

**FIRST SUPPLEMENT DATED 13 FEBRUARY 2017
TO THE LISTING PROSPECTUS DATED 4 MAY 2016**



BELFIUS BANK SA/NV
(incorporated with limited liability in Belgium)

EUR 50,000,000 3.125 per cent. Fixed Rate Subordinated Notes (Tranche 2)
due 11 May 2026

fungible and to be consolidated with the

EUR 500,000,000 3.125 per cent. Fixed Rate Subordinated Notes (Tranche 1)
due 11 May 2026

Issue Price: 99.251% (plus accrued interest from, and including, 11 May 2016 to, but excluding the Issue Date (as defined below))

Yield: 3.219 per cent.

Temporary ISIN Code: BE0002271402, to be consolidated with ISIN Code BE0002251206 on or around 40 days after the Issue Date

Issue Date: 17 February 2017

This supplement (the “**Supplement**”) is supplemental to, and should be read in conjunction with the listing Prospectus dated 4 May 2016 (the “**Prospectus**”) prepared in relation to the issue of EUR 500,000,000 3.125 per cent. Fixed Rate Subordinated Notes due 11 May 2026 by Belfius Bank SA/NV (the “**Issuer**”).

The Issuer has authorised the creation and issue of EUR 50,000,000 in aggregate principal amount of 3.125 per cent. Fixed Rate Subordinated Notes due 11 May 2026 (the “**Fixed Rate Subordinated Notes (Tranche 2)**”) fungible and to be consolidated with the EUR 500,000,000 3.125 per cent. Fixed Rate Subordinated Notes due 11 May 2026 (the “**Fixed Rate Subordinated Notes (Tranche 1)**”) and, together with the Fixed Rate Subordinated Notes (Tranche 2), the “**Subordinated Notes**”). The Fixed Rate Subordinated Notes (Tranche 2) will be issued under the temporary International Securities Identification Number (ISIN) BE0002271402 and will be consolidated with the Fixed Rate Subordinated Notes (Tranche 1) issued under the International Securities Identification Number (ISIN) BE0002251206 on or around 40 days after the Issue Date. Upon consolidation, the aggregate principal amount of the Subordinated Notes will be EUR 550,000,000.

The Fixed Rate Subordinated Notes (Tranche 2), together with the Fixed Rate Subordinated Notes (Tranche 1), will constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and will at all times rank *pari passu* and without any preference among themselves, as more fully

described in Condition 2 (*Status and Subordination*) in “*Terms and Conditions of the Subordinated Notes*” of the Prospectus as supplemented. The Subordinated Notes constitute Tier 2 capital of the Issuer.

The Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des services et marchés financiers*) (the “**FSMA**”) approved this Supplement on 13 February 2017 as supplement to the Prospectus pursuant to Article 34 of the Belgian Law of 16 June 2006 on public offering of investment securities and the admission of investment securities to trading on a regulated market, as amended (the “**Prospectus Law**”), for the purpose of updating the Prospectus in accordance with Article 35 of the Prospectus Law, in connection with the listing of the Fixed Rate Subordinated Notes (Tranche 2) on the regulated market of Euronext Brussels. This approval does not imply any appraisal by the FSMA as to the opportunity or the merits of the securities, nor on the situation of the Issuer.

The Issuer accepts responsibility for the information contained in this Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information, and that save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

The Fixed Rate Subordinated Notes (Tranche 2) will not be placed with “consumers” in the sense of the Belgian Economic Law Code (“*Code de droit économique*”/“*Wetboek van economisch recht*”).

Unless the context otherwise requires, terms defined in Prospectus shall have the same meaning when used in this Supplement. The Prospectus and the Supplement are available on the internet site www.belfius.com and a copy can be obtained free of charge in the offices of Belfius Bank SA/NV.

This Supplement is available on the FSMA website: www.fsma.be.

In case of inconsistency between (a) statements in this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, as supplemented, the Supplement will prevail.

The Supplement has been prepared for the purposes:

- (a) amending the section “Documents incorporated by reference”;
- (b) Terms and Conditions in connection with the issue of the Fixed Rate Subordinated Notes (Tranche 2);
- (c) amending the section “Belgian Taxation on the Subordinated Notes”; and
- (d) amending the section “General Information”.

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1. Amendments to the section “Documents incorporated by reference”

The section “Documents incorporated by reference” on page 32 of the Prospectus is amended as follows:

This Prospectus should be read and construed in conjunction with (i) the audited consolidated accounts of Belfius Bank for the years ended 31 December 2014 and 31 December 2015, including the reports of the statutory auditors in respect thereof, and (ii) the half-yearly report of Belfius Bank for the period ending 30 June 2016, which are incorporated by reference in this Prospectus.

Such documents shall be incorporated in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of all documents incorporated by reference in this Prospectus may be obtained without charge from the offices of the Issuer and the website of the Issuer at www.belfius.com.

The tables below set out the relevant page references for:

- the (i) consolidated balance sheet, (ii) consolidated statement of income, (iii) consolidated cash flow statement, (iv) audit report on the consolidated accounts, (v) notes to the consolidated financial statements, (vi) non-consolidated balance sheet, (vii) non-consolidated statement of income, and (viii) audit report on the non-consolidated accounts of Belfius Bank as set out in the 2014 and 2015 Annual Reports of Belfius Bank; and
- the (i) unaudited consolidated balance sheet of Belfius Bank for the period ending on 30 June 2016, (ii) unaudited consolidated income statement of Belfius Bank for the period ending on 30 June 2016, (iii) unaudited consolidated cash flow statement, (iv) audit report on the consolidated accounts, and (v) notes to the consolidated interim financial statements as set out in the half-yearly report of Belfius Bank for the period ending 30 June 2016.

