili.wang@asia.bnpparibas.com	+65 6210 1612
Yuanyuan Ma	Sales	Yuanyuan.ma@asia.bnpparibas.com	+65 6210 1278
Meilanih Benjamin	Sales	Meilanih.benjamin@asia.bnpparibas.com	+65 6210 1615

EMEA CORPORATE SALES

Chris McEvoy	Head of Corporate Sales EMEA	chris.mcevoy@uk.bnpparibas.com	+44 207 595 8045
Sarah Knell	Corporate Sales EMEA	sarah.knell@uk.bnpparibas.com	+44 207 595 8042
Stela Gerova (Rome)	Corporate Sales EMEA	stela.gerova@bnpparibas.com	+39 06 4702 6659
Stefano Straniero	Corporate Sales EMEA	stefano.straniero@uk.bnpparibas.com	+44 207 595 4929
Alexandre Kokocinski	Corporate Sales EMEA	alexandre.kokocinski@uk.bnpparibas.com	+44 207 595 0956
Brokerage Desk	(Futures execution)	cflenergybrokers@uk.bnpparibas.com	+44 207 595 6000

PS&F DEC Corporate Sales MANAGEMENT

Tim Knight	Global Head	tim.knight@uk.bnpparibas.com	+44 207 595 8050
Bertrand Meyer	Deputy Global Head	bertrand.c.meyer@uk.bnpparibas.com	+44 207 595 4891
Ian Verrill	Chief Operating Officer	ian.verrill@uk.bnpparibas.com	+44 207 595 4416

SOFT & AGS – MARKETING & BROKERAGE

Simon Moore	Sales	simon.j.moore@uk.bnpparibas.com	+44 207 595 1888
James Shellabear	Sales	James.shellabear@uk.bnpparibas.com	Softs@bnpparibas.com

DMA Support

Martin Parott	Head of DMA	martin.parrott@uk.bnpparibas.com	+44 207 595 6813
DMA Team		dma@bnpparibas.com	+44 207 595 1407



BNP PARIBAS

The bank for a changing world

CONTACTS (2/2) – OPERATIONAL

CLIENT SERVICES

cfl.clientservices@bnpparibas.com | +44 207 595 6263

Main point of contact for day-to-day administration of your account such as queries about statements, Neolink, reporting, interest, procedures, etc.

OPERATIONS

commodity.futures@bnpparibas.com | +44 207 595 4810

Any daily operations requests and issues such as trade transfers, close-outs, missing trades, misbooking issues, etc.

TREASURY

cfl_treasury@uk.bnpparibas.com | +44 207 595 2892

Any queries related to Treasury matters such as Standard Settlement Instruction (SSI) set up, funds transfer requests, etc.

DELIVERIES

cfl_deliveries@bnpparibas.com | +44 207 595 9182

Any queries regarding physical deliveries..



BNP PARIBAS

The bank for a changing world

DISCLAIMER

Legal Notice: This document is **CONFIDENTIAL AND FOR DISCUSSION PURPOSES ONLY**; it constitutes a marketing communication and has been prepared by a Sales and Marketing function within BNP Paribas and/or its subsidiaries or affiliates (collectively “we” or “BNP Paribas”). As a confidential document it is submitted to selected recipients only and it may not be made available (in whole or in part) to any other person without BNP Paribas’ written consent.

This document is not a recommendation to engage in any action, does not constitute or form any part of any offer to sell or issue and is not a solicitation of any offer to purchase any financial instrument, nor shall it or any part of it nor the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision. To the extent that any transaction is subsequently entered into between the recipient and BNP Paribas, such transaction will be entered into upon such terms as may be agreed by the parties in the relevant documentation.

