

FIRST SUPPLEMENT DATED 28 OCTOBER 2022
TO THE BASE PROSPECTUS DATED 7 JULY 2022



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 7 July 2022 (the "**Base Prospectus**") which received approval no. 22-283 on 7 July 2022 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 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 2022 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;
- The Main Programme Documents; 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.

References in this First Supplement to paragraphs of the Base Prospectus are to the Base Prospectus. References in this First Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus.

This First Supplement will be published on the websites of the AMF (www.amf-france.org) and of the Issuer (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 - 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

On page 25 of the Base Prospectus 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, results and financial condition*” is modified as follows:

Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect the Group’s business, operations, results and financial condition

A global pandemic linked to a novel strain of coronavirus (Covid-19) has severely disrupted economies and financial markets worldwide since 2020. The introduction of lockdown measures and other restrictions initially caused economies in many regions to contract, trade to decline, production capacity to decrease, growth forecasts to be cut and supply chains to be disrupted. In a second phase, the roll-out of vaccination campaigns and the adaptation of economic actors allowed the gradual adaptation of these measures and restrictions, leading to a recovery in economic activity. As a result, various growth forecasts converge on a strong economic recovery. ~~For example, according to the IMF’s January 2022 estimates and projections, world economic growth is expected to be 5.9% in 2021 and 4.4% in 2022.~~

Nevertheless, uncertainties remain as to the strength and sustainability of the recovery, ~~both in terms of the public health situation (e.g., the appearance of new strains of the virus), and the [economy reaction to the containment measures adopted by some Asian countries in the first half of 2022](#)~~ which could lead to ~~a further deterioration of the situation~~ ~~doubts as to the extent and durability of the recovery. In this respect, the outlook for 2022 was lowered for both emerging and developing countries, as well as for advanced countries, compared to the IMF projections published in October 2021.~~

Various complicating factors will [continue to](#) affect the trajectory of economic recovery. International supply chains – which had been strained severely by the pandemic – related mobility restrictions – remain heavily disrupted, generating shortages of certain consumer goods (such as a dearth of semiconductors causing delays in the production of telephones and automobiles) and oil and gas supply and labour market constraints, having both specific (e.g. raw materials price increases) and general (i.e. inflation rate) effects on prices.

Further, while various governments and central banks implemented and supplemented measures to support the economy and its recovery – in order to mitigate the adverse economic and market consequences of the pandemic – [there can be no assurance that](#) such measures ~~may not will~~ suffice to redress the pandemic’s negative impact on the regional or global economy over time, entirely compensate for or mitigate regional or global recessions (which occurred and could recur), or fully and over time prevent possible disruptions to the financial markets. The lifting of government support measures could also harm economic activity and the financial strength of economic actors. Overall, the crisis has impacted and may continue to impact the economies of the principal countries where the BNP Paribas Group operates, particularly its Domestic Markets (France, Italy, Belgium and Luxembourg), which collectively represented 57% of its total gross credit exposures as of 31 December 2021. The Group’s results and financial condition have been and could continue to be adversely impacted by the effects of the crisis related to the pandemic and the resulting disruption of economic activity in the Group’s principal markets. In particular, the crisis significantly affected the Group’s cost of risk in 2020, reflecting macroeconomic projections based on various scenarios applying the framework in place prior to the crisis. Under this framework, macroeconomic projections – specifically GDP estimates and forecasts – are key to calculating the cost of risk, and the consequences of the health crisis included a decrease in GDP growth estimates for many of the Group’s markets. The cost of risk calculation also takes into account the specific dynamics of the crisis in 2020, along with anticipated future impacts on credit and counterparty risk, including the consequences of lockdown measures on economic activity and the impact of government support measures and decisions. These factors contributed to the substantial increase in the Group’s cost of risk in 2020 (66 basis points).

The 2021 financial year showed an improvement with an increase in revenues of 4.4% to EUR 46,235 ~~billion~~-million and an increase in net income attributable to the Group, due to the increase in Domestic Markets revenues (+5.2% compared to 2020) with the rebound of the economy and the resilience of CIB revenues (+3.4% compared to 2020), but also by the decrease in the cost of risk (-48.8% compared to 2020), particularly in connection with improving economic forecasts. Nevertheless, revenues in the International Financial Services businesses remain impacted by the consequences of the health crisis (-1.2% compared 2020).