Information contained in the documents incorporated by reference other than information listed in the table below does not form part of this Prospectus. The non-incorporated parts of such documents are not relevant for the investor or are covered elsewhere in this Prospectus.

The consolidated balance sheet and consolidated statement of income of Belfius Bank for the years 2014 and 2015 can also be found in the section headed “Description of the Issuer” on page 48 of this Prospectus.

Belfius Bank SA/NV

	Annual Report 2014 (English version) (audited)	Annual Report 2015 (English version) (audited)	Half-yearly report 2016 (unaudited – condensed)
consolidated balance sheet	76	82	42
consolidated statement of income	78	84	44
consolidated cash flow statement.....	85	90	50
audit report on the consolidated accounts	188	198	85
notes to the consolidated financial statements	86	91	51
non-consolidated balance sheet.....	192	202	N/A
non-consolidated statement of income.....	195	205	N/A
audit report on the non-consolidated accounts.....	198	208	N/A

2. Terms and Conditions in connection with the issue of the Fixed Rate Subordinated Notes (Tranche 2)

The section “Terms and Conditions of the Subordinated Notes” on page 34 of the Prospectus is amended as follows:

TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

The following is the text of the Terms and Conditions of the Subordinated Notes (the “Conditions”), save for the paragraphs in italics that shall not form part of the Terms and Conditions of the Subordinated Notes.

The EUR 50,000,000 3.125 per cent. Fixed Rate Subordinated Notes (Tranche 2) due 11 May 2026 will be consolidated and form a single series (and be fungible) with the EUR 500,000,000 3.125 per cent. Fixed Rate Subordinated Notes (Tranche 1) due 11 May 2026 and issued by Belfius Bank SA/NV (“**Belfius Bank**” or the “**Issuer**”) on 11 May 2016 (the “**Original Issue Date**”), on or around 40 days after the Issue Date (as defined below).

The EUR 50,000,000 Fixed Rate Subordinated Notes (Tranche 2) (together with the Fixed Rate Subordinated Notes (Tranche 1), the “**Subordinated Notes**” which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 13 and forming a single series with the Subordinated Notes) of Belfius Bank are issued on 17 February 2017 (the “**Issue Date**”), subject to and with the benefit of an agency agreement dated 9 May 2016, and to be supplemented on or about 15 February 2017 (such agreement as amended and/or supplemented and/or restated from time to time, the “**Agency Agreement**”) made between the Issuer and Belfius Bank SA/NV as fiscal agent, calculation agent, paying agent and domiciliary agent (the “**Agent**”, which term shall include any successor or replacement Agent appointed from time to time pursuant to the terms of the Agency Agreement).

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection free of charge during normal business hours by the holders at the specified office of the Agent. The holders of the Subordinated Notes are deemed to have notice of all the provisions of the Agency Agreement applicable to them.

References herein to “**Conditions**” are, unless the context otherwise requires, to the numbered paragraphs below.

1 Form, Denomination and Title

The Subordinated Notes are issued in dematerialised form via a book-entry system maintained in the records of the National Bank of Belgium (the “**NBB**”) as operator of the Securities Settlement System in accordance with Article 468 and following of the Belgian Companies Code and will be credited to the accounts held with the Securities Settlement System by Euroclear Bank SA/NV (“**Euroclear**”), Clearstream Banking S.A. (“**Clearstream, Luxembourg**”) or other Securities Settlement System participants for credit by Euroclear, Clearstream, Luxembourg or other Securities Settlement System participants to the securities accounts of their subscribers.

In these Conditions, “**Securities Settlement System**” means the settlement system operated by the NBB or any successor thereto.

Transfers of the Subordinated Notes will be effected only through records maintained by the Securities Settlement System, Euroclear and Clearstream, Luxembourg or other Securities Settlement System participants and in accordance with the applicable procedures of the Securities Settlement System,

Euroclear and Clearstream, Luxembourg or other Securities Settlement System participants. Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Subordinated Note shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” and “**holder**” means each person evidenced as holding a Subordinated Note by the book-entry system.

If, at any time, the Subordinated Notes are transferred to any other clearing system which is not exclusively operated by the NBB (such clearing system an “**Alternative Clearing System**”), these Conditions shall apply *mutatis mutandis* in respect of such Subordinated Notes.

The Subordinated Notes are issued in denominations of EUR 100,000 and integral multiples thereof and can only be settled through the Securities Settlement System in nominal amounts equal to a whole denomination (or a whole multiple thereof).

2 Status and Subordination

The Subordinated Notes constitute direct, unconditional, unsecured and subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves.

In the event of dissolution or liquidation of the Issuer (including the following events creating a “*samenloop van schuldeisers/concours de créanciers*”: bankruptcy (“*faillissement/faillite*”), judicial liquidation (“*gerechtelijke vereffening/liquidation forcée*”) or voluntary liquidation (“*vrijwillige vereffening/liquidation volontaire*”) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer)), the rights and claims of the holders of Subordinated Notes against the Issuer shall be for an amount equal to the principal amount of each Subordinated Note together with any amounts attributable to such Subordinated Notes and shall rank:

- (a) subject to any obligations which are mandatorily preferred by law, junior to the claims of (1) depositors and all other unsubordinated creditors and (2) all Eligible Creditors of the Issuer;
- (b) *pari passu* without any preference among themselves and *pari passu* with any other obligations or instruments of the Issuer that rank or are expressed to rank equally with the Subordinated Notes; and
- (c) senior and in priority to (1) the claims of holders of all classes of share or other equity capital (including preference shares) of the Issuer, (2) the claims of holders of all obligations or instruments of the Issuer which, upon issue, constitute or constituted Tier 1 capital of the Issuer, (3) the claims of holders of any other obligations or instruments of the Issuer that rank or are expressed to rank junior to the Subordinated Notes.

Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes and each Noteholder shall, by virtue of his subscription, purchase or holding of a Subordinated Note, be deemed to have waived all such rights of set-off.

In these Conditions:

“**Applicable Banking Regulation**” means at any time, the laws, regulations, rules, guidelines and policies of the Lead Regulator, or of the European Parliament and Council then in effect in Belgium, relating to capital adequacy and applicable to the Issuer at such time (for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRR and CRD).

“**CRD**” means Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions on prudential requirements for credit institutions and investment firms.

“**CRR**” means Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms.

“**Eligible Creditors**” means creditors holding claims that, in accordance with their terms, rank or are expressed to rank senior to the Subordinated Notes.

“**Lead Regulator**” means the NBB, ECB or any successor entity primarily responsible for the prudential supervision of the Issuer.

“**Tier 1 capital**” has the meaning given to it under the Applicable Banking Regulation as applied by the Lead Regulator.

3 Interest

(a) *Rate of Interest and Interest Payment Dates*

Each Subordinated Note bears interest on its outstanding principal amount at a rate per annum equal to the Rate of Interest from and including the Original Issue Date, payable annually in arrear on each Interest Payment Date.

In these Conditions:

“**Interest Payment Date**” means 11 May in each year, commencing with the Interest Payment Date falling on 11 May 2017.

“**Rate of Interest**” means 3.125 per cent per annum.

(b) *Accrual of Interest*

Each Subordinated Note will cease to bear interest from and including its due date for redemption thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which case interest will continue to accrue at the rate specified in Condition 3(a) (*Interest – Rate of Interest and Interest Payment Dates*) (both before and after judgment and if necessary to be increased with judicial interest) until the day on which all sums due in respect of such Subordinated Note up to that day are received by or on behalf of the relevant Noteholder.

(c) *Calculation of interest amounts*

The amount of interest payable in respect of each Subordinated Note for any period shall be calculated by:

- (1) applying the applicable Rate of Interest to EUR 100,000;
- (2) multiplying the product thereof by the Day Count Fraction; and
- (3) rounding the resulting figure to the nearest cent (half a cent being rounded upwards) on any amount due and payable.

In these Conditions, “**Day Count Fraction**” means, in respect of the calculation of an amount of interest for any period of time (the “**Calculation Period**”),

- (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the number of days in such Determination Period; and

- (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the number of days in such Determination Period; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the number of days in such Determination Period,

where:

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means 11 May.

(d) *Rounding*

For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), and (y) all figures shall be rounded to seven significant figures (with halves being rounded up).

(e) *Determination of Agent binding*

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 by the Agent shall (in the absence of wilful default, bad faith or manifest or proven error) be binding on the Issuer, the Agent and all Noteholders.

4 **Redemption and Repurchase**

(a) *Redemption at maturity*

Unless previously purchased and cancelled or redeemed as herein provided, the Subordinated Notes will be redeemed at their principal amount (together with interest accrued and unpaid, if any, to the Maturity Date) on the Maturity Date.

In these Conditions, “**Maturity Date**” means 11 May 2026.

(b) *Redemption upon occurrence of a Capital Disqualification Event*

If a Capital Disqualification Event has occurred and is continuing, and to the extent that the Issuer, at its sole discretion, has not opted to substitute or vary the Subordinated Notes in accordance with Condition 7 (*Substitution and Variation*), the Issuer may, subject to the conditions set out in Condition 4(e), within 90 days of the occurrence of the relevant Capital Disqualification Event and on giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 9 (with a copy to the Agent), at its option, redeem all, but not some only, of the Subordinated Notes, at any time, at the Redemption Amount, together with interest accrued and unpaid, if any, to (but excluding) the date fixed for redemption.

The notice given to the Noteholders (which notice shall be irrevocable) pursuant to this Condition 4 shall (i) contain a confirmation by the Issuer stating that a Capital Disqualification Event has occurred and is continuing and (ii) set out the date fixed for redemption, and such confirmation shall (in the absence of manifest error) be conclusive and binding on the Noteholders.

In these Conditions:

“**Capital Disqualification Event**” means an event that shall be deemed to have occurred if the Issuer determines, in good faith, and after consultation with the Lead Regulator, that by reason of a change (or a prospective change which the Lead Regulator considers to be sufficiently certain) to the regulatory classification of the Subordinated Notes, at any time after the Original Issue Date, the Subordinated Notes cease (or would cease) to be included, in whole or in part, in or count towards the Tier 2 capital of the Issuer (excluding, for these purposes, any non-recognition as a result of applicable regulatory amortisation in the five years immediately preceding maturity).

“**Redemption Amount**” means 100 per cent of the principal amount of the Subordinated Notes.

“**Tier 2 capital**” has the meaning given to it under the Applicable Banking Regulation as applied by the Lead Regulator from time to time.

(c) *Redemption upon occurrence of a Tax Event*

Subject to the conditions set out in Condition 4(e), the Issuer may, at its option (subject to giving not less than 30 nor more than 60 days’ notice to the Noteholders in accordance with Condition 9 (with a copy to the Agent), which notice shall be irrevocable) redeem all, but not some only, of the Subordinated Notes outstanding on the next Interest Payment Date at the Redemption Amount, together with interest accrued and unpaid, if any, to (but excluding) the date fixed for redemption (as set out in the notice to the Noteholders), if, at any time, a Tax Event has occurred and is continuing, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (i) the Issuer would be obliged to pay any additional amounts in case of a Tax Gross-up Event, or (ii) a payment in respect of the Subordinated Notes would not be deductible in case of a Tax Deductibility Event, in each case, were a payment in respect of the Subordinated Notes then due.

