

**FIRST SUPPLEMENT DATED 8 DECEMBER 2020  
TO THE BASE PROSPECTUS DATED 11 JUNE 2020**



**BNP PARIBAS  
HOME LOAN SFH**

**BNP Paribas Home Loan SFH**  
(duly licensed French specialised credit institution)

**€ 40,000,000,000**

**COVERED BOND PROGRAMME**

for the issue of *Obligations de Financement de l'Habitat*

This supplement (the "**First Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 11 June 2020 (the "**Base Prospectus**") which received approval no. 20-248 on 11 June 2020 from the *Autorité des marchés financiers* (the "**AMF**") prepared in relation to the € 40,000,000,000 Covered Bond Programme for the issue of *Obligations de Financement de l'Habitat* (the "**Programme**") established by BNP Paribas Home Loan SFH (the "**Issuer**"). The Base Prospectus as so supplemented constitutes a base prospectus for the purpose of Article 8 of Regulation (EU) 2017/1129 of 14 June 2017, as amended (the "**Prospectus Regulation**"). Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this First Supplement.

Application has been made for approval of the First Supplement to the AMF in its capacity as competent authority pursuant to the Prospectus Regulation.

This First Supplement has been prepared pursuant to Article 23.1 of the Prospectus Regulation for the purpose of giving information with regard to the Issuer and the Covered Bonds to be issued under the Programme additional to the information already contained or incorporated by reference in the Base Prospectus.

This First Supplement has been also prepared for the purposes of incorporating by reference (i) the Issuer's First Half Year 2020 results and (ii) recent events in connection with the Issuer.

As a result, the following sections of the Base Prospectus were amended and supplemented:

- Risk Factors;
- Documents Incorporated by Reference;
- The Issuer;
- Summary of the SFH legal framework and other legal issues; and
- General information.

Save as disclosed in this First Supplement, there has been no other significant new factor, material mistake or material inaccuracy relating to information included in the Base Prospectus which is material in the context of the Programme since the publication of the Base Prospectus.

To the extent that there is any inconsistency between any statement in this First Supplement and any other statement in, or incorporated in, the Base Prospectus, the statements in this First Supplement will prevail.

This First Supplement will be published on the websites of the AMF ([www.amf-france.org](http://www.amf-france.org)) and of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com) - heading "bnpparibasdebt"). The documents incorporated by reference in this First Supplement are currently published on the websites of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com) - heading "bnpparibasdebt") and have been filed with the AMF. In addition, the Base Prospectus and this First Supplement and all documents incorporated by reference therein may be obtained, without charge on request, at the principal office of the Issuer set out at the end of the Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding.

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## RISK FACTORS

The risk factor entitled "*Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect the Group's business, operations and financial condition*" in pages 25 to 26 of the Base Prospectus is replaced by the following risk factor:

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 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 Group has been channeling and continues to channel these measures to support customers in particular in the Domestic Markets'<sup>1</sup> 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. After a rebound in the summer, the economic environment may well deteriorate further, with the implementation of new public health measures in Europe, before beginning to improve.

The 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 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 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 the reinstatements of lockdown measures and other restrictions could have a similar effect. The 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 2.3% and 6.0% respectively in the first nine months of 2020 compared to the first nine months of 2019, even though the Group's revenues grew by 0.6% due to the very strong growth of CIB. The main impact of the health crisis was the rise in the cost of risk (+1.9 billion euros to 4.1 billion euros). Net income attributable to equity holders totalled 5.5 billion euros, down by 13.4% compared to the first nine months 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 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 September 30, 2020. The non-food retail sector has been affected by the lockdown measures; this sector represents less than 1% of the Group's

<sup>1</sup> BNP Paribas' Retail Banking networks in the euro zone comprising France (FRB), Italy (BNL bc), Belgium (BRB, operating under the BNP Paribas Fortis brand) and Luxembourg (LRB, operating under the BGL BNP Paribas brand), as well as specialised business lines: Arval (mobility and vehicle leasing for corporates and individuals), BNP Paribas Leasing Solutions (professional equipment leasing and financing solutions), BNP Paribas Personal Investors (online savings and brokerage), and Nickel (alternative banking services).

total gross credit exposures as of September 30, 2020. The transport & storage (excluding shipping) sector, which represents approximately 3% of the Group's total gross credit exposures as of September 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 Group's total gross credit exposures as of September 30, 2020. The 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 Group's cost of risk.

