

27 February 2017

THIRD SUPPLEMENT TO THE BASE PROSPECTUS



BNP PARIBAS
FORTIS

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

AND



BNP PARIBAS FORTIS
FUNDING

BNP PARIBAS FORTIS FUNDING
(INCORPORATED AS A SOCIÉTÉ ANONYME UNDER THE LAWS OF THE GRAND
DUCHY OF LUXEMBOURG REGISTERED WITH THE LUXEMBOURG REGISTRY OF
COMMERCE AND COMPANIES UNDER NO. B 24,784)

UNCONDITIONALLY AND IRREVOCABLY GUARANTEED BY
BNP PARIBAS FORTIS SA/NV

Euro Medium Term Note Programme

This third supplement dated 27 February 2017 to the Base Prospectus (the "**Supplement**") is prepared in connection with the Euro Medium Term Note Programme referred to above (the "**Programme**") and is a supplement to the base prospectus dated 13 June 2016 as supplemented on 5 September 2016 and 11 October 2016 prepared by BNP Paribas Fortis SA/NV ("**BNPPF**") and BNP Paribas Fortis Funding ("**BP2F**") (each an "**Issuer**" and together, the "**Issuers**") relating to the Programme (the "**Base Prospectus**") and under which the Notes issued by BP2F are guaranteed on a subordinated or unsubordinated basis by BNPPF (the "**Guarantor**"). 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 risk factors section, (B) updating certain disclosures on BP2F, (C) updating certain information regarding Belgian taxation as applicable from 01 January 2017 and certain information regarding the taxation applicable in Luxembourg and Switzerland, and (D) updating certain provisions of the Terms and Conditions of the Notes (to correct mistakes or to reflect significant new factors) for Notes to be offered and issued, and possibly to be listed, as from 1 March 2017.

This Supplement has been approved on the date hereof by the Luxembourg *Commission de Surveillance du Secteur Financier*, which is the Luxembourg competent authority for the

purpose of the Prospectus Directive and relevant implementation measures of the Prospectus Directive into Luxembourg law. This Supplement has been prepared pursuant to article 13 of the Luxembourg Prospectus Law.

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

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

A. AMENDMENT TO THE RISK FACTORS SECTION

A.1. The risk factor entitled “*Payments made in respect of the Notes may be subject to Belgian withholding tax*” on pages 78 and 79 of the Base Prospectus under sub-heading “*Risk factors that may affect the Notes generally*” in the “*Risk Factors*” section is amended as follows (the changes or/and additional wording appearing below in bold and in red):

“The Notes may be subject to withholding taxes in circumstances where the Issuer is not obliged to make gross up payments and this would result in holders receiving less interest than expected and could significantly adversely affect their return on the Notes.

Payments made in respect of the Notes may be subject to Belgian withholding tax

Belgian withholding tax, currently at a rate of **27 30** per cent., will in principle be applicable to the interest on the Notes issued by BNPPF that are not held in the X/N System or that are held in a non-exempt securities account (an “N account”) in the X/N System, as further described in Taxation below. Potential investors should be aware that any relevant tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Notes may change at any time (including during any subscription period or the term of the Notes). Any such change may have an adverse effect on a Noteholder, including that the liquidity of the Notes may decrease and/or the amounts payable to or receivable by an affected Noteholder may be less than otherwise expected by such Noteholder.

Potential investors who are in any doubt as to their tax position should consult their own independent tax advisers.”

A.2. The risk factor entitled “(x) *BNPPF is subject to extensive and evolving regulatory regimes in the countries and regions in which it operates*” on pages 63 and 64 of the Base Prospectus under sub-heading “*Risk factors relating to the business of BNP Paribas Fortis SA/NV*” in the “*Risk Factors*” section is completed at the end with the following additional wording:

“Beside possible legislative or/and regulatory changes as stated above, certain local authorities in the jurisdictions in which BNPPF operates may publish from time to time some position papers or communications (each, a “Communication”), relating to the placement or distribution of financial instruments, that may contain certain restrictive measures or guidelines on the way to apply certain provisions or rights of an issuer or/and of a distributor of financial instruments in these jurisdictions. This kind of

Communication may affect the business of BNPPF because (i) the concerned competent authority may in practice prevent an issuer of financial instruments to use certain of its rights, (ii) even if not binding on the courts as such, a Communication could have a persuasive effect on the courts, (iii) it may be applicable immediately without any transition period or/and it may be designed as a dynamic document that can be amended over time without prior notice, and (iv) certain matters covered by a Communication may be subject to interpretation and there is then no legal certainty that BNPPF will comply with that Communication.”

