

Second Supplement dated 12 November 2019
to the Euro Medium Term Note Programme Base Prospectus dated 5 July 2019



BNP PARIBAS

(incorporated in France)

(as Issuer)

€90,000,000,000

EURO MEDIUM TERM NOTE PROGRAMME

This second supplement (the "**Second Supplement**") is supplemental to, and should be read in conjunction with, the base prospectus dated 5 July 2019 (the "**Base Prospectus**") and the first supplement to the Base Prospectus dated 2 August 2019 (the "**First Supplement**"), in each case in relation to the €90,000,000,000 Euro Medium Term Note Programme (the "**Programme**") of BNP Paribas ("**BNPP**", the "**Bank**", or the "**Issuer**").

The Base Prospectus and the First Supplement together constitute a base prospectus for the purposes of Article 5.4 of the Prospectus Directive. The "**Prospectus Directive**" means Directive 2003/71/EC of 4 November 2003 (as amended) and includes any relevant implementing measure in a relevant Member State of the European Economic Area. The *Autorité des marchés financiers* (the "**AMF**") granted visa no. 19-328 on 5 July 2019 in respect of the Base Prospectus and visa no. 19-390 on 2 August 2019 in respect of the First Supplement. Application has been made to the AMF for approval of this Second Supplement in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive in France.

BNPP accepts responsibility for the information contained in this Second Supplement. To the best of the knowledge of BNPP (who has taken all reasonable care to ensure that such is the case), the information contained herein is, subject as provided in the preceding sentence, in accordance with the facts and does not omit anything likely to affect the import of such information.

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meanings when used in this Second Supplement.

To the extent that there is any inconsistency between (i) any statement in this Second Supplement and (ii) any statement in, or incorporated by reference in, the Base Prospectus the statement referred to in (i) above will prevail.

References in this Second Supplement to paragraphs of the Base Prospectus are to the Base Prospectus as amended by the First Supplement. References in this Second Supplement to page numbers in the Base Prospectus are to the page numbers in the Base Prospectus without taking into account any amendments made in the First Supplement.

Copies of this Second Supplement may be obtained free of charge at the registered offices of BNP Paribas and BNP Paribas Securities Services, Luxembourg Branch as Principal Paying Agent and will be available

on the website of BNP Paribas (www.invest.bnpparibas.com) and on the website of the AMF (www.amf-france.org).

This Second Supplement has been prepared in accordance with Article 16.1 of the Prospectus Directive and pursuant to Article 212-25 of the AMF's *Règlement Général*, for the purposes of giving information which amends or is additional to the information already contained in the Base Prospectus as amended by the First Supplement.

This Second Supplement has been prepared for the purposes of:

- (A) amending the "Programme Summary" and the "Pro Forma Issue Specific Summary of the Programme";
- (B) amending the "Programme Summary (in French)" and the "Pro Forma Issue Specific Summary of the Programme (in French)";
- (C) amending the "Risks" section;
- (D) incorporating by reference the *Amendement au Document d'Enregistrement Universel au 30 juin 2019* (in English); and
- (E) amending the "General Information" section.

The incorporation by reference referred to in (D) above has been made to update the disclosure for BNPP. The amendments referred to in (A), (B), (C) and (E) above have been made to reflect the updated BNPP disclosure referred to in (D) above. In accordance with Article 16.2 of the Prospectus Directive, in the case of an offer of Notes to the public, investors who, before this Second Supplement is published, have already agreed to purchase or subscribe for Notes issued under the Programme, which are affected by the amendments made in this Second Supplement, have the right, exercisable before the end of the period of two working days beginning with the working day after the date of publication of this Second Supplement to withdraw their acceptances. This right to withdraw shall expire by close of business on 14 November 2019.

TABLE OF CONTENTS

Page

Amendments to the Programme Summary and Pro Forma Issue Specific Summary of the Programme	4
Amendments to the Programme Summary (In French) and to the Pro Forma Issue Specific Summary of the Programme (In French)	18
Amendments to the Risks Section	32
Documents Incorporated by Reference	50
Amendments to the General Information Section	52
Responsibility Statement	56

AMENDMENTS TO THE PROGRAMME SUMMARY AND PRO FORMA ISSUE SPECIFIC SUMMARY OF THE PROGRAMME

1. The "Programme Summary" on pages 11 to 45 of the Base Prospectus is amended as follows:

- (a) In Element B.12, the following table is inserted immediately below the table entitled "Comparative Interim Financial Data for the six-month period ended 30 June 2019 – In millions of EUR" and immediately above the heading "*Statements of no significant or material adverse change*":

B.12	Selected historical key financial information:		
	Comparative Interim Financial Data for the nine-month period ended 30 September 2019 – In millions of EUR		
		9M19* (unaudited)	9M18 (unaudited)
	Revenues	33,264	32,356
	Cost of Risk	2,237	1,868
	Net income, Group share	6,324	6,084
		30/09/2019*	31/12/2018
	Common equity Tier 1 ratio (Basel 3 fully loaded, CRD 4)	12.0%	11.8%
		30/09/2019* (unaudited)	31/12/2018 (audited)
	Total consolidated balance sheet	2,510,204	2,040,836
	Consolidated loans and receivables due from customers	797,357	765,871
	Consolidated items due to customers	850,458	796,548
	Shareholders' equity (Group share)	107,157	101,467
* The figures as at 30 September 2019 are based on the new IFRS 16 accounting standard. The impact as at 1 January 2019 of the first application of the new accounting standard IFRS 16 ("Leasing") was ~-10 bp on the Basel 3 common equity Tier 1 ratio.			

- (b) Element B.13 is deleted and replaced with the following:

B.13	Events impacting the Issuer's solvency	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 30 September 2019.
-------------	----------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(c) Element D.2 is deleted and replaced with the following:

<p>D.2</p>	<p>Key risks regarding the Issuer</p>	<p>Potential investors should have sufficient knowledge and experience in capital markets transactions and should be able to correctly assess the risks associated with Notes. Certain risk factors may affect the Issuer's ability to fulfil its obligations under the Notes, some of which are beyond its control. An investment in Notes presents certain risks that should be taken into account before any investment decision is made. In particular, the Issuer, together with the BNPP Group, is exposed to the risks described below.</p> <p>The Issuer's 2018 registration document (in English) sets out seven main categories of risk inherent in its activities:</p> <p>(1) <i>Credit risk</i> – Credit risk is the consequence resulting from the likelihood that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 504 billion at 31 December 2018.</p> <p>(2) <i>Securitisation in the Banking Portfolio</i> - Securitisation means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranching, having the following characteristics:</p> <ul style="list-style-type: none"> • payments made in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures; • the subordination of tranches determines the distribution of losses during the life of the risk transfer. <p>Any commitment (including derivatives and liquidity lines) granted to a securitisation operation must be treated as a securitisation exposure. Most of these commitments are held in the prudential banking portfolio. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 7 billion at 31 December 2018.</p> <p>(3) <i>Counterparty credit risk</i> – Counterparty credit risk is the translation of the credit risk embedded in financial transactions, investments and/or settlement transactions between counterparties. Those transactions include bilateral contracts such as over-the-counter (OTC) derivatives contracts as</p>
-------------------	---------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions.

Counterparty risk lies in the event that a counterparty defaults on its obligations to pay the Bank the full present value of the flows relating to a transaction or a portfolio for which the Bank is a net receiver. Counterparty credit risk is also linked to the replacement cost of a derivative or portfolio in the event of counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 27 billion at 31 December 2018.

- (4) *Market risk* – Market risk is the risk of incurring a loss of value due to adverse trends in market prices or parameters, whether directly observable or not.

Observable market parameters include, but are not limited to, exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.

In fixed income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or foreign exchange rates. The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

The market risk related to banking activities encompasses the interest rate and foreign exchange risks stemming from banking intermediation

activities. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 20 billion at 31 December 2018.

- (5) *Liquidity Risk* – Liquidity risk is the risk that the Bank will not be able to honour its commitments or unwind or settle a position due to the market environment or idiosyncratic factors (i.e. specific to BNP Paribas), within a given timeframe and at a reasonable cost.

Liquidity risk reflects the risk of the Group being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, across all time horizons, from the short to the long term.

This risk may stem from the reduction in funding sources, draw down of funding commitments, a reduction in the liquidity of certain assets, or an increase in cash or collateral margin calls. It may be related to the bank itself (reputation risk) or to external factors (risks in some markets).

(6) *Operational risk* – Operational risk is the risk of incurring a loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Management of operational risk is based on an analysis of the “cause – event – effect” chain. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 73 billion at 31 December 2018.

- (7) *Insurance Risks* – BNP Paribas Cardif is exposed to the following risks:

- market risk, risk of a financial loss arising from adverse movements of financial markets. These adverse movements are notably reflected in prices (including, but not limited to, foreign exchange rates, bond prices, equity and commodity prices, derivatives prices, real estate prices) and derived from fluctuations in interest rates, credit spreads, volatility and correlation;
- credit risk, risk of loss resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which insurance and reinsurance undertakings are exposed. Among the debtors, risks related to financial instruments (including the banks in which the Company holds deposits) and risks related to receivables generated by the underwriting activities (including, but not limited to, premium collection, reinsurance recovering) are distinguished into two categories:

"Asset Credit Risk" and "Liabilities Credit Risk";

- underwriting risk is the risk of a financial loss caused by a sudden, unexpected increase in insurance claims. Depending on the type of insurance business (life, non-life), this risk may be statistical, macroeconomic or behavioural, or may be related to public health issues or disasters; and
- operational risk is the risk of loss resulting from the inadequacy or failure of internal processes, IT failures or deliberate external events, whether accidental or natural. The external events mentioned in this definition include those of human or natural origin.

More generally, the risks to which the BNP Paribas Group is exposed may arise from a number of factors related, among others, to changes in its macroeconomic or regulatory environment or factors related to the implementation of its strategy and its business.

The first amendment to the Issuer's 2019 universal registration document sets out seven categories of risk specific to the Issuer's business, as follows:

1. Credit risk, counterparty risk and securitization risk in the banking portfolio

1. A substantial increase in new provisions or a shortfall in the level of previously recorded provisions exposed to credit risk and counterparty risk could adversely affect the Bank's results of operations and financial condition;
2. The soundness and conduct of other financial institutions and market participants could adversely affect the Bank.

2. Operational Risk

1. The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses;
2. An interruption in or a breach of the Bank's information systems may cause substantial losses of client or customer information, damage to the Bank's reputation and result in financial losses;
3. Reputational risk could weigh on the Bank's financial strength and diminish the confidence of clients and counterparties in it.

3. Market Risk

1. The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility;
2. The Bank may generate lower revenues from commission and fee based businesses during market downturns;
3. Adjustments to the carrying value of the Bank's securities and derivatives portfolios and the Bank's own debt could have an adverse effect on its net income and shareholders' equity.

4. Liquidity and Funding Risk

1. The Bank's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in sovereign credit spreads or other factors;
2. Protracted market declines can reduce the Bank's liquidity, making it harder to sell assets and possibly leading to material losses. Accordingly, the Bank must ensure that its assets and liabilities properly match in order to avoid exposure to losses;
3. The credit ratings of the Bank may be downgraded, which would weigh on its profitability.

5. Risks related to the macroeconomic and market environment

1. Adverse economic and financial conditions have in the past had and may in the future have an impact on the Bank and the markets in which it operates;
2. Significant interest rate changes could adversely affect the Bank's revenues or profitability. The prolonged low interest rate environment carries inherent systemic risks, which could impact the Bank's income or profitability, and an exit from such environment also carries risks;
3. Given the global scope of its activities, the Bank may be vulnerable to risk in certain countries where it operates and may be vulnerable to political, macroeconomic or financial changes in the countries and regions where it operates.

6. Regulatory Risks

		<ol style="list-style-type: none"> 1. Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Bank and the financial and economic environment in which it operates; 2. The Bank may incur substantial fines and other administrative and criminal penalties for non compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties; 3. The Bank could experience an unfavourable change in circumstances, causing it to become subject to a resolution proceeding: holders of securities of the Bank could suffer losses as a result. <p>7. Risks related to the Bank's growth in its current environment</p> <ol style="list-style-type: none"> 1. The Bank's failure to implement its strategic plan could affect the trading price of its securities; 2. The Bank may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions; 3. The Bank's current environment may be affected by the intense competition amongst banking and non banking operators, which could adversely affect the Bank's revenues and profitability; 4. Changes in certain holdings in credit or financial institutions could have an impact on the Bank's financial position.
--	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

2. The "Pro Forma Issue Specific Summary of the Programme" on pages 86 to 121 of the Base Prospectus is amended as follows:

- (a) In Element B.12, the following table is inserted immediately below the table entitled "**Comparative Interim Financial Data for the six-month period ended 30 June 2019 – In millions of EUR**" and immediately above the heading "*Statements of no significant or material adverse change*":

B.12	Selected historical key financial information:		
	Comparative Interim Financial Data for the nine-month period ended 30 September 2019 – In millions of EUR		
		9M19* (unaudited)	9M18 (unaudited)
	Revenues	33,264	32,356

Cost of Risk	2,237	1,868
Net income, Group share	6,234	6,084
	30/09/2019*	31/12/2018
Common equity Tier 1 ratio (Basel 3 fully loaded, CRD 4)	12.0%	11.8%
	30/09/2019* (unaudited)	31/12/2018 (audited)
Total consolidated balance sheet	2,510,204	2,040,836
Consolidated loans and receivables due from customers	797,357	765,871
Consolidated items due to customers	850,458	796,548
Shareholders' equity (Group share)	107,157	101,467
* The figures as at 30 September 2019 are based on the new IFRS 16 accounting standard. The impact as at 1 January 2019 of the first application of the new accounting standard IFRS 16 ("Leasing") was ~-10 bp on the Basel 3 common equity Tier 1 ratio.		

- (b) Element B.13 is deleted and replaced with the following:

B.13	Events impacting the Issuer's solvency	[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 30 September 2019.] [Specify any recent events which are to a material extent relevant to the evaluation of the Issuer's solvency.]
-------------	----------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- (c) Element D.2 is deleted and replaced with the following:

D.2	Key risks regarding the Issuer	[Potential investors should have sufficient knowledge and experience in capital markets transactions and should be able to correctly assess the risks associated with Notes. Certain risk factors may affect the Issuer's ability to fulfil its obligations under the Notes, some of which are beyond its control. An investment in Notes presents certain risks that should be taken into account before any investment decision is made. In particular, the Issuer, together with the BNPP Group, is exposed to the risks described below.] The Issuer's 2018 registration document (in English) sets out seven main categories of risk inherent in its activities: (1) <i>Credit risk</i> – Credit risk is the consequence resulting
------------	--------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

from the likelihood that a borrower or counterparty will fail to meet its obligations in accordance with agreed terms. The probability of default and the expected recovery on the loan or receivable in the event of default are key components of the credit quality assessment. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 504 billion at 31 December 2018.

