

## NOTICE RELATING TO

**EUR 8,077,500,000 Class A Mortgage-Backed Floating Rate Notes due 2045  
Issue Price 100 per cent.**

**EUR 472,500,000 Class B Mortgage-Backed Floating Rate Notes due 2045  
Issue Price 100 per cent.**

**EUR 450,000,000 Class C Mortgage-Backed Floating Rate Notes due 2045  
Issue Price 100 per cent.**

**EUR 117,000,000 Class D Mortgage-Backed Floating Rate Notes due 2045  
Issue Price 100 per cent.**

**issued by**

**PENATES FUNDING N.V. / S.A.**

**(Institutionele VBS naar Belgisch recht / SIC institutionnelle de droit belge)**

**Acting through its Compartment PENATES – 4**

**(the “Issuer”)**

1. This notice is dated as of 27 December 2013 and is only intended for information purposes regarding the amendments made to some of the Transaction Documents relating to the Notes (as defined below).
2. The Issuer has issued on 19 December 2011 EUR 8,077,500,000 Class A Mortgage Backed Floating Rate Notes due 2045, EUR 472,500,000 Class B Mortgage Backed Floating Rate Notes due 2045, EUR 450,000,000 Class C Mortgage Backed Floating Rate Notes due 2045, EUR 117,000,000 Class D Mortgage Backed Floating Rate Notes due 2045 (the “Notes”). The Class A Notes have been admitted to trading on Euronext Brussels.
3. 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.
4. 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 19 December 2011 for the Notes.
5. The term Belfius Bank N.V. – S.A. (“**Belfius Bank**”) is used to refer to the redenominated Dexia Bank Belgium N.V. – S.A. Belfius Bank is organised as a limited liability company (*naamloze vennootschap / société anonyme*) under Belgian law with its registered office at 1000 Brussels, Pachecolaan 44, Belgium, registered with the Crossroad Bank for enterprises under number RPM 0403.201.185, licensed as a mortgage institution by the FSMA and licensed as a consumer credit provider by the Ministry of Economic Affairs.
6. Following the implementation of the new European Central Bank (“ECB”) rules on its collateral framework and refinancing operations (ECB/2013/35 and ECB/2013/36) and

pursuant to the Written Resolutions taken on 18 December 2013, all holders of all Classes of Notes have consented to the amendments to the Transaction Documents;

7. The Issuer wishes to announce that the following amendments have been made to certain transaction documents relating to the Notes:

(a) Paragraph (i) of subparagraph 4 (*Rating Events*) of Part 5 (*Other Provisions*) of the Schedule to the Senior Swap Agreement was deleted and replaced in its entirety with the following:

“ **(4) Rating Event**

(i) **Fitch rating downgrade**

(x) In the event (such event, an “**Initial Fitch Rating Event**”) that, at any time (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of Party A and, if applicable, its Credit Support Provider are assigned a rating of less than “F2” by Fitch (or such rating which is otherwise acceptable to the Fitch or according to its most recently published hedge counterparty criteria); or (b) the long-term unsecured, unsubordinated and unguaranteed debt obligations of Party A and, if applicable, its Credit Support Provider are assigned a rating of less than “BBB+” by Fitch (or such rating which is otherwise acceptable to Fitch or according to its most recently published hedge counterparty criteria)(such ratings, the “**Fitch Ratings**”); or (c) any such rating is withdrawn by Fitch, then Party A will at its own cost within fourteen (14) calendar days of such reduction or withdrawal of any such rating:

(A) post collateral in accordance with the Credit Support Annex into the Swap Collateral Account; or

If however any remedial action or solution of paragraph (B), (C) or (D) below is satisfied at any time:

(B) subject to subparagraph 9(B), transfer and assign its rights and obligations under the Senior Swap Agreement and the Transaction dated 19 December 2011 hereof between Party A and Party B to a Fitch Eligible Replacement; or

(C) obtain a Fitch Eligible Replacement to unconditionally guarantee the obligations of Party A under the Senior Swap Agreement; or

(D) find any other solution or take such other suitable action that will not, in and of itself and at that time, negatively impact the rating of the Class A Notes then outstanding.

Party A will not be required to post any collateral in respect of such Initial Fitch Rating Event and Party B shall return any collateral posted in accordance with the Credit Support Annex.

If Party A fails to post collateral or to take any other remedial measure or to find a solution in accordance with this subparagraph and such failure continues for ten (10) Business Days, such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to Party A, with Party A as the sole Affected Party.