B. AMENDMENT TO THE DESCRIPTION OF BNP PARIBAS FORTIS FUNDING

The text under the sub-heading “*Share capital*” under the heading “*Additional information*” on page 127 of the Base Prospectus in the section about the “*Description of BNP Paribas Fortis Funding*” is amended as follows (the changes or/and additional wording appearing below in bold and in red):

“BP2F issued and authorised share capital at 31 December 2015 is EUR 500,000 represented by 20,000 registered shares with a nominal value of EUR 25 each. BP2F has no other classes of shares. The share capital is fully paid up in cash. BP2F has no notes cum warrants, nor any convertible notes outstanding.

The Board of Directors of BP2F has decided to propose to the shareholders of BP2F (with a meeting expected to be held in 2017) to increase the equity capital of the company from EUR 500,000 to EUR 2,000,000. If approved by the shareholders, that increase will take place in 2017 via a transfer of EUR 1,500,000 from the current retained earnings of BP2F, to the account number 115 of BP2F entitled “equity contribution without remuneration by securities”. The issued and share capital of BP2F (that is fully paid up in cash) will remain at EUR 500,000.”

C. AMENDMENTS TO THE TAXATION SECTION

The “Taxation” section on pages 167 to 187 of the Base Prospectus is amended as follows (the changes or/and additional wording appearing below in bold and in red):

1. The Paragraphs under the sub-heading “*Taxation in Belgium*” on pages 168 to 177 of the “*Taxation*” section of the Base Prospectus are amended as follows:

- a. The second and third paragraphs under sub-paragraph “*Belgian resident individuals*” on page 169 of the Base Prospectus are amended as follows:

“Interest payments on Belgian Structured Notes will be subject to a **27 30** per cent. withholding tax in Belgium. Similarly, interest payments on Foreign Structured Notes made through a paying agent in Belgium will in principle be subject to a **27 30** per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Structured Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments.

Nevertheless, Belgian resident individuals may elect to declare interest on the Structured Notes in their personal income tax return. Also, if interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return. Interest income which is declared this way will in principle be taxed at a flat rate of **27 30** per cent. (or at the

relevant progressive personal income tax rate(s), taking into account the taxpayer's other declared income, whichever is more beneficial) and no local surcharges will be due. The Belgian withholding tax levied may be credited against the income tax liability.”

- b. The third paragraph under sub-paragraph “*Belgian resident companies*” on page 170 of the Base Prospectus is amended as follows:

“Interest payments on the Belgian Structured Notes will be subject to a **27 30** per cent. withholding tax in Belgium. Similarly, interest payments on the Foreign Structured Notes made through a paying agent in Belgium are in principle be subject to a **27 30** per cent. withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption can only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6°, b) of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.”

- c. The second and third paragraphs under sub-paragraph “*Other Belgian resident legal entities*” on pages 170 of the Base Prospectus are amended as follows:

“Interest payments on Belgian Structured Notes will be subject to a **27 30** per cent. withholding tax in Belgium. Similarly, interest payments on Foreign Structured Notes made through a paying agent in Belgium will in principle be subject to a **27 30** per cent. withholding tax in Belgium. If Belgian withholding tax was levied, no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the Belgian resident legal entity itself is responsible for the deduction and payment of the **27 30** per cent. withholding tax.”

- d. The first paragraph under sub-paragraph “*Belgian non-residents*” on page 170 of the Base Prospectus is amended as follows:

“Interest income on Belgian Structured Notes paid to non-residents of Belgium and interest income on Foreign Structured Notes paid to non-residents of Belgium through a professional intermediary in Belgium will, in principle, be subject to a **27 30** per cent. withholding tax. Lower rates may apply if the holder of the Structured Notes is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. In addition, non-resident corporate investors who have allocated the Foreign Structured Notes to the exercise of a professional activity in Belgium through a Belgian establishment may benefit from a withholding tax exemption, provided that certain formalities are complied with. If interest on Foreign Structured Notes is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.”

- e. The second and third paragraphs under sub-paragraph “*Belgian resident individuals*” on page 172 of the Base Prospectus are amended as follows:

“Interest payments on Belgian Notes will be subject to a **27 30** per cent. withholding tax in Belgium. Similarly, interest payments on Foreign Notes made through a paying agent in Belgium will in principle be subject to a **27 30** per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals.

This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided Belgian withholding tax was levied on these interest payments. However, they may elect to declare interest in their personal income tax return.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of **27 30** per cent.”

- f. A fifth paragraph is added under sub-paragraph “*Belgian resident individuals*” on page 172 of the Base Prospectus as follows:

“Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.”