The Issuer shall obtain an opinion of an independent legal adviser of recognised standing to the effect that a Tax Event exists.

In these Conditions:

A “**Tax Event**” shall be deemed to have occurred if as a result of a Tax Law Change:

- (a) in making payments under the Subordinated Notes, the Issuer has or will on or before the next Interest Payment Date or the Maturity Date (as applicable) become obliged to pay additional amounts as provided or referred to in Condition 6 (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it) (a “**Tax Gross-up Event**”); and
- (b) on the next Interest Payment Date or the Maturity Date (as applicable) any payment by the Issuer in respect of the Subordinated Notes ceases (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is reduced (a “**Tax Deductibility Event**”).

“**Tax Law Change**” means any change in, or amendment to, the laws or regulations of Belgium, including any treaty to which Belgium is a party, or any change in the application or official interpretation thereof, which change or amendment (i) (subject to (ii)) becomes effective on or after the Original Issue Date, or (ii) in the case of a change in law, if such change is enacted on or after the Original Issue Date.

(d) *Repurchases*

Subject to the conditions set out in Condition 4(e), the Issuer and any of its subsidiaries may at any time repurchase in their sole discretion, without having any obligation to do so, Subordinated Notes in the open market or otherwise at any price.

(e) *Conditions to redemption*

Any optional redemption or repurchase of the Subordinated Notes pursuant to this Condition 4 is subject to the following conditions (in each case, if and to the extent then required by Applicable Banking Regulation):

- (a) compliance with any conditions prescribed under the Applicable Banking Regulation, including the prior approval of the Lead Regulator (if required);
- (b) (i) in the case of redemption following the occurrence of a Tax Event, the Issuer having demonstrated to the satisfaction of the Lead Regulator that (A) the Tax Law Change was not foreseeable by the Issuer as at the Original Issue Date and (B) the Tax Event is material or (ii) in the case of redemption following the occurrence of a Capital Disqualification Event, the Issuer having demonstrated to the satisfaction of the Lead Regulator that the relevant change was not foreseeable by the Issuer as at the Original Issue Date; and
- (c) compliance by the Issuer with any alternative or additional pre-conditions to the redemption of Subordinated Notes to the extent set out in the Applicable Banking Regulation and required by the Lead Regulator.

(f) *Cancellation*

Subject to the conditions set out in Condition 4(e), all Subordinated Notes repurchased by or on behalf of the Issuer or any of its subsidiaries may be cancelled. Any Subordinated Notes so cancelled may not be re-issued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

5 **Payments**

(a) *Principal and interest*

Payment of principal and interest in respect of Subordinated Notes will be made in accordance with the applicable rules and procedures of the Securities Settlement System, Euroclear, Clearstream, Luxembourg and any other Securities Settlement System participant holding interest in the Subordinated Notes, and any payment made by or on behalf of the Issuer to the Securities Settlement System will constitute good and final discharge for the Issuer in respect of such payment. Upon receipt of any payment in respect of the Subordinated Notes, the Securities Settlement System, Euroclear, Clearstream, Luxembourg and any other Securities Settlement System participant, shall immediately credit the accounts of the relevant account holders with the payment.

(b) *Payments Subject to Fiscal Laws*

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or its agents) and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 6. No commission or expenses shall be charged to the Noteholders in respect of such payments.

(c) *Appointment of Agent*

The Agent initially appointed by the Issuer and its respective specified offices are listed below. The Agent acts solely as agent of the Issuer and does not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent and to appoint additional or other Agents, provided that the

Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Terms and Conditions so require, (iii) a Paying Agent having its specified offices in a major European city, (iv) such other agents as may be required by the rules of any stock exchange on which the Subordinated Notes may be listed and (v) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

(d) *Non-Business Days*

If any date for payment in respect of any Subordinated Note is not a Business Day, the holder shall not be entitled to payment until the next following Business Day, nor to any interest or other sum in respect of such postponed payment.

“**Business Day**” means a day other than a Saturday or Sunday (i) on which the Securities Settlement System is operating and (ii) on which banks and forex markets are open for general business in Belgium and (iii) (if a payment in euro is to be made on that day), which is a business day for the TARGET System.

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System which was launched on 19 November 2007 or any successor thereto.

6 Taxation

All payments of principal and interest by or on behalf of the Issuer in respect of the Subordinated Notes shall be made without withholding or deduction for any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by the Kingdom of Belgium or any political subdivision or any Belgian authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or other charges is required by law or regulation.