An immediate financial effect of the health crisis is the impact on the 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 (in particular 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 Group's cost of risk in the first nine months of 2020 (63 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 first quarter of 2020. The updating of macroeconomic scenarios in the second quarter of 2020, 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 second quarter 2020 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). 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 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 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 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 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 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 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 Group's capital position.

Public health measures had a negative impact on the activity of certain business lines and geographical areas of the 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 second quarter 2020 investor presentation, "Impact of health crisis on activity" on page 21 of the Fourth Amendment to the BNPP 2019 Universal Registration Document). In the third quarter 2020, the economic recovery was gradual and occurring with differentiated momentum from one region, and one sector, to another. It was sustained by the extension of public support to the most affected sectors and by the implementation of plans and mechanisms to sustain the economy (see slide 4 of the third quarter 2020 investor presentation, "BNP Paribas: a resilient model in the various phases of the crisis" on page 24 of the Sixth Amendment to the BNPP 2019 Universal Registration Document). Uncertainty as to the duration and extent of the pandemic's remaining course makes the overall impact on the economies of the 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 Group's results and financial condition will indeed depend largely on i) specific and local returns to lockdowns, as well as various restrictions announced since September 2020 and implemented, such as in Europe ii) the timing and extent of a return to pre-pandemic lifestyles, business operations and economic interactions, (iii) 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 iv) 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 Group operates. 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 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.

Nevertheless, the SFH Legal Framework and the Programme Documents provide for mitigants or for substitution and/or constitution of cash collateral upon certain triggers (most notably, the Asset Cover Test and several triggers based upon long or short term ratings of BNP Paribas, as further described in the section entitled "The main Programme Documents -- The Cash Collateral Agreement") in case of BNP Paribas failure to perform its payment obligation toward the Issuer.

In view of the above, it is the Issuer's assessment that the likelihood of such risk happening to the Issuer is unlikely and that the impact of such risk could be low considering the Issuer's activities.

## DOCUMENTS INCORPORATED BY REFERENCE

The following document is incorporated in, and shall be deemed to form part of the Base Prospectus and the section "DOCUMENTS INCORPORATED BY REFERENCE" is modified as follows:

1. On page 40 of the Base Prospectus, before the first paragraph which states free English translation of the "*BNP Paribas Home Loan SFH Etats Financiers au 31 décembre 2019*" which contains the audited financial statements of the Issuer for the financial year ended 31 December 2019 together with the free English translation of the statutory auditors' report thereon (together the "**2019 Financial Statements**") and the "*BNP Paribas Home Loan SFH – Rapport financier annuel du conseil d'administration exercice clos le 31 décembre 2019*" in French language (the "**Rapport Financier Annuel 2019**") is added the following paragraph:

- the free English translation of the "*BNP Paribas Home Loan SFH Etats Financiers Semestriels au 30 juin 2020*" which contains the reviewed interim financial statements of the Issuer for the six-month period ended 30 June 2020 together with the free English translation of the statutory auditors' review report thereon (together, the "**2020 Interim Financial Statements**") of the Issuer and the "*BNP Paribas Home Loan SFH Rapport du Conseil d'Administration Comptes Semestriels Clos au 30 juin 2020*" in French language (the "**Rapport Financier Semestriel 2020**").

3. On page 41 of the Base Prospectus, the penultimate paragraph is deleted in its entirety and replaced with the following:

"All Documents Incorporated by Reference in this Base Prospectus may be obtained, without charge on request, at the principal office of the Issuer and the Paying Agents set out at the end of this Base Prospectus during normal business hours so long as any of the Covered Bonds are outstanding. Such documents will be published on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)). The 2020 Interim Financial Statements, the *Rapport Financier Semestriel 2020*, the 2019 Financial Statements, the *Rapport Financier Annuel 2019*, the 2018 Financial Statements, the *Rapport Financier Annuel 2018*, the 2019 Cash Flow Statements and the 2019 Statutory Auditor's Report on the Cash Flow Statements, the 2018 Cash Flow Statements and the 2018 Statutory Auditor's Report on the Cash Flow Statement are published on the website of the Issuer ([www.invest.bnpparibas.com](http://www.invest.bnpparibas.com) - heading BNP Paribas Debt) and on [www.info-financiere.fr](http://www.info-financiere.fr)."

