

Final Terms dated 29 September 2017

Belfius Financing Company SA

Issue of Belfius Financing Company (LU) Memory Coupon Private Notes 11/2023

Guaranteed by Belfius Bank SA/NV

under the

Belfius Financing Company SA

and

Belfius Bank SA/NV

Notes Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated 26 September 2017, which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). **This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus and any supplement thereto.** These Final Terms and the Base Prospectus together constitute the Programme for the Tranche. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for inspection at the office of the Guarantor, the office of the Issuer and the website www.belfius.be. A summary of the offer of the Notes is provided in an annex to the Final Terms.

| | | | |
|---|-------|-----------------------------------|--|
| 1 | (i) | Issuer: | Belfius Financing Company SA |
| | (ii) | Guarantor: | Belfius Bank SA/NV |
| | (iii) | Calculation Agent: | Belfius Bank SA/NV |
| 2 | (i) | Series Number: | 648 |
| | (ii) | Tranche Number: | 1 |
| 3 | | Specified Currency or Currencies: | EUR |
| 4 | | Maximum Amount: | |
| | (i) | Series: | Not Applicable |
| | (ii) | Tranche: | Not Applicable |
| 5 | | Minimum Amount: | |
| | (i) | Series: | EUR 3,000,000 |
| | (ii) | Tranche: | Not Applicable |
| 6 | | Offering Period: | From 2 October 2017 until 19 November 2017 (21:00 Brussels time, except in case of early closing) |

| | | |
|----|---|---|
| 7 | Issue Price: | 100 per cent. |
| 8 | Brokerage Fee: | Not Applicable |
| 9 | Denominations: | EUR 1,000 with a minimum subscription of EUR 10,000 |
| 10 | Issue Date: | 24 November 2017 |
| 11 | Maturity Date: | 24 November 2023 |
| 12 | Interest Basis: | Variable Linked Rate (further particulars specified below) |
| 13 | Redemption/Payment Basis: | Variable Linked Redemption (further particulars specified below) |
| 14 | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 15 | Call Options: | Not Applicable |
| 16 | Mandatory Early Redemption: | Applicable (further particulars specified below) |
| 17 | Status of the Notes: | Preferred Senior Notes |
| 18 | Date Board approval for issuance of Notes obtained: | 8 September 2017 |
| 19 | Form of Notes: | Bearer Notes |
| 20 | New Global Note: | Not Applicable |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

| | | |
|----|--------------------------------------|---|
| 21 | Fixed Rate Note Provisions | Not Applicable |
| 22 | Floating Rate Note Provisions | Not Applicable |
| 23 | Zero Coupon Note Provisions | Not Applicable |
| 24 | Variable Linked Rate Note Provisions | Applicable (Section 9.2. Category A. Structures with a periodic payment, prospectus pages 80) |

$$[(\text{Participation Rate}_i \times \max(X\%_i, \min(\text{Performance}_i, Y\%_i))) + \text{Bonus}_i] \times \text{Denomination}$$

(i) Underlying: Share Index

(ii) Variable Linked Rate:

- 1) Periods : 6 [i = 1 to 6]
- 2) Underlying: Euro Stoxx 50 Index (Bloomberg: SX5E)
- 3) Performance_i will be be $\left(\frac{\text{Final Price}_i - \text{Initial Price}}{\text{Initial Price}} \right)$ (subformula 3.c) is applicable), no reset for the Initial Price. Fixing in arrears (10 Business Days before the Interest Payment Date_i).
- 4) Applicable. If the Index is at or above the Initial Price (no reset) at any Valuation Date(i) (i from 2 to 5) then the note redeems early at 100%
- 5) Condition is activated in respect Bonus, Participation Rate, X% and Y%
- 6) Bonus₁ = 0%

For i = 2 to 6:

$$\text{Bonus}_i = - \sum_{w=1}^{i-1} \text{Formula}_w \text{ if Performance}_i \geq -30\% \\ = 0\% \text{ if Performance}_i < -30\%$$

$$7) \text{ Participation Rate}_i = \text{period } i \text{ if Performance}_i \geq -30\% \\ = 0\% \text{ if Performance}_i < -30\%$$

$$8) X\%_i = 3.00\% \text{ if Performance}_i \geq -30\% \\ = 0\% \text{ if Performance}_i < -30\%$$

$$9) Y\%_i = 3.00\% \text{ if Performance}_i \geq -30\% \\ = 0\% \text{ if Performance}_i < -30\%$$

10) Daycount: Annual, Act/Act ICMA, unadjusted, following

By applying the components above, to the Formula mentioned above, the Variable Linked Rate Amount shall be calculated by applying the following formula:

$$[\text{Denomination} \times (\text{Participation Rate}_i \times \max(X\%_i, \min(\text{Performance}_i, Y\%_i)) + \text{Bonus}_i)]$$

