



BNP PARIBAS

8 September 2020

BNP Paribas S.A.
Paris, France

SUPPLEMENT NO. 3

PURSUANT TO ARTICLE 23 REGULATION (EU) 2017/1129 ("**PROSPECTUS REGULATION**")
(THE "**SUPPLEMENT**")

TO THE

REGISTRATION DOCUMENT

OF 22 APRIL 2020

(the "**Registration Document**")

This Supplement should be read in conjunction with the Registration Document of 22 April 2020 as supplemented on 26 June 2020 and as supplemented on 17 August 2020, which has been approved by the Bundesanstalt für Finanzdienstleistungsaufsicht ("**BaFin**") as competent authority.

This Supplement constitutes a supplement to the Registration Document pursuant to Article 23 of the Prospectus Regulation for the purpose of updating certain information as described in the following and contained in the Registration Document.

During the validity of this Registration Document and as long as securities issued in connection with the Registration Document are publicly offered, copies of this Supplement and the Registration Document including any supplements thereto are freely available at BNPP's head office: 16, boulevard des Italiens, 75009 Paris, France.

In addition the prospectuses and the Supplements will be published on the website:

www.derivate.bnpparibas.com/service/basisprospekte for investors in Germany, in Austria and in Luxembourg.

New factor resulting in this supplement:

Publication of the Fifth Amendment (of September 2nd 2020) to the BNPP 2019 Universal Registration Document on the homepage <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports>.

The new factor occurred:

8 September 2020 in the morning

1. In Chapter 1 **RISK FACTORS**, the text under the header **1.7.1 Risks due to epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences** shall be deleted and replaced as follows:

"Since emerging in China in December 2019 a novel strain of the coronavirus (COVID-19) became a pandemic and spread globally, with a high concentration of cases in several countries in which the BNPP Group operates. Both the pandemic and government measures taken in response (border closings, travel restrictions, lockdown measures...) have had and will continue to have a major impact, both direct and indirect, on economic activity and financial markets globally. In particular, the sharp slowdowns of the economies in many regions as well as the reduction in global trade and commerce more generally have had and are likely to continue to have severe negative effects on global economic conditions as global production, investments, supply chains and consumer spending have been and continue to be affected. In response to the adverse economic and market consequences of the pandemic, various governments and central banks have taken or announced measures to support the economy (loan guarantee schemes, tax payment deferrals, expanded unemployment coverage...) or to improve liquidity in the financial markets (increased asset purchases, funding facilities...). The BNPP Group has been channeling and continues to channel these measures to support customers in particular in the Domestic Markets' networks as well as through active participation in the French government loan guarantee program (retaining 10%-30% of the risk, depending on the borrower's size). No assurance can be given, however, that such measures will suffice to offset the negative effects of the pandemic on the economy regionally or globally, to mitigate regional or global recessions (which are now occurring or are generally forecast) or to stabilize financial markets fully and sustainably. The economic environment may well deteriorate further before beginning to improve.

The BNPP Group is exposed to risks from the pandemic and its economic and market consequences both due to its inherent general sensitivity, as a global financial institution, to macroeconomic and market conditions, as well as to specific implications, as described below.

The BNPP Group's results and financial condition could be adversely affected by reduced economic activity (including recessions) in its principal markets. The containment measures taken in several of the principal countries where the BNPP Group operates, in particular its domestic markets (France, Italy, Belgium & Luxembourg which collectively represent 53% of its total gross credit exposures as at June 30, 2020), have significantly reduced economic activity to recessionary levels and a substantial prolongation or reinstatement of such measures would have a similar effect. The BNPP Group's results are affected by such measures due to reduced revenues and to deteriorated asset quality both generally and in specific sectors that are particularly affected. This context affected the revenues of the Domestic Markets and International Financial Services divisions, down by 3.2% and 5.4% respectively in the first half of 2020 compared to the first half of 2019, even though the BNPP Group's revenues grew by 0.9% due to the very strong growth of CIB. The main impact of the health crisis was the rise in the cost of risk (+1.5 billion euros to 2.9 billion euros). Net income attributable to equity holders totalled 3.6 billion

euros, down by 18.4% compared to the first half of 2019, in connection with the rise in the cost of risk. The sectors most adversely affected to date include the travel and tourism sectors; the BNPP Group's exposure to the aircraft sector (airlines, lessors...) and to the tourism sector each represented approximately 1% of its total gross credit exposures as at June 30, 2020. The non-food retail sector has been affected by the lockdown measures; this sector represents less than 1% of the BNPP Group's total gross credit exposures as of June 30, 2020. The transport & storage (excluding shipping) sector, which represents approximately 3% of the BNPP Group's total gross credit exposures as of June 30, 2020, has been affected by the lockdown measures and the disruption in global trade. The oil and gas sector has been affected by a concomitant decrease in demand resulting from the pandemic and increase in supply due to the temporary unraveling of the OPEC/Russia production cooperation; this sector represented approximately 2% of the BNPP Group's total gross credit exposures as of June 30, 2020. The BNPP Group's results and financial condition could be adversely affected to the extent that the counterparties to whom it has exposure in these sectors (and more generally, to the extent the negative effect on credit quality is more widespread) could be materially and adversely affected, resulting in particular in an increase in the BNPP Group's cost of risk.

