BNP Paribas
Market-Linked Notes – Buffered Notes

BNP PARIBAS

The bank for a changing world

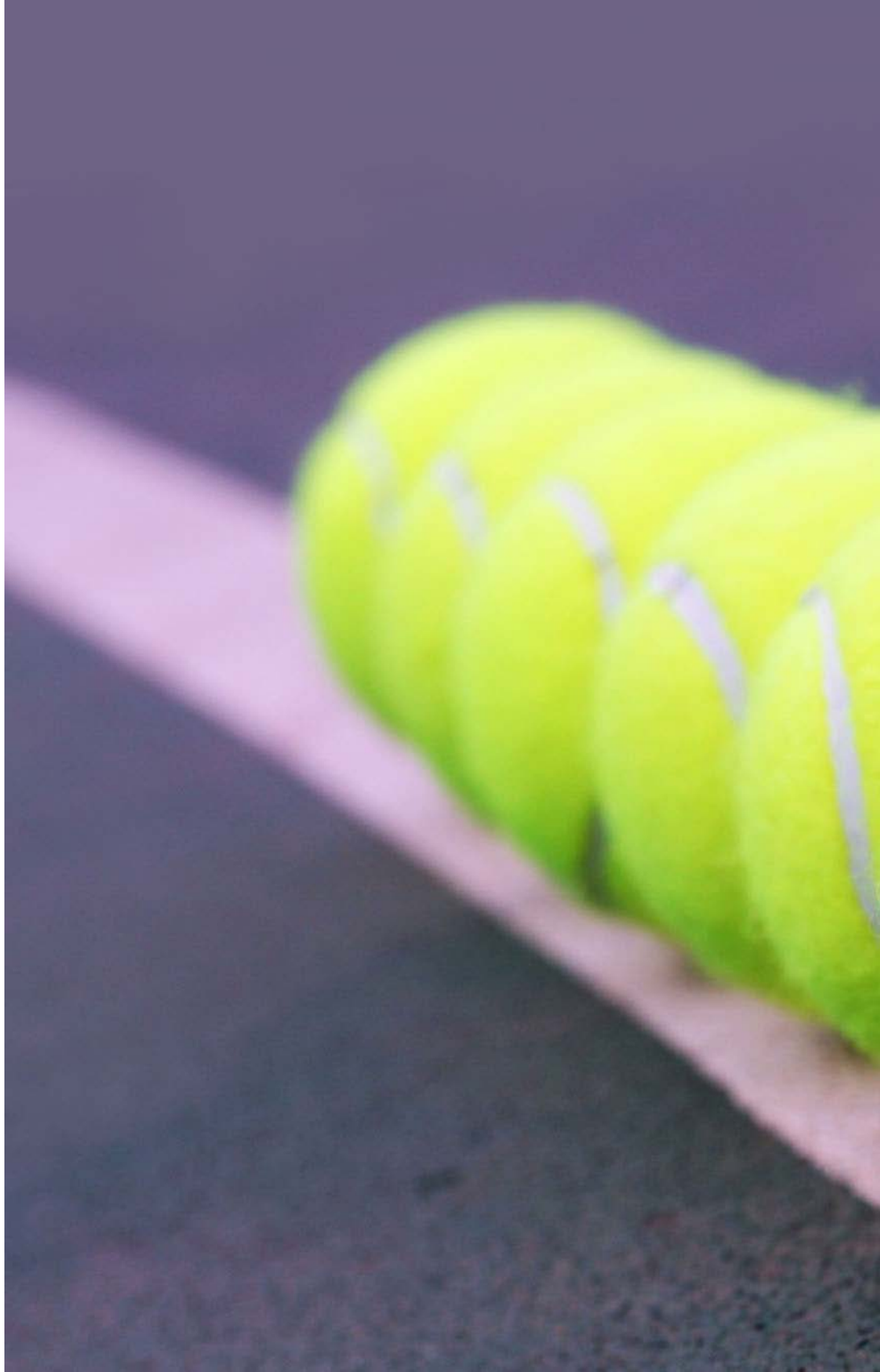
Philosophy

Why Market-Linked Notes?