The information contained in this document has been obtained from sources believed to be reliable, but there is no guarantee of the accuracy, completeness or suitability for any particular purpose of such information or that such information has been independently verified by BNP Paribas or by any person. None of BNP Paribas, its members, directors, officers, agents or employees accepts any responsibility or liability whatsoever or makes any representation or warranty, express or implied, as to the accuracy or completeness of the information, or any opinions based thereon, contained in this document and it should not be used in place of professional advice. Additional information may be provided on request, at our discretion. Any scenarios, assumptions, historical or simulated performances, indicative prices or examples of potential transactions or returns are included for illustrative purposes only. Past performance is not indicative of future results. Investors may get back less than they invested. BNP Paribas gives no assurance that any favourable scenarios described are likely to happen, that it is possible to trade on the terms described herein or that any potential returns illustrated can be achieved. This document is current as at the date of its production and BNP Paribas is under no obligation to update or keep current the information herein. In providing this document, BNP Paribas offers no investment, financial, legal, tax or any other type of advice to, and has no fiduciary duty towards, recipients. Certain strategies and/or potential transactions discussed in this document may involve the use of derivatives which may be complex in nature and may give rise to substantial risks, including the risk of total or partial loss of any investment or losses without limitation and which should only be undertaken by those with the requisite knowledge and experience. BNP Paribas makes no representation and gives no warranty as to the results to be obtained from any investment, strategy or transaction, or as to whether any strategy, security or transaction described herein may be suitable for recipients’ financial needs, circumstances or requirements. Recipients must make their own assessment of strategies, securities and/or potential transactions detailed herein, using such professional advisors as they deem appropriate. BNP Paribas accepts no liability for any direct or consequential losses arising from any action taken in connection with or reliance on the information contained in this document even where advised of the possibility of such losses.

As an investment bank with a wide range of activities BNP Paribas may face conflicts of interest and you should be aware that BNP Paribas and/or any of its affiliates may be long or short, for their own account or as agent, in investments, transactions or strategies referred to in this document or related products before the material is published to clients and that it may engage in transactions in a manner inconsistent with the views expressed in this document, either for their own account or for the account of their clients. Additionally, BNP Paribas may have acted as an investment banker or may have provided significant advice or investment services to companies or in relation to investments mentioned in this document. The information in this document is not intended for distribution to, or use by, any person or entity in any jurisdiction where (a) the distribution or use of such information would be contrary to law or regulations, or (b) BNP Paribas or a BNP Paribas affiliate would become subject to new or additional legal or regulatory requirements. Persons in possession of this document should inform themselves about possible legal restrictions and observe them accordingly.

This document is intended for, and is directed at, (a) Professional Clients and Eligible Counterparties as defined by the European Union Markets in Financial Instruments Directive (2004/39/EC) (“MiFID”), and (b) where relevant, persons who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, and at other persons to whom it may lawfully be communicated (together “Relevant Persons”). Any investment or investment activity to which this document relates is available only to and will be engaged in only with Relevant Persons. Any person who is not a Relevant Person should not act or rely on this document or its content.

This document is being communicated by BNP Paribas Commodity Futures Limited. BNP Paribas Commodity Futures Limited is incorporated in England and Wales with limited liability. Registered Office: 10 Harewood Avenue, London NW1 6AA; tel: +44 (0)20 7595 2000; fax: +44 (0)20 7595 2555. BNP Paribas Commodity Futures Limited is authorised and regulated by the Financial Conduct Authority. Details about the extent of our authorisation and regulation by the Financial Conduct Authority are available from us on request. © BNP Paribas Commodity Futures Limited. All rights reserved.



DISCLAIMER

Legal Notice: This termsheet, unless expressed to be in “final form” for subsequent trade execution, contains an indicative proposal for discussion purposes only. BNP Paribas and its subsidiaries and affiliates (collectively, “we” or “BNP Paribas”) give no assurance that any transaction will be entered into on the basis of these indicative terms. Any potential transaction or investment to which this document relates is only available to those persons to whom this document is directed and to those persons to whom it may be lawfully distributed. Persons to whom this document has been directed by BNP Paribas should inform themselves about possible legal restrictions applicable to them and observe them accordingly. The information contained herein is provided on a strictly confidential basis and it may not be copied, reproduced or otherwise distributed by any recipient, whether in whole or in part (other than to that recipient’s professional advisers) without BNP Paribas’ prior written consent. As an investment bank with a wide range of activities, BNP Paribas may face conflicts of interest and you should be aware that we may engage in transactions in a manner inconsistent with the proposal in this document, either for our own account or for the account of our clients. BNP Paribas and our officers, directors, and employees, including persons involved in the preparation or issuance of this document (“BNP Paribas Persons”), may (or may in the future) have long or short positions, act as principal, or otherwise have a financial interest in, any securities, loans or any other underlying product, asset or exposure (or derivatives of such securities, loans, products or assets) identical or similar to those described herein. BNP Paribas Persons may serve as a director of companies mentioned in this document and may act as market maker in the securities of, or may have served as manager or co-manager of a public offering of securities by, any such company.

