

100% Capital Secure Interest Rate Opportunity Bond

Investment Rationale

1. Key Investment Risk & Return Considerations

The table below describes the key Investment Risks and Investment Return characteristics that Financial Brokers should consider when recommending this Bond to retail investor clients:

Feature	Description
Investment Theme	Long Term EUR Interest Rates Underlying Investment: EUR CMS 10Y EUR CMS 10Y is a measurement of long term EUR interest rates i.e. the 10 year EUR interest rate swap level. The value of EUR CMS 10Y is directly linked to long term EUR interest rates. When 10 year EUR interest rates increase, the value of the EUR CMS 10Y increases and vice versa.
Rationale for Theme	Potential for positive Annual Return in falling EUR interest rate environment
Return Potential	Double Opportunity: the Bond has the potential to pay an Income and to Mature Early at the end of each year as follows: <ul style="list-style-type: none">• Potential Annual Income of 4% if the 10 year EUR interest rate swap is at or below 2.3% at the end of each year and• Potential Early Maturity at the end of each year if the 10 year EUR interest rate swap is at or below 1.9% at the end of each year. For reference, the EUR CMS 10Y level was approximately 2.4% at launch in early January 2025.
Investment Risk Level	Low
SRI	1
Hard Capital Protection	100%
Investment Term	5 Years (Medium)
Unique Features	<i>New Underlying Investment:</i> An investment in Long Term EUR Interest Rates (EUR CMS 10Y) <i>Double Opportunity</i> The Bond has the potential to pay an Income and to Mature Early at the end of each year
Product Compromises	Opportunity Cost: Investment Returns could be higher if no Capital Protection feature applied. 5 Year Term: Bond is designed to be held for the full 5 year term.
Liquidity	Yes
Taxation	Income Tax for Personal Investors Exempt for Pension & Post Retirement Schemes

2. Investment Rationale in more detail

The investment rationale for investing in the Bond can be summarised as follows:-

1. Capital Protection:

100% Capital Protection at Maturity.

2. Potential Investment Return in falling long term EUR Interest Rate conditions:

Economic Outlook: After a prolonged period of stagnation, the EU economy returned to modest growth in 2024, while the disinflation process continued. The European Commission's Autumn Forecast projects GDP growth in 2024 of 0.9%. The ECB forecasts Eurozone Real GDP growth of 1.1% in 2025, 1.4% in 2026 and 1.3% in 2027. Although some peripheral EU member states are growing at their potential rate, this sluggish growth forecast reflects the economic and political challenges in the large core countries of France and Germany in particular.

Inflation Outlook: Eurozone inflation is forecast to be in or around the ECB's target rate of 2% in 2025 and 2026, negating the need for any monetary tightening (i.e. higher EUR interest rates) to contain prices. The ECB's own forecast for inflation (as measured by Harmonised Index of Consumer Prices (HICP)) is 2% in 2025, 1.9% in 2026 and 2% in the long term over the next 5 years.

Interest Rate Outlook: High post Covid 19 national debt levels (and the sustainability of interest repayments on this debt) together with sluggish economic growth prospects and a more benign inflation outlook has led most economic commentators to predict EU interest rates dropping to a lower range of 1% to 2% in the current rate cutting cycle. While the terminal level of interest rates amid the current cutting cycle cannot be predicted with any degree of certainty, what does appear likely is that because there is little scope for fiscal policy action by individual states, the Eurozone economy is likely to require the stimulus of looser monetary policy and lower interest rates in order to boost GDP growth and debt repayment capacity in the coming years.

Additional Reading: <https://www.ecb.europa.eu/press/projections/html/index.en.html>

3. Double Opportunity: the Bond has the potential to pay an Income and to Mature Early at the end of each year as follows:

- **Potential Annual Income** of 4% if 10 year EUR interest rate swap is at or below 2.3% at the end of each year **and**
- **Potential Early Maturity** at the end of each year if 10 year EUR interest rate swap is at or below 1.9% at the end of each year.

For reference, the EUR CMS 10Y level was approximately 2.4% at launch in early January 2025.

EUR CMS 10Y

The EUR CMS 10Y is a measurement of long term EUR interest rates i.e. the 10 year EUR interest rate swap level.