Market-Linked Notes are investment products that are customized to meet specific objectives in the current dynamic market environment. Through an innovative and creative approach the Notes could help investors reach objectives such as capital protection, return enhancement and reduced exposure to market related losses. The Notes can be customized to a wide range of underlying assets and are typically linked to equities, through shares or indices (basket or single), or commodities.

The strength of Market-Linked Notes lies in their **flexibility and tailored investment approach**. In their simplest form, the Notes may offer investors full or partial capital protection coupled with an equity-linked performance and a variable degree of return enhancement in the positive performance of an underlying asset. They are commonly used as a way for potential enhancement and greater diversification of an investor's portfolio. Diversification does not ensure a return on an investment or guarantee protection against a loss.

Market Linked Notes are subject to the credit risk of BNP Paribas and may not be suitable for some investors. They involve risks not associated with conventional debt securities. Please see '**Selected Risk Considerations**' further on in this brochure.



How do Buffered Notes work?

The Buffered Note is a type of Market-Linked Note which consists of the following features:

- **The Buffer** which lessens the amount of potential loss in case the underlying asset experiences a market downturn. The Buffer is subject to the credit risk of the issuer and the investor can only benefit from the Buffer when the Notes are held to maturity. This Buffer works in two ways:
  - At maturity, if the underlying asset closes between the Buffer Level and 100% of its initial level, the investor receives 100% of its principal amount, subject to the creditworthiness of the issuer.
  - At maturity, if the underlying asset closes below the Buffer Level, the investor will lose an amount equal to 1% of the principal amount for every 1% that the Final Level declines beyond the Buffer Level. In this case a loss of up to (100% - Buffer Level) of principal is possible.

- **The upside participation** in the underlying asset, which can be typically split up in two types:
  - **Simple 1-to-1** upside participation, where the investor has full exposure to the positive performance, if any, of the underlying asset.
  - **Enhanced upside participation**, where the investor has an enhanced exposure to the positive performance, if any, of the underlying asset. Enhanced upside participation is typically subject to a maximum return. The return on Notes is limited to this maximum return, regardless of the appreciation of the underlying asset, which may be significant.

Buffered Notes may be appropriate for investors who

- Are seeking an investment that provides partial downside protection from a decline in the underlying asset.

- Are willing to accept that the Notes will not be listed on any securities exchange. Even if there is a secondary market, it may not provide enough liquidity to allow the investor to trade or sell the Notes.

- Are comfortable with the creditworthiness of BNP Paribas, as issuer of the Notes. An investment in the Notes is subject to the credit risk of BNP Paribas. The actual or perceived creditworthiness of BNP Paribas may affect the market value of the Notes.

