

SUPPLEMENT DATED 7 FEBRUARY 2018

TO THE INFORMATION MEMORANDUM DATED 29 JUNE 2017



DEXIA CRÉDIT LOCAL

(a *société anonyme* established under the laws of the Republic of France)

EURO 45,000,000,000

**Guaranteed Euro Medium Term Note Programme
benefiting from an unconditional and irrevocable first demand guarantee
by the States of Belgium, France and Luxembourg**

This Supplement (the “**Supplement**” or the “**Fourth Supplement**”) is supplemental to, and should be read in conjunction with, the Information Memorandum dated 29 June 2017 (the “**Information Memorandum**”, which term, where the context admits, shall include such Information Memorandum as amended and/or supplemented from time to time including, without limitation, by this Fourth Supplement and all references to “this **Information Memorandum**” shall be construed accordingly) prepared in relation to the €45,000,000,000 Guaranteed Euro Medium Term Note Programme (the “**Programme**”) of Dexia Crédit Local (the “**Issuer**”).

The Information Memorandum does not constitute a prospectus as defined in Article 5.4 of Directive 2003/71/EC (the “**2003 Prospectus Directive**”), as amended by Directive 2010/73/EU (the “**2010 Prospectus Directive**” and, together with the 2003 Prospectus Directive, the “**Prospectus Directive**”), and may be used only for the purpose for which it is published. The purpose of the Information Memorandum in relation to Notes is to give information with respect to the issue of Notes. The Notes will be exempt from the Prospectus Directive pursuant to Article 1.2(d) thereof and the Notes will not be treated as being within the scope of the Prospectus Directive. The Information Memorandum has not been, and will not be, approved by the CSSF as complying with the Prospectus Directive.

The Information Memorandum may not be used for any offering to the public or any admittance to trading on a regulated market of Notes in any jurisdiction which would require the approval and publication of a prospectus under the Prospectus Directive or similar document under applicable law.

The Issuer accepts responsibility for the information contained in this Fourth Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Fourth 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.

Unless the context otherwise requires, terms defined in the Information Memorandum shall have the same meaning when used in this Fourth Supplement.

To the extent that there is any inconsistency between (a) any statement in this Fourth Supplement or any statement incorporated by reference into the Information Memorandum by this Fourth Supplement and (b) any other statement in or incorporated by reference into the Information Memorandum, the statements in (a) above will prevail.

Save as disclosed in this Fourth Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Information Memorandum since the publication of the Information Memorandum.

This Fourth Supplement is available on the Luxembourg Stock Exchange's website (www.bourse.lu).

This Fourth Supplement has been prepared for the purpose of updating the information in relation to the Issuer.

A – Documents incorporated by reference:

Dexia S.A. published, on its website (www.dexia.com), the Press Release dated 5 February 2018 related to the decisions by European Central Bank detailing the regulatory requirements and the specific supervisory approach applied to Dexia SA as from 1 January 2018 (the “**Press Release**”), which has been filed with the Luxembourg Stock Exchange and such Press Release is incorporated by reference in, and form part of, this Fourth Supplement.

Copies of documents incorporated by reference in this Fourth Supplement can be found on the website of Dexia S.A. (www.dexia.com) or obtained from the registered office of the Issuer and the specified office of the Fiscal Agent for the time being. This Fourth Supplement and the documents incorporated by reference will also be published on the Luxembourg Stock Exchange website (www.bourse.lu). The information provided on the Issuer's and Dexia S.A.'s websites and on the website of the Luxembourg Stock Exchange (other than this Fourth Supplement) is provided for information purposes only and is not incorporated by reference into, or otherwise included in, this Fourth Supplement. No representation, warranty or undertaking is made and no responsibility or liability is accepted by the Arranger or the Dealers for the accuracy or completeness of such information

B – Update of the address of Dexia Management Services Ltd. as Process Agent of the Issuer:

The address of Dexia Management Services Ltd. as Process Agent of the Issuer, referred to in Condition 16(c) (page 63 of the Information Memorandum) shall be deemed to read:

“6th Floor, Salisbury House, London Wall, London EC2M 5QQ, United Kingdom”

B - Update of the Issuer's information in the section “*DEXIA CREDIT LOCAL - Recapitalisation undertaking by the Belgian and French States*”

The following paragraph is inserted at the end of the abovementioned section located page 74 of the Information Memorandum:

Dexia share conversion implying an increase in States' participation

In order for Dexia to fulfil its prudential obligations regarding its solvency and as required by the European Central Bank, Dexia on 7 December 2017 successfully converted its preference shares (“B” shares) into ordinary shares (“A” shares), at a conversion rate of 14.446 ordinary shares (i.e. currently category A shares) against one preference share (currently category B shares). Along to the conversion, the plan also granted the Belgian and French States with “Contingent Liquidation Rights”, allowing Dexia to comply with the burden sharing constraint imposed by the European Commission (EC). Consecutively, States' participation now amounts to 99.5%, instead of 94% previously. The operation was duly approved by the shareholders, the EC and the ECB.

C - Update of the Taxes information in the sections “*TAXATION - Belgian Taxation*” and “*TAXATION - French Taxation*”

The abovementioned sections respectively located pages 107 and 110 of the Information memorandum are entirely deleted and the following paragraphs are inserted:

Belgian Taxation

The following summary describes the principal Belgian tax considerations with respect to the acquisition, holding and disposal of Notes obtained by an investor.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, hold or dispose of the Notes. In some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

This summary is based on Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this Information Memorandum, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Notes.

Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.

Belgian withholding tax and income tax

Individuals resident in Belgium

Individuals who are Belgian residents for tax purposes, i.e., individuals subject to the Belgian personal income tax ("*Personenbelasting*" / "*Impôt des personnes physiques*") and who hold the Notes as a private investment, are subject to the following tax treatment in Belgium with respect to the Notes. Other tax rules apply to Belgian resident individuals holding the Notes not as a private investment but in the framework of their professional activity or when the transactions with respect to the Notes fall outside the scope of the normal management of their own private estate.

Under Belgian tax law, "interest" income includes: (i) periodic interest income, (ii) any amount paid by or on behalf of the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) if the Notes qualify as "fixed income securities" (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in the case of a disposal of the Notes between two interest payment dates to any third party, excluding the Issuer, the interest accrued during the holding period. In general, notes are qualified as fixed income security if there is a causal link between the amount of interest income and the detention period of the notes, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the disposal of the notes during their lifetime.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 30% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments. They may nevertheless opt to report interest in respect of the Notes in their personal income tax return.

If no Belgian withholding tax has been levied on the interest, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 30% (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is lower). If the interest payment is declared, and is as such subject to income tax, any withholding tax retained may be credited against the investor's income tax liability and may even be refundable.

Capital gains realised upon the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate (in which case the capital gain will be taxed at 33 per cent. plus local municipality surcharge) or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Belgian resident corporations

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting*" / "*Impôt des sociétés*") are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax at the current ordinary rate of 29.58%. (with a reduced rate of 20.40% applying to the first tranche of EUR 100,000 of taxable income of qualifying small companies), to be reduced to 25% (and 20%) as from 1 January 2020 onwards. Capital losses on the Notes are in principle tax deductible.

Payments of interest (as defined in the section "*Tax treatment of Belgian resident individuals*") on the Notes made through a paying agent in Belgium will in principle be subject to a 30% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). However, the interest on the Notes (except Zero Coupon Notes and other Notes which provide for the capitalisation of interest) can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered.

The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Other Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities ("*Rechtspersonenbelasting*" / "*impôt des personnes morales*") are subject to the following tax treatment in Belgium with respect to the Notes.

Payments of interest (as defined in the section "*Tax treatment of Belgian resident individuals*") on the Notes made through a paying agent in Belgium will in principle be subject to a 30% withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if no Belgian withholding tax has been levied on the interest, the legal entity itself is liable to declare the interest to the Belgian tax administration and to pay the applicable withholding tax to the Belgian treasury.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined in the section "*Individuals resident in Belgium*"). Capital losses on the Notes are in principle not tax deductible.

Organisation for Financing Pensions ("OFP")

Interest derived by OFP (*Organismen voor de Financiering van Pensioenen/Organismes de Financement de Pensions*) Noteholders on the Notes and capital gains realised on the Notes will not be subject to Belgian Corporate Income Tax in the hands of OFPs. Capital losses incurred by OFPs on the Notes will not be tax deductible. Any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Belgian non-residents

The interest income on the Notes paid to a Belgian non-resident outside of Belgium, i.e. without the intervention of a professional intermediary in Belgium, is not subject to Belgian withholding tax.