- g. The third paragraph under sub-paragraph “*Belgian resident companies*” on pages 172-173 of the Base Prospectus is amended as follows:

“Interest payments on the Belgian Notes will be subject to a **27 30** per cent. withholding tax in Belgium. Similarly, interest payments on the Notes made through a paying agent in Belgium are in principle be subject to a **27 30** per cent. withholding tax, but can under certain circumstances be exempt from Belgian withholding tax, provided that certain formalities are complied with. For zero or capitalisation bonds, an exemption can only apply if the Belgian company and the Issuer are associated companies within the meaning of article 105, 6°, b) of the Royal Decree of 27 August 1993 implementing the Belgian Income Tax Code of 1992. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions.”

- h. The second and third paragraphs under sub-paragraph “*Other Belgian resident legal entities*” on page 173 of the Base Prospectus are amended as follows:

“Interest payments on Belgian Notes will be subject to a **27 30** per cent. withholding tax in Belgium. Similarly, interest payments on Foreign Notes made through a paying agent in Belgium will in principle be subject to a **27 30** per cent. withholding tax in Belgium. If Belgian withholding tax was levied, no further Belgian income tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the Belgian resident legal entity itself is responsible for the deduction and payment of the **27 30** per cent. withholding tax.”

- i. The first paragraph under sub-paragraph “*Belgian non-residents*” on page 173 of the Base Prospectus is amended as follows:

“Interest income on Belgian Notes paid to non-residents of Belgium and interest income on Foreign Notes paid to non-residents of Belgium through a professional intermediary in Belgium will, in principle, be subject to a **27 30** per cent. withholding tax. Lower rates may apply if the holder of the Notes is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. In addition, non-resident corporate investors who have allocated Foreign Notes to the exercise of a professional activity in Belgium through a Belgian establishment may benefit from a withholding tax exemption, provided that certain formalities are complied with. If interest on Foreign Notes is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.”

- j. The third paragraph under sub-paragraph “*Belgian non-residents*” on page 174 of the Base Prospectus is amended as follows:

“Non-resident individuals who do not use the Notes for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Notes to Belgium, will be subject to tax in Belgium if the capital gains are obtained or received in Belgium and are deemed to be realized outside the scope of the normal management of the individual’s private estate. Capital losses are generally not deductible, ~~but are in certain circumstances taken into account to calculate the Belgian speculation tax (see above).~~”

- k. The second paragraph under sub-paragraph “*Withholding tax*” on pages 174 of the Base Prospectus is amended as follows:

“Participants in the NBB system must keep the Notes they hold for the account of Eligible Investors on so called “X accounts”, and those they hold for the account of non-Eligible Investors on “N accounts”. Payments of interest made through X accounts are free of withholding tax; payments of interest made through N accounts are subject to a withholding tax of **27 30** per cent., which the NBB deducts from the payment and pays over to the tax authorities. In the case of Notes issued at a discount, the difference between the issue price and the principal amount constitutes interest for these purposes.”

- l. The first and second paragraphs under sub-paragraph “Belgian resident individuals” on page 175 of the Base Prospectus are amended as follows:

“For Belgian resident individuals, i.e., natural persons who are subject to Belgian personal income tax (“*Personenbelasting/Impôt des personnes physiques*”) and who hold the Notes as a private investment, payment of the **27 30** per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments. This means that they do not have to declare interest in respect of the Notes in their personal income tax return, provided that Belgian withholding tax has effectively been levied on the interest.

Nevertheless Belgian resident individuals may elect to declare interest in respect of the Notes in their personal income tax return. Interest income which is declared in this way will in principle be taxed at a flat rate of **27 30** per cent. (or at the relevant progressive personal income tax rate(s) taking into account the taxpayer's other declared income, whichever is more beneficial). The Belgian withholding tax levied may be credited.”

- m. The first and second paragraphs under sub-paragraph “*Belgian resident legal entities*” on page 176 of the Base Prospectus are amended as follows:

“For Belgian legal entities subject to Belgian legal entities tax (“*Rechtspersonenbelasting/impôt des personnes morales*”) and which have been subject to the **27 30** per cent. withholding tax on interest payments, such withholding tax constitutes the final taxation.

Belgian legal entities which have received interest income on the Notes without deduction for or on account of Belgian withholding tax are required to declare and pay the **27 30** per cent. withholding tax to the Belgian tax authorities themselves.”

- n. The second paragraph under sub-paragraph “Belgian non-residents” on page 176 of the Base Prospectus is amended as follows:

“If the Notes are not entered into an X account by the Eligible Investor, withholding tax on the interest is in principle applicable at the rate of currently **27 30** per cent., possibly reduced pursuant to a double taxation agreement. In addition, non-resident corporate investors who have allocated Foreign Notes to the exercise of a professional activity in Belgium through a Belgian establishment may benefit from a withholding tax exemption, provided that certain formalities are complied with.”