(2) *Securitisation in the Banking Portfolio* - Securitisation means a transaction or scheme, whereby the credit risk associated with an exposure or pool of exposures is tranced, having the following characteristics:

- payments made in the transaction or scheme are dependent upon the performance of the exposure or pool of exposures;
- the subordination of tranches determines the distribution of losses during the life of the risk transfer.

Any commitment (including derivatives and liquidity lines) granted to a securitisation operation must be treated as a securitisation exposure. Most of these commitments are held in the prudential banking portfolio. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 7 billion at 31 December 2018.

(3) *Counterparty credit risk* – Counterparty credit risk is the translation of the credit risk embedded in financial transactions, investments and/or settlement transactions between counterparties. Those transactions include bilateral contracts such as over-the-counter (OTC) derivatives contracts as well as contracts settled through clearing houses. The amount of this risk may vary over time in line with changing market parameters which then impacts the replacement value of the relevant transactions.

Counterparty risk lies in the event that a counterparty defaults on its obligations to pay the Bank the full present value of the flows relating to a transaction or a portfolio for which the Bank is a net receiver. Counterparty credit risk is also linked to the replacement cost of a derivative or portfolio in the event of counterparty default. Hence, it can be seen as a market risk in case of default or a contingent risk. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 27 billion at 31 December 2018.

(4) *Market risk* – Market risk is the risk of incurring a loss of value due to adverse trends in market prices or

parameters, whether directly observable or not.

Observable market parameters include, but are not limited to, exchange rates, prices of securities and commodities (whether listed or obtained by reference to a similar asset), prices of derivatives, and other parameters that can be directly inferred from them, such as interest rates, credit spreads, volatilities and implied correlations or other similar parameters.

Non-observable factors are those based on working assumptions such as parameters contained in models or based on statistical or economic analyses, non-ascertainable in the market.

In fixed income trading books, credit instruments are valued on the basis of bond yields and credit spreads, which represent market parameters in the same way as interest rates or foreign exchange rates. The credit risk arising on the issuer of the debt instrument is therefore a component of market risk known as issuer risk.

Liquidity is an important component of market risk. In times of limited or no liquidity, instruments or goods may not be tradable or may not be tradable at their estimated value. This may arise, for example, due to low transaction volumes, legal restrictions or a strong imbalance between demand and supply for certain assets.

The market risk related to banking activities encompasses the interest rate and foreign exchange risks stemming from banking intermediation activities. The Bank's risk-weighted assets subject to this type of risk amounted to EUR 20 billion at 31 December 2018.

- (5) *Liquidity Risk* – Liquidity risk is the risk that the Bank will not be able to honour its commitments or unwind or settle a position due to the market environment or idiosyncratic factors (i.e. specific to BNP Paribas), within a given timeframe and at a reasonable cost.

Liquidity risk reflects the risk of the Group being unable to fulfil current or future foreseen or unforeseen cash or collateral requirements, across all time horizons, from the short to the long term.

This risk may stem from the reduction in funding sources, draw down of funding commitments, a reduction in the liquidity of certain assets, or an increase in cash or collateral margin calls. It may be related to the bank itself (reputation risk) or to external factors (risks in some markets).

(6) *Operational risk* – Operational risk is the risk of incurring a loss due to inadequate or failed internal processes, or due to external events, whether deliberate, accidental or natural occurrences. Management of operational risk is based on an analysis of the “cause – event – effect” chain. The Bank’s risk-weighted assets subject to this type of risk amounted to EUR 73 billion at 31 December 2018.

(7) *Insurance Risks* – BNP Paribas Cardif is exposed to the following risks:

- market risk, risk of a financial loss arising from adverse movements of financial markets. These adverse movements are notably reflected in prices (including, but not limited to, foreign exchange rates, bond prices, equity and commodity prices, derivatives prices, real estate prices) and derived from fluctuations in interest rates, credit spreads, volatility and correlation;
- credit risk, risk of loss resulting from fluctuations in the credit standing of issuers of securities, counterparties and any debtors to which insurance and reinsurance undertakings are exposed. Among the debtors, risks related to financial instruments (including the banks in which the Company holds deposits) and risks related to receivables generated by the underwriting activities (including, but not limited to, premium collection, reinsurance recovering) are distinguished into two categories: "Asset Credit Risk" and "Liabilities Credit Risk";
- underwriting risk is the risk of a financial loss caused by a sudden, unexpected increase in insurance claims. Depending on the type of insurance business (life, non-life), this risk may be statistical, macroeconomic or behavioural, or may be related to public health issues or disasters; and
- operational risk is the risk of loss resulting from the inadequacy or failure of internal processes, IT failures or deliberate external events, whether accidental or natural. The external events mentioned in this definition include those of human or natural origin.

More generally, the risks to which the BNP Paribas Group is exposed may arise from a number of factors related, among others, to changes in its macroeconomic or regulatory environment or factors related to the implementation of its strategy and its business.

The first amendment to the Issuer's 2019 universal registration document sets out seven categories of risk specific to the

Issuer's business, as follows:

1. Credit risk, counterparty risk and securitization risk in the banking portfolio

1. A substantial increase in new provisions or a shortfall in the level of previously recorded provisions exposed to credit risk and counterparty risk could adversely affect the Bank's results of operations and financial condition;
2. The soundness and conduct of other financial institutions and market participants could adversely affect the Bank.

2. Operational Risk

1. The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses;
2. An interruption in or a breach of the Bank's information systems may cause substantial losses of client or customer information, damage to the Bank's reputation and result in financial losses;
3. Reputational risk could weigh on the Bank's financial strength and diminish the confidence of clients and counterparties in it.

3. Market Risk

1. The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility;
2. The Bank may generate lower revenues from commission and fee based businesses during market downturns;
3. Adjustments to the carrying value of the Bank's securities and derivatives portfolios and the Bank's own debt could have an adverse effect on its net income and shareholders' equity.

4. Liquidity and Funding Risk

1. The Bank's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in sovereign credit spreads or other factors;
2. Protracted market declines can reduce the Bank's liquidity, making it harder to sell assets and possibly

leading to material losses. Accordingly, the Bank must ensure that its assets and liabilities properly match in order to avoid exposure to losses;

3. The credit ratings of the Bank may be downgraded, which would weigh on its profitability.

5. Risks related to the macroeconomic and market environment

1. Adverse economic and financial conditions have in the past had and may in the future have an impact on the Bank and the markets in which it operates;
2. Significant interest rate changes could adversely affect the Bank's revenues or profitability. The prolonged low interest rate environment carries inherent systemic risks, which could impact the Bank's income or profitability, and an exit from such environment also carries risks;
3. Given the global scope of its activities, the Bank may be vulnerable to risk in certain countries where it operates and may be vulnerable to political, macroeconomic or financial changes in the countries and regions where it operates.

6. Regulatory Risks

1. Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Bank and the financial and economic environment in which it operates;
2. The Bank may incur substantial fines and other administrative and criminal penalties for non compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties;
3. The Bank could experience an unfavourable change in circumstances, causing it to become subject to a resolution proceeding: holders of securities of the Bank could suffer losses as a result.

7. Risks related to the Bank's growth in its current environment

1. The Bank's failure to implement its strategic plan could affect the trading price of its securities;
2. The Bank may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions;

		<ol style="list-style-type: none">3. The Bank's current environment may be affected by the intense competition amongst banking and non banking operators, which could adversely affect the Bank's revenues and profitability;4. Changes in certain holdings in credit or financial institutions could have an impact on the Bank's financial position.
--	--	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

**AMENDMENTS TO THE PROGRAMME SUMMARY (IN FRENCH) AND TO THE PRO FORMA
ISSUE SPECIFIC SUMMARY OF THE PROGRAMME (IN FRENCH)**

1. Le "Résumé du Programme" figurant aux pages 46 à 85 du Prospectus de Base est modifié comme suit :
- (a) Dans l'Elément B.12, le tableau suivant est inséré immédiatement sous le tableau intitulé "**Données Financières Intermédiaires Comparées pour la période de six mois se terminant le 30 juin 2019 – En millions d'EUR**" et immédiatement au-dessus du titre "*Déclarations relatives à l'absence de changement significatif ou de changement défavorable significatif*" :

B.12	Informations financières historiques clés sélectionnées		
	Données Financières Intermédiaires Comparées pour la période de neuf mois se terminant le 30 septembre 2019 – En millions d'EUR		
		9M 2019* (non auditées)	9M 2018 (non auditées)
	Produit Net Bancaire	33.264	32.356
	Coût du Risque	2.237	1.868
	Résultat Net, part du Groupe	6.234	6.084
		30/09/2019*	31/12/2018
	Ratio Common Equity Tier 1 (Bâle 3 plein, CRD4)	12,0%	11,8%
		30/09/2019* (non auditées)	31/12/2018 (auditées)
	Total du bilan consolidé	2.510.204	2.040.836
	Total des prêts et créances sur la clientèle consolidé	797.357	765.871
	Total des dettes envers la clientèle consolidé	850.458	796.548
	Capitaux Propres (part du Groupe)	107.157	101.467
	* Les chiffres au 30 septembre 2019 intègrent les dispositions de la nouvelle norme comptable IFRS 16. L'impact au 1er janvier 2019 de la première application de la nouvelle norme comptable IFRS 16 (« Leasing ») était d'environ -10 pb sur le ratio Common Equity Tier 1 Bâle 3.		

- (b) L'Elément B.13 est supprimé et remplacé par ce qui suit :

B.13	Evénements impactant la solvabilité de l'Emetteur	Sans objet, à la connaissance de l'Emetteur, il ne s'est produit aucun événement récent qui présente un intérêt significatif pour l'évaluation de la solvabilité de l'Emetteur depuis le 30 septembre 2019.
-------------	---------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

- (c) L'Elément D.2 est supprimé et remplacé par ce qui suit :

<p>D.2</p>	<p>Principaux risques propres à l'Emetteur</p>	<p>Les investisseurs potentiels devraient avoir une expérience et une connaissance suffisantes concernant les transactions réalisées sur les marchés de capitaux et devraient être en mesure d'évaluer correctement les risques liés aux Obligations. Certains facteurs de risque peuvent affecter la capacité de l'Emetteur à remplir ses obligations en vertu des Obligations, dont certains sont au-delà de sa maîtrise. Un investissement dans les Obligations présente certains risques qui devraient être pris en compte avant qu'une décision d'investissement ne soit prise. Plus particulièrement, l'Emetteur, ensemble avec le Groupe BNPP, est exposé aux risques décrits ci-dessous.</p> <p>Le document de référence 2018 de l'Emetteur présente sept principaux risques inhérents aux activités de BNPP:</p> <p>(1) <i>Risque de crédit</i> – Le risque de crédit est défini comme la conséquence liée à la probabilité qu'un emprunteur ou une contrepartie ne respecte pas ses obligations conformément aux conditions convenues. L'évaluation de cette probabilité de défaut et du taux de recouvrement du prêt ou de la créance en cas de défaut est un élément essentiel de l'évaluation de la qualité du crédit. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à 504 milliards d'euros au 31 décembre 2018.</p> <p>(2) <i>Risque de titrisation</i> – La titrisation est une opération ou un montage par lequel le risque de crédit associé à une exposition ou à un ensemble d'expositions est subdivisé en tranches, ayant les caractéristiques suivantes :</p> <ul style="list-style-type: none"> • les paiements effectués dans le cadre de la transaction ou du dispositif dépendent de la performance de l'exposition ou de l'ensemble des expositions ; • la subordination des tranches détermine la répartition des pertes pendant la durée du transfert de risque. <p>Tout engagement pris dans le cadre d'une structure de titrisation (y compris les dérivés et les lignes de liquidité) est considéré comme une exposition de titrisation. L'essentiel de ces engagements est en portefeuille bancaire prudentiel. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à 7 milliards d'euros au 31 décembre 2018.</p> <p>(3) <i>Risque de contrepartie</i> – Le risque de contrepartie est la manifestation du risque de crédit à l'occasion d'opérations de marché, d'investissements, et/ou de règlements. Ces opérations comprennent les contrats bilatéraux, c'est-à-dire de gré à gré (<i>over the counter</i> – OTC) ainsi que les contrats compensés auprès d'une chambre de compensation. Le montant de ce risque varie au cours du temps avec l'évolution des paramètres de marché affectant la valeur potentielle future des transactions concernées.</p>
-------------------	------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Il correspond au risque que la contrepartie ne puisse pas honorer ses obligations de verser à la Banque l'intégralité de la valeur actualisée des flux d'une transaction dans le cas où la Banque est un bénéficiaire net. Le risque de contrepartie est également lié au coût de remplacement d'un instrument dérivé en cas de défaut de la contrepartie. Il peut être considéré comme un risque de marché en cas de défaut ou comme un risque contingent. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à EUR 27 milliards au 31 décembre 2018.

- (4) *Risque de marché* – Le risque de marché est le risque de perte de valeur provoqué par une évolution défavorable des prix ou des paramètres de marché, que ces derniers soient directement observables ou non.

Les paramètres de marché observables sont, sans que cette liste soit exhaustive, les taux de change, les cours des valeurs mobilières et des matières premières négociables (que le prix soit directement coté ou obtenu par référence à un actif similaire), le prix de dérivés sur un marché organisé ainsi que tous les paramètres qui peuvent être induits de cotations de marché comme les taux d'intérêt, les spreads de crédit, les volatilités ou les corrélations implicites ou d'autres paramètres similaires.

Les paramètres non observables sont ceux fondés sur des hypothèses de travail comme les paramètres contenus dans les modèles ou basés sur des analyses statistiques ou économiques qui ne sont pas vérifiables sur le marché.

Dans les portefeuilles de négoce obligataire, les instruments de crédit sont valorisés sur la base des taux obligataires et des *spreads* de crédit, lesquels sont considérés comme des paramètres de marché au même titre que les taux d'intérêt ou les taux de change. Le risque sur le crédit de l'émetteur de l'instrument est ainsi un composant du risque de marché, appelé risque émetteur.