4. On page 42 of the Base Prospectus, the following additional cross-reference table is inserted as follows:

### Cross-reference list

<b>INFORMATION INCORPORATED BY REFERENCE</b> (Annex VI of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation)	<b>REFERENCE</b>
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### 3. RISK FACTORS RELATING TO THE ISSUER

#### *Rapport Financier Semestriel 2020*

Description des principaux risques et incertitudes et dispositif de gestion des risques	Pages 18 to 26
Risque de crédit	Pages 18 to 20
Risque de taux, de change et risque de marché	Pages 20 to 21
Risque de liquidité	Pages 21 to 23
Risque opérationnel	Pages 24 to 25
Risque juridique	Page 25
Conséquences sociales et environnementales et engagements en faveur du développement durable, risques financiers liés aux effets du changement climatique et stratégie bas-carbone	Page 26

### 11. FINANCIAL INFORMATION CONCERNING BNP PARIBAS HOME LOAN SFH'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES

#### 11.1 Historical Financial Information

#### 2020 Interim Financial Statements

Income Statement at 30 June 2020	Page 3
Balance sheet at 30 June 2020	Page 4
Summary of accounting principles applied by BNP Paribas Home Loan SFH	Pages 5 to 7
Notes on the Income Statement at 30 June 2020	Pages 8 and 9
Notes on the Balance Sheet at 30 June 2020	Pages 10 and 11
Additional information	Page 12
Table of earnings for the last five financial years	Page 13
Statutory Auditors' Review Report on the half-year financial information for the six months ended 30 June 2020	Pages 15 and 16



## THE ISSUER

The section “THE ISSUER” on pages 80 to 96 of the Base Prospectus is amended as follows:

On page 85 of the Base Prospectus in the section entitled “Issuer Financial Elements” the table under the title “Comparative Financial Data (in EUR)” is deleted in its entirety and replaced with the following:

<b>Income Statement</b>	30/06/2020 (unaudited)	31/12/2019 (audited)	31/12/2018 (audited)
Net banking income	2,340,554	2,987,989	3,248,254
Gross operating income	349,483	816,741	1,237,857
Net income	255,255	572,923	856,266
<b>Balance sheet</b>			
Total consolidated balance sheet	32,194,008,151	29,711,676,745	29,949,163,157
Shareholders equity	286,467,974	286,782,719	287,064,796
Debt securities	30,943,814,118	27,052,942,734	28,281,116,206

## **SUMMARY OF THE SFH LEGAL FRAMEWORK AND OTHER LEGAL ISSUES**

On page 101 of the Base Prospectus in the section entitled “Minimum Legal Overcollateralisation Ratio” the fourth paragraph is deleted in its entirety and replaced with the following:

*Sociétés de financement de l'habitat* must declare their Collateralisation Ratio on 31 March, 30 June, 30 September and 31 December of each year. As of 31 December 2019, the cover ratio was 118,26% and as of 30 June, the cover ratio was 110.70%. At the date of this First Supplement, the latest published cover ratio is 110.70%.

## GENERAL INFORMATION

In the section headed "GENERAL INFORMATION" of the Base Prospectus on pages 185 to 187 of the Base Prospectus, paragraphs (3) and (12(b)) are deleted in their entirety and replaced with the following:

(3) There has been no significant change in the financial position or financial performance or prospects of the Issuer since 30 June 2020.

(12 (b)) The 2020 Interim Financial Statements of the Issuer for the six-month period ended 30 June 2020 and the *Rapport Financier Semestriel 2020*;

**PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE FIRST  
SUPPLEMENT**

**In the name of the Issuer**

I represent, to the best of my knowledge, that the information contained or incorporated by reference in this First Supplement is in accordance with the facts and this First Supplement makes no omission likely to affect its import.

Paris, 8 December 2020

**BNP Paribas Home Loan SFH**

1, boulevard Haussmann  
75009 Paris  
France

duly represented by Véronique Floxoli  
in its capacity as Chief Executive Officer (*Directeur Général*) of the Issuer



*Autorité des marchés financiers*

This First Supplement has been approved on 8 December 2020 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129.

The AMF has approved this First Supplement after having verified that the information it contains is complete, coherent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as an endorsement of the Issuer and of the quality of the French law Covered Bonds described in this First Supplement. Investors should make their own assessment as to the opportunity of investing in such French law Covered Bonds. It is not a favourable opinion on the Issuer that is the subject of this First Supplement.

This First Supplement obtained the following approval number: n°20-588.

The approval number 20-588 granted by the AMF on 8 December 2020 to this First Supplement is only applicable for Covered Bonds admitted or listed to trading on any Regulated Market which are the French Law Covered Bonds, and is not relevant, in any case, for German Law Covered Bonds, as German Law Covered Bonds will not be admitted to trading nor listed on any market or stock exchange.