Interest income on the Notes paid through a Belgian professional intermediary is in principle subject to a 30% Belgian withholding tax, unless the holder of Notes is resident in a country with which Belgium has concluded a double taxation agreement and delivers the required affidavit.

Non-resident holders that have not allocated the Notes to business activities in Belgium can also obtain an exemption of Belgian withholding tax on interest if the interest is paid through a Belgian credit institution, a Belgian stock market company or a Belgian clearing or settlement institution and *provided that* the non-resident (i) is the owner or usufruct of the Notes, (ii) has not allocated the Notes to business activities in Belgium and (iii) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (i) and (ii).

If the holder of a Note is a Belgian branch of a foreign company to which the Notes are attributable, the rules applicable to Belgian corporations (see above) will apply.

Taxes on stock exchange transactions and on repurchase transactions

A tax on stock exchange transactions ("*Taxe sur les opérations de bourse*", "*Taks op de beursverrichtingen*") will be levied on the acquisition and disposal in Belgium of the Notes on a secondary market if (i) executed in Belgium through a professional intermediary, or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals with habitual residence in Belgium, or legal entities for the account of their seat or establishment in Belgium.

The tax is generally due at a rate of 0.12%, on each sale and acquisition separately, with a maximum amount of EUR 1,300 per transaction and per party. A separate tax is due by each party to the transaction, and both taxes are collected by the professional intermediary. However, if the intermediary is established outside of Belgium, the tax will in principle be due by the ordering private individual or legal entity, unless that individual or entity can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian representative for tax purposes, which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary.

No transfer tax will be due on the issuance of the Notes (primary market).

A tax on repurchase transactions ("*Taxe sur les reports/Taks op reportverrichtingen*") at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party (with a maximum amount of EUR 1,300 per transaction and per party).

However, neither of the taxes referred to above will be payable by exempt persons acting for their own account, including (i) investors who are Belgian non-residents, provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status, and (ii) 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 taxes on stock exchange transactions and Article 139, second paragraph, of the same code for the tax on repurchase transactions.

As stated above, the European Commission has proposed a Directive for a FTT. The proposed Directive currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of November 28, 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 force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

French Taxation

The descriptions below are intended as a basic summary of certain withholding tax consequences under French law in relation to the holding of the Notes that may be relevant to holders of the Notes who do not concurrently hold shares of the Issuer.

Payments of interest and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French Code general *des impôts* (the "**French General Tax Code**") unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code.

Furthermore, according to Article 238 A of the French General Tax Code, interest and other revenues on such Notes may not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution situated in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be re-characterised as constructive dividends pursuant to Articles 109 *et seq* of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French General Tax Code, at a rate of (i) 12.8% for payments benefiting individuals who are not French tax residents, (ii) 30% (to be aligned on the standard corporate income tax rate set forth in Article 219-I of the French General Tax Code for fiscal years beginning as from 1 January 2020) for payments benefiting legal persons who are not French tax residents or (iii) 75% for payments made outside France in a Non-Cooperative State (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing neither the 75% withholding tax set out under Article 125 A III of the French General Tax Code nor, to the extent the relevant interest or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion or the withholding tax set out under Article 119 *bis* 2 of the French General Tax Code that may be levied as a result of such Deductibility Exclusion will apply if the Issuer can prove that the principal purpose and effect of an issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the French tax administrative guidelines published in the *Bulletin Officiel des Finances Publiques—Impôts* BOI-INT-DG-20-50-20140211 no.550 and 990, BOI-RPPM-RCM-30-10-20-40-20140211 no.70 and 80 and BOI-IR-DOMIC-10-20-20-60-20150320 no.10, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

- (i) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* (the "**French Monetary and Financial Code**") or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system *provided that* such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (iii) admitted, at the time of their issue, to the operations of a central depository or of a securities delivery and payments systems operator within the meaning of Article L. 561-2 of the French Monetary and

Financial Code, or of one or more similar foreign depositaries or operators *provided that* such depositary or operator is not located in a Non-Cooperative State.

Pursuant to 125 A I of the French General Tax Code, subject to certain limited exceptions, interest and other similar revenues paid by a paying agent (*établissement payeur*) located in France and received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 12.8% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding at a global rate of 17.2% on such interest and other similar revenues received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.