L'absence de liquidité est un facteur important de risque de marché. En cas de restriction ou de disparition de la liquidité, un instrument ou un actif marchand peut ne pas être négociable ou ne pas l'être à sa valeur estimée, par exemple du fait d'une réduction du nombre de transactions, de contraintes juridiques ou encore d'un fort déséquilibre de l'offre et de la demande de certains actifs.

Le risque de marché lié aux activités bancaires recouvre le risque de taux et de change relatifs aux activités d'intermédiation bancaire. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à EUR 20 milliards au 31 décembre 2018.

- (5) *Risque de liquidité* – Le risque de liquidité est le risque que

la Banque ne puisse pas honorer ses engagements ou dénouer ou régler une position en raison de l'environnement de marché ou de facteurs idiosyncrasiques (spécifiques à BNP Paribas), dans un délai déterminé et à un coût raisonnable.

Le risque de liquidité traduit le risque que le Groupe ne puisse pas faire face à des flux nets sortants de trésorerie y compris liés à des besoins en collatéral, sur l'ensemble des horizons du court terme au long terme.

Ce risque peut provenir de la diminution de sources de financement, de tirages sur des engagements de financement, de la réduction de liquidité de certains actifs, de l'augmentation des appels de marge en cash ou en collatéral. Il peut être lié à l'établissement lui-même (risque de réputation) ou à des facteurs extérieurs (risques sur certains marchés).

- (6) *Risque opérationnel* – Le risque opérationnel est le risque de perte résultant de processus internes défectueux ou inadéquats ou d'événements externes, qu'ils soient de nature délibérée, accidentelle ou naturelle. Sa gestion repose sur l'analyse de l'enchaînement cause – événement – effet. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à 73 milliards EUR au 31 décembre 2018.
- (7) *Risque d'assurance* – BNP Paribas Cardif est exposé aux risques suivants :
- le risque de marché est le risque de pertes de valeur liées aux mouvements défavorables des marchés financiers. Ces mouvements défavorables se reflètent notamment par des variations de prix (taux de change, obligations, actions et matières premières, produits dérivés, immobilier, etc.) et résultent de fluctuations des taux d'intérêt, des *spreads*, des volatilités ou des corrélations ;
 - le risque de crédit est le risque de pertes ou d'évolution défavorable de la situation financière liées à la qualité de crédit des émetteurs de titres, des contreparties ou de tout autre débiteur auquel le groupe BNP Paribas Cardif est exposé. Parmi les débiteurs, les risques associés aux instruments financiers (y compris les banques dans lesquelles le groupe BNP Paribas Cardif détient des dépôts) et les risques associés à des créances liées à l'activité d'assurance (collecte des primes, soldes de réassurance, etc.) sont distingués en deux catégories : le risque de crédit sur les actifs et le risque de crédit sur les passifs ;
 - le risque de souscription est le risque de pertes de valeur liées aux fluctuations soudaines et imprévues des prestations. Selon le type d'activité (vie, non vie), il résulte d'évolutions statistiques, macroéconomiques ou

comportementales ainsi que de la survenance de phénomènes liés à la santé publique ou à des catastrophes ; et

- le risque opérationnel est le risque de pertes résultant de l'inadéquation ou la défaillance des processus internes, des défaillances informatiques ou d'événements extérieurs, accidentels ou naturels. Ces événements extérieurs comprennent les événements d'origine humaine et ceux d'origine naturelle.

De manière transversale, les risques auxquels le Groupe BNP Paribas est exposé peuvent provenir d'un certain nombre de facteurs liés entre autres à l'évolution de son environnement macro-économique, réglementaire ou de facteurs liés à la mise en œuvre de sa stratégie et de son activité.

Le premier amendement au document universel d'enregistrement 2019 de l'Emetteur présente sept principaux risques propres à l'activité de l'Emetteur, tels que décrits ci-dessous :

1. Risques de crédit, de contrepartie et risques liés à la titrisation du portefeuille bancaire

1. Toute augmentation substantielle des provisions ou tout engagement insuffisamment provisionné au titre du risque de crédit et de contrepartie pourrait peser sur les résultats et sur la situation financière de la Banque ;
2. La solidité financière et le comportement des autres institutions financières et acteurs du marché pourraient avoir un effet défavorable sur la Banque.

2. Risque opérationnel

1. Les politiques, procédures et méthodes de gestion du risque mises en œuvre par la Banque pourraient l'exposer à des risques non identifiés ou imprévus, susceptibles d'occasionner des pertes significatives ;
2. Toute interruption ou défaillance des systèmes informatiques de la Banque, pourrait provoquer des pertes significatives d'informations relatives aux clients, nuire à la réputation de la Banque et provoquer des pertes financières ;
3. Le risque de réputation pourrait peser sur la solidité financière et la confiance des clients et des contreparties dans la Banque.

3. Risque de marché

1. Les fluctuations de marché et la volatilité exposent la Banque au risque de pertes substantielles dans le cadre de ses activités de marché et d'investissement ;

2. Les revenus tirés des activités de la Banque générant des commissions sont potentiellement vulnérables à une baisse des marchés ;
3. Des ajustements apportés à la valeur comptable des portefeuilles de titres et d'instruments dérivés de la Banque ainsi que de la dette de la Banque pourraient avoir un effet défavorable sur son résultat net et sur ses capitaux propres.

4. Risque de liquidité et de financement

1. L'accès de la Banque au financement et les coûts de ce financement pourraient être affectés de manière défavorable en cas de résurgence des crises financières, de détérioration des conditions économiques, de dégradation de notation, d'accroissement des spreads de crédit des États ou d'autres facteurs ;
2. Une baisse prolongée des marchés peut réduire la liquidité de la Banque et rendre plus difficile la cession d'actifs. Une telle situation peut engendrer des pertes significatives. En outre, la Banque doit assurer une Gestion Actif-Passif adéquate afin d'éviter toute exposition à des pertes ;
3. Les notations de la Banque pourraient être dégradées et sa rentabilité pourraient en être sérieusement impactées.

5. Risques liés aux contextes macro-économiques et de marchés

1. Le contexte économique et financier défavorable a eu par le passé, et pourrait avoir à l'avenir, un impact sur la Banque et les marchés dans lesquels elle opère ;
2. Toute variation significative des taux d'intérêt est susceptible de peser sur les revenus ou sur la rentabilité de la Banque. Un environnement prolongé de taux d'intérêt bas comporte des risques systémiques inhérents et des risques susceptibles de peser sur les revenus ou sur la rentabilité de la Banque. De plus, la sortie d'un tel environnement comporte également des risques ;
3. Du fait du périmètre géographique de ses activités, la Banque est exposée au risque pays et à l'évolution des contextes politiques, macroéconomiques ou financiers d'une région ou d'un pays.

6. Risques liés à la réglementation

1. Des mesures législatives et réglementaires prises ces dernières années, en particulier en réponse à la crise financière mondiale, ainsi que des nouvelles propositions de loi, pourraient affecter de manière substantielle la Banque ainsi que l'environnement financier et économique dans lequel elle opère ;

		<p>2. En cas de non-conformité avec les lois et règlements applicables, la Banque pourrait être exposée à des amendes significatives et d'autres sanctions administratives et pénales, et pourrait subir des pertes à la suite d'un contentieux privé, en lien ou non avec ces sanctions ;</p> <p>3. La Banque pourrait connaître une évolution défavorable menant à sa résolution : les détenteurs de titres BNPP pourraient subir des pertes si la Banque devait faire l'objet d'une procédure de résolution.</p> <p>7. Risques liés à l'évolution de la Banque dans son environnement</p> <p>1. La non réalisation par la Banque de son plan stratégique pourrait se traduire par une moindre valeur de ses instruments financiers ;</p> <p>2. La Banque pourrait connaître des difficultés relatives à l'intégration des sociétés acquises et pourrait ne pas réaliser les bénéfices attendus de ses acquisitions ;</p> <p>3. L'environnement de la Banque pourrait évoluer du fait d'une intensification de la concurrence, par des acteurs bancaires et non bancaires, ce qui pourrait peser sur les revenus et la rentabilité ;</p> <p>4. L'évolution de certaines participations dans les établissements de crédit ou financiers pourrait peser sur la situation financière de la Banque.</p>
--	--	--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

2. Le "Modèle de Résumé du Programme Spécifique à l'Emission en relation avec le Prospectus de Base" figurant aux pages 122 à 162 du Prospectus de Base est modifié comme suit :
- (a) Dans l'Elément B.12, le tableau suivant est inséré immédiatement sous le tableau intitulé "**Données Financières Intermédiaires Comparées pour la période de six mois se terminant le 30 juin 2019 – En millions d'EUR**" et immédiatement au-dessus du titre "*Déclarations relatives à l'absence de changement significatif ou de changement défavorable significatif*" :

B.12	Informations financières historiques clés sélectionnées		
	Données Financières Intermédiaires Comparées pour la période de neuf mois se terminant le 30 septembre 2019 – En millions d'EUR		
		9M 2019* (non auditées)	9M 2018 (non auditées)
	Produit Net Bancaire	33.264	32.356
	Coût du Risque	2.237	1.868
	Résultat Net, part du Groupe	6.234	6.084
	30/09/2019*	31/12/2018	

	Ratio Common Equity Tier 1 (Bâle 3 plein, CRD4)	12,0%	11,8%
		30/09/2019* (non auditées)	31/12/2018 (auditées)
	Total du bilan consolidé	2.510.204	2.040.836
	Total des prêts et créances sur la clientèle consolidé	797.357	765.871
	Total des dettes envers la clientèle consolidé	850.458	796.548
	Capitaux Propres (part du Groupe)	107.157	101.467
	* Les chiffres au 30 septembre 2019 intègrent les dispositions de la nouvelle norme comptable IFRS 16. L'impact au 1er janvier 2019 de la première application de la nouvelle norme comptable IFRS 16 (« Leasing ») était d'environ -10 pb sur le ratio Common Equity Tier 1 Bâle 3.		

(b) L'Elément B.13 est supprimé et remplacé par ce qui suit :

B.13	Evénements impactant la solvabilité de l'Emetteur	[Sans objet, à la connaissance de l'Emetteur, il ne s'est produit aucun événement récent qui présente un intérêt significatif pour l'évaluation de la solvabilité de l'Emetteur depuis le 30 septembre 2019.] [Préciser tout événement récent significatif pertinent pour l'évaluation de la solvabilité de l'Emetteur.]
-------------	---------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

(c) L'Elément D.2 est supprimé et remplacé par ce qui suit :

D.2	Principaux risques propres à l'Emetteur	[Les investisseurs potentiels devraient avoir une expérience et une connaissance suffisantes concernant les transactions réalisées sur les marchés de capitaux et devraient être en mesure d'évaluer correctement les risques liés aux Obligations. Certains facteurs de risque peuvent affecter la capacité de l'Emetteur à remplir ses obligations en vertu des Obligations, dont certains sont au-delà de sa maîtrise. Un investissement dans les Obligations présente certains risques qui devraient être pris en compte avant qu'une décision d'investissement ne soit prise. Plus particulièrement, l'Emetteur, ensemble avec le Groupe BNPP, est exposé aux risques décrits ci-dessous.] Le document de référence 2018 de l'Emetteur présente sept principaux risques inhérents aux activités de BNPP: (1) <i>Risque de crédit</i> – Le risque de crédit est défini comme la conséquence liée à la probabilité qu'un emprunteur ou une contrepartie ne respecte pas ses obligations conformément aux conditions convenues. L'évaluation de cette probabilité de défaut et du taux de recouvrement du prêt ou de la créance en cas de défaut est un élément essentiel de l'évaluation de la qualité du crédit. Les actifs pondérés de
------------	-----------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

la Banque spécifiques à ce risque s'élèvent à 504 milliards d'euros au 31 décembre 2018.

(2) *Risque de titrisation* – La titrisation est une opération ou un montage par lequel le risque de crédit associé à une exposition ou à un ensemble d'expositions est subdivisé en tranches, ayant les caractéristiques suivantes :

- les paiements effectués dans le cadre de la transaction ou du dispositif dépendent de la performance de l'exposition ou de l'ensemble des expositions ;
- la subordination des tranches détermine la répartition des pertes pendant la durée du transfert de risque.

Tout engagement pris dans le cadre d'une structure de titrisation (y compris les dérivés et les lignes de liquidité) est considéré comme une exposition de titrisation. L'essentiel de ces engagements est en portefeuille bancaire prudentiel. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à 7 milliards d'euros au 31 décembre 2018.

(3) *Risque de contrepartie* – Le risque de contrepartie est la manifestation du risque de crédit à l'occasion d'opérations de marché, d'investissements, et/ou de règlements. Ces opérations comprennent les contrats bilatéraux, c'est-à-dire de gré à gré (*over the counter* – OTC) ainsi que les contrats compensés auprès d'une chambre de compensation. Le montant de ce risque varie au cours du temps avec l'évolution des paramètres de marché affectant la valeur potentielle future des transactions concernées.

Il correspond au risque que la contrepartie ne puisse pas honorer ses obligations de verser à la Banque l'intégralité de la valeur actualisée des flux d'une transaction dans le cas où la Banque est un bénéficiaire net. Le risque de contrepartie est également lié au coût de remplacement d'un instrument dérivé en cas de défaut de la contrepartie. Il peut être considéré comme un risque de marché en cas de défaut ou comme un risque contingent. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à EUR 27 milliards au 31 décembre 2018.

(4) *Risque de marché* – Le risque de marché est le risque de perte de valeur provoqué par une évolution défavorable des prix ou des paramètres de marché, que ces derniers soient directement observables ou non.

Les paramètres de marché observables sont, sans que cette liste soit exhaustive, les taux de change, les cours des valeurs mobilières et des matières premières négociables (que le prix soit directement coté ou obtenu par référence à un actif similaire), le prix de dérivés sur un marché organisé ainsi que tous les paramètres qui peuvent être

induits de cotations de marché comme les taux d'intérêt, les *spreads* de crédit, les volatilités ou les corrélations implicites ou d'autres paramètres similaires.

Les paramètres non observables sont ceux fondés sur des hypothèses de travail comme les paramètres contenus dans les modèles ou basés sur des analyses statistiques ou économiques qui ne sont pas vérifiables sur le marché.

