

14 March 2017

FIRST SUPPLEMENT TO THE BASE PROSPECTUS



**BNP PARIBAS
FORTIS**

BNP PARIBAS FORTIS SA/NV
(incorporated with limited liability in Belgium)

EUR 10,000,000,000

Residential Mortgage Pandbrieven Programme

Arrangers

BNP PARIBAS FORTIS SA/NV
BNP PARIBAS

Dealers

BNP PARIBAS FORTIS SA/NV
BNP PARIBAS

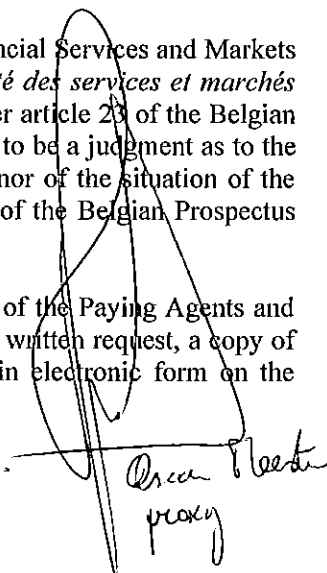
This first supplement dated 14 March 2017 to the Base Prospectus (the "Supplement") is prepared in connection with the Residential Mortgage Pandbrieven Programme referred to above (the "Programme") and is a supplement to the base prospectus dated 12 September 2016 prepared by BNP Paribas Fortis SA/NV ("BNPPF") (the "Issuer") relating to the Programme (the "Base Prospectus"). This Supplement is supplemental to and should be read in conjunction with the Base Prospectus issued by the Issuers.

This Supplement has been mainly prepared for the purposes of (i) incorporating by reference the 2016 annual report of the Issuer and (ii) updating certain information regarding Belgian taxation as applicable from 1 January 2017.

This Supplement has been approved on the date hereof by the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des services et marchés financiers*) (the FSMA) in its capacity as competent authority under article 23 of the Belgian Prospectus Law. This approval is not and should not be considered to be a judgment as to the appropriateness or the merits of any issue under the Programme, nor of the situation of the Issuer. This Supplement has been prepared pursuant to article 34 of the Belgian Prospectus Law.

The Issuer will, at its registered office and at the specified offices of the Paying Agents and the Listing Agent in Belgium, provide, free of charge, upon oral or written request, a copy of this Supplement. In addition, this Supplement will be available in electronic form on the


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proxy

B. AMENDMENT TO THE RISK FACTORS SECTION

The "Risk Factors" section on pages 32 to 72 of the Base Prospectus is amended as follows:

1. The Paragraphs under the sub-heading "*Risks relating to Mortgage Pandbrieven*" on pages 50 to 62 of the "*Risk Factors*" section of the Base Prospectus are amended as follows:
 - a. The sub-paragraph "*EU Savings Directive – Common Reporting Standard*" on pages 56-57 of the Base Prospectus is replaced by the following sub-paragraph:

"EU Directive on administrative cooperation in the field of direct taxation - Common Reporting Standard"

In February 2011, Directive 2011/16/EU as regards administrative cooperation in the field of taxation was adopted in order to strengthen administrative cooperation in the field of direct taxation so as to enable the EU Member states to better combat tax evasion and tax fraud. On 9 December 2014, this Directive was amended by Council Directive 2014/107/EU on administrative cooperation in direct taxation (the "DAC2") which extended the cooperation between tax authorities to automatic exchange of financial account information between Member States, including income categories contained in the Savings Directive (2003/48/EC).

Given this overlap, the Savings Directive, which since 2005 required the automatic exchange of information between member states on private savings income, was repealed by the Council on 10 November 2015 (remaining operational until end of 2015). Directive 2014/107/EU entered into force on 1 January 2016, with some transitional measures. These concern in particular a derogation granted to Austria, allowing it to apply the directive one year later than other member states.

Directive 2014/107/EU implements a single global standard developed by the OECD for the automatic exchange of information ("common reporting standards" or "CRS"). The Directive brings a list of financial information within the scope of the automatic exchange of information. This information consists of interest, dividends and similar type of income, gross proceeds from the sale of financial assets and other income, and account balances.

Belgium has transposed DAC2 and CRS by adopting the Belgian law of 16 December 2015.

Investors who are in any doubt as to their position should consult their professional advisers."