However, developments in the current health crisis and market conditions have characteristics that 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) ~~prolongation~~ [the consequences of the low interest rate environment of the last few years \(even if this is gradually being reversed\)](#) and (b) lower revenues from fees and commissions; ii) renewed heightened risk linked to a an economic slowdown due to inflationary pressures (energy prices, labour market tensions), supply chain disruption or withdrawal of government support measures; iii) risk of financial market disruption in the event of poorly anticipated changes in monetary policies and iv) higher risk-weighted assets due to the deterioration of risk parameters, hence affecting the Group's capital position.

The Group's results and financial condition could also be harmed by negative trends in the financial markets to the extent that the pandemic initially caused extreme market conditions (volatility spikes, a sharp drop in equity markets, tensions on spreads, specific asset markets on hold, etc.), ~~along with market volatility~~. Uncertainties about the scope and durability of the economic recovery, the easing or strengthening of government support measures, and the pressures linked to supply chains and raw material procurement have generated and could generate unfavourable market conditions. Thus, unfavourable market conditions have had and could have an adverse impact on the Group's market activities, which accounted for 14.8% of its consolidated revenues in 2021, resulting in trading or other market-related losses, as seen in 2020, following restrictions implemented on short-selling and dividend distributions (notably EUR 184 million in the first quarter of 2020 related to the European authorities' restrictions on 2019 dividends).

Further, certain of the Group's investment portfolios (for examples, in its insurance subsidiaries) are accounted for on a mark-to-market basis and ~~thus~~ were impacted by adverse market conditions, particularly in the second quarter of 2020 and could continue to be impacted again in the future.

The extent to which the short, medium and long-term economic consequences of the pandemic will continue to affect the Group's results and financial condition will indeed depend largely on i) the intensity and duration of restrictive measures that have been put in place or their periodic reintroduction, depending on the evolution of the health situation, 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 or the terms and conditions for lifting these measures and iv) the duration and extent of the pandemic's remaining course, including the prospect of new waves or the appearance of new strains of the virus and, consequently, a reinstatement or strengthening of lockdown measures or other restrictions, such as in relation to travel, in the Group's various markets, as well as the pace and mechanisms of deployment of immunisation programmes. In addition, while the actions of European Union and member states' authorities (in particular, central banks and governments) in response to the pandemic have to date helped and may well continue to help attenuate its adverse economic and market consequences, the authorities have also issued and may continue to issue additional restrictions or recommendations in respect of banks' actions. In particular, in 2020 and 2021 they limited banks' flexibility in managing their business and taking action in relation to capital distribution, capital allocation and compensation policies. [Due to the unprecedented environment generated by the Covid-19 crisis, various pandemic-related uncertainties around public health, society and the economy, persist. The consequences for the Group will depend on the duration of the impact of the crisis, the measures taken by governments and central banks, and the ability of society to recover, and are therefore difficult to predict.](#)

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 probability of occurrence 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 41 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 2021*" which contains the audited financial statements of the Issuer for the financial year ended 31 December 2021 together with the free English translation of the statutory auditors' report thereon (together the "**2021 Financial Statements**") and the "*BNP Paribas Home Loan SFH – Rapport financier annuel du conseil d'administration exercice clos le 31 décembre 2021*" in French language (the "**Rapport Financier Annuel 2021**") is added the following paragraph:

- the free English translation of the "*BNP Paribas Home Loan SFH Etats Financiers Semestriels au 30 juin 2022*" which contains the reviewed interim financial statements of the Issuer for the six-month period ended 30 June 2022 together with the free English translation of the statutory auditors' review report thereon (together, the "**2022 Interim Financial Statements**") of the Issuer and the "*BNP Paribas Home Loan SFH Rapport du Conseil d'Administration Comptes Semestriels Clos au 30 juin 2022*" in French language (the "**Rapport Financier Semestriel 2022**").
 - in English : <https://invest.bnpparibas/document/home-loan-sfh-financial-statements-30-06-2022>
 - in French : <https://invest.bnpparibas/en/document/home-loan-sfh-rapport-semestriel-30-06-2022>