Dans les portefeuilles de négoce obligataire, les instruments de crédit sont valorisés sur la base des taux obligataires et des *spreads* de crédit, lesquels sont considérés comme des paramètres de marché au même titre que les taux d'intérêt ou les taux de change. Le risque sur le crédit de l'émetteur de l'instrument est ainsi un composant du risque de marché, appelé risque émetteur.

L'absence de liquidité est un facteur important de risque de marché. En cas de restriction ou de disparition de la liquidité, un instrument ou un actif marchand peut ne pas être négociable ou ne pas l'être à sa valeur estimée, par exemple du fait d'une réduction du nombre de transactions, de contraintes juridiques ou encore d'un fort déséquilibre de l'offre et de la demande de certains actifs.

Le risque de marché lié aux activités bancaires recouvre le risque de taux et de change relatifs aux activités d'intermédiation bancaire. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à EUR 20 milliards au 31 décembre 2018.

- (5) *Risque de liquidité* – Le risque de liquidité est le risque que la Banque ne puisse pas honorer ses engagements ou dénouer ou régler une position en raison de l'environnement de marché ou de facteurs idiosyncrasiques (spécifiques à BNP Paribas), dans un délai déterminé et à un coût raisonnable.

Le risque de liquidité traduit le risque que le Groupe ne puisse pas faire face à des flux nets sortants de trésorerie y compris liés à des besoins en collatéral, sur l'ensemble des horizons du court terme au long terme.

Ce risque peut provenir de la diminution de sources de financement, de tirages sur des engagements de financement, de la réduction de liquidité de certains actifs, de l'augmentation des appels de marge en cash ou en collatéral. Il peut être lié à l'établissement lui-même (risque de réputation) ou à des facteurs extérieurs (risques sur certains marchés).

- (6) *Risque opérationnel* – Le risque opérationnel est le risque de perte résultant de processus internes défaillants ou inadéquats ou d'événements externes, qu'ils soient de nature délibérée, accidentelle ou naturelle. Sa gestion

repose sur l'analyse de l'enchaînement cause – événement – effet. Les actifs pondérés de la Banque spécifiques à ce risque s'élèvent à 73 milliards EUR au 31 décembre 2018.

(7) *Risque d'assurance* – BNP Paribas Cardif est exposé aux risques suivants :

- le risque de marché est le risque de pertes de valeur liées aux mouvements défavorables des marchés financiers. Ces mouvements défavorables se reflètent notamment par des variations de prix (taux de change, obligations, actions et matières premières, produits dérivés, immobilier, etc.) et résultent de fluctuations des taux d'intérêt, des *spreads*, des volatilités ou des corrélations ;
- le risque de crédit est le risque de pertes ou d'évolution défavorable de la situation financière liées à la qualité de crédit des émetteurs de titres, des contreparties ou de tout autre débiteur auquel le groupe BNP Paribas Cardif est exposé. Parmi les débiteurs, les risques associés aux instruments financiers (y compris les banques dans lesquelles le groupe BNP Paribas Cardif détient des dépôts) et les risques associés à des créances liées à l'activité d'assurance (collecte des primes, soldes de réassurance, etc.) sont distingués en deux catégories : le risque de crédit sur les actifs et le risque de crédit sur les passifs ;
- le risque de souscription est le risque de pertes de valeur liées aux fluctuations soudaines et imprévues des prestations. Selon le type d'activité (vie, non vie), il résulte d'évolutions statistiques, macroéconomiques ou comportementales ainsi que de la survenance de phénomènes liés à la santé publique ou à des catastrophes ; et
- le risque opérationnel est le risque de pertes résultant de l'inadéquation ou la défaillance des processus internes, des défaillances informatiques ou d'événements extérieurs, accidentels ou naturels. Ces événements extérieurs comprennent les événements d'origine humaine et ceux d'origine naturelle.

De manière transversale, les risques auxquels le Groupe BNP Paribas est exposé peuvent provenir d'un certain nombre de facteurs liés entre autres à l'évolution de son environnement macro-économique, réglementaire ou de facteurs liés à la mise en œuvre de sa stratégie et de son activité.

Le premier amendement au document universel d'enregistrement 2019 de l'Emetteur présente sept principaux risques propres à l'activité de l'Emetteur, tels que décrits ci-dessous:

1. Risques de crédit, de contrepartie et risques liés à la titrisation du portefeuille bancaire

1. Toute augmentation substantielle des provisions ou tout engagement insuffisamment provisionné au titre du risque de crédit et de contrepartie pourrait peser sur les résultats et sur la situation financière de la Banque ;
2. La solidité financière et le comportement des autres institutions financières et acteurs du marché pourraient avoir un effet défavorable sur la Banque.

2. Risque opérationnel

1. Les politiques, procédures et méthodes de gestion du risque mises en œuvre par la Banque pourraient l'exposer à des risques non identifiés ou imprévus, susceptibles d'occasionner des pertes significatives ;
2. Toute interruption ou défaillance des systèmes informatiques de la Banque, pourrait provoquer des pertes significatives d'informations relatives aux clients, nuire à la réputation de la Banque et provoquer des pertes financières ;
3. Le risque de réputation pourrait peser sur la solidité financière et la confiance des clients et des contreparties dans la Banque.

3. Risque de marché

1. Les fluctuations de marché et la volatilité exposent la Banque au risque de pertes substantielles dans le cadre de ses activités de marché et d'investissement ;
2. Les revenus tirés des activités de la Banque générant des commissions sont potentiellement vulnérables à une baisse des marchés ;
3. Des ajustements apportés à la valeur comptable des portefeuilles de titres et d'instruments dérivés de la Banque ainsi que de la dette de la Banque pourraient avoir un effet défavorable sur son résultat net et sur ses capitaux propres.

4. Risque de liquidité et de financement

1. L'accès de la Banque au financement et les coûts de ce financement pourraient être affectés de manière défavorable en cas de résurgence des crises financières, de détérioration des conditions économiques, de dégradation de notation, d'accroissement des spreads de crédit des États ou d'autres facteurs ;
2. Une baisse prolongée des marchés peut réduire la liquidité de la Banque et rendre plus difficile la cession d'actifs. Une telle situation peut engendrer des pertes significatives. En outre, la Banque doit assurer une Gestion Actif-Passif

adéquate afin d'éviter toute exposition à des pertes ;

3. Les notations de la Banque pourraient être dégradées et sa rentabilité pourraient en être sérieusement impactées.

5. Risques liés aux contextes macro-économiques et de marchés

1. Le contexte économique et financier défavorable a eu par le passé, et pourrait avoir à l'avenir, un impact sur la Banque et les marchés dans lesquels elle opère ;
2. Toute variation significative des taux d'intérêt est susceptible de peser sur les revenus ou sur la rentabilité de la Banque. Un environnement prolongé de taux d'intérêt bas comporte des risques systémiques inhérents et des risques susceptibles de peser sur les revenus ou sur la rentabilité de la Banque. De plus, la sortie d'un tel environnement comporte également des risques ;
3. Du fait du périmètre géographique de ses activités, la Banque est exposée au risque pays et à l'évolution des contextes politiques, macroéconomiques ou financiers d'une région ou d'un pays.

6. Risques liés à la réglementation

1. Des mesures législatives et réglementaires prises ces dernières années, en particulier en réponse à la crise financière mondiale, ainsi que des nouvelles propositions de loi, pourraient affecter de manière substantielle la Banque ainsi que l'environnement financier et économique dans lequel elle opère ;
2. En cas de non-conformité avec les lois et règlements applicables, la Banque pourrait être exposée à des amendes significatives et d'autres sanctions administratives et pénales, et pourrait subir des pertes à la suite d'un contentieux privé, en lien ou non avec ces sanctions ;
3. La Banque pourrait connaître une évolution défavorable menant à sa résolution : les détenteurs de titres BNPP pourraient subir des pertes si la Banque devait faire l'objet d'une procédure de résolution.

7. Risques liés à l'évolution de la Banque dans son environnement

1. La non réalisation par la Banque de son plan stratégique pourrait se traduire par une moindre valeur de ses instruments financiers ;
2. La Banque pourrait connaître des difficultés relatives à l'intégration des sociétés acquises et pourrait ne pas réaliser les bénéfices attendus de ses acquisitions ;

		<ol style="list-style-type: none">3. L'environnement de la Banque pourrait évoluer du fait d'une intensification de la concurrence, par des acteurs bancaires et non bancaires, ce qui pourrait peser sur les revenus et la rentabilité ;4. L'évolution de certaines participations dans les établissements de crédit ou financiers pourrait peser sur la situation financière de la Banque.
--	--	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

AMENDMENTS TO THE RISKS SECTION

In relation to the amendments to the "Risks" section of the Base Prospectus under the heading "Risks Relating to the Bank and its Industry" set out in this section (i) text which, by virtue of this Second Supplement is added thereto is shown underlined and (ii) text which, by virtue of this Second Supplement is deleted therefrom is shown with a line drawn through the middle of the deleted text.

The Risks section on pages 163 to 226 of the Base Prospectus is amended as follows:

- (a) the paragraph under the heading **"Risks Relating to the Bank and its Industry"** on page 163 of the Base Prospectus is deleted and replaced with the following:

"See "Risk Factors" under Chapter 5 on pages 277 to 464~~287 to 295~~ of the BNPP 2018 Registration Document (in English), pages 73 and 77 of the First Update to the BNPP 2018 Registration Document (in English), pages 74 and 201 to 210 of the Universal Registration Document as at 30 June 2019 (in English) and pages 79 and 85 to 103 of the First Amendment to the 2019 Universal Registration Document (in English) (each as defined below), each of which is incorporated by reference in this document.";

- (b) the first sentence of the first paragraph under the heading **"Risk Factors"** on page 163 of the Base Prospectus is deleted and replaced with the following:

"The principal risks to which the Group is exposed as further described in the BNPP 2018 Registration Document (in English), the First Update to the BNPP 2018 Registration Document (in English) and the Universal Registration Document as at 30 June 2019 (in English) are presented below.";

- (c) the penultimate paragraph under the heading **"Risk Factors"** on page 164 of the Base Prospectus is deleted;

- (d) the following paragraphs are inserted immediately above the last sentence under the heading **"Risk Factors"** on page 164 of the Base Prospectus:

"The main categories of risk inherent in the Bank's business as further described in the First Amendment to the 2019 Universal Registration Document (in English) are presented below. They may be measured through risk-weighted assets or other quantitative or qualitative indicia, to the extent risk-weighted assets are not relevant (for example, for liquidity and funding risk).

<i>Risk-weighted assets in billions of euros</i>	31.12.2018	31.12.2017
Credit risk	504	513
Counterparty risk	27	27
Securitization risk in the banking book	7	3
Operational risk	73	66
Market risk	20	17
Other risks*	17	16
Total risk-weighted assets under Basel 3	647	642

* Risks related to deferred taxes and certain investments in credit or financial institutions.

More generally, the risks to which the Bank is exposed may arise from a number of factors related, among others, to changes in its macroeconomic or regulatory environment or factors related to the implementation of its strategy and its business.

The risks specific to the Bank's business are presented below under 7 main categories: credit risk, counterparty risk and securitization risk in the banking portfolio; operational risk; market risk; liquidity and funding risk; risks related to the macroeconomic and market environment; regulatory risks; and risks related to the Bank's growth in its current environment.

The Bank's risk management policies have been taken into account in assessing the materiality of these risks; in particular, risk-weighted assets factor in risk mitigation elements to the extent eligible in accordance with applicable banking regulations."; and

- (e) the paragraphs under the headings "**Risks Related to the Macroeconomic Environment**", "**Risks Related to the Market Environment**", "**Regulatory Risks**", "**Risks Related to the Implementation of the Bank's Strategy**", "**Risks Related to the Management of the Bank's Business**" and "**Risks Related to the Bank's Operations**" on pages 164 to 175 of the Base Prospectus are deleted and replaced as follows:

"1. Credit risk, counterparty risk and securitization risk in the banking portfolio

The Bank's **credit risk** is defined as the probability of a borrower or counterparty defaulting on its obligations to the Bank. Probability of default along with the recovery rate of the loan or debt in the event of default are essential elements in assessing credit quality. In accordance with European Banking Authority recommendations, this category of risk also includes risks on equity investments, as well as those related to insurance activities. As of 31 December 2018, the Bank's credit risk exposure broke down as follows: corporates (42%), retail customers (29%), central governments and central banks (21%), credit institutions (5%), other risky assets (2%) and equities (1%). As of 31 December 2018, 32% of the Bank's credit exposure was comprised of exposures in France, 14% in Belgium and Luxembourg, 10% in Italy, 19% in other European countries, 13% in North America, 6% in Asia and 6% in the rest of the world. The Bank's risk-weighted assets subject to this type of risk amounted to €504 billion at 31 December 2018, or 78% of the total risk-weighted assets of the Bank.

The Bank's **counterparty risk** arises from its credit risk in the specific context of market transactions, investments, and/or settlements. The Bank's exposure to counterparty risk, excluding CVA (Credit Valuation Adjustment) risk as of 31 December 2018, was comprised of: 40% in the corporate sector, 17% in governments and the central banks, 15% in credit institutions and investment firms, and 28% in clearing houses. By product, the Bank's exposure, excluding CVA risk, as of 31 December 2018 was comprised of: 56% in OTC derivatives, 24% in repurchase transactions and securities lending/borrowing, 18% in listed derivatives and 2% in contributions to the clearing houses' default funds. The amount of this risk varies over time, depending on fluctuations in market parameters affecting the potential future value of the covered transactions. In addition, CVA risk measures the risk of losses related to CVA volatility resulting from fluctuations in credit spreads associated with the counterparties in respect of which the Bank is subject to risk. The risk-weighted assets subject to this type of risk amounted to €27 billion at 31 December 2018, representing 4% of the BNP Paribas Group's total risk-weighted assets, including €3 billion in respect of CVA risk.

Securitization risk in the banking portfolio: Securitization is a transaction or arrangement by which the credit risk associated with a liability or set of liabilities is subdivided into tranches. Any commitment made by the Bank under a securitization structure (including derivatives and liquidity lines) is considered to be a securitization. The bulk of the Bank's commitments are in the prudential banking portfolio. Securitized exposures are essentially those generated by the Bank. The securitization positions held or acquired by the Bank may also be categorized by its role: of the

positions as at 31 December 2018, the Bank generated 43%, was sponsor of 44% and was investor of 13%. The risk-weighted assets subject to this type of risk amounted to €7 billion at 31 December 2018 for the Bank, or 1% of the total risk-weighted assets of the Bank.