- b. The sub-paragraph "*Foreign Account Tax Compliance Act*" on pages 57-58 of the Base Prospectus is amended as follows (the changes or/and additional wording appearing below in bold and in red):

"Foreign Account Tax Compliance Act"

In certain very exceptional circumstances the Issuer, the Domiciliary Agent and certain other entities through which payments on the Mortgage Pandbrieven are made might be required to withhold U.S. tax at a rate of 30% on a portion of interest payments made after 31 December 2016 in respect of Mortgage Pandbrieven that would be treated as debt for U.S. federal tax

Mortgage Pandbrieven (income, gross proceeds,..) to the Belgian competent authority, who shall communicate the information to the US tax authorities.

The Issuer closely monitors relevant FATCA and IGA legislation and associated national guidance. ~~all present and new legislation that is or will be applicable for its organisation, and is currently investigating all implications of FATCA and legislation of countries that have entered into IGAs. While investigating these implications, the Issuer is and will be in close contact with all of its stakeholders, including its peers and financial industry representative organisations.~~

The Issuer intends to take all necessary steps to comply with FATCA as applicable in Belgium ~~(including entering into agreements with the U.S. tax authorities as may be required), in accordance with the timeframe set by the U.S. tax authorities. However, if the Issuer cannot enter into such agreements or satisfy the requirements thereunder (including as a result of local laws in non-IGA countries prohibiting information sharing with the IRS, as a result of contracts or local laws prohibiting withholding on certain payments to accountholders, or other investors, or as a result of the failure of accountholders or other investors to provide requested information), certain payments to the Issuer may be subject to withholding under FATCA. The possibility of such withholding and the need for accountholders and investors to provide certain information may adversely affect the sales of certain of the Issuer's products. In addition, (i) entering into agreements with the IRS and (ii) compliance with the terms of such agreements and with FATCA any regulations or other guidance promulgated thereunder or any legislation promulgated under an IGA may substantially increase the Issuer's compliance costs.~~ Because legislation and regulations implementing FATCA and the IGAs remains under development, the future impact of this law on the Issuer is uncertain.

FATCA is particularly complex and its application to the Issuer or the Mortgage Pandbrieven issued is uncertain at this time. Each holder of Mortgage Pandbrieven should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how it might affect such holder in its specific circumstance, in particular if it may be, or hold its interest through an entity that is, classified as a financial institution under FATCA."

- c. The sub-paragraph "*Risks relating to the proposed financial transactions tax (FTT)*" on pages 58-59 of the Base Prospectus is amended as follows (the changes or/and additional wording appearing below in bold and in red):

"Risks relating to the proposed financial transactions tax (FTT)

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the Participating Member States). On 8 December 2015, Estonia however expressed its intention not to introduce the FTT.

The proposed FTT has very broad scope and could, **if introduced**, apply to certain ~~dealings~~ **transactions** in the Mortgage Pandbrieven (including secondary market transactions) in certain circumstances. The issuance and subscription of Mortgage Pandbrieven should, however, be exempt.

Under the proposals, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. Generally, it ~~would~~ **could** apply to certain dealings in the Mortgage Pandbrieven where at least one party is a financial institution, and at least one party is established in a Participating Member State. ~~A financial institution may be, or be deemed to be, "established" in a Participating Member State in a broad range of~~

- (i) held by a holder of a Dematerialised Mortgage Pandbrief which is liable to Taxes in respect of such Dematerialised Mortgage Pandbrief by reason of its having some connection with the jurisdiction by which such Taxes have been imposed, levied, collected, withheld or assessed other than the mere holding of the Dematerialised Mortgage Pandbrief; or
 - (ii) where such withholding or deduction is imposed on a payment and is required to be made pursuant to ~~European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive, as well as pursuant to FATCA;~~ or
 - (iii) held by a holder of a Dematerialised Mortgage Pandbrief who would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another paying agent of the Issuer in a member state of the European Union; or
 - (iv) where such withholding or deduction is imposed because the holder of the Dematerialised Mortgage Pandbrief is not an Eligible Investor (unless that person was an Eligible Investor at the time of its acquisition of the relevant Mortgage Pandbrief but has since ceased (as such term is defined from time to time under Belgian law) being an Eligible Investor by reason of a change in the Belgian tax laws or regulations or in the interpretation or application thereof or by reason of another change which was outside that person's control), or is an Eligible Investor but is not holding the relevant Dematerialised Mortgage Pandbrief in an exempt securities account with a qualifying clearing system in accordance with the Belgian law of 6 August 1993 relating to transactions in certain securities and its implementation decrees; or
 - (v) to a holder who is liable to such Taxes because the Dematerialised Mortgage Pandbriefs were converted into registered Mortgage Pandbriefs upon his/her request and could no longer be cleared through the Securities Settlement System; or
 - (vi) to a holder who is entitled to avoid such deduction or withholding by making a declaration of non-residence or other similar claim for exemption;
- (b) with respect to any payment in respect of any Registered Mortgage Pandbrief
- (i) held by a holder of a Registered Mortgage Pandbrief which is liable to Taxes in respect of such Mortgage Pandbrief by reason of its having some connection with the jurisdiction by which such Taxes have been imposed, levied, collected, withheld or assessed other than the mere holding of the Registered Mortgage Pandbrief; or
 - ~~(ii) where such withholding or deduction is imposed on a payment and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or~~
 - (ii) ~~(iii)~~ held by a holder of a Registered Mortgage Pandbrief who would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another paying agent of the Issuer in a member state of the European Union; or
 - (iii) ~~(iv)~~ where such withholding or deduction is imposed because the holder of the Registered Mortgage Pandbrief is not a holder who is an Exempt Investor (as