Buffered Notes may not be appropriate for investors who

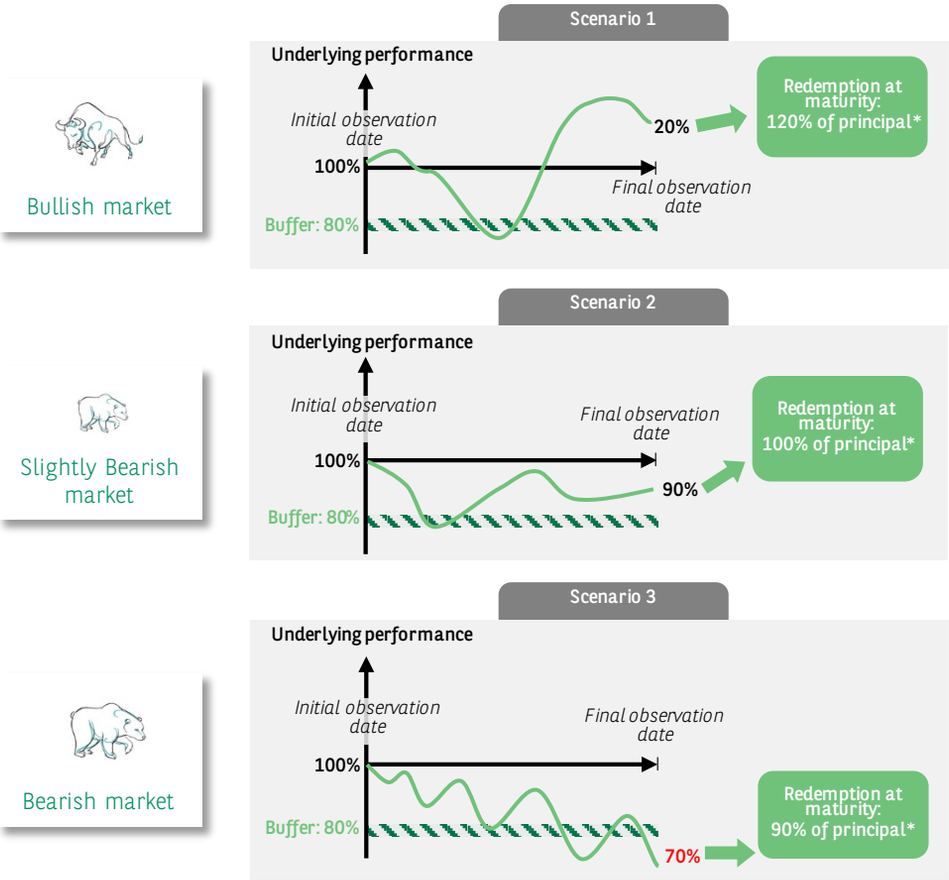
- Are not willing to forgo interest and dividend payments on securities comprising the underlying asset.
- Are not willing to be exposed to the negative performance of the underlying asset and the ability to lose some or up to (100% - Buffer Level) of their principal.
- Are not comfortable with the creditworthiness of BNP Paribas, as issuer of the Notes.
- Are not willing to hold the Notes to maturity.
- Are not willing to have the appreciation of the Notes limited to a Maximum Return, if applicable.

