26 May 2020
SECOND SUPPLEMENT TO THE BASE PROSPECTUS

BNP PARIBAS FORTIS SA/NV
(INCORPORATED AS A PUBLIC COMPANY WITH LIMITED LIABILITY (SOCIÉTÉ ANONYME/NAAMLOZE VENNOOTSCHAP) UNDER THE LAWS OF BELGIUM, ENTERPRISE NO. 0403.199.702, REGISTER OF LEGAL ENTITIES OF BRUSSELS – LEGAL ENTITY IDENTIFIER: KGCEPHLVVKVRZYO1T647)

AND

BNP PARIBAS FORTIS FUNDING
(INCORPORATED AS A SOCIÉTÉ ANONYME UNDER THE LAWS OF THE GRAND DUCHY OF LUXEMBOURG, REGISTERED WITH THE REGISTRY OF COMMERCE AND COMPANIES OF LUXEMBOURG
UNDER NO. B 24784 – LEGAL ENTITY IDENTIFIER: 549300J2UEC8CUFW6083)

UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY
BNP PARIBAS FORTIS SA/NV

Euro Medium Term Note Programme

This second supplement dated 26 May 2020 (the "**Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 5 June 2019 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 8 October 2019 (the "**First Supplement**"), in each case prepared in connection with the Euro Medium Term Note Programme referred to above (the "**Programme**") established by BNP Paribas Fortis SA/NV ("**BNPPF**") and BNP Paribas Fortis Funding ("**BP2F**") (each an "**Issuer**" and together, the "**Issuers**") and under which Notes issued by BP2F are guaranteed on a subordinated or unsubordinated basis by BNPPF (the "**Guarantor**").

The purpose of this Supplement is to:

(A) amend the Summary in relation to the Base Prospectus in respect of the documents incorporated by reference;

(B) amend the Risk Factors section;

(C) incorporate by reference the following documents:

(i) the press release dated 13 March 2020 published by BNPPF regarding its annual results for the year 2019; and

(ii) the Annual Report of BNPPF for the year ended 31 December 2019 (the "**2019 BNPPF Annual Report**");

(D) amend the Description of BNP Paribas Fortis SA/NV; and

(E) update the list of available documents in respect of the documents incorporated by reference.

This Supplement has been approved on the date hereof by the Luxembourg *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the purpose of the Prospectus Directive and relevant implementing measures in Luxembourg. This Supplement, together with the Base Prospectus, comprises a base prospectus for the purposes of Article 5.4 of the Prospectus Directive and constitutes a supplement for the purposes of Article 13 of Chapter 1 of Part II of the Luxembourg Law dated 10 July 2005 on prospectus for securities, as amended or superseded (the "**Prospectus Act 2005**"). When used in this Supplement, Prospectus Directive means Directive 2017/1129 and includes any relevant implementing measure on a relevant Member State of the EEA.

The CSSF has neither approved nor reviewed information contained in this Supplement pertaining to Exempt Notes.

Application has been made to the Luxembourg Stock Exchange for the approval of this Supplement with respect to Exempt Notes as a supplement to a base prospectus for the purposes of Part IV of the Prospectus Act 2005.

Each of the Issuers and the Guarantor will, at its registered office and at the specified offices of the Paying Agents and the Listing Agent in Luxembourg, provide, free of charge, upon oral or written request, a copy of this Supplement. In addition, this Supplement as well as the documents incorporated by reference into the Base Prospectus via this Supplement will be available in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the websites of BNPPF (www.bnpparibasfortis.be/emissions) and of BP2F (www.bp2f.lu).

Unless the contrary is stated, terms defined in the Base Prospectus shall have the same meaning when used in this Supplement. In case of inconsistency between a statement contained in this Supplement and any other statement in or incorporated by reference in the Base Prospectus, the statement contained in this Supplement shall prevail. The Base Prospectus shall be amended as set out herein.

A. AMENDMENTS TO THE SUMMARY IN RELATION TO THE BASE PROSPECTUS

The Summary on pages 19 to 64 of the Base Prospectus is amended as follows:

(a) In Element B.4b, on page 22 of the Base Prospectus, the paragraphs under the heading "[*For BNPPF*]" and above the heading "[*For BP2F*]" are deleted and replaced with the following:

"**Macroeconomic environment**

Macroeconomic and market conditions affect BNPPF's results. The nature of BNPPF's business makes it particularly sensitive to macroeconomic and market conditions in Europe.

In 2019, the global economy slowed, with business growth falling from over 3.5% in 2018 to just over 3%, according to the International Monetary Fund ("**IMF**").

Growth has slowed in the United States and the euro zone. In the absence of any major change in oil prices, inflation remained moderate (almost 1.0% in the euro zone and just over 1.5% in the United

States). These trends led the main central banks (the U.S. Federal Reserve and the European Central Bank) to adopt a more accommodative stance (including, key interest rate cuts, balance sheet growth, etc.). Against this backdrop, long-term interest rates reached very low levels, with negative yields on ten-year sovereign bonds in Germany, France and Japan. These monetary policies helped to mitigate the deterioration in the economy compared with previous years.

China is involved in a process of rebalancing growth toward domestic demand, with an ongoing structural slowdown. Growth continued to slow across all emerging countries and fell below 4%, a level not witnessed since the early 2000s, (apart from during the 2008-2009 economic crisis). Growth is anticipated to return to above this threshold in 2020 due to positive funding effects with a more accommodating U.S. monetary policy and monetary easing expected in a number of emerging countries. This new context affects the banking sector's profitability and potentially reduces the effects of a new easing of monetary policy.

In this context, the following risk categories can be identified:

Risks of financial instability due to the conduct of monetary policies

In mature economies, the interest rate environment has changed drastically in the final quarters of 2019 in terms of central bank key interest rates, negative bond yields and flattened yield curves. BNPPF's revenues were strongly impacted by a flat yield curve, negative central bank deposit rates and the difficulty of passing on negative rates to customers. Whilst several years ago, such developments would have been considered temporary and exceptional, the risk of this situation proving to be more long-term now seems increasingly high.

In addition, a low (or zero) return on less risky assets and a reduction in the use of leverage may have two potential consequences:

- investment in more risky assets to generate higher returns (increased exposure to credit risk with downgrading ratings); and/or
- the emergence of financial bubbles in certain asset categories such as real estate or the financial markets (e.g. the stock market, private equity, bonds, etc.).

Some major financial players (such as insurance companies, pension funds, asset managers, etc.) have an increasingly systemic dimension and, in the event of market turbulence, could be brought to unwind large positions in a context of relatively weak market liquidity. The risk of a sharp increase in long-term interest rates and/or marked price corrections has greatly diminished since the reversal of monetary policies this year, but it cannot be excluded. In a number of asset markets, risk premiums are low compared with their historical average following a decade of accommodative monetary policies (e.g. lending to non-investment grade companies and countries, certain equity and bond market segments, etc.).

Systemic risks related to increased debt

In a number of economies, there are still marked imbalances in public finances. Although extremely low interest rates (supported by central banks' asset purchases) considerably reduced short-term threats by reducing debt servicing and gave governments more room for manoeuvre, risks still exist in the medium term. Euro zone countries are particularly affected by these risks for institutional reasons (e.g. budgetary constraints and fragmented bond market). In some economies, certain imbalances were also observed in the private sector (household debt in particular).

Furthermore, some emerging countries, including foreign currency debt and debt owed to foreign creditors, have also recorded a marked increase in their debt since 2008. Public and private debt could reach levels that are cause for concern. The deterioration in the debt profile may lead to downgrading by ratings agencies, followed by an increase in risk premiums and debt servicing, which could damage investor confidence and lead to capital outflow, heightening the negative effects listed above.

While the BNP Paribas Group's exposure to emerging countries is limited, the vulnerability of these economies may generate disruptions in the global financial system that could affect the BNP Paribas Group and potentially affect its results.

It should be noted that debt-related risk could materialise, not only in the event of a sharp rise in interest rates, but also with any negative growth shocks.

Risks of reduction of international trade from protectionist measures

The trade dispute between the United States and China worsened in 2019, with additional customs duties on imports imposed by the United States leading to retaliatory measures from China. In addition to the trade dispute, other clashes could occur, notably regarding exchange rates and technological leadership. A further dispute could arise between the United States and the European Union. In the longer term, the increase in protectionist policies threatens the smooth operation of supply chains and undermines continued globalisation.