1. The Paragraphs under the sub-heading "*Belgian Withholding Tax*" on pages 218 to 223 of the "*Taxation*" section of the Base Prospectus are amended as follows:

"Belgian withholding tax"

General

The interest component of payments on the Mortgage Pandbrieven made by or on behalf of the Issuer is as a rule subject to Belgian withholding tax, currently at a rate of ~~27~~ 30 per cent. on the gross amount of such interest. Both Belgian domestic tax law and applicable tax treaties may provide for a lower or ~~zero rate~~ exemptions subject to certain conditions.

Belgian interest withholding tax exemption for certain holders of Dematerialised Mortgage Pandbrieven (X/N withholding tax exemption)

The holding of the Mortgage Pandbrieven in the X/N clearing system of the NBB (the Securities Settlement System) permits most types of investors to collect interest on their Mortgage Pandbrieven free of Belgian withholding tax if and as long as at the moment of payment or attribution of interest the Mortgage Pandbrieven are held by certain types of investors (the Eligible Investors, see below) in an exempt securities account (X-account) that has been opened with a financial institution that is a direct or indirect participant (a Participant) in the Securities Settlement System of the Nationale Bank van België/Banque Nationale de Belgique. Eurocléar and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Mortgage Pandbrieven through the Securities Settlement System enables Eligible Investors to receive the interest income on their Mortgage Pandbrieven free of Belgian withholding tax and to transfer the Mortgage Pandbrieven on a gross basis.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 as amended (from time to time) on the deduction of withholding tax (koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier), which include inter alia:

- (i) Belgian resident companies referred to in article 2, §1, 5°, b) Belgian Income Tax Code of 1992 (wetboek van inkomstenbelastingen 1992 / code des impôts sur les revenus 1992) (BITC);
- (ii) Without prejudice to article 262, 1° and 5° of the BITC, the institutions, associations or companies referred to in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3°;
- (iii) state regulated ~~Semi-governmental~~ institutions (institutions parastatales / parastatalen) for social security or institutions assimilated therewith, as referred to in article 105, 2° of the Royal Decree of 27 August 1993 implementing the BITC (RD/BITC);
- (iv) Non-resident investors referred to in article 105, 5° RD/BITC;
- (v) Investment funds, recognised in the framework of pension savings, referred to in article 115 of the RD/BITC;

eligible status of each investor for whom they hold Mortgage Pandbrieven in an X-account during the preceding calendar year.

These identification requirements do not apply to Mortgage Pandbrieven held with Euroclear or Clearstream, Luxembourg acting as Participants to the Securities Settlement System, provided that they only hold X-accounts and that they are able to identify the holders for whom they hold Mortgage Pandbrieven in such account.