Mechanism and Scenarios

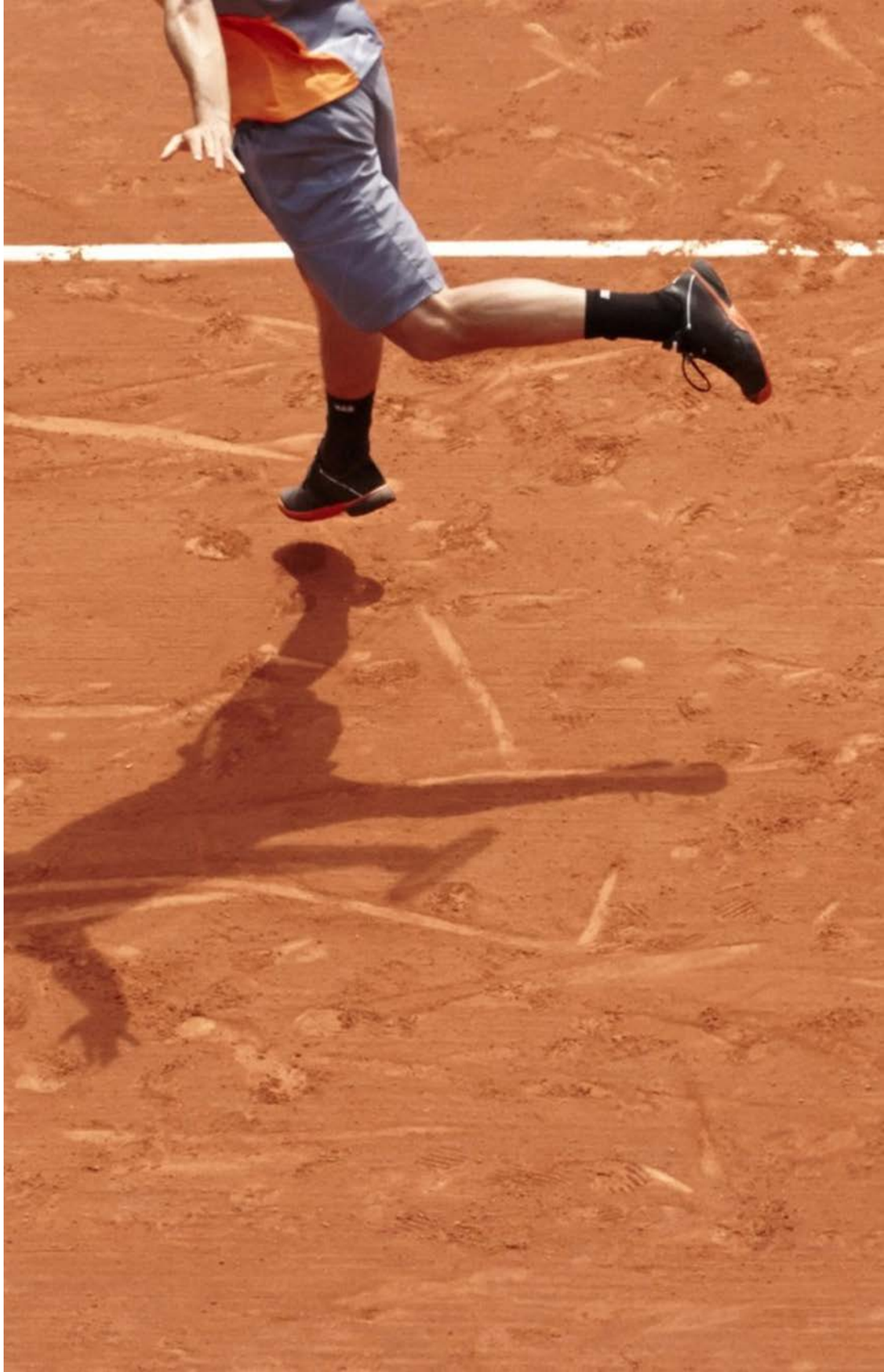
Buffered Notes

Key features:

- Partial downside buffer of 20%.
- 1-to-1 full upside participation in the underlying asset.
- At maturity, if the underlying asset closes below 80% of its initial level, the investor will lose an amount equal to 1% of the principal amount for every 1% that the Final Level declines beyond 20%. In this case a loss of up to 80% of principal is possible.
- Any payments on the Buffered Notes are subject to the credit risk of BNP Paribas.



Source: BNP Paribas, for illustrative purposes only.
**Subject to the credit risk of BNP Paribas*



Hypothetical Scenarios

For the hypothetical scenario below, we assume a 20% buffer and a hypothetical initial underlying asset level of 100.

Hypothetical Final Level of the Underlying	Hypothetical Redemption at Maturity*	Hypothetical Return on the Notes*
150	150%	50%
140	140%	40%
130	130%	30%
125	125%	25%
120	120%	20%
115	115%	15%
105	105%	5%
100	100%	0%
90	100%	0%
85	100%	0%
80	100%	0%
70	90%	-10%
60	80%	-20%
40	60%	-40%
20	40%	-60%
0	20%	-80%