(iii) Interest Payment Date(s): Annually on 24 November, from and including 24 November 2018 to and including 24 November 2023, subject to adjustment in accordance with the Business Day Convention and subject to Early Redemption

(iv) Business Days: TARGET

(v) Business Day Convention: Following

PROVISIONS RELATING TO REDEMPTION

25 Call Option Not Applicable

26 Mandatory Early Redemption Applicable

(i) Trigger Event(s): If the Index is at or above its initial value at any Observation Date, starting from 2019

(ii) Mandatory Early Redemption Date(s): The Interest Payment Date immediately following the occurrence of the Trigger Event(s) as determined by the Calculation Agent.

(iii) Mandatory Early Redemption Amount: EUR 1,000 per Note of EUR 1,000 Denomination

27 Redemption Amount(s) of each Note

Variable Linked Redemption

(i) Underlying: Share Index

(ii) Variable Linked Redemption Amount: Category A. Structures with a periodic payment (prospectus pages 80)

$$\text{Denomination} + [\text{Denomination} \\ \times (\text{Participation Rate}_i \times \max(X\%_i, \text{Performance}_i) + \text{Bonus}_i)]$$

1) Periods : 1 [i = 6]

2) Underlying: Euro Stoxx 50 Index (Bloomberg: SX5E)

3) Performance_{e6} will be $\frac{\text{Final Price}_6 - \text{Initial Price}}{\text{Initial Price}}$ (condition c) is applicable) without reset of the Initial Price;

Where Final Price means the level of the Underlying, 10 Business Days before the final Interest Payment Date and Initial Price means the closing level of the Underlying on 24/11/2017 (no reset)

4) Applicable. If the Index is at or above the Initial Price (no reset) at any Valuation Date(i) (i

from 2 to 5), then the note redeems early at 100%

5) Condition is applicable to Performance and Participation Rate

6) Bonus is not applicable

7) Participation Rate = 100% if Performance₆ is below -50%, otherwise Participation Rate is 0%

8) Not Applicable

9) Not Applicable

10) No Daycount

By applying the components above, to the Formula mentioned above, the Variable Linked Rate Amount shall be calculated by applying the following formula:

If Final Price is below 50% of the Initial Price:

$$Denomination + \left[Denomination \times \left(\left(\frac{Final\ Price - Initial\ Price}{Initial\ Price} \right) \right) \right]$$

Otherwise the Variable Linked Rate amount is : Denomination

| | |
|-------------------------------|----------------|
| (iii) Business Days: | TARGET |
| (iv) Business Day Convention: | Following |
| (v) Initial Averaging: | Not Applicable |
| (vi) Averaging: | Not Applicable |
| 28 Partial Redemption: | Not Applicable |

VARIABLE LINKED PROVISIONS

| | |
|-------------------------|---------------------------------------|
| (i) Index: | Euro Stoxx 50 Index (Bloomberg: SX5E) |
| (ii) Exchange: | Multiple Exchange |
| (iii) Related Exchange: | All Exchanges |
| (iv) Valuation Date(s): | |

| i | Date |
|---|--|
| 1 | 10 business days before 24 November 2018 |
| 2 | 10 business days before 24 November 2019 |
| 3 | 10 business days before 24 November 2020 |
| 4 | 10 business days before 24 November 2021 |
| 5 | 10 business days before 24 November 2022 |
| 6 | 10 business days before 24 November 2023 |

| | |
|-----------------------------|------------------|
| (v) Initial Valuation Date: | 24 November 2017 |
|-----------------------------|------------------|

DISTRIBUTION

| | |
|----------------------------------|--------------------|
| Dealer(s): | Belfius Bank SA/NV |
| Selling fees: | Not Applicable |
| Additional selling restrictions: | Not Applicable |

OPERATIONAL INFORMATION

| | |
|-------------------------|--|
| ISIN Code: | XS1691794090 |
| Common Code: | 169179409 |
| Clearing System(s): | Euroclear / Clearstream |
| Principal Paying Agent: | Banque Internationale à Luxembourg, SA |
| Paying Agent: | Belfius Bank SA/NV |

SECONDARY MARKET

| | |
|-----------------------|----------------------------------|
| Applicable | |
| Maximum Spread: | Conform to the market conditions |
| Maximum Commission: | 0.60 per cent. |
| Maximum Exit Penalty: | 3.00 per cent. |

RESPONSIBILITY

The Issuer and the Guarantor accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:.....
Duly authorised

Signed on behalf of the Guarantor:

By:.....
Duly authorised

PART B – OTHER INFORMATION

RISK INDICATOR

In order to increase the transparency of the risks involved in investment products, Belfius Bank SA/NV has developed a synthetic risk indicator through a scale going from 0 (lowest risk) to 6 (highest risk). The exact risk level for any investment product is determined in function of following criteria: the degree to which capital will be refunded at maturity, term of the relevant Note, type of return (distribution or capitalisation), credit risk and complexity (Underlying and strategy). Other important criteria, such as the liquidity risk of Belfius Bank SA/NV and the market risk, are not taken into account.