Belgian interest withholding tax exemption for certain holders of Registered Mortgage Pandbrieven

Payments of interest and principal by the Issuer under the Registered Mortgage Pandbrieven (except Zero Coupon Mortgage Pandbrieven and other Registered Mortgage Pandbrieven which provide for the capitalisation of interest) may be made without deduction of withholding tax provided that the following conditions are cumulatively met (Article 107, §2, 5°, b) and 8°, and Article 118, §1, 1° and 2° of the RD/BITC):

- (i) the Registered Mortgage Pandbrieven are registered in the name of the holder with the Issuer during the entire relevant Interest Period;
- (ii) the holder is the legal owner (eigenaar/propriétaire) or usufructuary (vruchtgebruiker/usufruitier) of Registered Mortgage Pandbrieven in respect of which it is entitled to payment of interest, uninterruptedly for the entire relevant Interest Period;
- (iii) the holder is either (A) not resident for tax purposes in Belgium and does not use the income producing assets to exercise a business or professional activity in Belgium; or (B) a financial institution or institution which is assimilated therewith, provided for in Article 105, 1° of the RD/BITC; or (C) a state regulated institution (parastatale/institution parastatale) for social security, or institution which is assimilated therewith, provided for in Article 105, 2° of the RD/BITC; and
- (iv) upon each interest payment, the holder must provide the Issuer with an affidavit in which it is certified that the conditions mentioned in points (ii) and (iii) are complied with.

If Belgian withholding tax was levied by the Issuer further to non-compliance of condition (ii) above, then the transferor and/or the transferee have the right, subject to certain time limitations and provided conditions (i) and (iii) are fulfilled, to file a claim with the Belgian tax authorities to request a refund of Belgian withholding tax on the pro rata amount of interest attributable to them (Article 119, §1 of the RD/BITC).

2. The Paragraphs under the sub-heading "*Belgian income tax and capital gain*" on page 221 of the "*Taxation*" section of the Base Prospectus are amended as follows:

"Belgian income tax and capital gains"

Belgian resident individuals

For individuals who are Belgian residents for tax purposes, *ie*, who are subject to the Belgian personal income tax (Personenbelasting/Impôt des personnes physiques), payment of the 30 per cent. interest withholding tax fully discharges them from their personal income tax liability with respect to interest received on the Mortgage Pandbrieven (*précompte mobilier libératoire/bevrijdende roerende voorheffing*). This means that they do not have to report the

Capital gains realised on the sale of the Mortgage Pandbrieven are in principle tax exempt, unless the capital gain qualifies as interest (as defined above). Capital losses are in principle not tax deductible.

Organisation for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions (OFP) in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle not included in the OFP's corporate income tax base and are therefore, as a rule, not subject to corporate income tax at the level of the latter. Subject to certain conditions, the Belgian withholding tax that may have been levied on the interest due under the Mortgage Pandbrieven can be credited against any corporate income tax due and any excess amount is in principle refundable.

Belgian non-residents

Mortgage Pandbrieven Holders who are non-residents of Belgium for Belgian tax purposes and are not holding the Mortgage Pandbrieven through a Belgian establishment and do not invest the Mortgage Pandbrieven in the course of their Belgian professional activity will not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership or disposal of the Mortgage Pandbrieven, provided that they qualify as Eligible Investors and hold their Mortgage Pandbrieven through an X-account in the Securities Settlement System.

If the Mortgage Pandbrieven are not entered into an X-account by the Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 27.30 per cent., possibly reduced pursuant to Belgian domestic tax law or applicable tax treaties, on the gross amount of the interest.

European Directive on taxation of savings income in the form of interest payments

~~The EU has adopted a directive (European Council Directive 2003/48/EC) regarding the taxation of savings income (as amended, supplemented or replaced from time to time, hereinafter Savings Directive). Under the Savings Directive, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or other similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State (hereinafter Disclosure of Information Method). However, for a transitional period, Austria instead is required (unless during that period it elects otherwise) to operate a withholding system (hereinafter Source Tax) in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).~~

~~On 24 March 2014, the EU Council of Ministers has adopted a Council Directive pursuant to which Member States are required, as from 1 January 2016, to extend the scope of the requirements described above to (among other things) (i) payments made under certain financial instruments and life insurance contracts that are considered equivalent to debt claims (ii) certain payments that are made to entities or legal arrangements (such as trusts) established outside the EU, where an individual resident in a Member State other than that of the paying agent is regarded as the beneficial owner of that payment and (iii) payments made to certain entities or legal arrangements established in the EU which are treated as paying agents on receipt of interest payments.~~

Belgium through a professional intermediary is 0.09 per cent. with a maximum amount of EUR ~~650~~-1300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. The acquisition of the Mortgage Pandbrieven upon their issuance (primary market) is not subject to the tax on stock exchange transactions.

The tax on stock exchange transactions will however not be payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the Code of various duties and taxes (Code des droits et taxes divers / Wetboek diverse rechten en taksen).

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