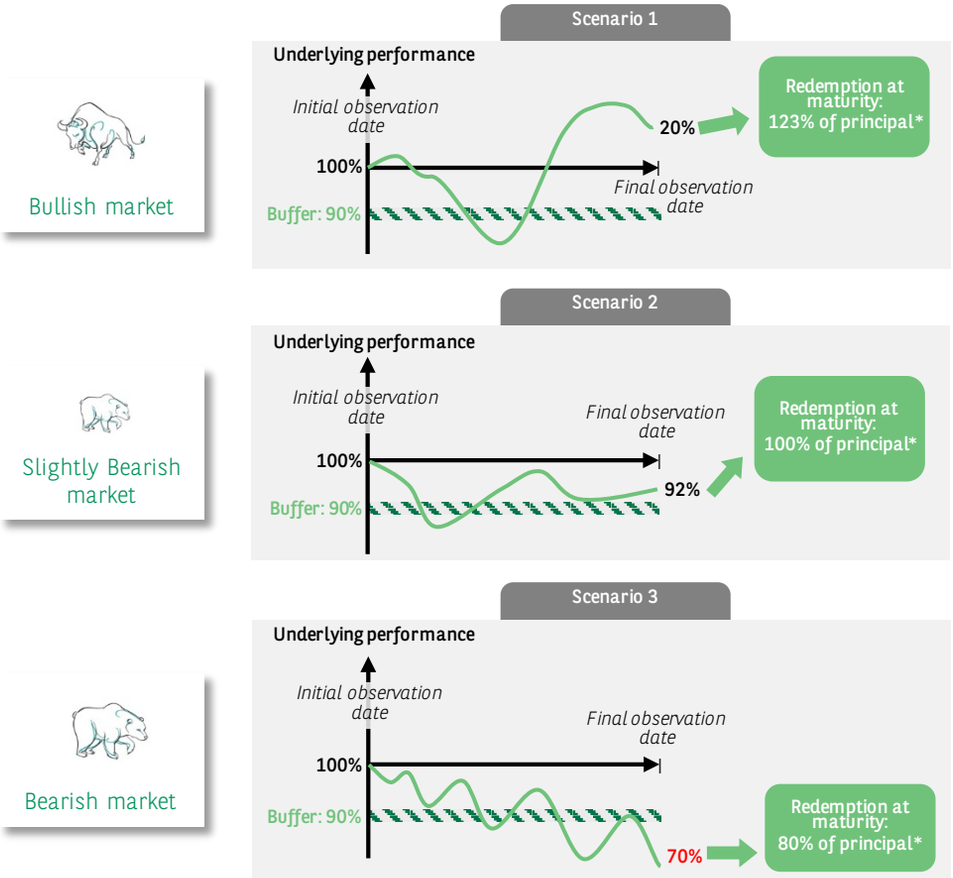
Bullish Market *Stable or Slightly Bearish Market* *Bearish Market*

**Excluding fees and taxation applicable to the type of investment and except in the event of bankruptcy or default of payment by the Issuer and Guarantor.*

Buffered Return Enhanced Note (uncapped upside participation)

Key features:

- Partial downside buffer of 10%.
- 115% full upside participation in the underlying asset.
- At maturity, if the underlying asset closes below 90% of its initial level, the investor will lose an amount equal to 1% of the principal amount for every 1% that the Final Level declines beyond 10%. In this case a loss of up to 90% of principal is possible.
- Any payments on the Buffered Return Enhanced Notes are subject to the credit risk of BNP Paribas.



Source: BNP Paribas, for illustrative purposes only.
**Subject to the credit risk of BNP Paribas*

Hypothetical Scenarios

For the hypothetical scenario below, we assume a 10% buffer, a participation rate of 115% and a hypothetical initial underlying asset level of 100.

Hypothetical Final Level of the Underlying	Hypothetical Redemption at Maturity*	Hypothetical Return on the Notes*
150	157.5%	57.5%
140	146%	46%
130	134.5%	34.5%
125	128.75%	28.75%
120	123%	23%
115	117.25%	17.25%
105	105.75%	5.75%
100	100%	0%
90	100%	0%
80	90%	-10%
70	80%	-20%
60	70%	-30%
40	50%	-50%
20	30%	-70%
0	10%	-90%