Trade disputes are likely to slow global growth, reducing trade volumes, disrupting production chains and negatively impacting the confidence of economic agents and the financial markets.

Laws and regulations applicable to financial institutions

Recent and future changes in the laws and regulations applicable to financial institutions may have a significant impact on BNPPF. Measures that were recently adopted or which are (or whose application measures are) ongoing projects, that have or are likely to have an impact on BNPPF notably include:

- the structural reforms comprising the Belgian banking law of 25 April 2014 (as amended) on the status and supervision of credit institutions, the "Volcker rule" in the US, which restricts proprietary transactions, sponsorship and investment in private equity funds and hedge funds by US and foreign banks;
- regulations governing capital: the Capital Requirements Directive V ("**CRD5**")/the Capital Requirements Regulation II ("**CRR2**") adopted in May 2019, the international standard for Total Loss Absorbing Capacity ("**TLAC**") and BNPPF's designation as a financial institution that is of systemic importance by the Financial Stability Board;
- the European Single Supervisory Mechanism and the Ordinance of 6 November 2014;
- the Directive of 16 April 2014 related to deposit guarantee systems and its delegated and implementing acts, the Directive of 15 May 2014 establishing a bank recovery and resolution framework, the Single Resolution Mechanism establishing the Single Resolution Council and the Single Resolution Fund;
- the Final Rule by the U.S. Federal Reserve imposing tighter prudential rules on the U.S. transactions of large foreign banks, notably the obligation to create a separate intermediary holding company in the U.S. (capitalised and subject to regulation) to hold their U.S. subsidiaries;

- the new rules for the regulation of over-the-counter derivative activities pursuant to Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, notably margin requirements for uncleared derivative products and the derivatives of securities traded by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, and the rules of the US Securities and Exchange Commission which require the registration of banks and major swap participants active on derivatives markets as well as transparency and reporting on derivative transactions;

- the new Markets in Financial Instruments Directive ("**MiFID 2**") and the Markets in Financial Instruments Regulation ("**MiFIR**"), and European regulations governing the clearing of certain over-the-counter derivative products by centralised counterparties and the disclosure of securities financing transactions to centralised bodies;

- the General Data Protection Regulation ("**GDPR**"), which came into force on 25 May 2018. This regulation aims to move the European data confidentiality environment forward and improve personal data protection within the European Union. Businesses run the risk of severe penalties if they do not comply with the standards set by the GDPR. This regulation applies to all banks and companies providing services to European citizens; and

- the finalisation of Basel 3 published by the Basel committee in December 2017, introducing a revision to the measurement of credit risk, operational risk and credit valuation adjustment ("**CVA**") risk for the calculation of risk-weighted assets. These measures are expected to come into effect in January 2022 and will be subject to an output floor (based on standardised approaches), which will be gradually applied as of 2022 and reach its final level in 2027.

Moreover, in this strengthened regulatory context, the risk of non-compliance with existing laws and regulations, in particular those relating to the protection of the interests of customers and personal data, is a significant risk for the banking industry, potentially resulting in significant losses and fines. In addition to its compliance system, which specifically covers this type of risk, the BNP Paribas Group places the interest of its customers, and more broadly that of its stakeholders, at the heart of its values. Thus, the code of conduct adopted by the BNP Paribas Group in 2016 sets out detailed values and rules of conduct in this area.

Climate change-related risks

Climate change is a financial risk for the BNP Paribas Group. Climate change-related risks may affect the BNP Paribas Group, either directly on its own operations, or indirectly via its financing and investment activities. These risks mainly concern the physical risks related to the consequences of climate change and the "carbon" risks resulting from the transition to a low-carbon economy.

Cyber security and technology risk

BNPPF's ability to do business is intrinsically tied to the fluidity of electronic transactions as well as the protection and security of information and technology assets.

The technological change is accelerating with the digital transformation and the resulting increase in the number of communications circuits, proliferation in data sources, growing process automation, and greater use of electronic banking transactions.

The progress and acceleration of the technological changes needed to respond to customer requirements are giving cybercriminals new options for altering, stealing and disclosing data. Attacks are more frequent, with a bigger reach and sophistication across all sectors, including financial services.

The outsourcing of a growing number of processes also exposes the BNP Paribas Group to structural cybersecurity and technology risks leading to the appearance of potential attack vectors that cybercriminals can exploit.

Accordingly, the BNP Paribas Group has reinforced the second line of defence within the risk function dedicated to managing technological and cyber security risks. Thus, operational standards are regularly adapted to support BNPP's digital evolution and innovation while managing existing and emerging threats (such as cyber-crime, espionage, etc.).

Emerging Risks

An emerging risk is defined as a new or evolving risk which potential impact could be material in the future but is currently not fully known or is difficult to quantify.

The BNP Paribas Group identified emerging risks related to technological innovations, the evolving regulatory environment, as well as certain health, demographic and societal risks.

Technological innovations

Technological developments related to the growing use of data in all production, marketing and distribution processes, and to data sharing among economic players (including, producers, suppliers, and customers) will impact the economic models of the BNP Paribas Group's clients and counterparties in a lasting way. These impacts, which are sometimes hard to assess in a context where new standards, economic balances and regulatory entities are in the process of evolving and adapting, are being analysed internally by industry experts focused on the economic sectors most exposed to this evolution.

Furthermore, the BNP Paribas Group's competitive environment is undergoing profound change, with the emergence of new fintech players and the emergence of technological innovations which disrupt the traditional value chains of the BNP Paribas Group's businesses, and place the quality of the customer experience, and the use of new technologies to reduce the cost of low added-value operations, as their key competitive success factors. Maintenance of the BNP Paribas Group's information systems must be done in this context of evolving value chains. The BNP Paribas Group is deploying a proactive strategy in this area to adapt its activities to these major technological developments and promote some industrial cooperation with fintech players.

Evolving regulatory environments

Beyond the regulatory measures recently adopted or pending adoption, and already cited as top risks, the trend towards growing complexity and regional differences in the regulatory environment for banks and related supervision is creating relative uncertainty over future developments, compliance costs, and proper performance risk concerning the various measures. The BNP Paribas Group has established an active monitoring system for its regulatory environment, enabling it to minimise these risks.

Possible future divergences by type of regulated entity, for example, depending on their degree of innovation, may also introduce risk of a competitive nature.

Health risks

A viral or bacteriological infection that is potentially resistant to antibiotics, antiviral drugs or other treatments is an increasing possibility and could lead to preventive measures and disruptions to trade.

Such infections could cause infrastructure and production line failures, with consequences for all stakeholders.

A novel strain of the coronavirus (COVID-19) emerged in China in December 2019 and has since spread to numerous countries throughout the globe; the World Health Organization declared the outbreak a pandemic in March 2020. Both the outbreak and government measures taken in response (including, border closings, travel restrictions, confinement measures) have had and may continue to have a significant impact, both direct and indirect, on economic activity and financial markets globally. The slowdowns of the economies particularly affected (such as, China, Italy, France, Spain and other European countries, the United States, the United Kingdom) as well as the reduction in global trade and commerce more generally have had and are likely to continue to have negative effects on global economic conditions as global production, investments, supply chains and consumer spending are affected and further restrictions are implemented.

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 (including, loan guarantee schemes, tax payment deferrals, expanded unemployment coverage) or to improve liquidity in the financial markets (including, increased asset purchases, funding facilities). The BNP Paribas Group is mobilized to channel these measures and support customers in particular in its domestic markets' networks. 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 stave off regional or global recessions or to stabilize financial markets. The economic environment may well deteriorate further before beginning to improve.

The BNP Paribas 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.

BNPPF's results and financial condition could be adversely affected by reduced economic activity and potentially recessions in its principal markets.

Uncertainty as to the duration and extent of the pandemic makes the overall impact on the world economy unpredictable. The extent to which the pandemic and its economic consequences will affect BNPPF's results and financial condition will depend on future developments, including (i) the impact of the measures taken to date or future measures that may be taken by governments and central banks and (ii) the actual severity and duration of the pandemic and the nature, extent and duration of the measures taken to contain or treat its impact in the various markets where BNPPF operates. In addition while central bank and government actions and support measures taken in response to the pandemic may well help attenuate its adverse economic and market consequences, they have also issued and may issue additional restrictions or recommendations in respect of banks' actions (in particular, the recommendation issued by the ECB on 27 March 2020). In particular they may limit or seek to limit banks' flexibility in managing their business and taking action in relation to capital distribution and capital allocation.