2. On page 42 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). The 2022 Interim Financial Statements, the *Rapport Financier Semestriel 2022*, the 2021 Financial Statements, the *Rapport Financier Annuel 2021*, the 2020 Financial Statements, the *Rapport Financier Annuel 2020*, the 2021 Cash Flow Statements and the 2021 Statutory Auditor's Report on the Cash Flow Statements, the 2020 Cash Flow Statements and the 2020 Statutory Auditor's Report on the Cash Flow Statements are published on the website of the Issuer (www.invest.bnpparibas.com - heading BNP Paribas Debt) and on www.info-financiere.fr."

3. On page 44 of the Base Prospectus, the following additional cross-reference table is inserted as follows:

Cross-reference list

INFORMATION INCORPORATED BY REFERENCE (Annex VI of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation)	REFERENCE
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3. RISK FACTORS RELATING TO THE ISSUER	
<i>Rapport Financier Semestriel 2022</i>	
Description des principaux risques et incertitudes et dispositif de gestion des risques	Pages 20 to 32
Risque de crédit	Pages 20 to 26
Risque de taux, de change et risque de marché	Pages 26 to 27
Risque de liquidité	Pages 27 to 30
Risque opérationnel	Pages 30 to 31
Risque juridique	Pages 31 to 32
Conséquences sociales et environnementales et engagements en faveur du développement durable, risques financiers liés aux effets du changement climatique et stratégie bas-carbone	Page 33

11. FINANCIAL INFORMATION CONCERNING BNP PARIBAS HOME LOAN SFH'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
11.1 Historical Financial Information		
	Rapport Financier Semestriel 2022	2022 Interim Financial Statements
Income Statement at 30 June 2022	Page 36	Page 5
Balance sheet at 30 June 2022	Page 37	Page 6
Summary of accounting principles applied by BNP Paribas Home Loan SFH	Pages 38 to 40	Pages 7 to 9
Notes on the Income Statement at 30 June 2022	Pages 41 and 42	Pages 10 to 12
Notes on the Balance Sheet at 30 June 2022	Pages 43 and 44	Pages 13 and 14
Additional information	Pages 45 and 46	Pages 15 and 16

Table of earnings for the last five financial years	Page 47	Page 17
Statutory Auditors' Review Report on the half-year financial information for the six months ended 30 June 2022	Pages 49 to 50	Pages 2 and 3

THE ISSUER

The section “THE ISSUER” on pages 88 to 104 of the Base Prospectus is amended as follows:

On page 93 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:

Income Statement	30/06/2022 (audited)	31/12/2021 (audited)	31/12/2020 (audited)
Net banking income	2,396,396	3,622,344	3,417,820
Gross operating income	441,745	1,000,160	1,039,781
Net income	335,117	732,358	722,873
Balance sheet			
Total consolidated balance sheet	34,680,803,206	34,067,941,311	32,929,953,483
Shareholders equity	286,578,066	287,097,949	286,935,591
Debt securities	34,064,076,617	32,334,467,915	30,580,574,031

SUMMARY OF THE SFH LEGAL FRAMEWORK AND OTHER LEGAL ISSUES

On page 109 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:

Pursuant to Article 10 of the CRBF Regulation, the *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 2021, the cover ratio was 111.41% and as of 30 June 2022, the cover ratio was 113.25%. At the date of this First Supplement, the latest published cover ratio is 113.25% as of 30 June 2022.

GENERAL INFORMATION

In the section headed "GENERAL INFORMATION" of the Base Prospectus on pages 198 to 201 of the Base Prospectus, paragraphs (3) and (15(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 2022.

(15 (b))The 2022 Interim Financial Statements of the Issuer for the six-month period ended 30 June 2022 and the *Rapport Financier Semestriel 2022*;

**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, 28 October 2022

BNP Paribas Home Loan SFH

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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 28 October 2022 by the AMF, in its capacity as competent authority under Regulation (EU) 2017/1129, as amended.

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, as amended.

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°22-426.

The approval number 22-426 granted by the AMF on 28 October 2022 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.