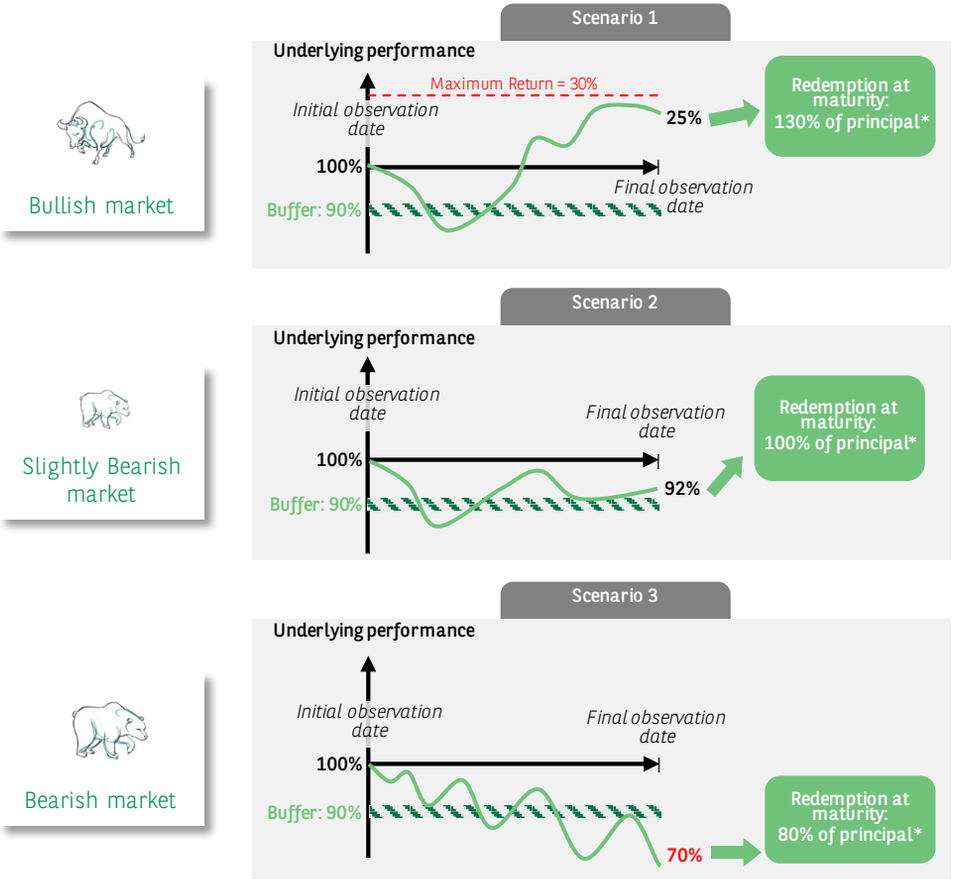
Bullish Market *Stable or Slightly Bearish Market* *Bearish Market*

**Excluding fees and taxation applicable to the type of investment and except in the event of bankruptcy or default of payment by the Issuer and Guarantor.*

Buffered Return Enhanced Note (subject to a maximum return)

Key features:

- Partial downside buffer of 10%.
- 150% upside participation in the underlying asset, subject to a maximum return of 30%.
- At maturity, if the underlying asset closes below 90% of its initial level, the investor will lose an amount equal to 1% of the principal amount for every 1% that the Final Level declines beyond 10%. In this case a loss of up to 90% of principal is possible.
- Any payments on the Buffered Return Enhanced Notes are subject to the credit risk of BNP Paribas.



Source: BNP Paribas, for illustrative purposes only.
**Subject to the credit risk of BNP Paribas*

Hypothetical Scenarios

For the hypothetical scenario below, we assume a 10% buffer, a maximum return of 30%, a participation rate of 150% and a hypothetical initial underlying asset level of 100.

Hypothetical Final Level of the Underlying	Hypothetical Redemption at Maturity*	Hypothetical Return on the Notes*
150	130%	30%
140	130%	30%
130	130%	30%
125	130%	30%
120	130%	30%
115	122.5%	22.5%
105	107.5%	7.5%
100	100%	0%
90	100%	0%
80	90%	-10%
70	80%	-20%
60	70%	-30%
40	50%	-50%
20	30%	-70%
0	10%	-90%

Bullish Market *Stable or Slightly Bearish Market* *Bearish Market*

**Excluding fees and taxation applicable to the type of investment and except in the event of bankruptcy or default of payment by the Issuer and Guarantor.*

Selected Risk Considerations

Purchasing the Notes involves a number of risks. Prospective investors should reach a purchase decision only after careful consideration with their financial, legal, accounting, tax and other advisors regarding the suitability of the Notes in light of their particular circumstances. The following highlight some, but not all, of the risk factors in purchasing the Notes.

