

18 September 2018

SECOND 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 second supplement dated 18 September 2018 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 23 January 2018 prepared by BNP Paribas Fortis SA/NV (BNPPF) (the **Issuer**) relating to the Programme, as previously supplemented by the first supplement dated 12 March 2018 (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:

- (a) updating the BNPPF long-term credit rating outlook allocated by Standard & Poor's throughout the Base Prospectus;
- (b) incorporating into the Base Prospectus the following documents:
 - (i) the annual report of BNPPF for the financial year 2017;
 - (ii) the press release dated 4 September 2018 published by BNPPF regarding its first half 2018 results; and

N. GEURGEON
Co-Head of Legal CIB Capital Markets
BNP PARIBAS FORTIS

- (iii) the half-year financial report of BNPPF for the first half-year 2018.

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 website of the FSMA (www.fsma.be) and on the website of BNPPF : <https://www.bnpparibasfortis.com/investors/coveredbonds>.

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

In this Supplement, reference is made to ratings assigned by Standard and Poor's Rating Services and Moody's Investors Services Ltd. These Rating Agencies are established in the European Union and registered under Regulation (EC) No. 1060/2009, as amended, (the **CRA Regulation**) and are included in the list of credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating organisation.

A. INCORPORATION OF INFORMATION BY REFERENCE

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

- (a) the 2017 annual report of BNPPF including, in particular, the audited annual consolidated financial statements of BNPPF (including the statutory auditor's report to the general shareholders' meeting of BNPPF on the consolidated financial statements for the year ended 31 December 2017);
- (b) the press release dated 4 September 2018 published by BNPPF regarding its first half 2018 results; and
- (c) the half-year financial report of BNPPF for the first half-year 2018.

Section 7 (*Documents incorporated by reference*) on page 118 of the Base Prospectus is amended by inserting the following three new bullet points:

- the 2017 annual report of BNPPF including, among other things:
 - (a) the audited consolidated profit and loss account of BNPPF for the financial year ended 31 December 2017 page 44
 - (b) the statement of net income and changes in assets and liabilities recognised directly in equity of BNPPF for the financial year ended 31 December 2017 page 45

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| (c) | the balance sheet of BNPPF at 31 December 2017 | page 46 |
| (d) | the cash flow statement of BNPPF for the financial year ended 31 December 2017 | page 47 |
| (e) | statement of changes in shareholders' equity between 1 January 2016 and 31 December 2017 | page 48 |
| (f) | the notes to the consolidated financial statements for the financial year ended 31 December 2016, segment information, financing commitments and guarantee commitments, salaries and employee benefits, additional information and risk management and capital adequacy; | pages 49-174 |
| (g) | the statutory auditor's report to the general shareholder's meeting on the consolidated financial statements of BNPPF for the year ended 31 December 2017 (including their opinion with explanatory paragraphs) | pages 176-186 |
| (h) | the section headed 'Information related to Article 523 of the Belgian companies code' describing a decision of the Board of BNPPF of 9 March 2017 | page 192 |
- the press release dated 4 September 2018 published by BNPPF regarding its 2018 first half results;
 - the unaudited half-year financial report for the first half-year 2018 of BNPPF (including the review report thereon issued by PwC Bedrijfsrevisoren bcvba/ Reviseurs d'Entreprises scrl (represented by Damien Walgrave) including, among other things:

(a)	the unaudited profit and loss account of BNPPF for the first half of 2017	page 18
(b)	the unaudited statement of net income and changes in assets and liabilities recognised directly in equity of BNPPF	page 19
(c)	the unaudited balance sheet of BNPPF at 30 June 2018	page 20
(d)	the unaudited cash flow statement of BNPPF for the first half of 2018	page 21
(e)	the unaudited statement of changes in shareholders' equity between 1 January 2017 and 30 June 2018	page 22
(f)	the notes to the consolidated interim financial statements, including segment information, financing and guarantee commitments and additional information	pages 23-103
(g)	statutory auditors' report of BNPPF on the review of the interim consolidated financial statements for the six-month period ended 30 June 2018	pages 105-106

