

NOTICE RELATING TO

**EUR 3,200,000,000 Class A Asset-Backed Fixed Rate Notes due 24 April 2035
Issue Price 100 per cent.**

**EUR 924,000,000 Class B Asset-Backed Fixed Rate Notes due 24 April 2037
Issue Price 100 per cent.**

Issued by

MERCURIUS FUNDING NV - SA

***Institutionele V.B.S. naar Belgisch recht / S.I.C. institutionnelle de droit belge
acting through its Compartment Mercurius-1***

(the “**Issuer**”)

- (A) This notice is dated as of 14th of June 2018 and is only intended for information purposes regarding the amendments made to some of the Transaction Documents relating to the Notes (as defined below).
- (B) Mercurius Funding NV/SA, *Institutionele V.B.S. naar Belgisch recht / S.I.C. institutionnelle de droit belge*, acting through its compartment Mercurius-1, with its registered office at Pachecolaan 44, 1000 Brussels, Belgium, registered with the Crossroad Bank for Enterprises under number 0842.094.414 issued on 7 May 2012 EUR 3,200,000,000 class A asset-backed fixed rate notes due 2035, EUR 924,000,000 class B asset-backed fixed rate notes due 2037, with ISIN codes: BE0002414861, BE6235803614..
- (C) Mercurius Funding NV/SA, *Institutionele V.B.S. naar Belgisch recht / S.I.C. institutionnelle de droit belge*, acting through its Compartment Mercurius-1, with its registered office at Pachecolaan 44, 1000 Brussels, Belgium, registered with the Crossroad Bank for Enterprises under number 0842.094.414 called the notes with ISIN codes: BE0002414861, BE0002414861 and issued new notes on 12 May 2014 EUR 3,200,000,000 Class A Asset-Backed Fixed Rate Notes due 2035, EUR 924,000,000 Class B Asset-Backed Fixed Rate Notes due 2037, with ISIN codes: BE0002469444, BE6265766517 (together the “**Notes**”).
- (D) Capitalised terms not otherwise defined in this notice have the meaning given to them in the Prospectus for admission to trading on Euronext Brussels dated 12 May 2014 for the Notes and the Master Definitions Agreement, as applicable.
- (E) Notes issued by the Issuer can only be acquired, held by, and transferred to investors that qualify both as (i) an institutional or professional investor within the meaning of Article 5§3 of the Belgian Law of 20 July 2004 on certain forms of collective management of investment portfolios (Wet betreffende bepaalde vormen van collectief beheer van beleggingsportefeuilles/Loi relative à certaines formes de gestion collective de portefeuilles d’investissement), as amended from time to time that are acting for their own account, and (ii) a holder of an exempt securities account (referred to as an X-Account) with the Clearing System operated by the National Bank of Belgium or (directly or indirectly) with a participant in such system. The

Issuer will suspend the payment of interest to any holder of securities that is not an eligible holder of these securities as set out above.

- (F) The Issuer wishes to announce that the following amendments have been made to certain transaction documents relating to the Notes pursuant to an Extraordinary Resolution in writing passed by the Noteholders on the 12th of June 2018.

IN THE PLEDGE AGREEMENT,

1. Article 19.1 of the Pledge Agreement will be deleted and replaced in its entirety with the following:

“

Prior to the service of an Enforcement Notice, the Issuer shall make payments in accordance with the Interest Priority of Payments, the Principal Priority of Payments and in accordance with Condition 2.8 and Condition 2.11bis.”

IN THE TERMS AND CONDITIONS OF THE NOTES,

2. Condition 2.10 of the Terms and Conditions of the Notes will be deleted in its entirety (except that its title remains unaffected) and replaced with the following, applicable from (but excluding) the Restructure Date:

“

2.10 On each Calculation Date, prior to the issuance of an Enforcement Notice, the Administrator shall calculate the amount of principal funds which will be available to the Issuer in the Transaction Account on the following Payment Date to satisfy its obligations under the Notes by reference to amounts received in respect of the Loans in the Transaction Account during the applicable Collection Period, or to be received on the following Payment Date, and such principal funds (the Principal Available Funds) shall be the sum of the following:

- (i) all repayments and prepayments of principal amounts under the Loans;
- (ii) all other sums of money received in respect of principal on the Loans;
- (iii) all amounts received in connection with a repurchase or sale of a Loan or in respect of other amounts received under the FLSA or the SLISA, as applicable, to the extent they do not relate to interest or to a Written-Off Loan;
- (iv) the Principal Cash Buffer Allocation on such Payment Date, or if the Class A Notes stand to be redeemed in full all amounts standing to the credit of the Cash Buffer (for the avoidance of doubt, after application of the Interest Priority of Payments on such date);