Demographic risk

The ageing population is a major underlying trend in many countries. In the years and decades to come, this change significantly impact economic growth (this is already visible), as well as healthcare and retirement budgets, or saving and consumption behaviours.

Societal issues

In addition to responses designed to meet its customers' changing needs, the BNP Paribas Group is seeking, more generally, to respond to the expectations of the society in which it operates in terms of how it conducts its business, respects human rights and considers environmental protection.

Areas of Special Interest in 2019

United Kingdom

On 23 June 2016, the United Kingdom held a referendum which resulted in a majority vote to leave the European Union ("**Brexit**").

The withdrawal agreement was approved by the Parliament of the United Kingdom on 22 January 2020 and by the European Parliament on 29 January 2020. As a consequence, the United Kingdom formally left the European Union on 31 January 2020. The transition period during which the European Union and United Kingdom must agree the terms of their future relationship began on 1 February 2020 and is scheduled to end on 31 December 2020 barring any extension. During that period, the regulatory environment will not change.

The BNP Paribas Group operates in the United Kingdom through several branches and subsidiaries. Its business, which it carries out mainly with corporations through its BNP Paribas SA branch in the United Kingdom, is of limited size for the scale of the BNP Paribas Group and does not include a Retail Banking network in that country.

With respect to exposure to counterparties whose main business is in the United Kingdom, commercial commitments at 31 December 2019 represent 5.0% of the BNP Paribas Group's total gross commitments, on- and off-balance sheet.

Similarly, exposure to British sovereign risk is contained at 4.0% of the banking book's sovereign exposure.

BNPPF's structural foreign exchange and interest rates position in pounds sterling is very moderate: outstanding loan amounts are low and funding in pounds sterling is largely matched.

The BNP Paribas Group has prepared for Brexit with a view to ensuring the continuity of its activities. Its diversified business model in Europe in terms of both business lines and countries provides it with a high degree of flexibility to adapt to this new environment.

In practice, the BNP Paribas Group has worked with the British and European regulators in order to ensure the continuity of its operational systems and has prepared various adaptation measures to enable clients, whether based in the United Kingdom or in Europe, to continue to benefit from the BNP Paribas Group's broad range of banking products and services at the end of the transition period.";

(b) Element B.5, on page 26 of the Base Prospectus, is deleted and replaced with the following:

"BNP Paribas ("**BNPP**") is a European leading provider of banking and financial services and has four domestic markets in Europe, namely in Belgium, France, Italy and Luxembourg. It is present in 71 countries and has nearly 199,000 employees, including over 151,000 in Europe. BNPP is the parent company of the BNP Paribas Group (together the "**BNPP Group**").";

(c) In Element B.12, on page 26 and 27 of the Base Prospectus, the tables regarding BNPPF entitled "**Consolidated Comparative Annual Financial Data – In millions of EUR**" and "**Consolidated Comparative Semi-Annual Financial Data – In millions of EUR**" (which was added to the Base Prospectus by virtue of a previous supplement) are deleted and replaced with the following:

Consolidated Comparative Annual Financial Data – In millions of EUR

	31/12/2019 audited	**31/12/2018 audited**

Revenues	8,036	8,053
Gross operating income	3,282	3,206
Cost of risk	(454)	(395)
Net income	2,618	2,345
Net income attributable to shareholders	2,212	1,932
	31/12/2019 audited	**31/12/2018 audited**
Total consolidated Balance Sheet	313,195	291,320
Consolidated loans and receivables due from customers	187,998	179,267
Shareholders' equity	22,985	22,274
Consolidated items due to customers	184,378	174,389
Debt securities	14,469	15,810
Subordinated debt	3,641	3,710
Common Equity Tier 1 Ratio	13,9 %	14,2 %

(d) In Element B.12, on page 28 of the Base Prospectus, the paragraph under the heading "***Statements of no significant or material adverse change***" is deleted and replaced with the following:

"[Not Applicable – There has been no significant change in the financial or trading position of BP2F since 31 December 2018 and there has been no material adverse change in the prospects of since 31 December 2018.]/[Save as disclosed in the Base Prospectus, including with respect to the impact that the health crisis resulting from the coronavirus (COVID-19) may have, there has been no significant change in the financial or trading position of BNPPF since 31 December 2019 and no material adverse change in the prospects of BNPPF since 31 December 2019.]";

(e) Element B.13, on page 28 of the Base Prospectus, is deleted and replaced with the following:

"Not Applicable - To the best of the Issuer's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency since [*For BP2F:* 31 December 2018]/[*For BNPPF:* 31 December 2019].";

(f) In Element B.17, on page 29 of the Base Prospectus, the second paragraph is deleted and replaced with the following:

"[BNPPF's long-term credit ratings are A+ with a negative outlook (S&P), A2 with a stable outlook (Moody's) and A+ with a Rating Watch Negative outlook (Fitch) and BNPPF's short-term credit ratings are A-1 (S&P), P-1 (Moody's) and F1 (Fitch).]";

(g) Element B.19/B.4b, on page 30 of the Base Prospectus, is deleted and replaced with the following:

"**Macroeconomic environment**

Macroeconomic and market conditions affect BNPPF’s results. The nature of BNPPF’s business makes it particularly sensitive to macroeconomic and market conditions in Europe.

In 2019, the global economy slowed, with business growth falling from over 3.5% in 2018 to just over 3%, according to the International Monetary Fund ("**IMF**").

Growth has slowed in the United States and the euro zone. In the absence of any major change in oil prices, inflation remained moderate (almost 1.0% in the euro zone and just over 1.5% in the United States). These trends led the main central banks (the U.S. Federal Reserve and the European Central Bank) to adopt a more accommodative stance (including, key interest rate cuts, balance sheet growth, etc.). Against this backdrop, long-term interest rates reached very low levels, with negative yields on ten-year sovereign bonds in Germany, France and Japan. These monetary policies helped to mitigate the deterioration in the economy compared with previous years.

China is involved in a process of rebalancing growth toward domestic demand, with an ongoing structural slowdown. Growth continued to slow across all emerging countries and fell below 4%, a level not witnessed since the early 2000s, (apart from during the 2008-2009 economic crisis). Growth is anticipated to return to above this threshold in 2020 due to positive funding effects with a more accommodating U.S. monetary policy and monetary easing expected in a number of emerging countries. This new context affects the banking sector's profitability and potentially reduces the effects of a new easing of monetary policy.

In this context, the following risk categories can be identified:

Risks of financial instability due to the conduct of monetary policies

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In addition, a low (or zero) return on less risky assets and a reduction in the use of leverage may have two potential consequences:

- investment in more risky assets to generate higher returns (increased exposure to credit risk with downgrading ratings); and/or
- the emergence of financial bubbles in certain asset categories such as real estate or the financial markets (e.g. the stock market, private equity, bonds, etc.).

Some major financial players (such as insurance companies, pension funds, asset managers, etc.) have an increasingly systemic dimension and, in the event of market turbulence, could be brought to unwind large positions in a context of relatively weak market liquidity. The risk of a sharp increase in long-term interest rates and/or marked price corrections has greatly diminished since the reversal of monetary policies this year, but it cannot be excluded. In a number of asset markets, risk premiums are low compared with their historical average following a decade of accommodative monetary policies (e.g. lending to non-investment grade companies and countries, certain equity and bond market segments, etc.).

Systemic risks related to increased debt

In a number of economies, there are still marked imbalances in public finances. Although extremely low interest rates (supported by central banks' asset purchases) considerably reduced short-term threats by reducing debt servicing and gave governments more room for manoeuvre, risks still exist in the medium term. Euro zone countries are particularly affected by these risks for institutional reasons (e.g. budgetary constraints and fragmented bond market). In some economies, certain imbalances were also observed in the private sector (household debt in particular).