In that event, or if a clearing system or any participant in a clearing system withholds or deducts for, or on account of, any present or future taxes, duties, assessments or other charges of whatever nature imposed or levied by or on behalf of the Kingdom of Belgium, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts received by the holders of the Subordinated Notes after such withholding or deduction shall be not less than the respective amounts of principal and interest which would have been receivable in respect of the Subordinated Notes in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any payment in respect of any Subordinated Note:

- (1) *Other connection*: to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Subordinated Note by reason of his having some connection with Belgium other than the mere holding of the Subordinated Note; or
- (2) *Non-Eligible Investors*: to a holder who, at the time of issue of the Subordinated Notes, was not an Eligible Investor within the meaning of Article 4 of the Royal Decree of 26 May 1994 on the deduction of withholding tax or to a holder who was an Eligible Investor at the time of issue of the Subordinated Notes but, for reasons within the holder’s control, ceased to be an Eligible Investor or, at any relevant time on or after the issue of the Subordinated Notes,

otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the law of 6 August 1993 relating to transactions with certain securities; or

- (3) *Other Paying Agent*: where the holder of such Subordinated Notes would have been able to avoid such withholding or deduction by arranging to receive the relevant payment through another paying agent of the Issuer in a member state of the European Union;
- (4) *Payment to individuals*: where such withholding or deduction is required to be made pursuant to European Council Directive 2003/48/EC (as amended by European Council Directive 2014/48 adopted by the European Council on 24 March 2014) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of saving income or any other law implementing or complying with, or introduced in order to conform to, such Directives; or
- (5) *Conversion into registered Subordinated Notes*: to a holder who is liable to such withholding or deduction because the Subordinated Notes were converted into registered notes upon his/her request and could no longer be cleared through the Securities Settlement System.

Notwithstanding any other provision in these Conditions, any amounts paid by or on behalf of the Issuer in respect of the Subordinated Notes will be paid net of any deduction or withholding imposed or required by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (“**Code**”) (or any regulations thereunder or official interpretations thereof), or otherwise imposed pursuant to any intergovernmental agreement, or implementing legislation adopted by another jurisdiction in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service (“**FATCA withholding**”). Neither the Issuer nor any other person will have an obligation to pay additional amounts or otherwise indemnify a holder for any FATCA withholding.

As used in these Conditions, the “**Relevant Date**” in respect of any payment means whichever is the later of (x) the date on which such payment first becomes due and (y), (if any amount of the money payable is improperly withheld or refused) the date on which the full amount of such moneys outstanding is made or (if earlier) the date seven days after that on which notice is duly given to the Noteholders that such payment will be made.

7 Substitution and Variation

Following a Capital Disqualification Event, the Issuer may, at its sole discretion and without the consent of the Noteholders, by giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 9, substitute or vary the terms of all, but not some only, of the Subordinated Notes then outstanding so that they become or, as appropriate, remain, Qualifying Securities.

Any substitution or variation of the Securities pursuant to this Condition 7 is subject to compliance with any conditions prescribed under the Applicable Banking Regulation, including the prior approval of the Lead Regulator (if required).

In these Conditions:

“**Qualifying Securities**” means, at any time, any securities issued by the Issuer that:

- (a) rank equally with the ranking of the Subordinated Notes;
- (b) have terms not materially less favourable to Noteholders than the terms of the Subordinated Notes (as reasonably determined by the Issuer in consultation with an independent investment bank of international standing, and provided that a certification of two members of the management board of the Issuer shall have been delivered to the Agent prior to the issue or variation of the relevant securities), provided that such securities shall in any event:

- (1) contain terms such that they comply with the then Applicable Banking Regulation in relation to Tier 2 capital;
 - (2) do not contain terms which would cause a Capital Disqualification Event or a Tax Event to occur as a result of such substitution or variation;
 - (3) include terms which provide for the same (or, from a Noteholder's perspective, a more favourable) Rate of Interest from time to time, Interest Payment Dates and Maturity Date as apply to the Subordinated Notes;
 - (4) shall preserve any existing right under the Conditions to any accrued interest, principal and/ or premium which has not been satisfied;
 - (5) do not contain terms providing for the mandatory or voluntary deferral or payments of principal and/ or interest; and
 - (6) do not contain terms providing for loss absorption through principal write-down, write-off or conversion to ordinary shares;
- (c) are listed on (i) the regulated market of Euronext Brussels or (ii) such other regulated market in the European Economic Area as selected by the Issuer; and
- (d) where the Subordinated Notes which have been substituted or varied had a published rating from a Rating Agency immediately prior to their substitution or variation each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the Subordinated Notes as so substituted or varied.

“**Rating Agency**” means Standard and Poor’s Credit Market Services or any affiliate thereof.

8 Substitution of the Issuer

The Issuer or any previous substituted company, may at any time, without the consent of the Noteholders, substitute for itself as principal debtor under the Subordinated Notes, any company (the “**Substitute**”) provided that:

- (1) the Lead Regulator approves the substitution;
- (2) the substitution is made by a deed poll or by execution of such other documentation as the Issuer determines is appropriate to give effect to such substitution;
- (3) no payment of principal of, or interest on, the Subordinated Notes is at the time of such substitution overdue;
- (4) the Substitute assumes all obligations and liabilities of the substituted Issuer in its capacity as debtor arising from, or in connection with, the Subordinated Notes and the substitution is subject to Belfius Bank irrevocably and unconditionally guaranteeing on a subordinated basis corresponding to the ranking of the Subordinated Notes the obligations of the Substitute;
- (5) the Substitute becomes a party to the Agency Agreement, with any appropriate consequential amendments, and assumes all the obligations and liabilities of the Issuer in its capacity as debtor under the Subordinated Notes contained therein and shall be bound as fully as if the Substitute had been named therein as an original party;
- (6) the Substitute shall, by means of the deed poll or by execution of such other documentation as the Issuer determines is appropriate, agree to indemnify the holder of each Subordinated Note against any tax, duty, fee or governmental charge that is imposed on such holder by the jurisdiction of the country of its residence for tax purposes and, if different, of its incorporation or any political

subdivision or taxing authority thereof or therein with respect to any Subordinated Notes and that would not have been so imposed had it not been substituted as the principal debtor and any tax, duty, fee or governmental charge imposed on or relating to such substitution and any costs or expenses of such substitution;