- (v) any principal related funds calculated on the immediately preceding Calculation Date but not applied;
- (vi) any amounts (as indemnity for losses of scheduled principal on the Loans as a result of Commingling Risk) to be received from the Deposit Account in accordance with Clause 12 of the FLSA or the SLSA, as applicable, which are to be transferred from the Deposit Account to the Transaction Account;
- (vii) in respect of the First Payment Date, the excess of the Principal Amount Outstanding of the Notes on the Closing Date, over the sum of the Current Balances of all Loans on the Closing Date and of the Reserve Fund Required Amount; and
- (viii) on the date when the Class A Notes stand to be redeemed in full, all amounts standing to the credit of the Reserve Fund (for the avoidance of doubt, after application of the Interest Priority of Payments on the related Payment Date).”

3. Condition 2.11 of the Terms and Conditions of the Notes will be deleted in its entirety (except that its title remains unaffected) and replaced with the following, applicable from (but excluding) the Restructure Date:

“

2.11 On each Payment Date prior to enforcement, the following payments will be made (the Principal Priority of Payments):

- (i) *first*, in or towards satisfaction of amounts required to cover any shortfall on items (i) to (iii) (included) of the Interest Priority of Payment (the ***Redirected Principal***);
- (ii) *second*, for as long as no Sequential Event has occurred and for as long as the Principal Amount Outstanding of the Class B Notes on the immediately preceding Calculation Date is higher than the ***Minimal Class B Notes Amount***, in allocating:

C*A towards the redemption *pari passu* and *pro rata* of the Class A Notes

The lower of (i) C*(1-A); and

(ii) the positive difference between the Principal Amount Outstanding of the Class B Notes at the immediately preceding Calculation Date and the

Minimal Class B Notes Amount towards the redemption *pari passu* and *pro rata* of the Class B Notes

Whereby

C = The amount available in order to redeem the Notes (amounts available on the **Principal Priority of Payments** after the application of step (i))

A = The **Class A Notes Redemption Percentage**;

- (iii) *third*, in redeeming, *pari passu* and *pro rata* the Class A Notes until redeemed in full;
- (iv) *fourth*, in redeeming, *pari passu* and *pro rata* the Class B Notes until redeemed in full; and
- (v) *fifth*, in payment of the Deferred Purchase Price to the Seller, if any.

Each of the following events is a **Sequential Event** :

(i) On any Calculation Date with respect to the end of the immediately preceding Collection Period, the ratio between

(a) the cumulative balance of Written-Off Loans since 7 May 2012; and

(b) the aggregate of the Current Balances of all the Loans on the Closing Date;

being superior to 5%.

(ii) On any Calculation Date with respect to the end of the immediately preceding Collection Period, the ratio between

(a) the aggregate of the Current Balances of the Loans with a Loan Status equal to “B” or “C” ; and

(b) the aggregate of the Current Balances of all the Loans at the end of the Collection Period;

being superior to 3.75%.”

4. A new Condition 2.11bis (“Reserve Fund Restructure Date modification”) will be inserted in the Terms and Conditions of the Notes, applicable from (and including) the Restructure Date :

“

2.11bis Notwithstanding and prior to the allocation of the Interest Available Funds under Condition 2.7, on the Restructure Date, the Reserve Fund Level 1 will be lowered from EUR 48,000,000 to EUR 15,000,000 and the Reserve Fund Required

Amount will be lowered from EUR 124,000,000 to EUR 40,000,000 and any reference thereto in the Transaction Documents will be construed accordingly. An amount of 84,000,000 EUR resulting from the reduction of the Reserve Fund Required Amount, will exclusively be used to partially redeem *pro rata* and *pari passu* the Class B Notes on the Restructure Date.

5. The first two sentences of Condition 4.1 will be deleted in their entirety and replaced with the following, applicable from the Restructure Date:

“

4.1 Each Class A Note shall bear interest on its Principal Amount Outstanding from (and including) the Closing Date. Each Class B Note shall bear interest on its Principal Amount Outstanding from (and including) the Closing Date.”

6. Condition 4.5 will be deleted in its entirety (except that its title remains unaffected) and replaced with the following. The new Interest Rates should apply as from the Interest Period that starts on (and including) the Restructure Date

“

4.5 Interest applicable to the Notes will accrue at an annual rate equal to:

(iii) in respect of the Class A Notes: 0.90 % per cent. per annum; and

(ii) in respect of the Class B Notes: 1.40 % per cent. per annum.”