Furthermore, some emerging countries, including foreign currency debt and debt owed to foreign creditors, have also recorded a marked increase in their debt since 2008. Public and private debt could reach levels that are cause for concern. The deterioration in the debt profile may lead to downgrading by ratings agencies, followed by an increase in risk premiums and debt servicing, which could damage investor confidence and lead to capital outflow, heightening the negative effects listed above.

While the BNP Paribas Group's exposure to emerging countries is limited, the vulnerability of these economies may generate disruptions in the global financial system that could affect the BNP Paribas Group and potentially affect its results.

It should be noted that debt-related risk could materialise, not only in the event of a sharp rise in interest rates, but also with any negative growth shocks.

Risks of reduction of international trade from protectionist measures

The trade dispute between the United States and China worsened in 2019, with additional customs duties on imports imposed by the United States leading to retaliatory measures from China. In addition to the trade dispute, other clashes could occur, notably regarding exchange rates and technological leadership. A further dispute could arise between the United States and the European Union. In the longer term, the increase in protectionist policies threatens the smooth operation of supply chains and undermines continued globalisation.

Trade disputes are likely to slow global growth, reducing trade volumes, disrupting production chains and negatively impacting the confidence of economic agents and the financial markets.

Laws and regulations applicable to financial institutions

Recent and future changes in the laws and regulations applicable to financial institutions may have a significant impact on BNPPF. Measures that were recently adopted or which are (or whose application measures are) ongoing projects, that have or are likely to have an impact on BNPPF notably include:

- the structural reforms comprising the Belgian banking law of 25 April 2014 (as amended) on the status and supervision of credit institutions, the "Volcker rule" in the US, which restricts proprietary transactions, sponsorship and investment in private equity funds and hedge funds by US and foreign banks;

- regulations governing capital: the Capital Requirements Directive V ("**CRD5**")/the Capital Requirements Regulation II ("**CRR2**") adopted in May 2019, the international standard for Total Loss Absorbing Capacity ("**TLAC**") and BNPPF's designation as a financial institution that is of systemic importance by the Financial Stability Board;

- the European Single Supervisory Mechanism and the Ordinance of 6 November 2014;

- the Directive of 16 April 2014 related to deposit guarantee systems and its delegated and implementing acts, the Directive of 15 May 2014 establishing a bank recovery and resolution framework, the Single Resolution Mechanism establishing the Single Resolution Council and the Single Resolution Fund;

- the Final Rule by the U.S. Federal Reserve imposing tighter prudential rules on the U.S. transactions of large foreign banks, notably the obligation to create a separate intermediary holding company in the U.S. (capitalised and subject to regulation) to hold their U.S. subsidiaries;

- the new rules for the regulation of over-the-counter derivative activities pursuant to Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, notably margin requirements for uncleared derivative products and the derivatives of securities traded by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, and the rules of the US Securities and Exchange Commission which require the registration of banks and major swap participants active on derivatives markets as well as transparency and reporting on derivative transactions;

- the new Markets in Financial Instruments Directive ("**MiFID 2**") and the Markets in Financial Instruments Regulation ("**MiFIR**"), and European regulations governing the clearing of certain over-the-counter derivative products by centralised counterparties and the disclosure of securities financing transactions to centralised bodies;

- the General Data Protection Regulation ("**GDPR**"), which came into force on 25 May 2018. This regulation aims to move the European data confidentiality environment forward and improve personal data protection within the European Union. Businesses run the risk of severe penalties if they do not comply with the standards set by the GDPR. This regulation applies to all banks and companies providing services to European citizens; and

- the finalisation of Basel 3 published by the Basel committee in December 2017, introducing a revision to the measurement of credit risk, operational risk and credit valuation adjustment ("**CVA**") risk for the calculation of risk-weighted assets. These measures are expected to come into effect in January 2022 and will be subject to an output floor (based on standardised approaches), which will be gradually applied as of 2022 and reach its final level in 2027.

Moreover, in this strengthened regulatory context, the risk of non-compliance with existing laws and regulations, in particular those relating to the protection of the interests of customers and personal data, is a significant risk for the banking industry, potentially resulting in significant losses and fines. In addition to its compliance system, which specifically covers this type of risk, the BNP Paribas Group places the interest of its customers, and more broadly that of its stakeholders, at the heart of its values. Thus, the code of conduct adopted by the BNP Paribas Group in 2016 sets out detailed values and rules of conduct in this area.

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Climate change is a financial risk for the BNP Paribas Group. Climate change-related risks may affect the BNP Paribas Group, either directly on its own operations, or indirectly via its financing and investment activities. These risks mainly concern the physical risks related to the consequences of climate change and the "carbon" risks resulting from the transition to a low-carbon economy.

Cyber security and technology risk

BNPPF's ability to do business is intrinsically tied to the fluidity of electronic transactions as well as the protection and security of information and technology assets.

The technological change is accelerating with the digital transformation and the resulting increase in the number of communications circuits, proliferation in data sources, growing process automation, and greater use of electronic banking transactions.

The progress and acceleration of the technological changes needed to respond to customer requirements are giving cybercriminals new options for altering, stealing and disclosing data. Attacks are more frequent, with a bigger reach and sophistication across all sectors, including financial services.

The outsourcing of a growing number of processes also exposes the BNP Paribas Group to structural cybersecurity and technology risks leading to the appearance of potential attack vectors that cybercriminals can exploit.

Accordingly, the BNP Paribas Group has reinforced the second line of defence within the risk function dedicated to managing technological and cyber security risks. Thus, operational standards are regularly adapted to support BNPP's digital evolution and innovation while managing existing and emerging threats (such as cyber-crime, espionage, etc.).

Emerging Risks

An emerging risk is defined as a new or evolving risk which potential impact could be material in the future but is currently not fully known or is difficult to quantify.

The BNP Paribas Group identified emerging risks related to technological innovations, the evolving regulatory environment, as well as certain health, demographic and societal risks.

Technological innovations

Technological developments related to the growing use of data in all production, marketing and distribution processes, and to data sharing among economic players (including, producers, suppliers, and customers) will impact the economic models of the BNP Paribas Group's clients and counterparties in a lasting way. These impacts, which are sometimes hard to assess in a context where new standards, economic balances and regulatory entities are in the process of evolving and adapting, are being analysed internally by industry experts focused on the economic sectors most exposed to this evolution.

Furthermore, the BNP Paribas Group's competitive environment is undergoing profound change, with the emergence of new fintech players and the emergence of technological innovations which disrupt the traditional value chains of the BNP Paribas Group's businesses, and place the quality of the customer experience, and the use of new technologies to reduce the cost of low added-value operations, as their key competitive success factors. Maintenance of the BNP Paribas Group's information systems must be done in this context of evolving value chains. The BNP Paribas Group is deploying a proactive strategy in this area to adapt its activities to these major technological developments and promote some industrial cooperation with fintech players.

Evolving regulatory environments

Beyond the regulatory measures recently adopted or pending adoption, and already cited as top risks, the trend towards growing complexity and regional differences in the regulatory environment for banks and related supervision is creating relative uncertainty over future developments, compliance costs, and proper performance risk concerning the various measures. The BNP Paribas Group has established an active monitoring system for its regulatory environment, enabling it to minimise these risks.

Possible future divergences by type of regulated entity, for example, depending on their degree of innovation, may also introduce risk of a competitive nature.

Health risks

A viral or bacteriological infection that is potentially resistant to antibiotics, antiviral drugs or other treatments is an increasing possibility and could lead to preventive measures and disruptions to trade.

Such infections could cause infrastructure and production line failures, with consequences for all stakeholders.

A novel strain of the coronavirus (COVID-19) emerged in China in December 2019 and has since spread to numerous countries throughout the globe; the World Health Organization declared the outbreak a pandemic in March 2020. Both the outbreak and government measures taken in response (including, border closings, travel restrictions, confinement measures) have had and may continue to have a significant impact, both direct and indirect, on economic activity and financial markets globally. The slowdowns of the economies particularly affected (such as, China, Italy, France, Spain and other European countries, the United States, the United Kingdom) as well as the reduction in global trade and commerce more generally have had and are likely to continue to have negative effects on global economic conditions as global production, investments, supply chains and consumer spending are affected and further restrictions are implemented.