B. AMENDMENTS TO THE “RISK FACTORS”

On page 48, the last three paragraphs of the section “Litigation or other proceedings or actions may adversely affect the Issuer’s business, financial condition and results of operations” are replaced as follows:

“In March 2016 Ageas and several claimant organisations announced a settlement proposal with respect to all civil proceedings related to the former Fortis group for the events in May 2007 and October 2008. On 13 July 2018, the Amsterdam Court of Appeal declared that this settlement is binding for all eligible Fortis shareholders in accordance with the Dutch Act on Collective Settlement of Mass Claims. BNPPF is one of the releasees under the settlement. This means that each eligible shareholder will be deemed to have fully released BNPPFs from any and all claims that such shareholder may have against BNPPF in relation to the 2007 and 2008 events as defined in the settlement. The claimants’ organisations have committed themselves to remove their pending procedures related to the former Fortis group from the cause-list after expiration of the opt-out period.

Eligible shareholders have the right to opt-out from the settlement during a period of 5 months ending on 31 December 2018. After having opted-out these shareholders could proceed with legal actions against BNPPF. Ageas has a termination right should the pay-out amount for the number of shares opting out exceed 5% of the total settlement amount. If the settlement were terminated, all concerned claims and legal proceedings against BNPPF could be continued. If these claims and legal proceedings were to be continued and successful, they could eventually result in monetary consequences for BNPPF. Such impact remains unquantifiable at this stage.

More information on these litigations and investigations can be found under Note 7.a. (Contingent liabilities: legal proceeding and arbitration) on pages 91 to 92 in the Consolidated Financial Statements of BNPPF for the half year ended 30 June 2018.”

On page 57, the first paragraph of the section “Credit ratings” is replaced as follows:

“The Issuer has a senior debt rating from Standard & Poor’s Credit Market Services Europe Limited (**S&P**) of A with a positive outlook and a senior debt rating from Moody’s France SAS (**Moody’s**) of A2.”

C. AMENDMENT TO THE “DESCRIPTION OF THE ISSUER” and “GENERAL INFORMATION”

On page 223, section 10 “Significant change in the Issuer’s financing or trading position” is replaced as follows:

“There has been no significant change in the financial or trading position of the Issuer and its subsidiaries since 30 June 2018.”

On page 223, section 11 “Material adverse change” is replaced as follows:

“There has been no material adverse change in the prospects of the Issuer since 31 December 2017.”

On page 242, the section “Significant or Material Change” is replaced as follows:

“There has been:

- (i) no significant change in the financial or trading position of the Issuer since 30 June 2018;
- and

- (ii) no material adverse change in the financial position, business or prospects of the Issuer on a consolidated basis since 31 December 2017.”

In the list at the top of page 241, the following items are added:

- “(v) the audited annual consolidated financial statements of the Issuer in respect of the financial year ended 31 December 2017;
- (vi) the half-yearly report 2018 in respect of the half-year ended 30 June 2018;
- (vii) the press release dated 4 September 2018 published by BNPPF regarding its 2018 first half results;”

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The Issuer estimates that, to the best of its knowledge and save as disclosed in this Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to the information included in the Base Prospectus since its publication.

The distribution of this Supplement may be restricted by law. Persons into whose possession this supplement or/and the Base Prospectus comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions.

Neither this Supplement, nor the Base Prospectus nor any Final Terms constitutes an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for or purchase, any Covered Bonds and should not be considered as a recommendation by the Issuer, the Dealers or any of them that the recipient of this Supplement, the Base Prospectus or any Final Terms should subscribe for or purchase any Covered Bonds. Each recipient of this Supplement or the Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

None of the Dealers nor any of its respective affiliates has authorized the whole or any part of this Supplement, nor separately verified the information contained or incorporated in this Supplement and none of them makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information (including that incorporated) in this Supplement.

THE ISSUER

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