- (7) the Substitute obtains all necessary governmental and regulatory approvals and consents, takes all actions and fulfils all conditions necessary for such substitution and to ensure that the deed poll or other document executed to give effect to the substitution and the Subordinated Notes represent valid, legally binding and enforceable obligations of the Substitute;
- (8) the Substitute shall cause legal opinions to be delivered to the Noteholders (care of the Fiscal Agent) from lawyers with a leading securities practice in Belgium, England and the jurisdiction of the Substitute confirming the validity of the substitution and the continuance or giving of the guarantee referred to in sub-Clause (4) above;
- (9) each stock exchange which the Subordinated Notes are listed on or the relevant competent authority relating thereto shall have confirmed that following the proposed substitution of the Issuer, such Subordinated Notes would continue to be listed on such stock exchange;
- (10) following the substitution, the Subordinated Notes will continue to be represented by book-entry in the records of the Securities Settlement System;
- (11) where the Subordinated Notes had a published rating from a Rating Agency immediately prior to the substitution of the Issuer, the Subordinated Notes shall continue to be rated by such Rating Agency immediately following such substitution and the published ratings assigned to the Subordinated Notes by such Rating Agency immediately following such substitution will be no less than those assigned to the Subordinated Notes immediately prior thereto; and
- (12) the Issuer shall have given at least 14 days' prior notice of a proposed substitution to the Noteholders, such notice to be published in accordance with these Terms and Conditions, stating that copies, or pending execution, the agreed text, of all documents in relation to the substitution that are referred to above, or that might otherwise reasonably be regarded as material to the Noteholders, shall be available for inspection at the specified office of the Fiscal Agent and each of the other Paying Agents.

References in this Condition 8 to obligations under the Subordinated Notes shall be deemed to include obligations of the Substitute under the deed poll or other documentation executed in order to give effect to the substitution.

9 Notices

Notices to the Noteholders shall be valid if delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the Securities Settlement System. Any such notice shall be deemed given on the date and at the time it is delivered to the Securities Settlement System. For so long as the Subordinated Notes are admitted to listing and trading on a regulated market, any notices to holders must also be published in accordance with the rules and regulations of such market and, in addition to the foregoing, will be deemed validly given on the date of such publication.

In addition to the above publications, with respect to notices for a meeting of Noteholders, any convening notice for such meeting shall be made in accordance with Article 570 of the Belgian Companies Code, by an announcement to be inserted 15 days prior to the meeting, in the Belgian State Gazette ("*Moniteur belge/Belgisch Staatsblad*") and in one Belgian newspaper with national coverage. Resolutions to be submitted to the meeting must be described in the convening notice. In addition, the convening notice shall specify the procedures in respect of voting on resolutions to be decided by the meeting.

10 Prescription

Claims for principal and interest shall become void ten or five years, respectively, after their due date, unless application to a court of law for such payment has been initiated on or before such respective time.

11 Meeting of Noteholders and Modification to Agency Agreement

(a) *Meetings of Noteholders*

The Agency Agreement contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Agency Agreement) of a modification of any of these Terms and Conditions.

Meetings of Noteholders may be convened to consider matters relating to the Subordinated Notes, including the modification or waiver of any provision of these Conditions. Any such modification or waiver may be made if sanctioned by an Extraordinary Resolution. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of Belfius Bank. An “**Extraordinary Resolution**” means a resolution passed at a meeting of Noteholders duly convened and held in accordance with these Conditions and the Belgian Companies Code by a majority of at least 75 per cent. of the votes cast.

All meetings of Noteholders will be held in accordance with the provisions of Article 568 et seq. of the Belgian Companies Code with respect to bondholders' meetings. Such a meeting may be convened by the Issuer and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one fifth of the aggregate principal amount of the outstanding Subordinated Notes. A meeting of Noteholders will be entitled (subject to the consent of the Issuer) to exercise the powers set out in Article 568 of the Belgian Companies Code and generally to modify or waive any provision of these Conditions (including any proposal (i) to modify the maturity of the Subordinated Notes or the dates on which interest is payable in respect of the Subordinated Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Subordinated Notes, (iii) to change the currency of payment of the Subordinated Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders) in accordance with the quorum and majority requirements set out in Article 574 of the Belgian Companies Code, and if required thereunder subject to validation by the court of appeal. Resolutions duly passed in accordance with these provisions shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Noteholders shall be made in accordance with Article 570 of the Belgian Companies Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur Belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium.

(b) *Modification of Agency Agreement*

The Issuer shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

(c) *Written Resolutions*

A written resolution signed by the holders of 75 per cent. in nominal amount of the Subordinated Notes outstanding shall take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

12 Enforcement

If default is made in the payment of any principal or interest due in respect of the Subordinated Notes or any of them and such default continues for a period of 30 days or more after the due date, any holder of Subordinated Notes may institute proceedings for the dissolution or liquidation of the Issuer in Belgium.

In the event of a dissolution or liquidation of the Issuer (including, without limitation, the following events creating a “*samenloop van schuldeisers/concours de créanciers*”: bankruptcy (“*faillissement/faillite*”), judicial liquidation (“*gerechtelijke vereffening/liquidation forcée*”), voluntary liquidation (“*vrijwillige vereffening/liquidation volontaire*”) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), dissolution (“*ontbinding/liquidation*”), moratorium of payments (“*moratorium/moratoire*”) and other measures agreed between the Issuer and its creditors relating to the Issuer’s payment difficulties, or an official decree of such measures), each holder of Subordinated Notes may give written notice to the Agent at its specified office that its Subordinated Note(s) is (are) immediately repayable, whereupon the Redemption Amount of such Subordinated Note together (if applicable) with accrued interest to the date of payment shall become immediately due and payable.