- An investment in the Notes is subject to the credit risk of BNP Paribas. The actual or perceived creditworthiness of BNP Paribas may affect the market value of the Notes.
- You should reach a decision to invest in the Notes after carefully considering, with your advisors, the suitability of the Notes in light of your investment objectives and the specific information set out in the applicable pricing supplement and the base prospectus.
- The principal amount of the investment is not protected and you may receive less, and possibly significantly less, than the amount you invest, and you could lose up to (100% - Buffer Level) of the initial investment, subject to the credit risk of BNP Paribas.
- The buffer acts as additional protection on the Notes in the event the underlying asset closes below its Buffer Level on the Final Valuation Date. For example, the buffer is [20]% and if the underlying asset closes at 40% of its initial level on the Final Valuation Date (i.e., a decline of 60% as compared to its Initial Level), you shall receive 60% of your originally invested principal (the 40% level of the underlying asset plus the [20]% buffer), subject to the creditworthiness of BNP Paribas.
- The Redemption Amount at Maturity is not determined until the Final Valuation Date. If the Closing Level of the underlying asset drops precipitously on the Final Valuation Date, the Redemption Amount at Maturity may be significantly less than it would have been had such payment been linked to the Closing Level at a time prior to such drop.

- The return on Buffered Return Enhanced Notes can be limited to the Maximum Return, regardless of the appreciation of the underlying asset, which may be significant.
- The investor does not benefit from dividends of any securities comprising the underlying asset.
- The Notes do not pay interest. You may receive less at maturity than you could have earned on ordinary interest bearing-debt securities.
- Certain built-in costs are likely to adversely affect the value of the Notes prior to maturity. The price, if any, at which BNP Paribas Securities Corp. may be willing to purchase the Notes from investors in secondary market transactions (which it is not obligated to do) will likely be lower than the original issue price and any sale prior to the maturity date could result in a substantial loss.
- The Notes will not be listed on any securities exchange. Even if there is a secondary market, it may not provide enough liquidity to allow you to trade or sell the Notes.
- The tax consequences of the Notes may be uncertain. You should consult your tax adviser regarding the U.S. federal income tax consequences of an investment in the Notes.
- The Notes will not be registered under the Securities Act of 1933, as amended, or the securities laws of any state.

The selected risks identified above are not exhaustive. Prospective investors should review the relevant offering documents for a more detailed description of Risk Factors

About the Issuer

Experienced Provider

- Over 192,000 employees
- Present in 75 countries worldwide
- No. 3 bank among peers in terms of total assets[1]
- Market capitalization of $84 billion[1]

[1] Bloomberg, as of August 1st, 2017

Thanks to **15+ years** of experience in issuing Market-Linked Products that have been distributed in Europe, Asia and the Americas, BNP Paribas has a strong understanding of the industry.

BNP Paribas' Market-Linked Products business has been recognized by a number of awards from industry publications globally:

Awards won by BNP Paribas and/or its affiliates, not by BNP Paribas Securities Corp.

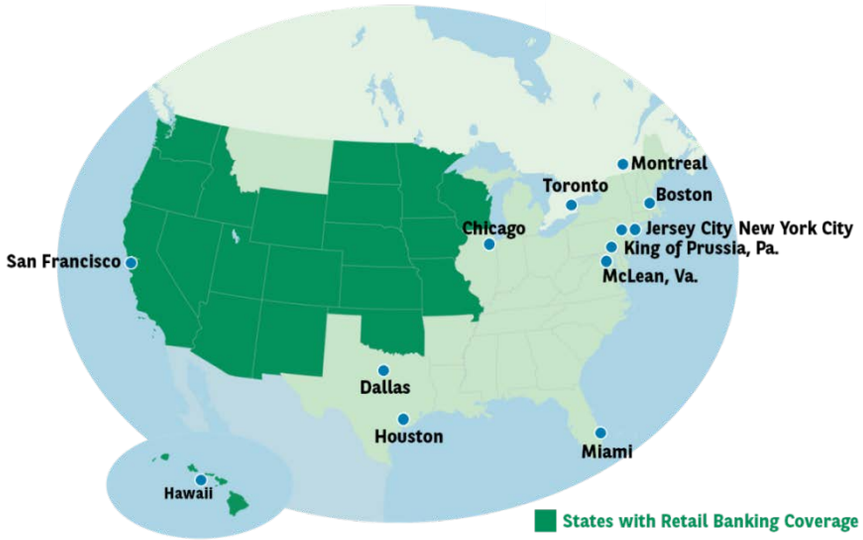
Credit Ratings

	S&P Credit Rating	Moody's Credit Rating
HSBC	AA-	Aa2
Royal Bank of Canada	AA-	A1
BNP Paribas	A	Aa3
UBS	A+	A1
Credit Agricole	A	A1
Credit Suisse	A	A1
Wells Fargo*	A	A2
Societe Generale	A	A2
Barclays	A-	A1
JP Morgan*	A-	A3
Morgan Stanley*	BBB+	A3
Goldman Sachs*	BBB+	A3
Citigroup*	BBB+	Baa1
Bank of America*	BBB+	Baa1
Deutsche Bank	A-	Baa2