- o. The fourth paragraph under sub-paragraph “*Belgian non-residents*” on page 176 of the Base Prospectus is amended as follows:

“Non-resident individuals who do not use the Notes for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with

which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Notes to Belgium, will be subject to tax in Belgium if the capital gains are obtained or received in Belgium and are deemed to be realized outside the scope of the normal management of the individual's private estate. Capital losses are generally not deductible, ~~but are in certain circumstances taken into account to calculate the Belgian speculation tax (see above).~~"

- p. The first paragraph under sub-paragraph "*Belgian tax on stock exchange transactions*" on page 177 of the Base Prospectus is amended as follows:

"A tax on stock exchange transactions ("*Taxe sur les opérations de bourse/Taks op de Beursverrichtingen*") will be levied on the sale and acquisition of the Notes on the secondary market if executed in Belgium through a professional intermediary. The tax is due at a rate of 0.09 per cent. on each sale and acquisition separately, with a maximum amount of EUR ~~650~~ **1,300** per taxable transaction and is collected by the professional intermediary."

2. The Paragraphs under the sub-heading "*Taxation in Luxembourg*" on pages 177 to 180 of the "*Taxation*" section of the Base Prospectus are amended as follows:

- a. The second paragraph under sub-heading "*Taxation in Luxembourg*" on page 177 of the Base Prospectus is amended as follows:

"Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a tax, duty, levy, impost or other charge or withholding of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only. Also, please note that a reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*), a solidarity surcharge (*contribution au fonds pour l'emploi*) as well as personal income tax (*impôt sur le revenu*) ~~and a temporary budget balancing tax (*impôt d'équilibrage budgétaire temporaire*).~~ Investors may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, municipal business tax as well as the solidarity surcharge invariably apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax, ~~and the solidarity surcharge and the temporary budget balancing tax.~~ Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may apply as well."

- b. The second paragraph under sub-paragraph "*Resident holders of Notes*" under the paragraph "*Withholding tax*" on page 178 of the Base Prospectus is amended as follows:

"Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg ~~or to a residual entity (within the meaning of the laws of 21 June 2005 implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the "Savings Directive") and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "Territories"), as amended) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner~~ will be subject to a withholding tax of ~~120%~~. Such withholding tax will be in full discharge of income tax if the beneficial owner is an

individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payment of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of ~~120~~ %.”

- c. The first paragraph under the bullet point “*Luxembourg resident individual holder of Notes*” under sub-paragraph “*Resident holders of Notes*” under the paragraph “*Income taxation*” on page 179 of the Base Prospectus is amended as follows:

“An individual holder of Notes, acting in the course of the management of his/her private wealth, is subject to Luxembourg income tax at progressive rates in respect of interest received, redemption premiums or issue discounts, under the Notes, except if (i) withholding tax has been levied on such payments in accordance with the Relibi Law, or (ii) the individual holder of the Notes has opted for the application of a ~~120~~ per cent. tax in full discharge of income tax in accordance with the Relibi Law, which applies if a payment of interest has been made or ascribed by a paying agent established in a EU Member State (other than Luxembourg), or in a Member State of the European Economic Area (other than a EU Member State), ~~or in a state that has entered into a treaty with Luxembourg relating to the Savings Directive~~. A gain realised by an individual holder of Notes, acting in the course of the management of his/her private wealth, upon the sale or disposal, in any form whatsoever, of Notes is not subject to Luxembourg income tax, provided this sale or disposal took place more than six months after the Notes were acquired. However, any portion of such gain corresponding to accrued but unpaid interest income is subject to Luxembourg income tax, except if tax has been levied on such interest in accordance with the Relibi Law.”

- d. The first paragraph under the paragraph “*Other taxes and duties*” on page 180 of the Base Prospectus is amended as follows:

“Under current Luxembourg tax law and current administrative practice, it is not compulsory that the Notes be notarised, filed, recorded or enrolled with any court, or other authority in Luxembourg or that registration tax, transfer tax, capital tax, stamp duty or any other similar tax or duty (other than court fees and contributions for the registration with the Chamber of Commerce) be paid in respect of or in connection with the execution, delivery and/or enforcement by legal proceedings (including any foreign judgment in the courts of Luxembourg) of the Notes, in accordance therewith or the performance of the Issuers' obligations under the Notes, ~~except that, in case of use of the Notes, either directly or by way of reference, (i) in a public deed, (ii) in a judicial proceeding in Luxembourg or (iii) before any other Luxembourg official authority (autorité constituée), registration may be ordered, in which case the Notes or the financial documents will be subject to, respectively, a fixed (EUR 12) or an ad valorem registration duty and calculated on the amounts mentioned in the Notes or financial documents.~~”

3. The Paragraphs under the sub-heading “*Taxation in Switzerland*” on pages 183 to 187 of the “*Taxation*” section of the Base Prospectus are amended as follows:

- a. The fifth paragraph under the sub-paragraph “*Interest Payments or Redemption of Notes*” under the paragraph “*Swiss Resident Noteholders*” on page 184 of the Base Prospectus is amended as follows:

“The Note is generally considered as transparent if the debt and the derivative components are traded separately or if the different elements of the Note (such as the guaranteed redemption amount, the issuance price of the debt component, the interest rates determining the issuance price of the debt component) are separately stated in the sales documentation as well as in the offering prospectus and if each one of such components is separately evaluated. Such

evaluation has to be performed through calculations of financial mathematics determining the intrinsic value of the debt instrument and the derivative instrument components contained in the Note. In particular, the calculations have to determine the notional issuance price of the debt instrument, based on the interest rate taken into account by the issuer which has to be at market value. The Swiss Federal Tax Administration has to approve such calculations. Such calculations have to be reviewed on a quarterly basis in order to take into account the evolution of the interest rates. If the tax authorities are not provided with sufficient information the Notes can be treated as not transparent. Products with prevalent structures but for which the issuer does not provide the information allowing to distinguish the different elements of a product as described above are made transparent in retrospect by the tax authorities, banks or other channels of distribution if the following requirements are fulfilled: (a) the issuer of the product must have at least a single-A-rating; and (b) the product at hand has to be admitted to official quotation at the commercial exchange market or, at least, a market maker has to insure liquid trading of the product at hand. Liquid trading by a market maker is a condition that the key data of the product can be used as credible basis of calculation.”

- b. The paragraphs under the paragraph “*Swiss Stamp Duties*” on page 185 of the Base Prospectus are replaced by the following paragraphs:

“The sale or transfer of the Notes with a duration of more than one year may be subject to Swiss stamp duty at the current rate up to 15 bps per party, if such sale or transfer is made by or through the intermediary of a Swiss bank or other securities dealer as defined in the Swiss Stamp Tax Act and no exemption applies.

Notes qualified as units in a foreign investment fund may be subject to the Swiss transfer stamp duty of up to rate up to 15 bps per party at issue.”

- c. The first paragraph under the paragraph “*Swiss EU Tax Retention*” on page 186 of the Base Prospectus is amended as follows:

“Switzerland has introduced a tax retention on interest payments or similar income paid by a Swiss paying agent as defined in Articles 1 and 6 of the Agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments (the "Agreement") to the beneficial owner who is an individual and resident in the EU as of 1 July 2005, unless the interest payments are made on debt-claims issued by debtors who are residents of Switzerland or pertaining to permanent establishments of non-residents located in Switzerland. The tax retention may be withheld at the rate of 35 per cent. The beneficial owner of the interest payments may be entitled to a credit for or a refund of the tax retention if certain conditions are met. The Swiss paying agent may be explicitly authorised by the beneficial owner of the interest payment to report interest payments to the Swiss Federal Tax Administration. Such report will then substitute the tax retention. On 27 May 2015, Switzerland and the European Community signed an amendment protocol to the Agreement, which if ratified would (a) expand the range of payments covered and (b) starting from 2018 (with data collection starting from 2017), introduce an extended automatic exchange of information regime in accordance with the Global Standard released by the OECD Council in July 2014 to replace the withholding system currently in place in Switzerland starting from 2017. **From 1 January 2017 Switzerland abolished the tax retention under the Directive. The withholding system was replaced by the Automatic Exchange of Information agreement between Switzerland and EU in force on 1 January 2017. In accordance with the amendment protocol to the Agreement, under the current system, payments in respect of Products by a paying agent in Switzerland may in certain circumstances be subject to deduction of tax at the rate of 35 per cent. (with the**

~~individual having the option of the paying agent notifying the Swiss tax authorities in lieu of the withholding).”~~

- d. The first paragraph under the paragraph “*Final Foreign Withholding Tax*” on page 186 of the Base Prospectus is amended as follows:

“On January 1, 2013 treaties on final withholding taxes of Switzerland with the United Kingdom and Austria entered into force (each a "Contracting State"). The treaties, among other things, require a Swiss paying agent, as defined in the treaties, to levy a flat-rate final withholding tax at rates specified in the treaties on certain capital gains and income items (interest, dividends, other income items, all as defined in the treaties), deriving from assets, including the Notes, as applicable, held in accounts or deposits with a Swiss paying agent by (i) an individual resident in a Contracting State or, (ii) if certain requirements are met, by a domiciliary company, an insurance company in connection with a so-called insurance wrapper or other individuals, if the beneficial owner is an individual resident in a Contracting State. The final withholding tax substitutes the ordinary income tax on the respective capital gains and income items in the Contracting States where the individual is tax resident. The individual may, however, in lieu of the final withholding tax make voluntary disclosure of the respective capital gains and income items to the tax authority of the Contracting State where it is tax resident. Switzerland may conclude similar treaties with other European countries. **From 1 January 2017 Switzerland abolished the tax retention and reporting system under the Agreements with Austria and United Kingdom. The withholding system was replaced by the Automatic Exchange of Information agreement between Switzerland and EU in force on 1 January 2017. It is expected that these treaties will be terminated once the above mentioned automatic exchange of information regime has been implemented.**”