An immediate financial effect of the health crisis is the impact on the BNPP Group's cost of risk reflecting macroeconomic anticipations based on several scenarios, in accordance with the set-up existing prior to the health crisis. In application of this framework, macroeconomic scenarios and in particular GDP assumptions and forecasts are a key input in the calculation of the cost of risk, and the health crisis has led, among other things, to a weakening in GDP assumptions in many of our markets. The cost of risk calculation also incorporates the specific features of the dynamics of the health crisis on credit and counterparty risk and in particular the impact of lockdown measures on economic activity and the effects of government support measures and authorities' decisions. It finally includes an ex-ante sector component based on a review of several sensitive sectors (hotels, tourism and leisure; non-food retail (excluding home furnishings & e-commerce), transport & logistics, and oil & gas). All these elements contributed to the substantial increase in the BNPP Group's cost of risk in the first half of 2020 (66 basis points), and could likewise contribute to continued high cost of risk in the next quarters, depending on macroeconomic scenarios and, in particular, the current uncertainties around the course of the pandemic and its economic consequences going forward. For information, the impact of the health crisis on the cost of risk amounted to 502 million euros. In the second quarter of 2020, the updating of macroeconomic scenarios, in line with IFRS 9 principles, led to a 329 million euros increase in the ex-ante provisioning of expected losses (including their sectoral component). Under the central scenario, a gradual recovery is forecast, with a return to a level of GDP comparable to 2019 by mid-2022, unless a new crisis occurs (see slide 12 of the investor presentation, "Cost of Risk" on page 24 and Note 2.h of the consolidated financial statements on page 133 of the Fourth Amendment to the BNPP 2019 Universal Registration Document). Moreover, the impact of the pandemic on the long-term prospects of businesses in the affected sectors and more generally is uncertain and may lead to significant charges on specific exposures, which may not be fully

captured by modelling techniques. Finally, the BNPP Group's exposure to increased cost of risk could result from its participation in government-guaranteed loan programs (given its residual exposure) and the existence of forbearance periods limiting credit-protection measures (such as payment acceleration) under health emergency legislation in various markets.

The BNPP Group's results and financial condition could also be negatively affected by adverse trends in financial markets to the extent that the pandemic initially led in particular to extreme market conditions (market volatility spikes, sharp drop in equity markets, tension on spreads, specific asset markets on hold...), with market volatility continuing. This situation has had and could continue to have an adverse impact on the BNPP Group's market activities, which accounted for 12% of its consolidated revenues in 2019, resulting in trading or other market-related losses, including additions to valuation reserves and counterparty risk provisions. This extreme market volatility has been and could continue to be increased by the decisions taken by authorities in particular in Europe, such as restrictions on short-selling and dividend distributions (notably 184 million euros in the first quarter 2020 related to the European authorities' restrictions on 2019 dividends). Moreover, certain of the BNPP Group's investment portfolios (e.g. in its insurance subsidiaries) are accounted for on a mark to market basis and thus have been impacted by deteriorated market conditions in the first quarter 2020 and could be impacted again in the future.

Finally, the current health crisis could increase the probability and magnitude of various existing risks faced by the BNPP Group such as : i) pressure on revenues due in particular to (a) a further reduction in market interest rates and a likely prolongation of the low interest rate environment and (b) lower asset management inflows and hence revenues from fees and commissions; ii) increased risk of a ratings downgrade following the sector reviews announced by certain rating agencies; iii) deterioration in the BNPP Group's liquidity due to various factors including increased customer drawdowns and / or lower deposit balances and iv) higher risk weighted assets due to the deterioration of risk parameters hence affecting the BNPP Group's capital position.

Uncertainty as to the duration and extent of the pandemic's remaining course as well as the pace of emergence from lockdowns and loosening of mobility and other restrictions makes the overall impact on the economies of the BNPP Group's principal markets as well as the world economy difficult to predict. The extent to which the economic consequences of the pandemic will continue to affect the BNPP Group's results and financial condition will indeed depend largely on i) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, (ii) the effects of the measures taken to date or future measures that may be taken by governments and central banks to attenuate the economic fallout of the pandemic and iii) the duration and extent of the pandemic's remaining course, including the prospect of additional waves and hence of a reinstatement of containment measures in the various markets where the BNPP Group operates. Public health measures had a negative impact on the activity of certain business lines and geographical areas of the BNPP Group, in particular within Domestic Markets and International Financial Services, with a decrease in transaction flows and lower loan

production (in particular consumer loans with the closure of the partners' points of sale). A low point was observed in April and May 2020 followed by a rebound in June (see slide 5 of the investor presentation, "Impact of health crisis on activity" on page 21 of the Fourth Amendment to the BNPP 2019 Universal Registration Document). In addition, while central bank and government actions and support measures taken in response to the pandemic have to date and may well continue to help attenuate its adverse economic and market consequences, they have also issued and may issue additional restrictions or recommendations in respect of banks' actions (see in particular the recommendation issued by the European Central Bank on March 27, 2020). In particular they have limited and may continue to limit or seek to limit banks' flexibility in managing their business and taking action in relation to capital distribution and capital allocation. In this respect, the Bank announced on April 2, 2020 that its Board of Directors would propose to the annual shareholders' meeting to suspend the payment of the dividend originally proposed to be paid in respect of 2019 and to allocate the amount to reserves, with a potential decision to be taken after October 1, 2020 regarding a possible distribution of reserves to shareholders. The BNPP Group has acknowledged the extension of the ECB's recommendation, temporary and exceptional, not to pay dividends until 1st January 2021, announced the 28 July 2020."

2. In **Chapter 13 INFORMATION INCORPORATED BY REFERENCE**, the following bullet point shall be added below the bullet point regarding the Fourth Amendment to the BNPP 2019 Universal Registration Document (in English), with the following text:

"BNPP's fifth *Amendment au Document d'Enregistrement Universel* (in English), filed with the AMF for the purpose of the Prospectus Regulation (the "**Fifth Amendment to the BNPP 2019 Universal Registration Document (in English)**"); it has been published on the website of BNPP <https://invest.bnpparibas.com/en/registration-documents-annual-financial-reports>) and can be downloaded by clicking on this link."