Risk Level: **6**

SIMULATIONS AND INTERNAL RATE OF RETURN

| Interest Payment Dates | Performance | Gross Coupon | Redemption amount |
|------------------------|----------------|--------------|-------------------|
| 24/11/2018 | 5.00% | 3.00 | - |
| 24/11/2019 | -5.00% | 3.00 | - |
| 24/11/2020 | -13.00% | 3.00 | - |
| 24/11/2021 | -36.00% | 0.00 | - |
| 24/11/2022 | -47.00% | 0.00 | - |
| 24/11/2023 | -55.00% | 0.00 | 45 |
| Gross IRR | -10.69% | | |
| Net IRR | -11.23% | | |

| Interest Payment Dates | Performance | Gross Coupon | Redemption amount |
|------------------------|--------------|--------------|-------------------|
| 24/11/2018 | -5.00% | 3.00 | - |
| 24/11/2019 | -21.00% | 3.00 | - |
| 24/11/2020 | -32.00% | 0.00 | - |
| 24/11/2021 | -36.00% | 0.00 | - |
| 24/11/2022 | -27.00% | 9.00 | - |
| 24/11/2023 | -19.00% | 3.00 | 100 |
| Gross IRR | 2.96% | | |
| Net IRR | 2.08% | | |

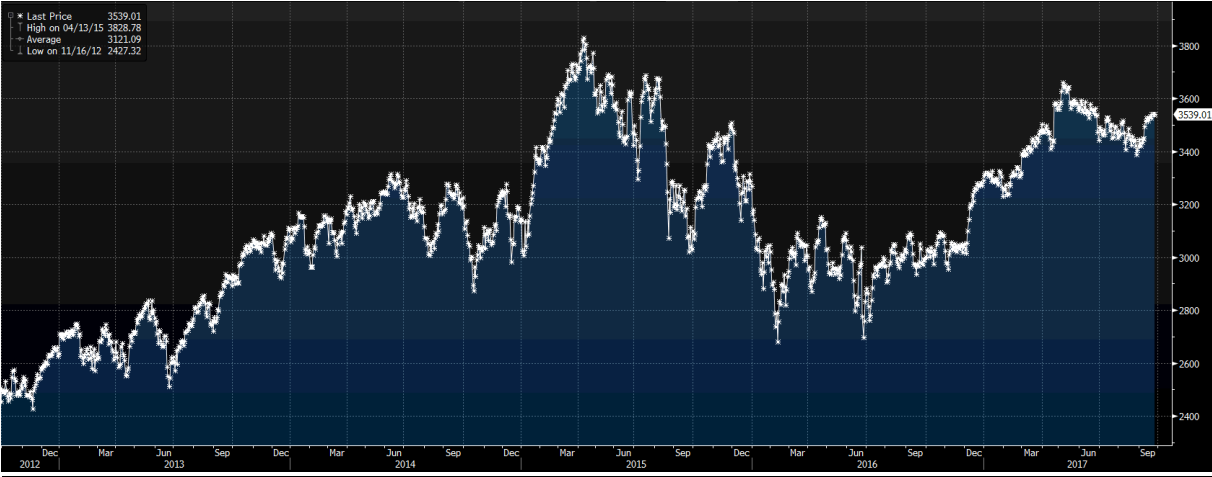
| Interest Payment Dates | Performance | Gross Coupon | Redemption amount |
|------------------------|--------------|--------------|-------------------|
| 24/11/2018 | 5.00% | 3.00 | - |
| 24/11/2019 | -6.00% | 3.00 | - |
| 24/11/2020 | 3.00% | 3.00 | 100 |
| Gross IRR | 3.00% | | |
| Net IRR | 2.10% | | |

IRR: The internal rate of return is a rate of return used to measure the profitability of an investment: it is the annualized effective compounded return rate that makes the net present value of all cash flows from a particular investment equal to zero.

These simulations are fictitious examples and by no means represent reliable indicators.

The Net IRR simulations are based upon the current withholding tax of 30%.

OTHER INFORMATION



Evolution of the Index (Last price as of September 26, 2017 15h24)

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