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 (including, loan guarantee schemes, tax payment deferrals, expanded unemployment coverage) or to improve liquidity in the financial markets (including, increased asset purchases, funding facilities). The BNP Paribas Group is mobilized to channel these measures and support customers in particular in its domestic markets' networks. 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 stave off regional or global recessions or to stabilize financial markets. The economic environment may well deteriorate further before beginning to improve.

The BNP Paribas 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.

BNPPF's results and financial condition could be adversely affected by reduced economic activity and potentially recessions in its principal markets.

Uncertainty as to the duration and extent of the pandemic makes the overall impact on the world economy unpredictable. The extent to which the pandemic and its economic consequences will affect BNPPF's results and financial condition will depend on future developments, including (i) the impact of the measures taken to date or future measures that may be taken by governments and central banks and (ii) the actual severity and duration of the pandemic and the nature, extent and duration of the measures taken to contain or treat its impact in the various markets where BNPPF operates. In addition while central bank and government actions and support measures taken in response to the pandemic may well help attenuate its adverse economic and market consequences, they have also issued and may issue additional restrictions or recommendations in respect of banks' actions (in particular, the recommendation issued by the ECB on 27 March 2020). In particular they may limit or seek to limit banks' flexibility in managing their business and taking action in relation to capital distribution and capital allocation.

Demographic risk

The ageing population is a major underlying trend in many countries. In the years and decades to come, this change significantly impact economic growth (this is already visible), as well as healthcare and retirement budgets, or saving and consumption behaviours.

Societal issues

In addition to responses designed to meet its customers' changing needs, the BNP Paribas Group is seeking, more generally, to respond to the expectations of the society in which it operates in terms of how it conducts its business, respects human rights and considers environmental protection.

Areas of Special Interest in 2019

United Kingdom

On 23 June 2016, the United Kingdom held a referendum which resulted in a majority vote to leave the European Union ("**Brexit**").

The withdrawal agreement was approved by the Parliament of the United Kingdom on 22 January 2020 and by the European Parliament on 29 January 2020. As a consequence, the United Kingdom formally left the European Union on 31 January 2020. The transition period during which the European Union and United Kingdom must agree the terms of their future relationship began on 1 February 2020 and is scheduled to end on 31 December 2020 barring any extension. During that period, the regulatory environment will not change.

The BNP Paribas Group operates in the United Kingdom through several branches and subsidiaries. Its business, which it carries out mainly with corporations through its BNP Paribas SA branch in the United Kingdom, is of limited size for the scale of the BNP Paribas Group and does not include a Retail Banking network in that country.

With respect to exposure to counterparties whose main business is in the United Kingdom, commercial commitments at 31 December 2019 represent 5.0% of the BNP Paribas Group's total gross commitments, on- and off-balance sheet.

Similarly, exposure to British sovereign risk is contained at 4.0% of the banking book's sovereign exposure.

BNPPF's structural foreign exchange and interest rates position in pounds sterling is very moderate: outstanding loan amounts are low and funding in pounds sterling is largely matched.

The BNP Paribas Group has prepared for Brexit with a view to ensuring the continuity of its activities. Its diversified business model in Europe in terms of both business lines and countries provides it with a high degree of flexibility to adapt to this new environment.

In practice, the BNP Paribas Group has worked with the British and European regulators in order to ensure the continuity of its operational systems and has prepared various adaptation measures to enable clients, whether based in the United Kingdom or in Europe, to continue to benefit from the BNP Paribas Group's broad range of banking products and services at the end of the transition period.";

(h) In Element B.19/B.12 on page 34 of the Base Prospectus, the tables entitled "**Consolidated Comparative Annual Financial Data – In millions of EUR**" and "**Consolidated Comparative Semi-Annual Financial Data – In millions of EUR**" (which was added to the Base Prospectus by virtue of a previous supplement) are deleted and replaced with the following:

Consolidated Comparative Annual Financial Data - in millions of EUR

	31/12/2019 audited	**31/12/2018 audited**
Revenues	8,036	8,053
Gross operating income	3,282	3,206
Cost of risk	(454)	(395)
Net income	2,618	2,345
Net income attributable to shareholders	2,212	1,932
	31/12/2019 audited	**31/12/2018 audited**
Total consolidated Balance Sheet	313,195	291,320
Consolidated loans and receivables due from customers	187,998	179,267
Shareholders' equity	22,985	22,274

Consolidated items due to customers	184,378	174,389
Debt securities	14,469	15,810
Subordinated debt	3,641	3,710
Common Equity Tier 1 Ratio	13,9 %	14,2 %

(i) In Element B.19/B.12 on page 35 of the Base Prospectus, the paragraph under the heading "***Statements of no significant or material adverse change***" is deleted and replaced with the following:

"Save as disclosed in the Base Prospectus, including with respect to the impact that the health crisis resulting from the coronavirus (COVID-19) may have, there has been no significant change in the financial or trading position of the Guarantor since 31 December 2019 and no material adverse change in the prospects of the Guarantor since 31 December 2019.";

(j) Element B.19/B.13, on page 35 of the Base Prospectus, is deleted and replaced with the following:

"Not applicable, to the best of the Guarantor's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of the Guarantor's solvency since 31 December 2019.";

(k) Element B.19/B.17, on page 36 of the Base Prospectus, is deleted and replaced with the following:

"The Guarantor's long-term credit ratings are A+ with a negative outlook (S&P), A2 with a stable outlook (Moody's) and A+ with a Rating Watch Negative outlook (Fitch) and BNPPF's short-term credit ratings are A-1 (S&P), P-1 (Moody's) and F1 (Fitch)."; and

(l) In Element D.2, on page 55 of the Base Prospectus, the following sub-paragraph (k) is added following sub-paragraph (j) under the sub-heading "***BNPPF/Guarantor***" and the subsequent sub-paragraphs are re-lettered:

"(k) Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect BNPPF's business, operations and financial condition.".

B. AMENDMENTS TO THE RISK FACTORS

The Risk Factors section on pages 65 to 121 of the Base Prospectus is amended as follows:

The following risk factor is inserted below the heading "**Risks Related to the Market Environment**" and below the sub-heading "*(x) BNPPF must ensure that its assets and liabilities properly match in order to avoid exposure to losses*":

"(xi) *Epidemics and pandemics, including the ongoing coronavirus (COVID-19) pandemic and their economic consequences may adversely affect BNPPF's business, operations and financial condition.*

A novel strain of the coronavirus (COVID-19) emerged in China in December 2019 and has since spread to numerous countries throughout the globe; the World Health Organization declared the outbreak a pandemic in March 2020. Both the outbreak and government measures taken in response (including, border closings, travel restrictions, confinement measures) have had and may continue to have a significant impact, both direct and indirect, on economic activity and financial markets globally. The slowdowns of the economies particularly affected (such as, China, Italy, France, Spain and other European countries, the United States, the United Kingdom) as well as the reduction in global trade and commerce more generally have had and are likely to continue to have negative effects on global economic conditions as global production, investments, supply chains and consumer spending are affected and further restrictions are implemented.

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 (including, loan guarantee schemes, tax payment deferrals, expanded unemployment coverage) or to improve liquidity in the financial markets (including, increased asset purchases, funding facilities). BNPPF is mobilized to channel these measures and support customers in particular in its domestic markets' networks. 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 stave off regional or global recessions or to stabilize financial markets. The economic environment may well deteriorate further before beginning to improve.

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

BNPPF's results and financial condition could be adversely affected by reduced economic activity and potentially recessions in its principal markets. The containment measures taken in several of the principal countries where BNPPF operates, in particular its domestic markets (Belgium, Luxembourg and Turkey), are significantly reducing economic activity and a substantial prolongation of such measures could result in local or regional recessions. The impacts of these measures could affect BNPPF's results due to reduced revenues and to deteriorated asset quality both generally and in specific sectors that are particularly affected. BNPPF'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 BNPPF's cost of risk.

BNPPF's results and financial condition could also be negatively affected by adverse trends in financial markets to the extent that the pandemic has led in particular to extreme market conditions (including, market volatility spikes, sharp drop in equity markets, tension on spreads, specific asset markets on hold). This situation could have an adverse impact on BNPPF's market activities, resulting in trading or other market-related losses. Moreover, some investment portfolios (for example, in BNPPF's insurance subsidiaries) are accounted for on a mark to market basis and could thus be impacted by deteriorated market conditions.