法律声明:本条款书是仅供讨论之用的提议,除非另有说明,否则仅具指示性。法国巴黎银行、其关联公司及子公司(合称「本行」或「法国巴黎银行」)均未保证将以此等条款达成任何交易。本文件所涉及的任何潜在交易或投资只适用于本文件所针对的人士及可依法获取相关资料的该等人士。本文件所针对的人士应自行了解并遵守可能适用的法律限制。本文件所含信息为保密信息,未经法国巴黎银行事前书面同意,接收人不得复制、披露或以其他方式传播该信息之全部或部份(向该等接收人之专业顾问披露的除外)。法国巴黎银行作为一家营业活动涉及不同范畴的投资银行或可能因其在各营业活动所担当的不同角色而导致出现利益冲突。贵司请注意,法国巴黎银行可能以自身利益或替其客户进行一些与本拟订交易持相反投资方向的交易。法国巴黎银行、其高级职员、董事和雇员(包括参与编制或发行本文件的人员)(合称「法国巴黎银行人员」)可能会(或在未来),买入或卖出与本文件所述相同或相似的任何证券、贷款或任何其他相关产品、资产或风险(或此类证券,贷款,产品或资产相关的衍生工具)、或成为其当事人、或以其他方式在其中享有经济利益。法国巴黎银行人员或担任本文件所述公司的董事,或于任何该等公司的证券交易中担任做市商或担任该等公司股票公开发行的经理人或联席经理人。

BNP Paribas is not soliciting or recommending any specific action based on this document. Please consider whether any transaction to which this document relates is suitable for your particular circumstances. By taking the decision to enter into a transaction the indicative or “final form” terms of which are set out in this termsheet (the “Transaction”), you confirm that (i) you are acting as principal for your own account, have made your own independent decision as to whether or not to enter into the Transaction and as to whether such Transaction is appropriate and proper for you based upon your own judgement and any advice from such accounting, legal, tax, regulatory and/or other advisors as you have seen fit to consult; (ii) you are not relying on any communication, written or oral, provided to you by BNP Paribas (including the information and explanations provided in this termsheet or in any marketing material) unless otherwise agreed in writing with BNP Paribas, and you have not received from BNP Paribas any assurance or guarantee as to the expected results of entering into the Transaction; (iii) you have the requisite knowledge and experience and are capable of understanding and assessing the merits of the Transaction (by yourself or through receipt of independent professional advice, including in relation to all financial, legal, regulatory, accounting and tax aspects), you understand and accept the terms, conditions and risks involved in the Transaction, and are capable of assuming such risks; and (iv) it is your responsibility to carefully review, and that you have carefully reviewed, the documentation relating to the Transaction to ensure that you understand all the terms and conditions of such documentation, such terms and conditions are acceptable to you and that the documentation properly reflects the agreement between the parties.

本文件不构成任何法国巴黎银行对任何具体行动之销售要约或推荐。贵司应考虑本文件所述的任何交易是否适合贵司之具体情况。在决定进行本条款书所列之指示性或最终条款所适用之交易(下称「本交易」)时,贵司确认(i)贵司为自身利益以本人名义而行为,且已就是否达成交易及该交易对贵司来说是否适当且适合,依据贵司本身的判断及贵司认为适合之会计、法律、税务、法规及/或其他顾问之建议,独立做出决定,(ii)贵司并未依赖由法国巴黎银行提供之任何信息(书面或口头,包括本条款书或其他营销材料所含之信息及说明),除非另与法国巴黎银行订有书面协议,贵司并未就达成交易之预期后果自法国巴黎银行取得任何承诺或保证,(iii)贵司具备所需知识和经验及有能力了解及评估交易之利益(自行或通过获得与所有财务、法律、法规、会计及税务等相关的全部专业意见),且了解并接受交易涉及之条款、条件与风险,且愿意承受该等风险;且(iv)贵司有责任及已详细审阅交易相关文件,以确保贵司了解该等文件的条款与条件,贵司同意该等条款与条件属于贵司可接受者及相关文件正确反映双方之间的协议。