D. AMENDMENTS TO THE TERMS AND CONDITIONS OF THE NOTES

The “Terms and Conditions of the Notes” section on pages 196 to 295 of the Base Prospectus is amended as follows (the changes or/and additional wording appearing below in bold and in red) for Notes to be offered and issued, and possibly to be listed, as from 1 March 2017:

1. Under Part 1 of the Conditions, the Condition 5.2 on page 221 of the Base Prospectus is completed at the end with the following wording:

“When determining the Early Redemption Amount pursuant to this Condition 5.2:

(a) the Early Redemption Amount shall be the higher of (i) the Market Value and (ii) percentage of its principal amount (if any) specified in the applicable Final Terms, even if the Early Redemption Amount is defined in the Final Terms as being the Market Value or a percentage of principal amount of the Notes;

(b) no additional cost (other than the ones that cannot be avoided to redeem the Noteholders) shall be charged to the Noteholders; and

(c) the Early Redemption Amount shall include the reimbursement from the Issuer, prorata temporis (calculated from the early redemption date till the initial scheduled maturity date), of the costs (if any, such as the structuring costs) initially paid by the Noteholders to the Issuer on the Issue Date via the Issue Price.”

2. Under Part 1 of the Conditions, the following Condition 5.4 (c) is added on page 222 of the Base Prospectus :

“(c) When determining the Early Redemption Amount pursuant to Condition 5.2 in respect of any Note the Interest Rate of which is specified to be Zero Coupon:

(i) the Early Redemption Amount shall be the higher of (i) the Market Value and (ii) Amortised Face Amount; ,

(ii) no additional cost (other than the ones that cannot be avoided to redeem the Noteholders) shall be charged to the Noteholders; and

(iii) the Early Redemption Amount shall include the reimbursement from the Issuer, prorata temporis (calculated from the early redemption date till the initial scheduled maturity date), of the costs (if any, such as the structuring costs) initially paid by the Noteholders to the Issuer on the Issue Date via the Issue Price.”

3. Under Part 1 of the Conditions, the words “and/or any related hedging arrangements” are deleted and removed from the Condition 5.7 (b), the amended first paragraph of Conditions 5.7 (b) being then amended as follows (the changes appearing below in bold and in red):

“5.7 Redemption for illegality and force majeure

(b) If the Issuer determines that by reason of force majeure or act of state occurring after the Trade Date it becomes impossible or impracticable to perform, in whole or in part, its obligations under the Notes ~~and/or any related hedging arrangements~~, the Issuer may redeem all, but not some only, of the Notes by giving notice to Noteholders in accordance with Condition 13.”

4. Under Part 1 of the Conditions, the Condition 5.14 on page 226 of the Base Prospectus is amended as follows (the changes or/and additional wording appearing below in bold and in red):

5.14 Early Redemption Amount

(a) For the purposes of Condition 5.2, Condition 5.6, ~~Condition 5.7~~, Condition 5.10 and Condition 9.1, "**Early Redemption Amount**" means, in respect of each Note:

(i) the percentage of its principal amount specified in the applicable Final Terms; or

(ii) if "**Market Value less Costs**" is specified in the applicable Final Terms, an amount determined by the Calculation Agent, as of the date for such early redemption, equal to the fair market value of such Note (including, if so specified in the applicable Final Terms, amounts in respect of accrued interest), notwithstanding any illegality and taking into account any force majeure or act of state, as the case may be, less (except in the case of an early redemption pursuant to Condition 9.1) the cost to the Issuer and/or its Affiliates of unwinding any underlying related hedging arrangements, provided that, in determining the fair market value for the purposes of Condition 9.1, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes; or

(iii) if "**Market Value**" is specified in the applicable Final Terms, an amount determined by the Calculation Agent, as of the date for such early redemption, equal to the fair market value of such Note (including, if so specified in the applicable Final Terms, amounts in respect of accrued interest), notwithstanding any illegality and taking into account any force

majeure or act of state, as the case may be, provided that, in determining the fair market value for the purposes of Condition 9.1, no account shall be taken of the financial condition of the Issuer which shall be presumed to be able to perform fully its obligations in respect of the Notes.

(b) For the purposes of Condition 5.7, "Early Redemption Amount" means, in respect of each Note the Market Value (as defined above). Nevertheless, when determining the Early Redemption Amount, no additional cost (other than the ones that cannot be avoided to redeem the market value to the investors) shall be charged to the Noteholders.