Uncertainty as to the duration and extent of the pandemic makes the overall impact on the world economy unpredictable. The extent to which the pandemic and its economic consequences will affect BNPPF's results and financial condition will depend on future developments, including (i) the impact of the measures taken to date or future measures that may be taken by governments and central banks and (ii) the actual severity and duration of the pandemic and the nature, extent and duration of the measures taken to contain or treat its impact in the various markets where BNPPF operates. In addition while central bank and government actions and support measures taken in response to the pandemic may well help attenuate its adverse economic and market consequences, they have also issued and may issue additional restrictions or recommendations in respect of banks' actions (in particular, the recommendation issued by the ECB on 27 March 2020). In particular they may limit or seek to limit banks' flexibility in managing their business and taking action in relation to capital distribution and capital allocation.".

C. INFORMATION INCORPORATED BY REFERENCE

The following documents have been filed with the Luxembourg *Commission de Surveillance du Secteur Financier* for the purposes of the Prospectus Directive and, by virtue of this Supplement, are incorporated by reference in, and form part of, the Base Prospectus:

(i) the press release dated 13 March 2020 published by BNPPF regarding its 2019 year results; and

(ii) BNPPF's annual report for the year ended 31 December 2019 (including the unqualified statutory auditor's report of the statutory auditors on the consolidated financial statements for the year ended 31 December 2019 (including their opinion with explanatory paragraphs));

The section "**INFORMATION INCORPORATED BY REFERENCE IN THIS BASE PROSPECTUS**" on pages 122 to 127 of the Base Prospectus is amended as follows:

(a) the word "and" at the end of paragraph 21 (which was added to the Base Prospectus by virtue of the previous supplement) is deleted;

(b) the "." at the end of paragraph 22 (which was added to the Base Prospectus by virtue of the previous supplement) is deleted and replaced with ";"; and

(c) the following new paragraphs 23 and 24 are added after paragraph 22 (which was added to the Base Prospectus by virtue of the previous supplement):

"23. The press release dated 13 March 2020 published by BNPPF regarding its 2019 full year results:

(a)	Overview of the main figures	Page 1
(b)	Analysis of the full year 2019 financial performance	Pages 2-4
(c)	Comments from the CEO of BNPPF	Page 6
(d)	Consolidated profit and loss account	Page 5

; and

24. the 2019 annual report of BNPPF including, in particular, the audited annual financial statements of BNPPF (including the unqualified statutory auditor's report of the statutory auditors on the consolidated financial statements for the year ended 31 December 2019 (including their opinion with explanatory paragraphs)), including, among other things:

(a)	the BNPPF Consolidated Annual Report 2019	Page 9-50
(b)	Audited consolidated profit and loss account of BNPPF for the financial year ended 31 December 2019	Page 46
(c)	Statement of net income and change in assets and liabilities recognised directly in equity of BNPPF for the financial year ended 31 December 2019	Page 47
(d)	Balance sheet of BNPPF for the financial year ended 31 December 2019	Page 48

(e)	Cash flow statement of BNPPF for the financial year ended 31 December 2019	Page 49
(f)	Statement of changes in shareholders' equity between 1 January 2018 and 31 December 2019	Page 50
(g)	Notes to the Consolidated Financial Statements 2019	Pages 51-164
(h)	Risk management and capital adequacy	Pages 165-185
(i)	Statutory auditor's report to the general shareholder's meeting on the consolidated financial statements of BNPPF as of and for the year ended 31 December 2019 (including their opinion with explanatory paragraphs)	Pages 188-195"

D. AMENDMENT TO THE "DESCRIPTION OF BNP PARIBAS FORTIS SA/NV"

The section "Description of BNP Paribas Fortis SA/NV" on pages 129 to 147 of the Base Prospectus is amended as follows:

(a) The heading and the paragraphs under the heading "**5. BNPPF 2018 Financial Results**" on pages 137 to 138 of the Base Prospectus are deleted and replaced with the following:

"**5. BNPPF 2019 Financial Results**

In 2019, BNPPF's consolidated net income amounted to EUR 2,212 million, up 14.5% compared to last year. When excluding non-recurrent items (related to the net gain on the sale of Von Essen Bank GmbH, the depreciation of the Turkish Lira, the scope changes and one-off results), the underlying net income showed an increase of 7.9%[1].

The below analysis focuses on this underlying evolution.

In 2019, BNPPF's revenues amounted to EUR 8,036 million, up 4.1% compared to 2018.

- In Belgium[2], revenues decreased slightly by -0.4%[1] due to lower margins on deposits at Belgian Retail Banking ("**BRB**"), impacted by the persistently low interest rate environment, almost offset by a strong growth in credit volumes and higher fees.
- Revenues increased by 9.2%[1] in other business lines essentially driven by the continued development of Arval, Leasing Solutions, Personal Finance and the business in Turkey. Luxembourg benefitted from both organic growth and the integration of Wealth Management activities (ex-ABN Amro Luxembourg).

Costs amounted to EUR 4,754 million, up 1.8%[1] compared to 2018.

- In Belgium, costs decreased by -2.8%[1] on the back of the significant effect of the transformation plan, with a reduction in headcount and the optimisation of the branch network, partly offset by inflation.
- In other business lines, costs increased by 8.5%[1] mainly at Arval and Leasing Solutions to support the business development. They also increased in Luxembourg (due to wealth management integration) and in Turkey (due to the impact of inflation).

Overall gross operating income increased by 7.5%[1] to EUR 3,282 million. The consolidated cost/income ratio[3] stood at 59.2% compared to 60.2% in 2018. In Belgium, this ratio stood at 66.0% compared to 67.3% in 2018.

The cost of risk increased to EUR 454 million, corresponding to 22 basis points on average outstanding customer loans, to be compared to 20 basis points in 2018, which was particularly low.

- In Belgium, the cost of risk was higher, as 2018 benefitted from provision write - backs. Nevertheless, it remained at a low level of 4 basis points.
- Outside Belgium, the cost of risk increased, mainly in Turkey due to the poor performance of the economy.

[1] Excluding non-recurrent items, i.e. at constant scope, constant exchange rates, and excluding other one-off results.
[2] Belgium includes Belgian Retail Banking, Corporate and Institutional Banking and other activities of BNPPF in Belgium.
[3] The cost income ratio is calculated by dividing the total operating expenses and depreciation (absolute value) by the total revenues (the net banking income), without excluding the non-recurrent items.

The share of earnings of equity-method entities was up by 28.1%[1], at EUR 254 million, mainly due to an increased contribution from Poland, which benefitted from synergies related to the integration of Raiffeisen Bank activities, and from AG Insurance.

Corporate income tax was 5.0%[1] higher. The effective tax rate stood at 24% (at the same level as last year).

BNPPF generated EUR 2,212 million in net income attributable to equity holders, up 7.9%[1] compared to 2018.

The BNPPF balance sheet totalled EUR 313 billion as at 31 December 2019, an increase of EUR 22 billion compared to the end of 2018, reflecting the strong business activity.

As at 31 December 2019, BNPPF's Common Equity Tier 1 ratio stood at 13.2%, well above the regulatory requirements (compared to 13.9% as at 31 December 2018). BNPPF's Liquidity Coverage Ratio ("**LCR**") stood at 127%[4] (compared to 141% as at 31 December 2018). Both ratios reflect the solid financial structure of the bank and the dynamic management of its liquidity and solvency.";

(b) The headings and the paragraphs under the heading "**8. Trend Information**" on pages 143 to 146 of the Base Prospectus are deleted and replaced with the following:

"8.1 **Macroeconomic environment**

Macroeconomic and market conditions affect BNPPF’s results. The nature of BNPPF’s business makes it particularly sensitive to macroeconomic and market conditions in Europe.

In 2019, the global economy slowed, with business growth falling from over 3.5% in 2018 to just over 3%, according to the International Monetary Fund ("**IMF**").

Growth has slowed in the United States and the euro zone. In the absence of any major change in oil prices, inflation remained moderate (almost 1.0% in the euro zone and just over 1.5% in the United States). These trends led the main central banks (the U.S. Federal Reserve and the European Central Bank) to adopt a more accommodative stance (including, key interest rate cuts, balance sheet growth, etc.). Against this backdrop, long-term interest rates reached very low levels, with negative yields on ten-year sovereign bonds in Germany, France and Japan. These monetary policies helped to mitigate the deterioration in the economy compared with previous years.