DISCLAIMER

Financial instruments of the type described herein may involve a high degree of risk and their value may be highly volatile. Such risks may include, without limitation: (i) variations in interest rates, exchange rates, correlation, prices or levels of securities, commodities, funds and/or indices, indicators of creditworthiness or perceived creditworthiness of one or more underlying entities; (ii) default or insolvency of one or more underlying entities; (iii) adverse or unanticipated market events or developments, political developments or adverse corporate events involving an underlying security or entity; (iv) risk of illiquidity; (v) sovereign risk; and (vi) legal risk. In addition, where the Transaction involves leverage, it must be recognised that whilst leverage presents opportunities to increase profit, it also has the effect of potentially increasing losses and doing so in a relatively short period of time. Such losses may significantly diminish the performance of the Transaction or result in loss for you. You may be required to post margin or collateral at levels consistent with the internal policies of BNP Paribas. The risk of loss in trading derivatives can be substantial and, accordingly, derivatives are not suitable for every person.

本文件所述类型之金融商品可能涉及高度风险且其价值可能会剧烈变动。此等风险或包括但不限于(i)证券、商品、基金及/或指数之利率、汇率、关联性、价格或水平、一或多个连结实体的公信指标或认知信誉的波动, (ii)一或多个连结实体的违约或破产风险, (iii)负面或无法预期的市场事件或发展、涉及目标证券或实体之政局发展或负面公司行为, (iv)无流动性风险, (v)主权风险及(vi)法律风险。此外, 当本交易涉及资金杠杆时, 必须认清尽管资金杠杆代表提高获利之机会, 此亦有可能造成损失增加或于较短的时间内造成损失的效果。此损失可能致使本交易的绩效大量缩减或导致贵司蒙受损失。贵司可能需要按法国巴黎银行内部规定提供所需水平的保证金或抵押品。进行衍生产品交易可能遭受重大损失, 故衍生产品交易并不适合所有人。

Subject to any confidentiality restrictions, BNP Paribas may provide any additional information reasonably requested by you in connection with the Transaction. A confidentiality arrangement with BNP Paribas may however be required in order to access any such information. In no circumstances shall BNP Paribas be obliged to disclose to any person any proprietary information or information which it has received on a confidential basis or the existence thereof. Unless otherwise agreed in writing with BNP Paribas, no information provided by BNP Paribas related to a transaction shall be considered investment advice or as a recommendation to enter into, remain a party to, amend (or forebear from amending) the terms of, or terminate, a transaction. Unless this document is stated to constitute a "final form" or "dealing" termsheet (however described), any prices quoted are indicative only and actual prices will depend on market conditions at the time the Transaction is concluded. In addition, BNP Paribas reserves the right not to enter into the Transaction or any other transaction, in its sole discretion. Although disclosure materials or analyses provided to you have been prepared based on information we believe to be accurate, BNP Paribas does not represent, warrant or guarantee the accuracy, completeness or reasonableness of any such disclosures or analyses. No representation or warranty is made that any indicative performance will be achieved in the future. Past performance is not indicative of future results. To the extent that any information or analyses are based on information from public sources such information may not have been independently verified by BNP Paribas and is subject to change from time to time. BNP Paribas is under no obligation to update or keep current the information contained in this document. BNP Paribas does not assume any responsibility for the consequences of your entering into or taking (or forbearing from taking) any action in respect of the Transaction or any other transaction and BNP Paribas accepts no liability for any direct or consequential losses arising from any action taken in connection with or reliance on the information contained in this document. This Legal Notice shall not be amended except as agreed in writing by BNP Paribas, and shall apply notwithstanding any provision to the contrary (such as a "single agreement" clause) in any contractual documentation governing the Transaction or any other related transaction, unless specifically referencing this Legal Notice.