(c) The Issuer may early redeem the Notes for other purposes than Condition 5.2, Condition 5.5, Condition 5.7, or Condition 5.10, but only if (i) the early redemption is the result of an event that is not imputable to the issuer and that substantially modifies the economics of the Notes as compared to the economics as observed on the Issue Date of the relevant Notes (such as, without limitation, in the case of a material increased cost for the Issuer due to any tax, solvency or capital requirements), (ii) the Early Redemption Amount will be the higher of (a) the Market Value and (b) the percentage of the principal amount of the Notes (if any) specified in the applicable Final Terms or the Amortised Face Amount (in respect of any Note the Interest Rate of which is specified to be Zero Coupon), as determined by the Calculation Agent, (iii) no additional cost (other than the ones that cannot be avoided to redeem the Noteholders) shall be charged to the Noteholders, (iv) the Early Redemption Amount shall include the reimbursement from the Issuer, prorata temporis (calculated from the early redemption date till the initial scheduled maturity date), of the costs (if any, such as the structuring costs) initially paid by the Noteholders to the Issuer on the Issue Date via the Issue Price, and (v) if a notice, specifying the date and amount of the early redemption, is provided as soon as practicable to the Noteholders in accordance with Condition 13."

5. Under Part 1 of the Conditions, the first paragraph of Condition 10.3 on page 240 of the Base Prospectus is completed at the end with the following additional wording:

"or/and with any local requirement in the jurisdiction(s) where all or some of the outstanding Notes have been offered, placed or distributed."

6. Under Part 1 of the Conditions, the Condition 10.6 on page 242 of the Base Prospectus is completed at the end with the following additional paragraph:

"In case the Calculation Agent decides to make certain adjustments at the level of the Notes or/and at the level of any underlying of the Notes, as foreseen in the Conditions or/and in any of the Additional Conditions, as a result of a case of force majeure or because of an external event that is not imputable to the Issuer and that substantially modifies the economics of the Notes as compared to the economics as observed on the Issue Date of the relevant Notes, then the Calculation Agent will implement these adjustments in a way that is not substantial in order to target the economic equivalent of the obligations of the Issuer under the Notes that were initially foreseen on the Issue Date of these relevant Notes. By implementing these changes, no additional costs (such as settlement costs) shall be charged to the Noteholders."

7. Under Part 3 of the Conditions, the definition of “Additional Disruption Event” is amended as follows under Condition 1 on page 267 of the Base Prospectus (the changes appearing below in bold and in red):

"Additional Disruption Event" means each of Change in Law ~~and Hedging~~
Disruption

8. Under Part 3 of the Conditions, the definition of “Change in Law” is amended as follows under Condition 1 on page 267 of the Base Prospectus (the changes appearing below in bold and in red):

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the Issuer determines that :

~~(a) it has become illegal for it to maintain the Notes or/and to perform its obligations under the Notes or/and to hold, acquire or dispose any underlying used under the Notes or/and to use or refer to any underlying used under the Notes of any relevant hedge positions in respect of the Notes.; or~~

~~(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;~~

9. Under Part 3 of the Conditions, the definition of “Index Cancellation” is amended as follows under Condition 1 on page 268 of the Base Prospectus (the changes appearing below in bold and in red):

"Index Cancellation" means a level for the Inflation Index has not been published or announced for two consecutive months and/or the Index Sponsor cancels the relevant Inflation Index and/or the Index Sponsor announces that it will no longer continue to publish or announce the Inflation Index and no Successor **Inflation** Index exists;

10. Under Part 3 of the Conditions, the definition of “Optional Additional Disruption Event” is amended as follows under Condition 1 on page 268 of the Base Prospectus (the changes appearing below in bold and in red):

"Optional Additional Disruption Event" means Increased Cost of Hedging **or/and Hedging Disruption**, if specified in the applicable Final Terms

11. Under Part 3 of the Conditions, the Condition 4.1 on page 271 of the Base Prospectus is amended as follows (the changes appearing below in bold and in red):

“4.1 Successor Inflation Index

If a Successor Inflation Index is determined in accordance with Inflation Index-Linked Note Condition 3 (Successor Inflation Index) above, the Calculation Agent may make any adjustment or adjustments ~~(without limitation)~~ to any amount payable under the Notes and/or any other relevant term of the Notes as the

Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Note Condition 13.”

12. Under Part 3 of the Conditions, the Condition 4.2 on page 271 of the Base Prospectus is amended as follows (the changes appearing below in bold and in red):

“4.2 Substitute Inflation Index Level

If the Calculation Agent determines a Substitute Inflation Index Level in accordance with Inflation Index-Linked Note Condition 2 (Delay in Publication) above, the Calculation Agent may make any adjustment or adjustments ~~(without limitation)~~ to (a) the Substitute Inflation Index Level determined in accordance with Inflation Index-Linked Note Condition 2 (Delay in Publication) above and/or (b) any amount payable under the Notes and/or any other relevant term of the Notes, in each case, as the Calculation Agent deems necessary. The Issuer shall give notice to the Noteholders of any such adjustment in accordance with Note Condition 13.”