China is involved in a process of rebalancing growth toward domestic demand, with an ongoing structural slowdown. Growth continued to slow across all emerging countries and fell below 4%, a level not witnessed since the early 2000s, (apart from during the 2008-2009 economic crisis). Growth is anticipated to return to above this threshold in 2020 due to positive funding effects with a more accommodating U.S. monetary policy and monetary easing expected in a number of emerging countries. This new context affects the banking sector’s profitability and potentially reduces the effects of a new easing of monetary policy.

In this context, the following risk categories can be identified:

(i) **Risks of financial instability due to the conduct of monetary policies**

In mature economies, the interest rate environment has changed drastically in the final quarters of 2019 in terms of central bank key interest rates, negative bond yields and flattened yield curves. BNPPF's revenues were strongly impacted by a flat yield curve,

[4] On a non-consolidated basis.

negative central bank deposit rates and the difficulty of passing on negative rates to customers. Whilst several years ago, such developments would have been considered temporary and exceptional, the risk of this situation proving to be more long-term now seems increasingly high.

In addition, a low (or zero) return on less risky assets and a reduction in the use of leverage may have two potential consequences:

- investment in more risky assets to generate higher returns (increased exposure to credit risk with downgrading ratings); and/or
- the emergence of financial bubbles in certain asset categories such as real estate or the financial markets (e.g. the stock market, private equity, bonds, etc.).

Some major financial players (such as insurance companies, pension funds, asset managers, etc.) have an increasingly systemic dimension and, in the event of market turbulence, could be brought to unwind large positions in a context of relatively weak market liquidity. The risk of a sharp increase in long-term interest rates and/or marked price corrections has greatly diminished since the reversal of monetary policies this year, but it cannot be excluded. In a number of asset markets, risk premiums are low compared with their historical average following a decade of accommodative monetary policies (e.g. lending to non-investment grade companies and countries, certain equity and bond market segments, etc.).

(ii) **Systemic risks related to increased debt**

In a number of economies, there are still marked imbalances in public finances. Although extremely low interest rates (supported by central banks' asset purchases) considerably reduced short-term threats by reducing debt servicing and gave governments more room for manoeuvre, risks still exist in the medium term. Euro zone countries are particularly affected by these risks for institutional reasons (e.g. budgetary constraints and fragmented bond market). In some economies, certain imbalances were also observed in the private sector (household debt in particular).

Furthermore, some emerging countries, including foreign currency debt and debt owed to foreign creditors, have also recorded a marked increase in their debt since 2008. Public and private debt could reach levels that are cause for concern. The deterioration in the debt profile may lead to downgrading by ratings agencies, followed by an increase in risk premiums and debt servicing, which could damage investor confidence and lead to capital outflow, heightening the negative effects listed above.

While the BNP Paribas Group's exposure to emerging countries is limited, the vulnerability of these economies may generate disruptions in the global financial system that could affect the BNP Paribas Group and potentially affect its results.

It should be noted that debt-related risk could materialise, not only in the event of a sharp rise in interest rates, but also with any negative growth shocks.

(iii) **Risks of reduction of international trade from protectionist measures**

The trade dispute between the United States and China worsened in 2019, with additional customs duties on imports imposed by the United States leading to retaliatory measures from China. In addition to the trade dispute, other clashes could occur, notably regarding exchange rates and technological leadership. A further dispute could arise between the United States and the European Union. In the longer term, the increase in protectionist policies threatens the smooth operation of supply chains and undermines continued globalisation.

Trade disputes are likely to slow global growth, reducing trade volumes, disrupting production chains and negatively impacting the confidence of economic agents and the financial markets.

8.2 Laws and regulations applicable to financial institutions

Recent and future changes in the laws and regulations applicable to financial institutions may have a significant impact on BNPPF. Measures that were recently adopted or which are (or whose application measures are) ongoing projects, that have or are likely to have an impact on BNPPF notably include:

- the structural reforms comprising the Belgian banking law of 25 April 2014 (as amended) on the status and supervision of credit institutions, the "Volcker rule" in the US, which restricts proprietary transactions, sponsorship and investment in private equity funds and hedge funds by US and foreign banks;
- regulations governing capital: the Capital Requirements Directive V ("**CRD5**")/the Capital Requirements Regulation II ("**CRR2**") adopted in May 2019, the international standard for Total Loss Absorbing Capacity ("**TLAC**") and BNPPF's designation as a financial institution that is of systemic importance by the Financial Stability Board;
- the European Single Supervisory Mechanism and the Ordinance of 6 November 2014;
- the Directive of 16 April 2014 related to deposit guarantee systems and its delegated and implementing acts, the Directive of 15 May 2014 establishing a bank recovery and resolution framework, the Single Resolution Mechanism establishing the Single Resolution Council and the Single Resolution Fund;
- the Final Rule by the U.S. Federal Reserve imposing tighter prudential rules on the U.S. transactions of large foreign banks, notably the obligation to create a separate intermediary holding company in the U.S. (capitalised and subject to regulation) to hold their U.S. subsidiaries;
- the new rules for the regulation of over-the-counter derivative activities pursuant to Title VII of the Dodd-Frank Wall Street Reform and Consumer Protection Act, notably margin requirements for uncleared derivative products and the derivatives of securities traded by swap dealers, major swap participants, security-based swap dealers and major security-based swap participants, and the rules of the US Securities and Exchange Commission which require the registration of banks and major swap participants active on derivatives markets as well as transparency and reporting on derivative transactions;
- the new Markets in Financial Instruments Directive ("**MiFID 2**") and the Markets in Financial Instruments Regulation ("**MiFIR**"), and European regulations governing the clearing of certain over-the-counter derivative products by centralised counterparties and the disclosure of securities financing transactions to centralised bodies;
- the General Data Protection Regulation ("**GDPR**"), which came into force on 25 May 2018. This regulation aims to move the European data confidentiality environment forward and improve personal data protection within the European Union. Businesses run the risk of severe penalties if they do not comply with the standards set by the

GDPR. This regulation applies to all banks and companies providing services to European citizens; and

- the finalisation of Basel 3 published by the Basel committee in December 2017, introducing a revision to the measurement of credit risk, operational risk and credit valuation adjustment ("**CVA**") risk for the calculation of risk-weighted assets. These measures are expected to come into effect in January 2022 and will be subject to an output floor (based on standardised approaches), which will be gradually applied as of 2022 and reach its final level in 2027.

Moreover, in this strengthened regulatory context, the risk of non-compliance with existing laws and regulations, in particular those relating to the protection of the interests of customers and personal data, is a significant risk for the banking industry, potentially resulting in significant losses and fines. In addition to its compliance system, which specifically covers this type of risk, the BNP Paribas Group places the interest of its customers, and more broadly that of its stakeholders, at the heart of its values. Thus, the code of conduct adopted by the BNP Paribas Group in 2016 sets out detailed values and rules of conduct in this area.

8.3 **Climate change-related risks**

Climate change is a financial risk for the BNP Paribas Group. Climate change-related risks may affect the BNP Paribas Group, either directly on its own operations, or indirectly via its financing and investment activities. These risks mainly concern the physical risks related to the consequences of climate change and the "carbon" risks resulting from the transition to a low-carbon economy.

8.4 **Cyber security and technology risk**

BNPPF's ability to do business is intrinsically tied to the fluidity of electronic transactions as well as the protection and security of information and technology assets.

The technological change is accelerating with the digital transformation and the resulting increase in the number of communications circuits, proliferation in data sources, growing process automation, and greater use of electronic banking transactions.

The progress and acceleration of the technological changes needed to respond to customer requirements are giving cybercriminals new options for altering, stealing and disclosing data. Attacks are more frequent, with a bigger reach and sophistication across all sectors, including financial services.

The outsourcing of a growing number of processes also exposes the BNP Paribas Group to structural cybersecurity and technology risks leading to the appearance of potential attack vectors that cybercriminals can exploit.

Accordingly, the BNP Paribas Group has reinforced the second line of defence within the risk function dedicated to managing technological and cyber security risks. Thus, operational standards are regularly adapted to support BNPPF’s digital evolution and innovation while managing existing and emerging threats (such as cyber-crime, espionage, etc.).