No remedy against the Issuer other than as referred to in this Condition 12 shall be available to the holders of Subordinated Notes, whether for recovery of amounts owing in respect of the Subordinated Notes or in respect of any breach by the Issuer of any of its obligations under or in respect of the Subordinated Notes.

For the avoidance of doubt, the holders of Subordinated Notes waive, to the fullest extent permitted by law (i) all their rights whatsoever pursuant to Article 1184 of the Belgian Civil Code to rescind (“*ontbinden/résoudre*”), or to demand legal proceedings for the rescission (“*ontbinding/resolution*”) of, the Subordinated Notes and (ii) to the extent applicable, all their rights whatsoever in respect of the Subordinated Notes pursuant to Article 487 of the Belgian Companies Code.

13 Further Issues

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Subordinated Notes in all respects (or in all respects except for the date for and amount of the first payment of interest) so as to be consolidated and form a single series with the Subordinated Notes, and references in these to “Subordinated Notes” shall be construed accordingly.

14 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Subordinated Notes under the Contracts (Rights of Third Parties) Act 1999.

15 Governing Law and Jurisdiction

(a) Governing Law

The Subordinated Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law, save that (i) any matter relating to title to, and the dematerialised form of, such Subordinated Notes, and any non-contractual obligations arising out of or in connection with title to, and any matter relating to the dematerialised form of, such Subordinated Notes, and (ii) Conditions 1, 2, 11 and 12, shall be governed by, and construed in accordance with, Belgian law.

(b) *Jurisdiction*

The courts of England are to have jurisdiction to settle any disputes that may arise out of or in connection with any Subordinated Notes including any legal action or proceedings relating to any non-contractual obligations arising therefrom and accordingly any legal action or proceedings arising out of or in connection with any Subordinated Notes including any disputes relating to any non-contractual obligations arising therefrom (“**Proceedings**”) may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of the courts of England and waives any objection to Proceedings in such courts on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. These submissions are made for the benefit of each of the holders of the Subordinated Notes and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

(c) *Service of Process*

The Issuer irrevocably appoints Belgian Luxembourg Chamber of Commerce, currently situated at 8 Northumberland Avenue, London, WC2N 5BY, United Kingdom as its agent in England to receive, for it and on its behalf, service of process in any Proceedings in England. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by the Issuer). If for any reason such process agent ceases to be able to act as such or no longer has an address in London, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 9. Nothing shall affect the right to serve process in any manner permitted by law.

3. Amendments to the section “Belgian Taxation on the Subordinated Notes”

3.1 Paragraph 1 (*Belgian Withholding Tax*) of the section “Belgian Taxation on the Subordinated Notes” on page 78 is amended as follows:

All payments by or on behalf of the Issuer of interest on the Subordinated Notes are in principle subject to the 30 per cent. Belgian withholding tax on the gross amount of the interest.

In this regard, “interest” means the periodic interest income, any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of the Subordinated Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Subordinated Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Subordinated Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the “**Eligible Investors**”, see hereinafter) in an exempt securities account (an “**X Account**”) that has been opened with a financial institution that is a direct or indirect participant (a “**Participant**”) in the Securities Settlement System operated by the National Bank of Belgium (the “**NBB**” and the “**Securities Settlement System**”). Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Subordinated Notes through the Securities Settlement System enables Eligible Investors to receive the gross interest income on their Subordinated Notes and to transfer the Subordinated Notes on a gross basis.

Participants to the NBB system must enter the Subordinated Notes which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (“*arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*”/“*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing*”) which include, *inter alia*:

- (i) Belgian corporations subject to Belgian corporate income tax;
- (ii) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in (i) and (iii) subject to the application of article 262, 1° and 5° of the Belgian code on income tax of 1992 (“*code des impôts sur les revenus 1992*”/“*wetboek van de inkomstenbelastingen 1992*”, the “**Income Tax Code of 1992**”);
- (iii) state regulated institutions (“*institutions paraétatiques*”/“*parastatalen*”) for social security, or institutions which are assimilated therewith, provided for in article 105, 2° of the royal decree implementing the Income Tax Code 1992 (“*arrêté royal d’exécution du code des impôts sur les revenus 1992*”/“*koninklijk besluit tot invoering van het wetboek inkomstenbelastingen 1992*”, the “**Royal Decree implementing the Tax Code 1992**”);
- (iv) non-resident investors provided for in article 105, 5° of the same decree;
- (v) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same decree;

- (vi) tax payers provided for in article 227, 2° of the Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the same code;
- (vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with a article 265 of the Income Tax Code 1992;
- (viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and
- (ix) Belgian resident corporations, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

Participants to the Securities Settlement System must keep the Subordinated Notes which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an “**N Account**”). In such instance, all payments of interest are subject to the 30 per cent. withholding tax. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Transfers of Subordinated Notes between an X Account and an N Account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N Account (to an X Account or N Account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- A transfer (from an X Account or N Account) to an N Account gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.
- Transfers of Subordinated Notes between two X Accounts do not give rise to any adjustment on account of withholding tax.

Upon opening of an X Account for the holding of Subordinated Notes, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no on going declaration requirement to the Securities Settlement System as to the eligible status.

An Exempt Account may be opened with a Participant by an intermediary (an “**Intermediary**”) in respect of Subordinated Notes that the Intermediary holds for the account of its clients (the “**Beneficial Owners**”), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Subordinated Notes through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to Subordinated Notes held in Euroclear or Clearstream, Luxembourg as Participants to the Securities Settlement System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Subordinated Notes in such account.

