

SUPPLEMENT NO. 2 TO THE BASE PROSPECTUS DATED MAY 5, 2017 AS SUPPLEMENTED BY THE PROSPECTUS SUPPLEMENT DATED MAY 16, 2018 AND THE PROSPECTUS SUPPLEMENT NO. 1 DATED AUGUST 3, 2018



BNP PARIBAS

Up to U.S.\$35,000,000,000

BNP PARIBAS

(as Issuer)

3(a)(2), 144A and Reg. S Notes

3(a)(2) Notes Guaranteed by

BNP PARIBAS, NEW YORK BRANCH

Supplement No. 2

to the Base Prospectus dated May 5, 2017

as supplemented by the Prospectus Supplement dated May 16, 2018

and the Prospectus Supplement No. 1 dated August 3, 2018

This prospectus supplement (the “**Prospectus Supplement**”) should be read in conjunction with the base prospectus dated May 5, 2017, as amended by the prospectus supplement dated May 16, 2018 and the prospectus supplement No. 1 dated August 3, 2018 (together, the “**Base Prospectus**”), prepared in connection with the \$35,000,000,000 U.S. Medium-Term Note Program of BNP Paribas. All capitalized terms not defined herein shall have the meanings given to them in the Base Prospectus.

This Prospectus Supplement has been prepared for the purposes of updating the section entitled “Capitalization and Medium-To-Long Term Indebtedness of the Group” of the Base Prospectus.

The provisions of this Prospectus Supplement supersede those of the Base Prospectus in the event and to the extent of any inconsistency.

Prospectus Supplement dated November 6, 2018

BNP PARIBAS CONSOLIDATED CAPITALIZATION AND MEDIUM-TO-LONG TERM INDEBTEDNESS OVER ONE YEAR

The following table¹ sets forth 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 June 30, 2018 and September 30, 2018 using the Group's prudential scope of consolidation, and as of June 30, 2018 using the Group's accounting scope of consolidation.

The “prudential scope of consolidation”, as defined in EU Regulation No. 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 its annual Registration Document. The “accounting scope of consolidation” is used by the Group in the preparation of its consolidated financial statements under IFRS as adopted by the European Union. The significant differences between the two scopes of consolidation, as they relate to the table below, are set out in the notes to the column as of June 30, 2018 below.

Except as set forth in this section, there has been no material change in the capitalization of the Group since September 30, 2018.

For the avoidance of doubt, the figures in the table below are derived from the Group's financial statements (i.e., they do not take into account prudential deductions) and are used for the purposes of the Group's prudential capital calculations.

	<u>As of</u> <u>September 30,</u> <u>2018</u> (prudential scope)	<u>As of</u> <u>June 30, 2018</u> (accounting scope) ²	<u>As of</u> <u>June 30, 2018</u> (prudential scope)
<i>(in millions of euros)</i>			
Medium- and Long-Term Debt (of which the unexpired term to maturity is more than one year)			
<i>Senior preferred debt at fair value through profit or loss³.....</i>	38,082	37,776	37,941
<i>Senior preferred debt at amortized cost³.....</i>	47,965	49,479	51,169
Total Senior Preferred Debt.....	86,047	87,255	89,110
<i>Senior non preferred debt at amortized cost.....</i>	22,468	19,895	19,897
Total Senior Non Preferred Debt.....	22,468	19,895	19,897
Redeemable subordinated debt at amortized cost.....	13,825	14,426	14,448
Undated subordinated notes at amortized cost ^{4,5}	513	1,589	586
Undated participating subordinated notes at amortized cost ⁶	225	222	225
Redeemable subordinated debt at fair value through profit or loss.....	119	114	117
Perpetual subordinated notes at fair value through profit or loss ^{7,8}	669	669	669
Preferred shares and equivalent instruments ⁹	8,227	8,167	8,177
Total Subordinated Debt.....	23,577	25,187	24,222
Issued capital ¹⁰	2,500	2,500	2,500
Additional paid-in capital.....	24,581	24,564	24,565
Retained earnings.....	61,558	60,587	60,591
Unrealized or deferred gains and losses attributable to Shareholders.....	118	1,009	1,009

Total Shareholders' Equity and Equivalents (net of proposed dividends)	88,757	88,660	88,665
Minority interests (net of proposed dividends)	3,987	5,475	5,249
Total Capitalization and Medium-to-Long Term Indebtedness.....	224,837	226,471	227,143

(1) The Group has previously presented its consolidated capitalization and medium-to-long term indebtedness using the accounting scope of consolidation. The capitalization table will be presented using the prudential scope of consolidation as from September 30, 2018, with the Group's June 30, 2018 capitalization table presented under both scope of consolidation here for comparison. As stated in Section 5.2 of the Group's 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) Medium- and long-term debt (i.e., of which the unexpired term to maturity is more than one year) presented in the table above using the Group's accounting scope of consolidation does not include the following items: interbank items and customer term deposits. 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 December 31, 2016, CAD = 1.415, GBP = 0.855, CHF = 1.072, HKD = 8.170, JPY = 122.984, USD = 1.053.

Euro against foreign currency as at December 31, 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 June 30, 2018, CAD = 1,534, GBP = 0,885, CHF = 1,157, HKD = 9,156, JPY = 129,399, USD = 1,167.

Euro against foreign currency as at September 30, 2018, CAD = 1,501, GBP = 0,890, CHF = 1,137, HKD = 9,085, JPY = 131,877, USD = 1,161.

(3) The variation between the prudential scope of consolidation and the accounting scope of consolidation in respect of senior preferred debt is mainly attributable to debt issuances of BNPP SA subscribed by insurance entities, which are not eliminated in the prudential scope.

(4) At September 30, 2018, the remaining subordinated debt included €489 million of undated floating-rate subordinated notes (TSDIs). As at June 30, 2018, it included also in the accounting scope €987 million of other undated subordinated notes issued by BNP Paribas Cardif in November 2014, which have been removed under the prudential scope of consolidation as of June 30, 2018 and September 30, 2018.

(5) The variation between the prudential scope of consolidation and the accounting scope of consolidation in respect of undated subordinated notes is attributable to debt issuances made by the Group's insurance subsidiaries, which are eliminated as a debt issuance under the prudential scope of consolidation since insurance entities are accounted for under the equity method.

(6) 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 January 3, 1983. The number of notes outstanding as at September 30, 2018 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 September 30, 2018, 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 BNP Paribas.

(7) 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 €669 million at September 30, 2018. 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 May 7, 2015, BNP Paribas and Ageas reached an agreement which allows BNP Paribas 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 BNP Paribas expired on December 31, 2016 and has not been renewed.

On July 24, 2015, BNP Paribas 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, BNP Paribas used such agreement to purchase €164 million outstanding CASHES, converted into Ageas shares.

On July 8, 2016, BNP Paribas 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. BNP Paribas requested the cancellation of this agreement from the European Central Bank and the European Central Bank approved such cancellation in August 2017.

As at September 30, 2018, the subordinated liability is eligible to Tier 1 capital for €205 million (considering both the transitional period and the cancellation of the aforementioned agreement).

(8) Carrying amount of the CASHES, of which the amount eligible to Tier 1 was 205 M€ as of December 31, 2017 and 205 M€ as of September 30, 2018.

(9) Consists of numerous issuances by BNP Paribas 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.

(10) At June 30, 2018, 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.



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