1.1 A substantial increase in new provisions or a shortfall in the level of previously recorded provisions exposed to credit risk and counterparty risk could adversely affect the Bank's results of operations and financial condition.

Credit risk and counterparty risk impact the Bank's consolidated financial statements when a customer or counterparty is unable to honour its obligations and when the book value of these obligations in the Bank's records is positive. The customer or counterparty may be a bank, a financial institution, an industrial or commercial enterprise, a government or a government entity, an investment fund, or a natural person. If the level of customer or counterparty defaults increases compared to recent historically low levels, the Bank may have to record significant charges and provisions for possible unrecoverable or doubtful debts, affecting its profitability.

As a result, in connection with its lending activities, the Bank regularly establishes provisions for loan losses, which are recorded on its income statement in the line item Cost of Risk. These provisions amounted to €2.764 billion at 31 December 2018, representing 35 basis points of outstanding customer loans (compared with 39 basis points at 31 December 2017).

The Bank's overall level of provisions is based on its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, past due loans, economic conditions and other factors related to the recoverability of various loans or statistical analysis based on scenarios applicable to asset classes.

Although the Bank seeks to establish an appropriate level of provisions, its lending businesses may have to increase their provisions for loan losses substantially in the future as a result of deteriorating economic conditions or other causes. Any significant increase in provisions for loan losses or a significant change in the Bank's estimate of the risk of loss inherent in its portfolio of non impaired loans, as well as the occurrence of loan losses in excess of the related provisions, could have a material adverse effect on the Bank's results of operations and financial condition.

As at 31 December 2018, the ratio of doubtful loans to total loans outstanding was 2.6% and the coverage ratio of these loans (net of guarantees received) by provisions was 76.2%.

While the Bank seeks to reduce its exposure to credit risk and counterparty risk by using risk mitigation techniques such as collateralization, obtaining guarantees, entering into credit derivatives and entering into netting agreements, it cannot be certain that these techniques will be effective to offset losses resulting from counterparty defaults that are covered by these techniques. Moreover, the Bank is also exposed to the risk of default by the party providing the credit risk coverage (such as a counterparty in a derivative or a loan insurance contract) or to the risk of loss of value of any collateral. In addition, only a portion of the Bank's overall credit risk and counterparty risk is covered by these techniques. Accordingly, the Bank has very significant exposure to these risks.

1.2 The soundness and conduct of other financial institutions and market participants could adversely affect the Bank.

The Bank's ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults, or even rumours or questions about, one or more financial services institutions, or the financial services industry generally, may lead to market wide liquidity problems and could lead to further losses or defaults. The Bank has exposure to many counterparties in the financial industry, directly and indirectly, including clearing houses, brokers and dealers, commercial banks, investment

banks, mutual and alternative investment funds, and other institutional clients with which it regularly executes transactions. The Bank may also be exposed to risks related to the increasing involvement in the financial sector of players and the introduction of new types of transactions subject to little or no regulation (e.g., unregulated funds, trading venues or crowdfunding platforms). Credit and counterparty risks could be exacerbated if the collateral held by the Bank cannot be realized or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to the Bank or in case of a failure of a significant financial market participant such as a central counterparty. It is worth noting in this respect that regulatory changes requiring mandatory clearing of standardized over the counter ("OTC") derivatives through central counterparties have resulted in an increase of the exposure of financial market participants to such central counterparties.

For reference, counterparty risk exposure related to financial institutions was €22 billion at 31 December 2018, or 15% of the Bank's total counterparty risk exposure, and counterparty risk exposure related to clearing houses was €40 billion, or 28% of the Bank's total counterparty risk exposure.

In addition, fraud or misconduct by financial market participants can have a material adverse effect on financial institutions due in particular to the interrelated nature of the financial markets. An example is the fraud perpetrated by Bernard Madoff that came to light in 2008, as a result of which numerous financial institutions globally, including the Bank, announced losses or exposure to losses in substantial amounts. The Bank remains the subject of various claims in connection with the Madoff matter; see Note 8.b (Contingent liabilities: legal proceedings and arbitration) to its consolidated financial statements as of and for the period ended 31 December 2018, set out in the BNPP 2018 Registration Document (in English).

Losses resulting from the risks summarized above could materially and adversely affect the Bank's results of operations.

2. Operational Risk

The Bank's operational risk is the risk of loss resulting from failed or inadequate internal processes (particularly those involving personnel and information systems) or external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.). The Bank's operational risks cover fraud, human resources risks, legal and reputational risks, non-compliance risks, tax risks, information systems risks, risk of providing inadequate financial services (conduct risk), risk of failure of operational processes including credit processes, or from the use of a model (model risk), as well as potential financial consequences related to reputation risk management. From 2010-2018, the Bank's main type of incidents involving operational risk were in "Clients, products and business practices", which represents 63% of the total financial impact, largely as a result of the Bank's agreement with US authorities regarding its review of certain dollar transactions concluded in June 2014. The next largest category of incident for the Bank in operational risk was in "Execution, delivery and process management", accounting for 18% of the financial impact. Other types of risk in operational risk consist of external fraud (13%), business disruption and systems failure (3%), internal fraud (1%), damage to physical assets (1%) and employment practices and workplace safety (1%).

The risk-weighted assets subject to this type of risk amounted to €73 billion at 31 December 2018, or 11% of the total risk-weighted assets of the Bank.

2.1 The Bank's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses.

The Bank has devoted significant resources to developing its risk management policies, procedures and assessment methods and intends to continue to do so in the future. Nonetheless, the Bank's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all

economic and market environments or against all types of risk, particularly risks that the Bank may have failed to identify or anticipate. The Bank's ability to assess the creditworthiness of its customers or to estimate the values of its assets may be impaired if, as a result of market turmoil such as that experienced in recent years, the models and approaches it uses become less predictive of future behaviour, valuations, assumptions or estimates. Some of the Bank's qualitative tools and metrics for managing risk are based on its use of observed historical market behaviour. The Bank applies statistical and other tools to these observations to arrive at quantifications of its risk exposures. The process the Bank uses to estimate losses inherent in its credit exposure or estimate the value of certain assets requires difficult, subjective, and complex judgments, including forecasts of economic conditions and how these economic predictions might impair the ability of its borrowers to repay their loans or impact the value of assets, which may, during periods of market disruption, be incapable of accurate estimation and, in turn, impact the reliability of the process. These tools and metrics may fail to predict future risk exposures, e.g., if the Bank does not anticipate or correctly evaluate certain factors in its statistical models, or upon the occurrence of an event deemed extremely unlikely by the tools and metrics. This would limit the Bank's ability to manage its risks. The Bank's losses could therefore be significantly greater than the historical measures indicate. In addition, the Bank's quantified modelling does not take all risks into account. Its more qualitative approach to managing certain risks could prove insufficient, exposing it to material unanticipated losses.

2.2 *An interruption in or a breach of the Bank's information systems may cause substantial losses of client or customer information, damage to the Bank's reputation and result in financial losses.*

As with most other banks, the Bank relies heavily on communications and information systems to conduct its business. This dependency has increased with the spread of mobile and online banking services, and the development of cloud computing and blockchain technologies. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Bank's customer relationship management, general ledger, deposit, servicing and/or loan organization systems or could cause the Bank to incur significant costs in recovering and verifying lost data. The Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed.

In addition, the Bank is subject to cybersecurity risk, or risk caused by a malicious and/or fraudulent act, committed virtually, with the intention of manipulating information (confidential data, bank/insurance, technical or strategic), processes and users, in order to cause material losses to the Bank's subsidiaries, employees, partners and clients. An increasing number of companies (including financial institutions) have in recent years experienced intrusion attempts or even breaches of their information technology security, some of which have involved sophisticated and highly targeted attacks on their computer networks. Because the techniques used to obtain unauthorized access, disable or degrade service, steal confidential data or sabotage information systems have become more sophisticated, change frequently and often are not recognized until launched against a target, the Bank and its third party service providers may be unable to anticipate these techniques or to implement in a timely manner effective and efficient countermeasures.

Any failures of or interruptions in the Bank's information systems or those of its providers and any subsequent disclosure of confidential information related to any client, counterparty or employee of the Bank (or any other person) or any intrusion or attack against the its communication system could cause significant losses and have an adverse effect on the Bank's reputation, financial condition and results of operations.

Moreover, the Bank is exposed to the risk of operational failure or interruption of a clearing agent, foreign markets, clearing houses, custodian banks or any other financial intermediary or external service provider used by the Bank to execute or facilitate financial transactions. Due to its increased

interaction with clients, the Bank is also exposed to the risk of operational malfunction of the latter's information systems. The Bank's communications and data systems and those of its clients, service providers and counterparties may also be subject to malfunctions or interruptions as a result of cyber-crime or cyber-terrorism. The Bank cannot guarantee that these malfunctions or interruptions in its own systems or those of other parties will not occur or that in the event of a cyberattack, these malfunctions or interruptions will be adequately resolved. These operational malfunctions or interruptions accounted for an average of 3% of operational risk losses over the 2010-2018 period.

2.3 Reputational risk could weigh on the Bank's financial strength and diminish the confidence of clients and counterparties in it.

Considering the highly competitive environment in the financial services industry, a reputation for financial strength and integrity is critical to the Bank's ability to attract and retain customers. The Bank's reputation could be harmed if it cannot adequately promote and market its products and services. The Bank's reputation could also be damaged if, as it increases its client base and the scale of its businesses, the Bank's comprehensive procedures and controls dealing with conflicts of interest fail, or appear to fail, to address them properly. At the same time, the Bank's reputation could be damaged by employee misconduct, fraud or misconduct by financial industry participants to which the Bank is exposed, a decline in, a restatement of, or corrections to, its financial results, as well as any adverse legal or regulatory action, such as the settlement the Bank entered into with the U.S. authorities in 2014 for violations of U.S. laws and regulations regarding economic sanctions. The loss of business that could result from damage to the Bank's reputation could have an adverse effect on its results of operations and financial position.

3. Market risk

The Bank's market risk is the risk of loss of value caused by an unfavourable trend in prices or market parameters. The parameters affecting the Bank's market risk include, but are not limited to, exchange rates, prices of securities and commodities (whether the price is directly quoted or obtained by reference to a comparable asset), the price of derivatives on an established market and all benchmarks that can be derived from market quotations such as interest rates, credit spreads, volatility or implicit correlations or other similar parameters.

The Bank is exposed to market risk mainly through trading activities carried out by the business lines of its Corporate & Institutional Banking ("**CIB**") operating division, primarily in Global Markets, which represented 11% of the Bank's revenue in 2018. The Bank's trading activities are directly linked to economic relations with clients of these business lines, or indirectly as part of its market making activity. The proprietary trading activities of the Bank's subsidiary Opera Trading Capital, which began in mid-2015, were discontinued at the beginning of 2019.

In addition, the market risk relating to the Bank's banking activities covers its interest rate and foreign exchange rate risk in connection with its activities as a banking intermediary. The "operating" foreign exchange risk exposure relates to net earnings generated by activities conducted in currencies other than the functional currency of the entity concerned. The "structural" foreign exchange risk position of an entity relates to investments in currencies other than the functional currency. In measuring interest rate risk, the Bank defines the concepts of standard rate risk and structural rate risk as the following: the standard rate risk corresponds to the general case, namely when it is possible to define the most appropriate hedging strategy for a given transaction, and the structural rate risk is the interest rate risk for equity and non-interest-bearing current accounts.

BNP Paribas' market risk based on its activities is measured by Value at Risk ("**VaR**"), or the maximum potential loss over one year, at a 99.9% confidence level to calculate regulatory capital requirements, and various other market indicators (stressed VaR, Incremental Risk Charge, Comprehensive Risk Measure for credit correlation portfolio) as well as by stress tests and sensitivity analysis compared with market limits.

The risk-weighted assets subject to this type of risk amounted to €20 billion at 31 December 2018, or 3% of the total risk-weighted assets of the Bank.

3.1 The Bank may incur significant losses on its trading and investment activities due to market fluctuations and volatility.

The Bank maintains trading and investment positions in the debt, currency, commodity and equity markets, and in unlisted securities, real estate and other asset classes, including through derivative contracts. These positions could be adversely affected by extreme volatility in these markets, i.e., the degree to which prices fluctuate over a particular period in a particular market, regardless of market levels. Moreover, volatility trends that prove substantially different from the Bank's expectations may lead to losses relating to a broad range of other products that the Bank uses, including swaps, forward and future contracts, options and structured products.

To the extent that the Bank owns assets, or has net long positions, in any of those markets, a market downturn could result in losses from a decline in the value of its positions. Conversely, to the extent that the Bank has sold assets that it does not own, or has net short positions in any of those markets, a market upturn could, in spite of the existing limitation of risks and control systems, expose the Bank to potentially substantial losses as it attempts to cover its net short positions by acquiring assets in a rising market. The Bank may from time to time hold a long position in one asset and a short position in another, in order to hedge transactions with clients and/or from which it expects to gain based on changes in the relative value of the two assets. If, however, the relative value of the two assets changes in a direction or manner that the Bank did not anticipate or against which it is not hedged, it might realize a loss on those paired positions. Such losses, if significant, could adversely affect the Bank's results and financial condition. In addition, the Bank's hedging strategies may not be suitable for certain market conditions.

If any of the variety of instruments and strategies that the Bank uses to hedge its exposure to various types of risk in its businesses is not effective, the Group may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if the Bank holds a long position in an asset, it may hedge that position by taking a short position in another asset where the short position has historically moved in a direction that would offset a change in the value of the long position. However, the hedge may only be partial, or the strategies used may not protect against all future risks or may not be fully effective in mitigating the Bank's risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of the Bank's hedging strategies, as occurred for example in late 2018 with the Bank's index derivatives hedging in the United States. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in the Bank's reported earnings.

The Bank uses a VaR model to quantify its exposure to potential losses from market risks, and also performs stress testing with a view to quantifying its potential exposure in extreme scenarios. However, these techniques rely on statistical methodologies based on historical observations, which may turn out to be unreliable predictors of future market conditions. Accordingly, the Bank's exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.

The Global Markets business line in particular had €18 billion in risk-weighted assets subject to market risk at 31 December 2018, or 2.7% of the total risk-weighted assets of the Bank.