Source: BNP Paribas, Bloomberg September 27th, 2017. 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 organization, (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*

Present across North America*



**BNP Paribas provides services and transacts through various affiliates in North America*

Important Information

This material is for informational purposes only and is not intended to be a complete and full description of the products of BNP Paribas and its affiliates or the risks they involve. Additional information is available upon request. Neither the information nor any opinion contained in this material constitutes a solicitation or offer by BNP Paribas or its affiliates to buy or sell any security, futures contract, options contract, derivative instrument, financial instrument, or service, nor shall it be deemed to provide investment, tax, legal, accounting or other advice. All opinions, information, and estimates in this material constitute BNP Paribas' or its affiliate's judgment as of the date of this material. This material is only intended to generate discussions regarding particular instruments and investments and is subject to change, or may be discontinued, without notice. This material should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. You should consult your own advisors about any products or services described herein in order to evaluate the merits, suitability, and financial, legal, regulatory, accounting and tax issues raised by any investment and should not rely on BNP Paribas or its affiliates for this. Information contained herein is derived from sources generally believed to be reliable, but no warranty is made that such information is accurate, complete or fair and should not be relied on as such.

Any indicative prices in this document have been prepared in good faith in accordance with BNP Paribas' or its affiliates' own internal models and calculation methods and/or are based on or use available price sources where considered relevant. Indicative prices based on different models or assumptions may yield different results. Numerous factors may affect the indicative prices, which may or may not be taken into account. Therefore, these indicative prices may vary significantly from indicative prices obtained from other sources or market participants. BNP Paribas and its affiliates expressly disclaim any responsibility for the accuracy or completeness of its own internal models or calculation methods, the accuracy or reliability of any price sources used, any errors or omissions in computing or disseminating these indicative prices, and for any use you make of the prices provided. The indicative prices do not represent (i) the actual terms on which a new transaction could be entered into, (ii) the actual terms on which any existing transactions could be unwound, (iii) the calculation or estimate of an amount that would be payable following an early termination of the transactions or (iv) the prices given to the transactions by BNP Paribas or its affiliates in their own books of account for financial reporting, credit or risk management purposes. Information relating to performance contained in this material is illustrative and no representation or warranty is made that any indicative performance will be achieved in the future. Past performance is not indicative of future results. United States Internal Revenue Service (the "IRS") Circular 230 Notice: To ensure compliance with IRS Circular 230, prospective investors are hereby notified that: (a) any discussion of U.S. federal, state, and local tax issues contained or referred to in this Pricing Supplement or any document referred to herein is not intended or written to be used, and cannot be used by prospective investors for the purpose of avoiding penalties that may be imposed on them under the United States Internal Revenue Code; (b) such discussion is written for use in connection with the promotion or marketing of the transactions or matters addressed herein; and (c) prospective investors should seek advice based on their particular circumstances from an independent tax advisor. This document is for the use of intended recipients and may not be reproduced (in whole or in part) or delivered or transmitted to any other person without the prior written consent of BNP Paribas. By accepting this document you agree to be bound by the foregoing limitations. BNP Paribas is incorporated in France with Limited Liability. Registered Office 16 boulevard des Italiens, 75009 Paris. BNP Paribas, as Issuer, has appointed BNP Paribas Securities Corp. as Lead Agent for the purpose of soliciting and receiving offers for the Notes. BNP Paribas Securities Corp., an affiliate of BNP Paribas, is a U.S. registered broker-dealer and a member of FINRA, the NYSE and other principal exchanges.

BNP PARIBAS

The bank for a changing world