在符合保密限制的前提下, 法国巴黎银行可能在贵司合理要求时或提供本交易相关任何额外信息。贵司可能需要与法国巴黎银行签订保密协议以取得该等信息。无论何种情况, 法国巴黎银行都没有义务向任何人揭露任何专有信息或其依据保密条款取得之信息或存在该等信息。除非得到法国巴黎银行的书面同意, 法国巴黎银行所提供与本交易相关之任何信息都不应被认为是投资建议或达成交易、维持为交易之一方、修改(或不修改)交易条款、或中止交易之推荐。除非本文件被指明构成「最终」或「交易」条款书(或同等意思的描述), 任何报价之价格仅属指示性, 实际价格将取决于本交易缔约时之市场状况。此外, 法国巴黎银行保留依其判断后不达成本交易或任何其他交易之权利。尽管提供给您的揭露资料或分析是根据本行认为正确的信息而编制, 法国巴黎银行不声明或保证该等揭露或分析之正确性、完整性或合理性。兹不声明或保证未来将可达成任何指示性业绩。过去业绩不代表未来结果。信息或分析系来自公开来源信息者, 该信息或未经法国巴黎银行独立确认之, 可能随时变动。法国巴黎银行并没有责任更新资料或保持本文件内容为合时性。法国巴黎银行将不会就贵司达成本交易或其他交易或采取(或不采取)任何相关行动之结果承担任何责任。法国巴黎银行不会就贵司就本文件内容或因依赖本文件内容而所作的任何行为遭受的直接或间接损失承担任何责任。本法律声明非经法国巴黎银行书面同意, 不得修改, 且尽管本交易或任何其他相关交易适用之任何契约文件另有相反条款(例如「单一协议」条款), 除非特别提及本法律声明, 否则本法律声明仍应适用。



DISCLAIMER

It may be a condition of an amendment, early termination or transfer of the Transaction that an amount is paid or received in consideration thereof, and such amount will (subject to the express terms of the Transaction) be determined by BNP Paribas in its sole discretion, taking into account any factors it deems appropriate, including, without limitation, remaining time to maturity, outstanding notional amount, market prices or levels, liquidity, cost of re-hedging its position, credit risk, interest rates, exchange rates, correlation, default risk, collateral rights and obligations, counterparty risk, capital impact, balance sheet impact, clearing and BNP Paribas' risk or trading positions. The basis of determination of such amount will be disclosed to you at our sole discretion. No representation is given as to the existence of a secondary market for the Transaction and it may not be possible for you to hedge some or all of the risks arising under it now or in the future or otherwise close out or mitigate such risks. Any valuation of the Transaction (whether made by or for a you) may not be indicative of the likely cost to you to hedge such Transaction, nor is it indicative of an unwind price which BNP Paribas might, at its discretion or subject to a liquidity commitment, provide to you on request. The price(s) or level(s) at which BNP Paribas might offer to enter into the Transaction is or are not necessarily an indication of the price(s) or level(s) at which other market participants might enter into the same transaction and may not necessarily be indicative of the then current market value of the Transaction.

法国巴黎银行可能以支付或收受款项作为同意任何更改、提前终止或转让相关交易之条件，有关款项由法国巴黎银行依其独立判断并考虑其认为适当之因素，包括但不限于剩余期限、未偿还名义金额、市场价格或水平、流动性、头寸重新避险之成本、信用风险、利率、汇率、关联性、违约风险、担保权益及责任、交易对手方风险、对资本的影响、对资产负债表的影响、清算及法国巴黎银行之风险或交易地位，决定该金额（并遵守本交易列明的条款）。法国巴黎银行依其独立判断决定可能将确定该等金额的基准批露给贵司。兹不声明或保证本交易的是否存在次级市场，贵司可能无法将现在或将来对本交易下部份或全部风险进行避险，或以其他方式处理掉或减缓该等风险。本交易之任何估值（无论是否为贵司、或由贵司做出）均不代表阁下就此交易进行避险之可能成本，亦不代表法国巴黎银行可能于接获要求时依其独立判断后或按流动性承诺提供给贵司之清算价格。法国巴黎银行同意进行本交易的价格水平并不必然代表其他市场参与者进行相同交易的价格或水平，也不必然代表本交易届时的市场价值。

In the event of discrepancies between the Chinese and English versions, the Chinese version shall prevail.

如中英版本存在不一致，一切以中文版本为准。

BNP Paribas (China) Limited is incorporated in the People's Republic of China with limited liability and is subject to the supervisory regulation of China Banking Regulatory Committee.

法国巴黎银行（中国）有限公司成立于中华人民共和国、承担有限责任并受中国银行业监督管理委员会监管。



BNP PARIBAS

The bank for a changing world