3.2 The Bank may generate lower revenues from commission and fee based businesses during market downturns.

The Bank's commissions represented 22% of total revenues in 2018. Financial and economic conditions affect the number and size of transactions for which the Bank provides securities

underwriting, financial advisory and other investment banking services. These revenues, which include fees from these services, are directly related to the number and size of the transactions in which the Bank participates and can thus be significantly affected by economic or financial changes that are unfavourable to its Investment Banking business and clients. In addition, because the fees that the Bank charges for managing its clients' portfolios are in many cases based on the value or performance of those portfolios, a market downturn that reduces the value of its clients' portfolios or increases the amount of withdrawals would reduce the revenues it receives from its asset management, equity derivatives and private banking businesses. Independently of market changes, below market performance by the Bank's mutual funds may result in increased withdrawals and reduced inflows, which would reduce the revenues the Bank receives from its asset management business.

3.3 Adjustments to the carrying value of the Bank's securities and derivatives portfolios and the Bank's own debt could have an adverse effect on its net income and shareholders' equity.

The carrying value of the Bank's securities and derivatives portfolios and certain other assets, as well as its own debt, in its balance sheet is adjusted as of each financial statement date. As at 31 December 2018, on the assets side of the Bank's balance sheet, financial instruments at fair value through profit or loss, derivative financial instruments used for hedging purposes and financial assets at fair value through shareholders' equity amounted to €538.6 billion, €9.8 billion and €60 billion respectively. In the liabilities column, financial instruments at fair value through profit or loss and derivative financial instruments used for hedging purposes amounted to €560 billion and €11.7 billion, respectively, at 31 December 2018. Most of the adjustments are made on the basis of changes in fair value of the Bank's assets or debt during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect the Bank's consolidated revenues and, as a result, its net income. All fair value adjustments affect shareholders' equity and, as a result, the Bank's capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

4. Liquidity and funding risk

Liquidity risk is the risk that the Bank will not be able to honour its commitments or unwind or offset a position due to market conditions or specific factors within a specified period of time and at a reasonable cost. It reflects the risk of not being able to cope with net cash outflows, including collateral requirements, over short-term to long-term horizons. The Group's specific risk can be assessed through its short-term liquidity ratio (Liquidity Coverage Ratio – "LCR"), which analyses the hedging of net cash outflows during a thirty-day stress period. The monthly average in 2018 of the Group's LCR was 117%, representing a liquidity surplus of €41 billion compared to regulatory requirements. The liquidity reserve was €308.1 billion at the end of 2018.

4.1 The Bank's access to and cost of funding could be adversely affected by a resurgence of financial crises, worsening economic conditions, rating downgrades, increases in sovereign credit spreads or other factors.

The financial crisis, the euro zone sovereign debt crisis as well as the general macroeconomic environment have at times adversely affected the availability and cost of funding for European banks in recent years. This was due to several factors, including a sharp increase in the perception of bank credit risk due to exposure to sovereign debt in particular, credit rating downgrades of sovereigns and of banks, and debt market speculation. Many European banks, including the Bank, at various points experienced restricted access to wholesale debt markets and to the interbank market, as well as a general increase in their cost of funding. Accordingly, reliance on direct borrowing from the European Central Bank ("ECB") at times increased substantially. If such adverse credit market

conditions were to reappear in the event of prolonged stagnation of growth, deflation, resurgence of the financial crisis, the sovereign debt crisis or new forms of financial crises, factors relating to the financial industry in general or to the Bank in particular, the effect on the liquidity of the European financial sector in general and the Bank in particular could be materially adverse and have a negative impact on the Bank's results of operations and financial condition.

4.2 *Protracted market declines can reduce the Bank's liquidity, making it harder to sell assets and possibly leading to material losses. Accordingly, the Bank must ensure that its assets and liabilities properly match in order to avoid exposure to losses.*

In some of the Bank's businesses, particularly Global Markets (which represented 11% of the Bank's revenue in 2018) and Asset/Liability Management, protracted market movements, particularly asset price declines, can reduce the level of activity in the market or reduce market liquidity. These developments can lead to material losses if the Bank cannot close out deteriorating positions in a timely way. This is particularly true for assets that are intrinsically illiquid. Assets that are not traded on stock exchanges or other public trading markets, such as certain derivative contracts between financial institutions, may have values that the Bank calculates using models rather than publicly quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to significant unanticipated losses.

The Bank is exposed to the risk that the maturity, interest rate or currencies of its assets might not match those of its liabilities. The timing of payments on certain of the Bank's assets is uncertain, and if the Bank receives lower revenues than expected at a given time, it might require additional market funding in order to meet its obligations on its liabilities. While the Bank imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential losses arising from asset and liability mismatches.

4.3 *The credit ratings of the Bank may be downgraded, which would weigh on its profitability.*

Credit ratings have a significant impact on the Bank's liquidity. On 5 April 2019, Standard & Poor's revised the long-term rating of the Bank's deposits and senior preferred debt from A to A+, and confirmed its short-term rating as A-1, with a stable outlook. On 6 June 2019, Fitch France revised its long-term deposits and senior preferred debt rating for the Bank from A+ to AA-, and raised its short-term rating from F1 to F1+, with a stable outlook. On 27 September 2017, Moody's revised its long-term deposits and senior preferred debt rating from A1 to Aa3, and confirmed its short-term rating as P-1, with a stable outlook. On 12 July 2019, DBRS confirmed the Bank's senior preferred debt rating as AA(low), as well as its short-term rating as R-1(middle) with a stable outlook. A downgrade in the Bank's credit rating could affect its liquidity and competitive position. It could also increase the Bank's borrowing costs, limit access to the capital markets or trigger additional obligations under its covered bonds or under certain bilateral provisions in some trading, derivative or collateralized financing contacts. See also "*Credit Ratings may not Reflect all Risks*" below.

In addition, the Bank's cost of obtaining long term unsecured funding from market investors is also directly related to its credit spreads, which in turn depend to a certain extent on its credit ratings. Increases in credit spreads can significantly increase the Bank's cost of funding. Changes in credit spreads are continuous, market driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of the Bank's creditworthiness. Furthermore, credit spreads may be influenced by movements in the cost to purchasers of credit default swaps referenced to the Bank's debt obligations, which are influenced both by the credit quality of those obligations, and by a number of market factors that are beyond the control of the Bank.

5. Risks related to the macroeconomic and market environment

5.1 Adverse economic and financial conditions have in the past had and may in the future have an impact on the Bank and the markets in which it operates.

The Bank's business is sensitive to changes in the financial markets and more generally to economic conditions in France (32% of the Bank's revenues), other countries in Europe (43% of the Bank's revenues) and the rest of the world (25% of the Bank's revenues). A deterioration in economic conditions in the markets where the Bank operates could have some or all of the following impacts:

- Adverse economic conditions could affect the business and operations of the Bank's customers, reducing credit demand and trading volume and resulting in an increased rate of default on loans and other receivables;
- A decline in market prices of bonds, equities and commodities could impact many of the businesses of the Bank, including in particular trading, investment banking and asset management revenues;
- Macroeconomic policies adopted in response to actual or anticipated economic conditions could have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn could affect the Bank's businesses that are most exposed to market risk;
- Perceived favourable economic conditions generally or in specific business sectors could result in asset price bubbles, which could in turn exacerbate the impact of corrections when conditions become less favourable;
- A significant economic disruption (such as the global financial crisis of 2008 or the European sovereign debt crisis of 2011) could have a severe impact on all of the Bank's activities, particularly if the disruption is characterized by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all;
- A significant deterioration of market and economic conditions resulting from, among other things, adverse political and geopolitical events such as natural disasters, societal unrest, geopolitical tensions (in particular protectionist measures), acts of terrorism, cyber attacks, military conflicts or threats thereof and related risks could affect the operating environment for the Bank episodically or for extended periods.

European markets may be affected by a number of factors in 2019 and into 2020, including continuing uncertainty resulting from the decision of the United Kingdom to leave the European Union (possibly through a "no-deal" exit), evolving monetary policy in Europe and the United States and uncertain political and economic conditions in certain large European countries. Markets in the United States may be affected by factors, such as trade policy or a tendency towards political stalemate, which has affected currency markets globally. Asian markets could be impacted by factors such as slower than expected economic growth rates in certain countries in the region.

Share prices have recently experienced significant volatility, which may occur again. Credit markets and the value of fixed income assets could be adversely affected if interest rates were to rise as central banks continue to scale back the extraordinary support measures put in place in response to recent adverse economic conditions. Conversely, a continued or renewed loosening of monetary policy would weigh on banks' profitability. The price of oil has been particularly volatile in recent months, and could be impacted by unpredictable geopolitical factors in regions such as the Middle East and Russia.

More generally, increased volatility of financial markets could adversely affect the Bank's trading and investment positions in the debt, currency, commodity and equity markets, as well as its positions in other investments. For reference, Global Markets accounted for 11% of the Bank's

revenues in 2018. Severe market disruptions and extreme market volatility have occurred in recent years and may occur again in the future, which could result in significant losses for the Bank. Such losses may extend to a broad range of trading and hedging products, including swaps, forward and future contracts, options and structured products. The volatility of financial markets makes it difficult to predict trends and implement effective trading strategies.

It is difficult to predict when economic or market downturns will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, were to deteriorate or become more volatile, the Bank's operations could be disrupted, and its business, results of operations and financial condition could be adversely affected.

5.2 *Significant interest rate changes could adversely affect the Bank's revenues or profitability. The prolonged low interest rate environment carries inherent systemic risks, which could impact the Bank's income or profitability, and an exit from such environment also carries risks.*

The amount of net interest income earned by the Bank during any given period significantly affects its overall revenues and profitability for that period. Interest rates are highly sensitive to many factors beyond the Bank's control, such as the rate of inflation, country-specific monetary policies and certain decisions concerning regulatory capital. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing liabilities. Any adverse change in the yield curve could cause a decline in net interest income from the Bank's lending activities. In addition, increases in the interest rates at which the Bank's short-term funding is available and maturity mismatches may adversely affect its profitability.

Since the 2008 2009 financial crisis, global markets have been characterized by an extended period of low interest rates. If the low interest rate environment continues, as a result of continued monetary loosening, low growth or other factors, the Bank's profitability may be affected, given that the Bank's net interest income represented 50% of total revenues in 2018 (see Note 2.a (Net interest income) to the Bank's consolidated financial statements as of and for the year ended 31 December 2018, set out in the BNPP 2018 Registration Document (in English)). In this respect, after announcing in December 2018 the end of its quantitative easing policy, the ECB announced in March 2019 – in the face of slower than anticipated growth – a status quo on its benchmark lending rates until at least the end of 2019 (extended in June 2019 to at least the first half of 2020) as well as new targeted longer-term financing operations (TLTRO) bearing, under certain conditions, negative rates. During periods of low interest rates, interest rate spreads tend to tighten, and the Bank may be unable to lower interest rates on deposits sufficiently to offset reduced income from lending at lower interest rates. On an indicative basis, over one-, two- and three-year timeframes, the sensitivity of revenues at 31 December 2018 to a parallel, instantaneous and definitive increase in market rates of +50 basis points (+0.5%) across all currencies had a positive impact of +€185 million, +€510 million and +€698 million, respectively, or 0.4%, 1.2% and 1.6% of the Bank's net banking income. In addition, the Bank has been facing and may continue to face an increase in early repayment and refinancing of mortgages and other fixed rate consumer and corporate loans as clients take advantage of lower borrowing costs. This, along with the issuance of new loans at the low prevailing market interest rates, has resulted and may continue to result in a decrease in the average interest rate of the Bank's portfolio of loans thereby causing a decline in its net interest income from lending activities. Moreover, an environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the premium generated by the Bank from its funding activities. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility. Low interest rates may also negatively affect the profitability of the Bank's insurance activities, which may not be able to generate sufficient returns to be competitive with other investment products. Low interest rates may also adversely affect commissions charged by the

Bank's asset management subsidiaries on money market and other fixed income products. A reduction in credit spreads and decline in retail banking income resulting from lower portfolio interest rates may adversely affect the profitability of the Bank's retail banking operations.

On the other hand, the end of a period of prolonged low interest rates, in particular due to tightening monetary policy, also carries risks. In this respect, the U.S. Federal Reserve tightened its monetary policy in 2017 and 2018, before lowering its key interest rate as from July 2019. If market interest rates were to rise, a portfolio featuring significant amounts of lower interest loans and fixed income assets would be expected to decline in value. If the Bank's hedging strategies are ineffective or provide only a partial hedge against such a change in value, the Bank could incur losses. Any sharper or more rapid than expected tightening could have a negative impact on the economic recovery. On the lending side, it could in particular cause stress in loan and bond portfolios, possibly leading to an increase in non performing exposures and defaults. More generally, the ending of accommodative monetary policies (including liquidity infusions from central bank asset purchases) may lead to severe corrections in certain markets or asset classes (e.g., non investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefitted (including from very low risk premia as compared to historical averages) from the prolonged low interest rate and high liquidity environment, and such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility.

5.3 Given the global scope of its activities, the Bank may be vulnerable to risk in certain countries where it operates and may be vulnerable to political, macroeconomic or financial changes in the countries and regions where it operates.

The Bank is subject to country risk, meaning the risk that economic, financial, political or social conditions in a given foreign country in which it operates could affect its business and results. The Bank monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. In addition, factors specific to a country or region in which the Bank operates could make it difficult for it to carry out its business and lead to losses or impairment of assets.

At 31 December 2018, the Bank's loan portfolio consisted of receivables from borrowers located in France (32%), Belgium and Luxembourg (14%), Italy (10%), other European countries (19%), North America (13%), Asia (6%) and the rest of the world (6%). Adverse conditions that particularly affect these countries and regions would have a particularly significant impact on the Bank. In addition, the Bank has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies.

6. Regulatory Risks

6.1 Laws and regulations adopted in recent years, particularly in response to the global financial crisis, as well as new legislative proposals, may materially impact the Bank and the financial and economic environment in which it operates.

Laws and regulations have been enacted in the past few years, in particular in France, Europe and the United States, with a view to introducing a number of changes, some permanent, in the financial environment. The impact of the measures has changed substantially the environment in which the Bank and other financial institutions operate.