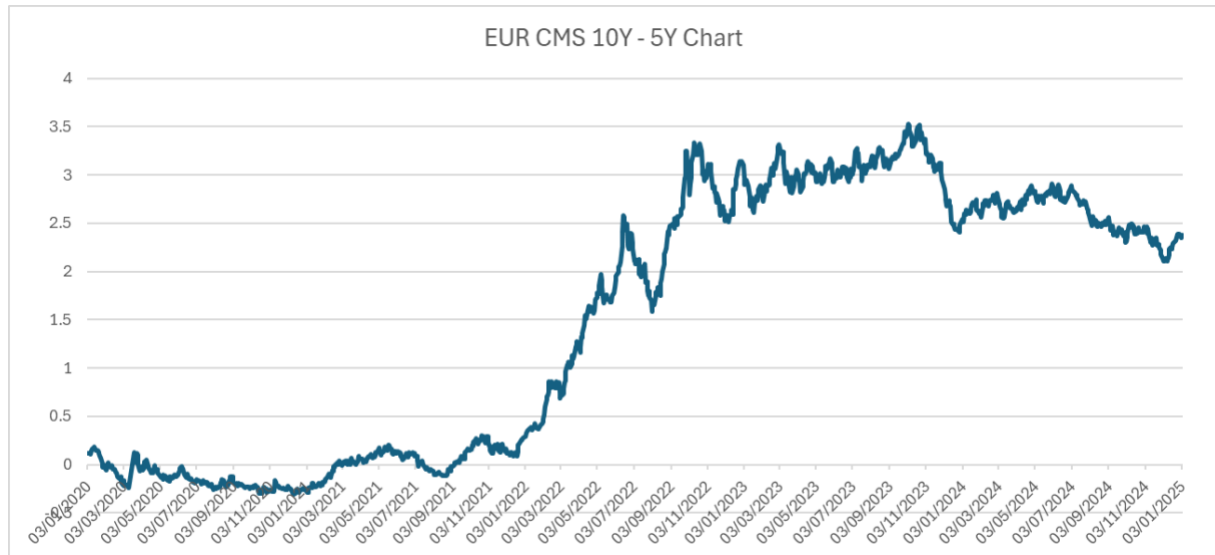
The EUR CMS 10Y is defined as: swap rate (annually, 30/360) vs 6 months Euribor (semi-annually, Act/360), as quoted on the Reuters Screen ICESWAP2 Page (or any successor page thereto) at 11:00 am Frankfurt time at the end of each year (on each Annual Observation Date).

The value of the EUR CMS 10Y is directly linked to long term EUR interest rates. When 10 year EUR interest rates increase, the value of the EUR CMS 10Y increases and vice versa.

Source: BNP Paribas

Past Performance

The evolution of EUR CMS 10Y over the past 5 years is illustrated in the graph below:



Source: BNP Paribas (3 January 2020 to 3 January 2025)

Warning: Past Performance is not a reliable guide to future performance.

3. Investment Return Scenarios

The Bond return is calculated on the Annual Observation Date at the end of each year and at the Final Valuation Date.

The tables below describes how the returns are calculated in example negative, neutral and positive investment return conditions for investors after years 1, 2, 3, 4 and 5 if €100,000 is invested:

Investment Return Scenarios after 1 Year

Scenario	Return Environment	EUR CMS 10Y Level	End of Year 1
1 - Negative	EUR long term interests rates rise	2.5%	No Coupon Paid No Early Maturity Continue to end of Year 2
2 - Neutral	EUR long term interest rates fall slightly	2.1%	4% Coupon Paid No early Maturity Continue to end of Year 2
3 - Positive	EUR long term interest rates fall significantly	1.8%	4% Coupon Paid Early Maturity Total Product Return 4% after 1 Year

Investment Return Scenarios after 2 Years

Scenario	Return Environment	EUR CMS 10Y Level	End of Year 2
1 - Negative	EUR long term interests rates rise	2.6%	No Coupon Paid No Early Maturity Continue to end of Year 3
2 - Neutral	EUR long term interest rates rise	2.4%	No Coupon Paid No Early Maturity Continue to end of Year 3

Investment Return Scenarios after 3 Years

Scenario	Return Environment	EUR CMS 10Y Level	End of Year 3
1 - Negative	EUR long term interests rates rise	2.5%	No Coupon Paid No Early Maturity Continue to end of Year 4
2 - Neutral	EUR long term interest rates fall significantly	1.85%	4% Coupon Paid Early Maturity Total Product Return 8% after 3 Years

Investment Return Scenarios after 4 Years

Scenario	Return Environment	EUR CMS 10Y Level	End of Year 4
1 - Negative	EUR long term interests rates rise	2.45%	No Coupon Paid No Early Maturity Continue to Maturity

Investment Return Scenarios after 5 Years – at Maturity

Scenario	Return Environment	EUR CMS 10Y Level	At Maturity
1 - Negative	EUR long term interests rates rise	2.6%	No Coupon Paid No Early Maturity Total Product Return 0% after 5 Years

Key Dates

Annual Observation Dates	Annual Potential Maturity Dates
19 March 2026	23 March 2026
18 March 2027	22 March 2027
17 March 2028	21 March 2028
19 March 2029	21 March 2029
19 March 2030	21 March 2030

Warning: These figures are estimates only. They are not a reliable guide to the future performance of your investment.

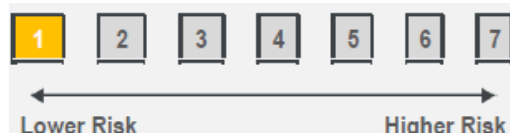
Warning: Past Performance is not a reliable guide to future performance.

Warning: The value of your investment may go down as well as up.

4. Summary Risk Indicator

The Summary Risk Indicator (SRI) is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because BNP Paribas is not able to pay the Investor. The risk indicator assumes the product is held until maturity.

We have classified this product as a 1 out of 7 which is a low-risk class.



5. Warnings

Warning: The value of your investment may go down as well as up.

Warning: Deductions for costs and charges are not made uniformly throughout the life of the product, but are loaded disproportionately onto the early period. If an investor sells the Bond prior to the end of the 5 year term, the practice of front-end loading will impact on the amount of money that the investor receives. The investor may not get back the full amount they invested or the Capital Protected amount if sold prior to maturity.

Warning: This document is intended for Financial Broker firms only and is not suitable for potential Investors. This document should be read in conjunction with the product Brochure where a full list of warnings is provided.

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