7. Condition 4.12 (except that its title remains unaffected) will be deleted and replaced in its entirety with the following, applicable from the Restructure Date:

“

4.12All payments of interest and principal in respect of the Notes are subject to the applicable Priority of Payments, Condition 2.11bis and all fiscal laws and regulations applicable in the place of payment.”

8. The first sentence of Condition 5.3 of the Terms and Conditions of the Notes will be deleted in its entirety and replaced with the following, applicable from (but excluding) the Restructure Date:

“

5.3 The Notes will be redeemed as stated in Condition 2.11 and Condition 2.12.”

9. Condition 5.5 of the Terms and Conditions of the Notes will be amended by replacing the second paragraph with the following, applicable as from the Restructure Date:

“

On the Payment Date when the Class A Notes stand to be fully redeemed (for the avoidance of doubt, after application of the Interest Priority of Payments on such date), all money standing to the credit of the Reserve Fund will form part of the Principal Available Funds and be available to the Issuer to meet its obligations under the Principal Priority of Payments.”

10. Condition 5.5 of the Terms and Conditions of the Notes will be amended by inserted a new paragraph at the end thereof, applicable as from the Restructure Date:

“

On the Restructure Date, the Reserve Fund Required Amount will be lowered in the Transaction Documents, according to Condition 2.11bis. An amount of EUR 84,000,000 resulting from this operation should exceptionally, and notwithstanding Condition 2.11, be directed directly and solely to redeem *pro rata* and *pari passu* the Class B Notes on the Restructure Date.”

11. Condition 5.20 (except that its title remains unaffected) will be amended as with the following, applicable as from the Restructure Date:

The sentence on the Condition **5.20** (i) (“a long-term issuer default rating of BB+ and a short-term issuer default rating of F-3 from Fitch;”) will be deleted.

12. Condition 10.2 will be deleted in its entirety (except that its title remains unaffected) and replaced with the following, from (but excluding) the Restructure Date:

“

10.2 The Class B Notes will be subordinated to the Class A Notes as follows:

- (iv) Principal amounts under the Class B Notes shall be paid in accordance with the Principal Priority of Payments prior to enforcement;
- (ii) interest on the Class B Notes will only be paid in accordance with the Interest Priority of Payments prior to enforcement; and
- (iii) in the event of an Enforcement by the Security Agent, any amount due in respect of the Class B Notes will rank behind any amounts due in respect of the Class A Notes, which shall rank in priority in point of payment and security to the Class B Notes in accordance with the Post-Enforcement Priority of Payments following service of an Enforcement Notice.

“

IN THE MASTER DEFINITIONS AGREEMENT,

13. The following definitions will be added :

Class A Notes Redemption Percentage means 40%

Minimal Class B Notes Amount is equal to EUR 200,000,000

Restructure Date means the Payment Date in the month of June 2018.

14. The following definitions will be deleted :

Fitch means Fitch Ratings, with its registered office at 30 North Colonnade, London E14 5GN, United Kingdom.

15. The following definitions will be amended as with the following :

In the **Minimum Ratings** definition;

- (i) The sentence on (a) (i) (“a long-term issuer default rating of BBB+ and a short-term issuer default rating of F-2 from Fitch”) will be deleted
- (ii) The sentence on (b) (i) (“a long-term issuer default rating of BB+ and a short-term issuer default rating of F-3 from Fitch;”) will be deleted
- (iii) The sentence (c) (i) (“a long-term issuer default rating of BBB+ and short-term issuer default rating of F-2 from Fitch”) will be deleted
- (iv) The sentence (d) (i) (“a long-term issuer default rating of BBB- from Fitch;”) will be deleted.

16. The following definitions will be deleted and replaced in their entirety by :

Reserve Fund Level 1 means EUR 15,000,000

Reserve Fund Required Amount means an amount of EUR 40,000,000

17. In clause 4.1 of the Master Definitions Agreement, the reference to the email address “Mercurius.compartiment1@belfius.be”, is deleted.

18. Copies of the Transaction Documents relating to the Notes, as well as the amendment agreement relating to the above mentioned modifications, are available for inspection at the specified offices of the Domiciliary Agent.

19. The Issuer accepts responsibility for the information included in this notice.

20. This notice shall be governed by and construed in accordance with Belgian law

For further details, please contact:

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