The measures that have been adopted include:

- more stringent capital and liquidity requirements (particularly for global systemically important banks such as the Bank), as well as changes to the risk-weighting methodologies and the methods of using internal models that could lead to increased capital requirements;
- restrictions on certain types of activities considered as speculative undertaken by commercial banks that are prohibited or need to be ring fenced in subsidiaries (particularly proprietary trading) and are subject to prudential requirements and autonomous funding;
- prohibitions or restrictions on certain types of financial products or activities;
- enhanced recovery and resolution regimes, in particular the Bank Recovery and Resolution Directive of 15 May 2014 (the “**BRRD**”), which strengthens powers to prevent and resolve banking crises in order to ensure that losses are borne largely by the creditors and shareholders of the banks and in order to keep the costs incurred by taxpayers to a minimum;
- the establishment of the national resolution funds by the BRRD and the creation of the Single Resolution Board (the “**SRB**”) by the European Parliament and Council of the European Union in a resolution dated 15 July 2014, which can initiate resolution proceedings for banking institutions such as the Bank, and the Single Resolution Fund (the “**SRF**”), the financing of which by the Bank (up to its annual contribution) can be significant;
- the establishment of national deposit guarantee schemes and a proposed European deposit guarantee scheme or deposit insurance which will gradually cover all or part of the guarantee schemes of participating countries;
- increased internal control and reporting requirements with respect to certain activities;
- more stringent governance and conduct of business rules and restrictions and increased taxes on employee compensation over specified levels;
- measures to improve the transparency, efficiency and integrity of financial markets and in particular the regulation of high frequency trading, more extensive market abuse regulations, increased regulation of certain types of financial products including mandatory reporting of derivative and securities financing transactions, requirements either to mandatorily clear, or otherwise mitigate risks in relation to, over the counter derivative transactions (including through posting of collateral in respect of non centrally cleared derivatives);
- the taxation of financial transactions;
- enhanced protection of personal data and cybersecurity requirements;
- enhanced disclosure requirements, for instance in the area of sustainable finance; and
- strengthening the powers of supervisory bodies, such as the French Prudential Supervision and Resolution Authority (the “**ACPR**”) and the creation of new authorities, including the adoption of the Single Resolution Mechanism (the “**SRM**”) in October 2013, which placed the Bank under the direct supervision of the ECB as of November 2014.

These measures may have a significant impact. For example, the introduction of a required contribution to the Single Resolution Fund resulted in a substantial additional expense for the Bank (the Bank made a €0.6 billion contribution to the SRF in 2018).

These measures could be further amended, expanded or strengthened. Moreover, additional measures could be adopted in other areas. It is impossible to predict what additional measures will be adopted

and, given the complexity and continuing uncertainty of a certain number of these measures, to determine their impact on the Bank. The cumulative effect of these measures, whether already adopted or that may be adopted in the future, has been and could continue to be a decrease in the Bank's ability to allocate its capital and capital resources to financing, limit its ability to diversify risks, reduce the availability of certain financing and liquidity resources, increase the cost of financing, increase the cost or reduce the demand for the products and services offered by the Bank, require the Bank to proceed with internal reorganizations, structural changes or reallocations, affect the ability of the Bank to carry on certain activities or to attract and/or retain talent and, more generally, affect its competitiveness and profitability, which could have an impact on its profitability, financial condition and operating results.

The Bank is subject to extensive and evolving regulatory regimes in the jurisdictions in which it operates. The Bank faces the risk of changes in legislation or regulation in all of the countries in which it operates, including, but not limited to, the following:

- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- changes in government or regulatory policy that may significantly influence investor decisions, in particular in the markets in which the Bank operates;
- changes in regulatory requirements applicable to the financial industry, such as rules relating to applicable governance, remunerations, capital adequacy and liquidity frameworks, restrictions on activities considered as speculative and recovery and resolution frameworks;
- changes in securities regulations as well as in financial reporting, disclosure and market abuse regulations;
- changes in the regulation of certain types of transactions and investments, such as derivatives and securities financing transactions and money market funds;
- changes in the regulation of market infrastructures, such as trading venues, central counterparties, central securities depositories, and payment and settlement systems;
- changes in the regulation of payment services, crowdfunding and fintech;
- changes in the regulation of protection of personal data and cybersecurity;
- changes in tax legislation or the application thereof;
- changes in accounting norms;
- changes in rules and procedures relating to internal controls, risk management and compliance; and
- expropriation, nationalization, price controls, exchange controls, confiscation of assets and changes in legislation relating to foreign ownership.

These changes, the scope and implications of which are highly unpredictable, could substantially affect the Bank and have an adverse effect on its business, financial condition and results of operations. Some reforms not aimed specifically at financial institutions, such as measures relating to the funds industry or promoting technological innovation (such as open data projects), could facilitate the entry of new players in the financial services sector or otherwise affect the Bank's business model, competitiveness and profitability, which could in turn affect its financial condition and results of operations.

6.2 *The Bank may incur substantial fines and other administrative and criminal penalties for non compliance with applicable laws and regulations, and may also incur losses in related (or unrelated) litigation with private parties.*

The Bank is exposed to regulatory compliance risk, i.e. the failure to comply fully with the laws, regulations, codes of conduct, professional norms or recommendations applicable to the financial services industry. This risk is exacerbated by the adoption by different countries of multiple and occasionally diverging and even conflicting legal or regulatory requirements. Besides damage to the Bank's reputation and private rights of action (including class actions), non compliance could lead to material legal proceedings, fines and expenses (including fines and expenses in excess of recorded provisions), public reprimand, enforced suspension of operations or, in extreme cases, withdrawal by the authorities of operating licenses. This risk is further exacerbated by continuously increasing regulatory scrutiny of financial institutions as well as substantial increases in the quantum of applicable fines and penalties. Moreover, litigation by private parties against financial institutions has substantially increased in recent years. Accordingly, the Bank faces significant legal risk in its operations, and the volume and amount of damages claimed in litigation, regulatory proceedings and other adversarial proceedings against financial services firms have substantially increased in recent years and may increase further. The Bank may record provisions in this respect as indicated in Note 5.p to the financial statements (Provisions for contingencies and charges) as of and for the period ended 31 December 2018, set out in the BNPP 2018 Registration Document (in English).

In this respect, on 30 June 2014 the Bank entered into a series of agreements with, and was the subject of several orders issued by, U.S. federal and New York state government agencies and regulatory authorities in settlement of investigations into violations of U.S. laws and regulations regarding economic sanctions. The fines and penalties imposed on the Bank as part of this settlement included, among other things, the payment of monetary penalties amounting in the aggregate to \$8.97 billion (€6.6 billion) and guilty pleas by BNP Paribas S.A., the parent company of the Bank, to charges of having violated U.S. federal criminal law and New York State criminal law. Following this settlement, the Bank remains subject to increased scrutiny by regulatory authorities (including via the presence of an independent consultant within the Bank) who are monitoring its compliance with a remediation plan agreed with them.

The Bank is currently involved in various litigations and investigations as summarized in Note 8.b (Contingent liabilities: legal proceedings and arbitration) to its consolidated financial statements as of and for the period ended 31 December 2018, set out in the BNPP 2018 Registration Document (in English). It may become involved in further such matters at any point. No assurance can be given that an adverse outcome in one or more of such matters would not have a material adverse effect on the Bank's operating results for any particular period.

6.3 *The Bank could experience an unfavourable change in circumstances, causing it to become subject to a resolution proceeding: holders of securities of the Bank could suffer losses as a result.*

The BRRD and the Ordinance of 20 August 2015 confer upon the ACPR or the SRB the power to commence resolution proceedings for a banking institution, such as the Bank, with a view to ensuring the continuity of critical functions, avoiding the risks of contagion and recapitalizing or restoring the viability of the institution. These powers are to be implemented so that, subject to certain exceptions, losses are borne first by shareholders, then by holders of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), then by the holders of non-preferred senior debt and finally by the holders of senior preferred debt, all in accordance with the order of their claims in normal insolvency proceedings. For reference, the Bank's medium- to long-term wholesale financing at 31 December 2018 consisted of the following: €9 billion of hybrid Tier 1 debt, €16.1 billion of Tier 2 subordinated debt, €23.4 billion of senior unsecured non-preferred debt, €80.5 billion of senior unsecured preferred debt and €29.7 billion of senior secured debt.

Resolution authorities have broad powers to implement resolution measures with respect to institutions and groups subject to resolution proceedings, which may include (without limitation): the total or partial sale of the institution's business to a third party or a bridge institution, the separation of assets, the replacement or substitution of the institution as obligor in respect of debt instruments, the full or partial write down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write down or conversion into equity of debt instruments, modifications to the terms of debt instruments (including altering the maturity and/or the amount of interest payable and/or imposing a temporary suspension on payments), discontinuing the listing and admission to trading of financial instruments, the dismissal of managers or the appointment of a special manager (*administrateur spécial*).

Certain powers, including the full or partial write down of capital instruments, the dilution of capital instruments through the issuance of new equity, the full or partial write down or conversion into equity of additional capital instruments qualifying as tier 1 and tier 2 (such as subordinated bonds), can also be exercised as a precautionary measure, outside of resolution proceedings and/or pursuant to the European Commission's State Aid framework if the institution requires exceptional public financial support.

The implementation of these tools and powers with respect to the Bank may result in significant structural changes to the Bank (including as a result of asset or business sales or the creation of bridge institutions) and in a partial or total write down, modification or variation of claims of shareholders and creditors. Such powers may also result, after any transfer of all or part of the Bank's business or separation of any of its assets, in the holders of securities (even in the absence of any such write down or conversion) being left as creditors of the Bank in circumstances where the Bank's remaining business or assets are insufficient to support the claims of all or any of the creditors of the Bank.

7. Risks related to the Bank's growth in its current environment

7.1 The Bank's failure to implement its strategic plan could affect the trading price of its securities.

The Bank announced a strategic plan for the 2017-2020 period on 7 February 2017. This plan contemplates a number of initiatives, including the implementation of new customer pathways, the Bank's digital transformation, continuing to improve operating efficiency and various business development initiatives. The Bank closely monitors these initiatives and provided an update on its 2020 targets on 6 February 2019 (including anticipated growth in revenues over the 2016-2020 period at 1.5% per year compared to 2.5% per year in the initial plan, and a target of recurring cost savings in 2020 of €3.3 billion compared to €2.7 billion in the initial plan). These financial targets and objectives were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions.

The Bank's actual results could vary significantly from these targets and objectives for a number of reasons, including the occurrence of one or more of the risk factors described elsewhere in this section. If the Bank does not achieve its objectives, its financial position and the trading price of its securities could be affected, as well as its financing costs.

Additionally, as part of the Bank's commitment to environmental responsibility within its CSR policy, it has announced a number of initiatives to support the energy transition towards a low carbon economy, including a reduction in financing for energies with the most negative environmental impact. In 2018, the Bank accordingly ceased financing for companies whose main business is fracking of gas / shale oil, oil from oil sands or oil/gas production in the Arctic as well as financing for tobacco companies. These measures (and any future ones along similar lines) may in certain cases adversely affect the Bank's results in the relevant sectors.

7.2 The Bank may experience difficulties integrating acquired companies and may be unable to realize the benefits expected from its acquisitions.

The Bank makes acquisitions on a regular basis. For example, the Bank's most recent major acquisition was of substantially all of the activities of Raiffeisen Bank Polska in Poland, which was completed on 31 October 2018; such activities were subsequently merged with BGZ BNP Paribas. Integrating acquired businesses is a long and complex process, and may entail restructuring costs; in 2018, the Bank incurred €129 million in restructuring costs related mainly to the integration of LaSer, DAB Bank, GE LLD, ABN Amro Luxembourg and Raiffeisen Bank Polska. Successful integration and the realization of synergies require, among other things, proper coordination of business development and marketing efforts, retention of key members of management, policies for effective recruitment and training as well as the ability to adapt information and computer systems. Any difficulties encountered in combining operations could result in higher integration costs and lower savings or revenues than expected. There will accordingly be uncertainty as to the extent to which anticipated synergies will be achieved and the timing of their realization. Moreover, the integration of the Bank's existing operations with those of the acquired operations could interfere with its respective businesses and divert management's attention from other aspects of the Bank's business, which could have a negative impact on the Bank's business and results. In some cases, moreover, disputes relating to acquisitions may have an adverse impact on the integration process or have other adverse consequences, including financial ones.

Although the Bank undertakes an in depth analysis of the companies it plans to acquire, such analyses often cannot be complete or exhaustive. As a result, the Bank may increase its exposure to doubtful or troubled assets and incur greater risks as a result of its acquisitions, particularly in cases in which it was unable to conduct comprehensive due diligence prior to the acquisition.

7.3 The Bank's current environment may be affected by the intense competition amongst banking and non banking operators, which could adversely affect the Bank's revenues and profitability.

Competition is intense in all of the Bank's primary business areas in France and the other countries in which it conducts a substantial portion of its business, including other European countries and the United States. Competition in the banking industry could intensify as a result of consolidation in the financial services area or as a result of the presence of new players in the payment and the financing services area or the development of crowdfunding platforms. While the Bank has launched initiatives in these areas, such as the debut of Hello Bank! and its acquisition of Nickel, competitors subject to less extensive regulatory requirements or to less strict capital requirements (e.g., debt funds, shadow banks), or benefiting from economies of scale, data synergies or technological innovation (e.g., internet and mobile operators, digital platforms, fintechs), could be more competitive by offering lower prices or more innovative services. In addition, new payment systems and crypto-currencies, such as Bitcoin, and new technologies that facilitate transaction processes, such as blockchain, have developed in recent years. While it is difficult to predict the effects of these emerging technologies as well as any applicable regulations, their use could nevertheless reduce the Bank's market share or secure investments that otherwise would have used technology used by more established financial institutions, such as the Bank. If the Bank is unable to respond to the competitive environment in France or in its other major markets by offering attractive, innovative and profitable product and service solutions, it may lose market share in key areas of its business or incur losses on some or all of its activities. In addition, downturns in the economies of its principal markets could add to the competitive pressure, through, for example, increased price pressure and lower business volumes for the Bank and its competitors (the results of the Bank's various business lines in 2018 are described on pages 116 to 127 of the BNPP 2018 Registration Document (in English)). It is also possible that the imposition of more stringent requirements (particularly capital requirements and business restrictions) on large or systemically significant financial institutions,

could lead to distortions in competition in a manner adverse to large private sector institutions such as the Bank.

7.4 Changes in certain holdings in credit or financial institutions could have an impact on the Bank's financial position.