- (y) In the event (such event, a “**Subsequent Fitch Rating Event**”) that, at any time (a) the short-term unsecured, unsubordinated and unguaranteed debt obligations of Party A and, if applicable, its Credit Support Provider are assigned a rating of less than “F3” by Fitch (or such rating which is otherwise acceptable to Fitch or according to its most recently published hedge counterparty criteria); or (b) the long-term unsecured, unsubordinated and unguaranteed debt obligations of Party A and if applicable, its Credit Support Provider are assigned a rating of less than “BBB-” by Fitch (or such rating which is otherwise acceptable to Fitch or according to its most recently published hedge counterparty criteria); or (c) any such rating is withdrawn by Fitch, then Party A will, at its own cost, within fourteen (14) calendar days of such reduction or withdrawal of such rating):
- (A) post collateral in accordance with the Credit Support Annex into the Swap Collateral Account (or, if at the time such Subsequent Fitch Rating Event occurs, Party A has posted collateral under the Credit Support Annex in accordance with subparagraph (x) above, following an Initial Fitch Rating Event, as the case may be, post additional collateral in accordance with the Credit Support Annex); and
- (B) within thirty (30) calendar days of such reduction or withdrawal of any such rating use commercially reasonable efforts to:
- (1) obtain a Fitch Eligible Replacement to guarantee the obligations of Party A under the Senior Swap Agreement; or
  - (2) subject to subparagraph 9(B), transfer and assign its rights and obligations under the Senior Swap Agreement and the Transaction dated 19 December 2011 hereof between Party A and Party B to a Fitch Eligible Replacement; or
  - (3) find any other solution or take such other suitable action that will not, in and of itself and at this time, negatively impact the rating of the Class A Notes then outstanding.

If any remedial action or solution of subparagraph (B) above is satisfied at any time, Party A will not be required to post any additional collateral in respect of such Subsequent Fitch Rating Event or, for the avoidance of doubt, in respect of any Initial Fitch Rating Event, and Party B shall return any collateral posted in accordance with the

Credit Support Annex (unless, for the avoidance of doubt, such collateral needs to remain posted in accordance with the rating criteria of Moody's or DBRS).

If Party A fails to post collateral or to take any other remedial measure or find a solution in accordance with this subparagraph and such failure continues for ten Business Days, such failure will not be or give rise to an Event of Default but will constitute an Additional Termination Event with respect to Party A, with Party A as the sole Affected Party.

**"Fitch Eligible Replacement"** means an entity which has the Fitch Required Ratings.

An entity shall have the **"Fitch Required Ratings"** where an entity has its short-term, unsecured and unsubordinated debt obligations assigned a rating not lower than "F2" by Fitch and its long-term, unsecured and unsubordinated debt obligations assigned a rating not lower than "BBB+" by Fitch (or such ratings which are otherwise acceptable to Fitch or according to its most recently published hedge counterparty criteria)."

- (b) The definition of **"First Moody's Trigger Required Ratings"** in the Schedule to the Senior Swap Agreement was deleted and replaced in its entirety with the following:

"An entity shall have the **"First Moody's Trigger Required Ratings"** where the long-term, unsecured and unsubordinated debt or counterparty obligations are rated "Baa1" or above by Moody's (or such ratings which are otherwise acceptable to Moody's or according to its most recently published hedge counterparty criteria as First Moody's Trigger Required Ratings)."

- (c) The definition of **"Second Moody's Trigger Required Ratings"** in the Schedule to the Senior Swap Agreement was deleted and replaced in its entirety with the following:

"An entity shall have the **"Second Moody's Trigger Required Ratings"** where the long-term, unsecured and unsubordinated debt or counterparty obligations are rated "Baa3" or above by Moody's (or such ratings which are otherwise acceptable to Moody's or according to its most recently published hedge counterparty criteria as Second Moody's Trigger Required Ratings)."

- (d) The definition of Minimum Rating in the Master Definitions Agreement dated 19 December 2011, as amended by the First Amendment Agreement dated 16 March 2012, was deleted and replaced in its entirety with the following:

**"Minimum Ratings"** means in respect of any entity, (i) the short-term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are rated not less than F2 by Fitch and (ii) the long term, unsecured, unsubordinated and unguaranteed debt obligations of such entity are not rated less than Baa3 by Moody's and BBB+ by Fitch and A by DBRS (or assigned a credit view equivalent of a rating of less than A) , or, such other ratings (or, in case of DBRS, credit view) which are otherwise acceptable to the Rating Agencies under (i) or (ii) or according to their most recent published counterparty criteria;"

- (e) Clause 6.1 (b) and (c) of the Mortgage Loan Sale Agreement dated 19 December 2011, as amended by the First Amendment Agreement dated 16 March 2012, was amended. To this effect, Clause 6.1 (a) to (c) of the Mortgage Loan Sale Agreement dated 19 December 2011, as amended

by the First Amendment Agreement dated 16 March 2012, was deleted and replaced in its entirety with the following:

“6.1 In case, and for as long as the Class A Notes are outstanding,

(a) the credit rating of the Seller’s short term, unsecured, unsubordinated and unguaranteed debt obligations falls below a rating of F2 by Fitch (or such rating which is otherwise acceptable to Fitch or according to its most recently published criteria) or such rating is withdrawn; or

(b) the credit rating of the Seller’s long term, unsecured, unsubordinated and unguaranteed debt obligations falls below a rating of BBB+ by Fitch (or such rating which is otherwise acceptable to Fitch or according to its most recently published criteria) or such rating is withdrawn; or

(c) the credit rating of the Seller’s short-term, unsecured, unsubordinated and unguaranteed debt obligations falls below P-2 by Moody’s (or such rating which is otherwise acceptable to Moody’s); or”

- (f) Clause 6.2 (a) and (b) of the Mortgage Loan Sale Agreement dated 19 December 2011 was deleted and replaced in its entirety with the following:

“6.2 The Risk Mitigation Deposit Amount shall be determined by the Administrator as follows:

(a) upon the first occurrence of a Risk Mitigation Deposit Trigger Event, the Risk Mitigation Deposit Amount shall be equal to the higher of (i) zero and (ii) the aggregate amount of the first scheduled interest and principal payment becoming due and payable on each Loan on or immediately following the occurrence of the Risk Mitigation Deposit Trigger Event.

(b) on the first calendar day of each month following the month in which the Risk Mitigation Deposit Trigger Event occurred (the *Adjustment Date*) and provided no Notification Event has occurred, the Risk Mitigation Deposit Amount shall be adjusted and be equal to the higher of (i) zero and (ii) the aggregate amount of the first scheduled interest and principal payment becoming due and payable on each Loan on or immediately following such Adjustment Date.

To the extent the balance on the Deposit Account exceeds the Risk Mitigation Deposit Amount calculated on the Adjustment Date, the Administrator will immediately (and in any event no later than five (5) Business Days following the Adjustment Date) release the amount in excess to the Seller. To the extent the balance on the Deposit Account is less than the Risk Mitigation Deposit Amount calculated on the Adjustment Date, the Administrator will notify the Seller thereof and the Seller will immediately (and in any event no later than five (5) Business Days following the notification of the adjusted Risk Mitigation Deposit Amount by the Administrator) credit such shortfall to the Deposit Account;”

- (g) Clause 6.4 of the Pledge Agreement dated 19 December 2011, as amended by the First Amendment Agreement dated 16 March 2012, was deleted and replaced in its entirety with the following:

“6.4 The Issuer undertakes to the Security Agent that the Issuer Accounts shall at all times be maintained with a bank (i) whose unsecured, unsubordinated and unguaranteed short term debt obligations are rated not less than F2 by Fitch and (ii) whose unsecured, unsubordinated and unguaranteed long term debt obligations are rated not less than Baa3 by Moody’s and BBB+ by Fitch and A by DBRS (or assigned a credit view equivalent to a rating of not less than A by DBRS), or such other ratings (or, if applicable, credit views) which are otherwise acceptable to the Rating Agencies under (i) or (ii) or according to their most recent published counterparty criteria (the *Minimum Ratings*), which for the time being shall be the Account Bank, and shall not be changed without the prior written consent of the Administrator and the Security Agent, such consent not being unreasonably withheld or delayed. If (i) the Minimum Ratings are no longer satisfied in relation to the Account Bank or (ii) the Account Bank ceases to be authorised to

conduct a banking business in Belgium, the Account Bank (thereby assisted by the Issuer) will (x) within 30 calendar days as from the moment referred to in (i) or (ii) above transfer all the Issuer Accounts (other than the Share Capital Account, which can remain at Belfius Bank unless Belfius Bank ceases to be authorised to conduct business as a credit institution in Belgium) to another bank or banks approved in writing by the Security Agent, which have the Minimum Ratings and which are credit institutions authorised to conduct business in Belgium or (y) find any other solution or take any other suitable action that will not, in and of itself and at this time, negatively impact the rating of the Class A Notes then outstanding.”

- (h) Clause 6.6 of the Mortgage Loan Sale Agreement dated 19 December 2011, as amended by the First Amendment Agreement dated 16 March 2012, was deleted and replaced in its entirety with the following:

“6.6 The Risk Mitigation Deposit Amount as determined by the Administrator for each first calendar day of the month following the occurrence of a Risk Mitigation Deposit Trigger Event (and as long as the Risk Mitigation Deposit Trigger Event continues) will be reported by the Administrator in the Quarterly Investor Report.”

8. Copies of the transaction documents relating to the Notes, as well as the amendment agreements relating to the above mentioned amendments, are available for inspection at the specified offices of the Domiciliary Agent.
9. The Issuer accepts responsibility for the information included in this notice.
10. This notice shall be governed by and construed in accordance with Belgian law.

For further details, please contact:

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