8.5 **Emerging Risks**

An emerging risk is defined as a new or evolving risk which potential impact could be material in the future but is currently not fully known or is difficult to quantify.

The BNP Paribas Group identified emerging risks related to technological innovations, the evolving regulatory environment, as well as certain health, demographic and societal risks.

8.6 Technological innovations

Technological developments related to the growing use of data in all production, marketing and distribution processes, and to data sharing among economic players (including, producers, suppliers, and customers) will impact the economic models of BNP Paribas Group's clients and counterparties in a lasting way. These impacts, which are sometimes hard to assess in a context where new standards, economic balances and regulatory entities are in the process of evolving and adapting, are being analysed internally by industry experts focused on the economic sectors most exposed to this evolution.

Furthermore, BNP Paribas Group's competitive environment is undergoing profound change, with the emergence of new fintech players and the emergence of technological innovations which disrupt the traditional value chains of BNP Paribas Group's businesses, and place the quality of the customer experience, and the use of new technologies to reduce the cost of low added-value operations, as their key competitive success factors. Maintenance of BNP Paribas Group's information systems must be done in this context of evolving value chains. BNP Paribas Group is deploying a proactive strategy in this area to adapt its activities to these major technological developments and promote some industrial cooperation with fintech players.

8.7 Evolving regulatory environments

Beyond the regulatory measures recently adopted or pending adoption, and already cited as top risks, the trend towards growing complexity and regional differences in the regulatory environment for banks and related supervision is creating relative uncertainty over future developments, compliance costs, and proper performance risk concerning the various measures. BNP Paribas Group has established an active monitoring system for its regulatory environment, enabling it to minimise these risks.

Possible future divergences by type of regulated entity, for example, depending on their degree of innovation, may also introduce risk of a competitive nature.

8.8 Health risks

A viral or bacteriological infection that is potentially resistant to antibiotics, antiviral drugs or other treatments is an increasing possibility and could lead to preventive measures and disruptions to trade.

Such infections could cause infrastructure and production line failures, with consequences for all stakeholders.

A novel strain of the coronavirus (COVID-19) emerged in China in December 2019 and has since spread to numerous countries throughout the globe; the World Health Organization declared the outbreak a pandemic in March 2020. Both the outbreak and government measures taken in response (including, border closings, travel restrictions, confinement measures) have had and may continue to have a significant impact, both direct and indirect, on economic activity and financial markets globally. The slowdowns of the economies particularly affected (such as, China, Italy, France, Spain and other European countries, the United States, the United Kingdom) as well as the reduction in global trade and commerce more generally have had and are likely to continue to have negative effects on global economic conditions as global production, investments, supply chains and consumer spending are affected and further restrictions are implemented.

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 (including, loan guarantee schemes, tax payment deferrals, expanded unemployment coverage) or to improve liquidity in the financial markets (including, increased asset purchases, funding facilities). The BNP Paribas Group is mobilized to channel these measures and support customers in particular in its domestic markets' networks. 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 stave off regional or global recessions or to stabilize financial markets. The economic environment may well deteriorate further before beginning to improve.

The BNP Paribas 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.

BNPPF's results and financial condition could be adversely affected by reduced economic activity and potentially recessions in its principal markets.

Uncertainty as to the duration and extent of the pandemic makes the overall impact on the world economy unpredictable. The extent to which the pandemic and its economic consequences will affect BNPPF's results and financial condition will depend on future developments, including (i) the impact of the measures taken to date or future measures that may be taken by governments and central banks and (ii) the actual severity and duration of the pandemic and the nature, extent and duration of the measures taken to contain or treat its impact in the various markets where BNPPF operates. In addition while central bank and government actions and support measures taken in response to the pandemic may well help attenuate its adverse economic and market consequences, they have also issued and may issue additional restrictions or recommendations in respect of banks' actions (in particular, the recommendation issued by the ECB on 27 March 2020). In particular they may limit or seek to limit banks' flexibility in managing their business and taking action in relation to capital distribution and capital allocation.

8.9 Demographic risk

The ageing population is a major underlying trend in many countries. In the years and decades to come, this change significantly impact economic growth (this is already visible), as well as healthcare and retirement budgets, or saving and consumption behaviours.

8.10 Societal issues

In addition to responses designed to meet its customers' changing needs, BNP Paribas Group is seeking, more generally, to respond to the expectations of the society in which it operates in terms of how it conducts its business, respects human rights and considers environmental protection.

8.11 Areas of Special Interest in 2019

United Kingdom

On 23 June 2016, the United Kingdom held a referendum which resulted in a majority vote to leave the European Union ("**Brexit**").

The withdrawal agreement was approved by the Parliament of the United Kingdom on 22 January 2020 and by the European Parliament on 29 January 2020. As a consequence, the United Kingdom formally left the European Union on 31 January 2020. The transition period during which the European Union and United Kingdom must agree the terms of their future relationship began on 1 February 2020 and is scheduled to end on 31 December 2020 barring any extension. During that period, the regulatory environment will not change.

BNP Paribas Group operates in the United Kingdom through several branches and subsidiaries. Its business, which it carries out mainly with corporations through its BNP Paribas SA branch in the United Kingdom, is of limited size for the scale of BNP Paribas Group and does not include a Retail Banking network in that country.

With respect to exposure to counterparties whose main business is in the United Kingdom, commercial commitments at 31 December 2019 represent 5.0% of BNP Paribas Group's total gross commitments, on- and off-balance sheet.

Similarly, exposure to British sovereign risk is contained at 4.0% of the banking book's sovereign exposure.

BNPPF's structural foreign exchange and interest rates position in pounds sterling is very moderate: outstanding loan amounts are low and funding in pounds sterling is largely matched.

The BNP Paribas Group has prepared for Brexit with a view to ensuring the continuity of its activities. Its diversified business model in Europe in terms of both business lines and countries provides it with a high degree of flexibility to adapt to this new environment.

In practice, the BNP Paribas Group has worked with the British and European regulators in order to ensure the continuity of its operational systems and has prepared various adaptation measures to enable clients, whether based in the United Kingdom or in Europe, to continue to benefit from the BNP Paribas Group's broad range of banking products and services at the end of the transition period.";

(c) the paragraph under the heading "**10. Significant change in BNPPF's financing or trading position**" on page 146 of the Base Prospectus is deleted and replaced with the following:

"Save as disclosed in the Base Prospectus, including with respect to the impact that the health crisis resulting from the coronavirus (COVID-19) may have, there has been no significant change in the financial or trading position of BNPPF and its subsidiaries since 31 December 2019."; and

(d) the paragraph under the heading "**11. Material adverse change**" on page 146 of the Base Prospectus is deleted and replaced with the following:

"Save as disclosed in the Base Prospectus, including with respect to the impact that the health crisis resulting from the coronavirus (COVID-19) may have, there has been no material adverse change in the prospects of BNPPF since 31 December 2019.".

E. AMENDMENTS TO THE GENERAL INFORMATION SECTION

The section "General Information" on pages 218 to 223 of the Base Prospectus is amended as follows:

Paragraph 8 on page 222 of the Base Prospectus is amended as follows:

(a) the word "and" at the end of sub-paragraph (j) (which was added to the Base Prospectus by virtue of a previous supplement) is deleted;

(b) the "." at the end of sub-paragraph (k) is deleted and replaced with ";"; and

(c) the following new sub-paragraphs (l) and (m) are added under sub-paragraph (k):

"(l) the press release dated 13 March 2020 published by BNPPF regarding its 2019 year results; and

(m) BNPPF's annual report for the year ended 31 December 2019.".

WITHDRAWAL RIGHT

In accordance with Article 13 paragraph 2 of the Prospectus Act, investors who have agreed to purchase or subscribe for Notes issued under the Programme before this Supplement is published have the right, exercisable before the end of the period of two working days beginning with the working day after the date on which this Supplement was published, to withdraw their acceptances. This right to withdraw shall expire by close of business on 28 May 2020. This Supplement shall be published on the following websites: www.bourse.lu, www.bnpparibasfortis.be/emissions, and www.bp2f.lu.

Responsibility Statement

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. To the best of the knowledge of each Issuer and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import.

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

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