In accordance with the Securities Settlement System, a Noteholder who is withdrawing Subordinated Notes from an Exempt Account will, following the payment of interest on those Subordinated Notes,

be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Subordinated Notes from the last preceding Interest Payment Date until the date of withdrawal of the Subordinated Notes from the Securities Settlement System. As a condition of acceptance of the Subordinated Notes into the Securities Settlement System, the Noteholders waive the right to claim such indemnity.

- 3.2 Paragraph 2.1 (*Belgian resident individuals*) of the section “Belgian Taxation on the Subordinated Notes” on page 80 is amended as follows:

Natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (“*personenbelasting*”/“*impôt des personnes physiques*”) and who hold the Subordinated Notes as a private investment, are subject to a withholding tax of 30 per cent. on interest payments. The withholding tax constitutes the final taxation; the interest on the Subordinated Notes does not have to be declared in their personal income tax return.

Nevertheless Belgian resident individuals may elect to declare interest in respect of the Subordinated 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 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.

Capital gains realised on the sale of the Subordinated Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate or unless (and to the extent that) the capital gains qualify as interest (as defined in section 1 entitled “Belgian Withholding Tax”). Capital losses are in principle not tax deductible.

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

- 3.3 Paragraph 2.3 (*Belgian legal entities*) of the section “Belgian Taxation on the Subordinated Notes” on page 80 is amended as follows:

Belgian legal entities subject to the Belgian legal entities tax (“*rechtspersonenbelasting*”/“*impôts des personnes morales*”) which do not qualify as Eligible Investors are subject to a withholding tax of 30 per cent. on interest payments. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (see section 1 entitled “Belgian Withholding Tax”) and which consequently have received gross interest income are required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities.

Capital gains realised on the sale of the Subordinated Notes are in principle tax exempt, unless the capital gains qualify as interest (as defined in section 1 entitled “Belgian Withholding Tax”). Capital losses are in principle not tax deductible.

- 3.4 Paragraph 2.3 (*Tax on stock exchange transactions*) of the section “Belgian Taxation on the Subordinated Notes” on page 81 is amended as follows:

A tax on stock exchange transactions (“*taxe sur les opérations de bourse*”/“*beurstaks*”) will be levied on the purchase and sale in Belgium of the Subordinated Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09 per cent. with a maximum amount of Euro 1300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

The tax referred to above will not be payable by exempt persons acting for their own account including investors who are not Belgian residents, provided they deliver an affidavit to the financial intermediary

in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the code of various duties and taxes (“*Code des droits et taxes divers*”/“*wetboek diverse rechten en taksen*”) for the tax on stock exchange transactions.

As from 1 January 2017, Belgian residents (individuals and legal entities) who undertake transactions via foreign intermediaries are also subject to the tax on stock exchange transactions. The Belgian resident must file a tax return and pay the tax due within two months after the transaction unless the foreign intermediary reported and paid the tax itself.

As stated in the section entitled “Risk Factors” (in particular, see “*Investment Considerations relating to the business of Belfius Bank*”), on 14 February 2013 the EU Commission adopted the proposed FTT. The draft Directive currently stipulates that once the FTT enters into effect, the Participating Member States shall not maintain or introduce any taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into effect. The draft Directive is still subject to negotiation between the participating Member States and may, therefore, be further amended at any time.

4. Amendments to the section “General Information”

- 4.1 Point 5 of the section “General Information” on page 85 of the Prospectus is amended as follows:

There has been no significant change in the financial or trading position of Belfius Bank since 30 June 2016.

- 4.2 Point 6 of the section “General Information” on page 85 of the Prospectus is amended as follows:

Except as disclosed under the section “Description of the Issuer – Litigation”, neither Belfius Bank nor any of its subsidiaries is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Belfius Bank is aware) during the 12 months preceding the Issue Date which may have or have had in the recent past significant effects, on the financial position or profitability of Belfius Bank or any of its subsidiaries.

- 4.3 Point 7 of the section “General Information” on page 85 of the Prospectus is amended as follows:

The Subordinated Notes have been accepted for clearance through the Securities Settlement System. Until consolidation with the Fixed Rate Subordinated Notes (Tranche 1) on or around 40 days after the Issue Date, the Fixed Rate Subordinated Notes (Tranche 2) will have a temporary International Securities Identification Number (ISIN) of BE0002271402. Thereafter, the ISIN for the Fixed Rate Subordinated Notes (Tranche 2) will be BE0002251206 and the Common Code will be 140681512, each being the same as for the Fixed Rate Subordinated Notes (Tranche 1).

- 4.4 Point 10 of the section “General Information” on page 85 of the Prospectus is amended as follows:

Copies of (i) the annual report and audited annual accounts of Belfius Bank for the years ended 31 December 2014 and 31 December 2015, including the reports of the statutory auditors in respect thereof, (ii) the half-yearly report of Belfius Bank for the period ending 30 June 2016 may be obtained, and (iii) this Prospectus and any supplement may be obtained, and copies in physical form of the Agency Agreement, the Subscription Agreement and the Articles of Association of the Issuer will be available for inspection, at the specified offices of the Fiscal Agent and each of the Paying Agents during normal business hours, so long as any of the Subordinated Notes is outstanding. The audit of Belfius Bank’s financial statements was conducted by DELOITTE Reviseurs d’Entreprises SC s.f.d. SCRL, represented by Bart Dewael and Philip Maeyaert, Berkenlaan 8B, 1831 Diegem (a member of IBR - IRE *Instituut der Bedrijfsrevisoren/Institut des Réviseurs d’Entreprises*). They rendered unqualified audit reports on the financial statements of Belfius Bank for the years ended 31 December 2014 and 2015.

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