13. Under Part 3 of the Conditions, the Condition 4.6(a) on page 272 of the Base Prospectus is amended as follows (the changes appearing below in bold and in red):

“4.6 Index Modification

(a) If on or prior to the Cut-Off Date in respect of any Determination Date, the Calculation Agent determines that an Index Modification has occurred, the Calculation Agent may (i) if Related Bond is specified as applicable in the relevant Final Terms, make any adjustments to the relevant Inflation Index, any Relevant Level and/or any other relevant term of the Notes (including, ~~without limitation,~~ any amount payable under the Notes), consistent with any adjustments made to the Related Bond as the Calculation Agent deems necessary, or (ii) if Related Bond is specified as not applicable in the Final Terms or a Related Bond Redemption Event has occurred, make only those adjustments to the relevant Inflation Index, any Relevant Level and/or any other term of the Notes (including, ~~without limitation,~~ any amount payable under the Notes), as the Calculation Agent deems necessary for the modified Index to continue as the relevant Inflation Index and to account for the economic effect of the Index Modification.”

14. Under Part 4 of the Conditions, the definition of “Additional Disruption Event” is amended as follows under Condition 7 on page 284 of the Base Prospectus (the changes appearing below in bold and in red):

“Additional Disruption Event” means each of Change in Law ~~and Hedging~~
~~Disruption~~

15. Under Part 4 of the Conditions, the definition of “Change in Law” is amended as follows under Condition 7 on page 284 of the Base Prospectus (the changes appearing below in bold and in red):

“Change in Law” means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the relevant Issuer determines that:

~~(a) it has become illegal for it to maintain the Notes or/and to perform its obligations under the Notes or/and it is unable to perform its obligations in~~

~~respect of the Notes or it has become illegal~~ to hold, acquire or dispose **any underlying used under the Notes or/and to use or refer to any underlying used under the Notes of any relevant hedge positions in respect of the Notes; or**

~~(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;~~

16. Under Part 4 of the Conditions, the definition of “Optional Additional Disruption Event” is amended as follows under Condition 7 on page 285 of the Base Prospectus (the changes appearing below in bold and in red):

"Optional Additional Disruption Event" means Increased Cost of Hedging **or/and Hedging Disruption**, if specified in the applicable Final Terms

17. Under Part 5 of the Conditions, the definition of “Additional Disruption Event” is amended as follows under Condition 11 on page 294 of the Base Prospectus (the changes appearing below in bold and in red):

"Additional Disruption Event" means each of Change in Law **and Hedging Disruption**

18. Under Part 5 of the Conditions, the definition of “Change in Law” is amended as follows under Condition 11 on page 294 of the Base Prospectus (the changes appearing below in bold and in red):

"Change in Law" means that, on or after the Trade Date (as specified in the applicable Final Terms) (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law, solvency or capital requirements), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority or financial authority), or the combined effect thereof if occurring more than once, the relevant Issuer determines that:

~~(a) it has become illegal for it to maintain the Notes or/and to perform its obligations under the Notes or/and it is unable to perform its obligations in respect of the Notes or it has become illegal~~ to hold, acquire or dispose **any underlying used under the Notes or/and to use or refer to any underlying used under the Notes of any relevant hedge positions in respect of the Notes; or**

~~(b) it or any of its Affiliates would incur a materially increased cost (including, without limitation, in respect of any tax, solvency or capital requirements) in maintaining the Notes in issue or in holding, acquiring or disposing of any relevant hedge positions of the Notes;~~

19. Under Part 5 of the Conditions, the definition of “Optional Additional Disruption Event” is amended as follows under Condition 11 on page 295 of the Base Prospectus (the changes appearing below in bold and in red):

"Optional Additional Disruption Event" means Increased Cost of Hedging **or/and Hedging Disruption**, if specified in the applicable Final Terms

WITHDRAWAL RIGHT

The subscribers of the Notes not yet issued but that are still offered to the public by BNPPF or BP2F on the date of this Supplement have the right to withdraw their orders during two working days following the publication of this Supplement on the following websites: www.bourse.lu, www.bnpparibasfortis.be/emissions, and www.bp2f.lu, i.e. until 1 March 2017.

RESPONSIBILITY STATEMENT

Each of the Issuers and the Guarantor accepts responsibility for the information contained in this Supplement. Each of the Issuers and the Guarantor 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. Each of the Issuers 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.

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