Amounts below the thresholds for prudential capital deduction are assets subject to a risk-weight of 250% in accordance with Article 48 of Regulation (EU) No. 575/2013. These assets include: credit or financial institutions consolidated under the equity method within the prudential scope, which are weighted using the simple weighting method; significant financial interest in credit or financial institutions in which the Bank holds a stake of more than 10%; and deferred tax assets that rely on future profitability and arise from temporary differences.

The risk-weighted assets subject to this type of risk amounted to €17 billion at 31 December 2018, or 2.6% of the total risk-weighted assets of the Bank."

DOCUMENTS INCORPORATED BY REFERENCE

On 31 October 2019, BNPP filed with the AMF the *Amendement au Document d'Enregistrement Universel au 30 juin 2019* including the unaudited financial information of BNPP as at and for the nine-month period ended 30 September 2019.

A free English translation of BNPP's *Amendement au Document d'Enregistrement Universel au 30 juin 2019* has been filed with the AMF on 31 October 2019 for the purposes of the Prospectus Directive and, by virtue of this Second Supplement and other than the sections entitled "Person Responsible for the Universal Registration Document", the "Table of Concordance" and any reference to a completion letter (*lettre de fin de travaux*) therein, is incorporated in, and forms part of, the Base Prospectus.

The "**DOCUMENTS INCORPORATED BY REFERENCE**" section on pages 232 to 240 of the Base Prospectus is amended as follows:

- (a) the word "and" at the end of paragraph (e) is deleted;
- (b) the "," at the end of paragraph (f) is deleted and replaced with "; and";
- (c) the following paragraph (g) is added under paragraph (f):
 - "(g) the *Amendement au Document d'Enregistrement Universel au 30 juin 2019* (in English) (other than the sections entitled "Person Responsible for the Universal Registration Document" and the "Table of Concordance") with filing number D.19-0731-A01 (the "**First Amendment to the 2019 Universal Registration Document (in English)**"),";
- (d) item 3.1 of the table entitled "*BNPP 2018 Registration Document (in English)*" is amended by the deletion of the words "Pages 287 to 295" and their replacement with "Pages 277 to 464"; and
- (e) the following table is inserted immediately following the table entitled "*Universal Registration Document as at 30 June 2019 (in English)*":

<i>First Amendment to the 2019 Universal Registration Document (in English)</i>	
Quarterly Financial Information	Pages 3 to 79 of the First Amendment to the 2019 Universal Registration Document (in English)
Group presentation	Page 3 of the First Amendment to the 2019 Universal Registration Document (in English)
Third Quarter 2019 results	Pages 4 to 75 of the First Amendment to the 2019 Universal Registration Document (in English)
Balance sheet as at 30 September 2019	Page 78 of the First Amendment to the 2019 Universal Registration Document (in English)
Long term and short term credit ratings	Page 79 of the First Amendment to the 2019 Universal Registration Document (in English)
Risk factors	Page 79, 85 to 103 of the First Amendment to the 2019 Universal Registration Document (in English)
Recent events	Page 79 of the First Amendment to the 2019 Universal Registration Document (in English)

Risk and Capital Adequacy (unaudited)	Pages 80 to 103 of the First Amendment to the 2019 Universal Registration Document (in English)
Additional information	Pages 104 to 106 of the First Amendment to the 2019 Universal Registration Document (in English)
Documents on Display	Page 104 of the First Amendment to the 2019 Universal Registration Document (in English)
Contingent Liabilities	Pages 104 to 105 of the First Amendment to the 2019 Universal Registration Document (in English)
Significant changes	Page 106 of the First Amendment to the 2019 Universal Registration Document (in English)
Statutory Auditors	Page 107 of the First Amendment to the 2019 Universal Registration Document (in English)

AMENDMENTS TO THE GENERAL INFORMATION SECTION

The General Information Section on pages 938 to 942 of the Base Prospectus is amended as follows:

- (a) the paragraphs under the heading "**4. Documents Available**" on page 938 of the Base Prospectus are amended as follows:
- (i) the word "and" at the end of sub-paragraph (vii) is deleted;
 - (ii) the "," at the end of sub-paragraph (viii) is deleted and replaced with "; and";
 - (iii) the following sub-paragraph (ix) is added under sub-paragraph (viii):
"(ix) the First Amendment to the 2019 Universal Registration Document (in English),"; and
 - (iv) the sentence beginning "In addition, (ii), (iii), (v) – (viii)" therein is amended by the deletion of "(viii)" and the insertion of "(ix)" in its place;
- (b) the paragraph under the heading "**6. Legal and Arbitration Proceedings**" on pages 938 and 939 of the Base Prospectus is deleted and replaced with the following:
- "Save as disclosed on pages 248-249 of the BNPP 2018 Registration Document (in English), pages 97 and 98 of the First Update to the BNPP 2018 Registration Document (in English), pages 165 and 166 of the Universal Registration Document as at 30 June 2019 (in English) and pages 104 and 105 of the First Amendment to the 2019 Universal Registration Document (in English), there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the period covering at least the twelve (12) months prior to the date of this Base Prospectus which may have, or have had in the recent past, significant effects on the Issuer and/or the Group's financial position or profitability.";
- (c) the table under the heading "**17. Capitalization and Medium and Long Term Debt Indebtedness Over One Year of BNPP and the BNP Paribas Group**" on pages 941 and 942 of the Base Prospectus is deleted and replaced with the following:

"The following table⁽¹⁾ sets out the consolidated capitalization and medium to long term indebtedness (i.e. of which the unexpired term to maturity is more than one year) of the Group as of 30 September 2019 using the Group's prudential scope of consolidation.

The "prudential scope of consolidation", as defined in Regulation (EU) 575/2013 on capital requirements for credit institutions and investment firms, is used by the Group in the preparation of its "Pillar 3" disclosure set out in Chapter 5 of the BNPP 2018 Registration Document. It differs from the "accounting scope of consolidation" used by the Group in the preparation of its consolidated financial statements under IFRS as adopted by the European Union. The principal differences between the two scopes of consolidation are summarized in Note 1 to the table below.

Except as set forth in this section, there has been no material change in the capitalization of the Group since 30 September 2019.

For the avoidance of doubt, the figures in the table below are derived from the Group's unaudited consolidated financial statements as of and for the nine months ended 30 September 2019 and the Group's audited consolidated financial statements as of and for the year ended 31 December 2018 (which do not include prudential deductions), and are used for the purposes of the Group's prudential capital calculations.

	As of <u>30 September</u> <u>2019</u>	As of <u>31 December</u> <u>2018</u>
<i>(in millions of euros)</i>		
Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)²		
Senior preferred debt at fair value through profit or loss	42,044	37,516
Senior preferred debt at amortized cost.....	47,017	48,223
Total Senior Preferred Debt	89,060	85,739
Senior non preferred debt at fair value through profit or loss	644	0
Senior non preferred debt at amortized cost.....	37,831	23,549
Total Senior Non Preferred Debt	38,475	23,549
Redeemable subordinated debt at amortized cost	17,526	14,929
Undated subordinated notes at amortized cost ³	535	516
Undated participating subordinated notes at amortized cost ⁴	225	225
Redeemable subordinated debt at fair value through profit or loss.....	54	118
Perpetual subordinated notes at fair value through profit or loss ^{5,6}	660	669
Preferred shares and equivalent instruments ⁷	9,753	8,240
Total Subordinated Debt.....	28,752	24,697
Issued capital ⁸	2,500	2,500
Additional paid-in capital	24,564	24,537
Retained earnings.....	64,830	61,928
Unrealized or deferred gains and losses attributable to Shareholders.....	2,519	503
Total Shareholders' Equity and Equivalents (net of proposed dividends).....	94,413	89,468
Minority interests (net of proposed dividends)	4,094	4,049
Total Capitalization and Medium-to-Long Term Indebtedness.....	254,795	227,502

(1) Prior to 30 September 2018, the Group presented its consolidated capitalization and medium-to-long term indebtedness using the accounting scope of consolidation. Since then, the Group presents its capitalization table using the prudential scope of consolidation. As stated in Section 5.2 of the BNPP 2018 Registration Document, the material differences between the prudential scope of consolidation and the accounting scope of consolidation are the following:

- insurance companies (primarily BNP Paribas Cardif and its subsidiaries) that are fully consolidated under the accounting scope of consolidation are accounted for under the equity method in the prudential scope of consolidation;
- jointly controlled entities (mainly UCI Group entities and Bpost banque) are accounted for under the equity method in the accounting scope of consolidation and under the proportional consolidation scope in the prudential scope of consolidation.

(2) All medium- and long-term senior preferred debt of the Issuer ranks equally with deposits and senior to the new category of senior non preferred debt first issued by the Issuer in January 2017. The subordinated debt of the Issuer is subordinated to all of its senior debt (including both senior preferred and senior non preferred debt). The Issuer and its subsidiaries issue medium- to long-term debt on a continuous basis, particularly through private placements in France and abroad.

Euro against foreign currency as at 31 December 2017, CAD = 1.506, GBP = 0.889, CHF = 1.171, HKD = 9.387, JPY = 135.303, USD = 1.201.

Euro against foreign currency as at 31 December 2018, CAD = 1.563, GBP = 0.898, CHF = 1.126, HKD = 8.972, JPY = 125.594, USD = 1.146.

Euro against foreign currency as at 30 September 2019, CAD = 1.443, GBP = 0.886, CHF = 1.088, HKD = 8.549, JPY = 117.818, USD = 1.090.

(3) At 30 September 2019, the remaining subordinated debt included €505 million of undated floating-rate subordinated notes (TSDIs).

(4) Undated participating subordinated notes issued by BNP SA in July 1984 for a total amount of €337 million are redeemable only in the event of the liquidation of the Issuer, but may be redeemed in accordance with the terms specified in the French law of 3 January 1983. The number of notes outstanding as at 30 September 2019 was 1,434,092 amounting to approximately €215 million. Payment of interest is obligatory, but the Board of Directors may postpone interest payments if the Ordinary General Meeting of shareholders held to approve the financial statements notes that there is no income available for distribution. Additionally, as at 30 September 2019, there were 28,698 undated participating subordinated notes issued by Fortis Banque France (amounting to approximately €4 million) and 6,773 undated participating subordinated notes issued by Banque de Bretagne (amounting to approximately €2 million) outstanding; both entities have since been merged into BNPP.

(5) Subordinated debt corresponds to an issue of Convertible And Subordinated Hybrid Equity-linked Securities (CASHES) made by Fortis Bank SA/NV (now acting in Belgium under the commercial name BNP Paribas Fortis) in December 2007, for an initial nominal amount of €3 billion, which has now been reduced to an outstanding nominal amount of €948 million corresponding to a market value of €660 million at 30 September 2019. They bear interest at a floating rate equal to three-month EURIBOR plus a margin equal to 2% paid quarterly in arrears. The CASHES are undated but may be exchanged for Ageas (previously Fortis SA/NV) shares at the holder's sole discretion at a price per Ageas share of €239.40. However, as of 19 December 2014, the CASHES are subject to automatic exchange into Ageas shares if the price of Ageas shares is equal to or higher than €359.10 for twenty consecutive trading days. The principal amount will never be redeemed in cash. The rights of CASHES holders are limited to the Ageas shares held by BNP Paribas Fortis and pledged to them.

Ageas and BNP Paribas Fortis have entered into a Relative Performance Note (RPN) contract, the value of which varies contractually so as to offset the impact on BNP Paribas Fortis of the relative difference between changes in the value of the CASHES and changes in the value of the Ageas shares.

On 7 May 2015, BNPP and Ageas reached an agreement which allows BNPP to purchase outstanding CASHES subject to the condition that these are converted into Ageas shares, leading to a proportional settlement of the RPN. The agreement between Ageas and BNPP expired on 31 December 2016 and has not been renewed.

On 24 July 2015, BNPP obtained a prior agreement from the European Central Bank permitting it to purchase outstanding CASHES up to a nominal amount of €200 million. In 2016, BNPP used such agreement to purchase €164 million outstanding CASHES, converted into Ageas shares.

On 8 July 2016, BNPP obtained a new agreement from the European Central Bank which superseded the prior agreement permitting it to purchase outstanding CASHES up to a nominal amount of €200 million. BNPP requested the cancellation of this agreement from the European Central Bank and the European Central Bank approved such cancellation in August 2017.

As at 30 September 2019, the subordinated liability is eligible to Tier 1 capital for €205 million (considering both the transitional period and the cancellation of the aforementioned agreement).

(6) Carrying amount of the CASHES, of which the amount eligible in prudential own funds was €205 million as of 31 December 2018 and €205 million as of 30 September 2019.

(7) Consists of numerous issuances by BNPP in various currencies (i) over the 2005-2009 period, of undated deeply subordinated non cumulative notes and (ii) since 2015, of perpetual fixed rate resettable additional tier 1 notes. The details of the debt instruments recognized as capital, as well as their characteristics, as required by Implementing Regulation No. 1423/2013, are available in the BNP Paribas Debt section of the Issuer's investor relations website at www.invest.bnpparibas.com.

(8) At 30 September 2019, the Issuer's share capital stood at €2,499,597,122 divided into 1,249,798,561 shares with a par value of €2 each."; and

- (d) the paragraph under the heading "**18. Events impacting the solvency of BNPP**" on page 942 of the Base Prospectus is deleted and replaced with the following:

"To the best of BNPP's knowledge, there have not been any recent events which are to a material extent relevant to the evaluation of BNPP's solvency since 30 September 2019."

RESPONSIBILITY STATEMENT

I hereby certify, having taken all reasonable care to ensure that such is the case that, to the best of my knowledge, the information contained in this Second Supplement is in accordance with the facts and contains no omission likely to affect its import.

BNP Paribas
16 boulevard des Italiens
75009 Paris
France

Represented by Michel Konczaty
in his capacity as Deputy Chief Operating Officer

Dated 12 November 2019

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement général*) of the French *Autorité des marchés financiers* ("AMF"), in particular Articles 212-31 to 212-33, the AMF has granted to this Second Supplement the visa n°19-516 on 12 November 2019. This Second Supplement has been prepared by BNP Paribas and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the *visa* has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information in it is coherent". The *visa* does not imply that the AMF has verified the accounting and financial data set out in this Second Supplement and it does not mean that any financial transactions that may be issued pursuant to the Base Prospectus (as amended by the First Supplement and this Second Supplement) have been granted approval by the AMF. This *visa* has been granted subject to the publication of Final Terms in accordance with Article 212-32 of the AMF's General Regulations, setting out the terms of the securities being issued.