



Wallonie

RÉGION WALLONNE

EUR 1,250,000,000

Multi-currency Treasury Notes Programme

This supplementary prospectus (the “**Supplement**”), which supplements the prospectus dated 19 February 2010 (the “**Prospectus**”) prepared by or on behalf of Région wallonne (the “**Issuer**”) in connection with a multi-currency treasury notes programme (the “**Programme**”) under which the Issuer may, subject to compliance with all relevant laws, regulations and directives, issue and have outstanding at any time treasury notes in the form of dematerialised treasury notes (*billets de trésorerie / thesauriebewijzen*) pursuant to the Belgian law of 22 July 1991 (as amended) (the “**Treasury Notes Law**”) and the Belgian royal decree of 14 October 1991 (as amended) (the “**Treasury Notes Decree**”) relating to *billets de trésorerie et certificats de dépôt / thesauriebewijzen en depositobewijzen* (the “**Treasury Notes**” or the “**Notes**”).

Unless the contrary is stated, terms defined in Prospectus shall have the same meanings when used in this Supplement. The Prospectus shall be amended as set out herein.

The Issuer has confirmed to the Arranger and to the Dealer that, in the context of this Programme, the information contained in this Supplement or incorporated herein by reference, when read in conjunction with the Prospectus and any information incorporated by reference therein (copies of which may be obtained from the Dealers on request), is in all material respects true, accurate and not misleading and that since the date of the most recently published Budget of the Issuer, there has been no material adverse change in the financial condition of the Issuer up to the date of this Supplement (save as disclosed in the Prospectus or this Supplement, or any documents incorporated by reference in the Prospectus and/or this Supplement).

Neither the Arranger nor the Dealer has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability is accepted by the Arranger or the Dealer as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in this Supplement.

The Issuer accepts responsibility for this Supplement. In particular, the Issuer will be responsible towards interested parties for losses which may occur as an immediate and direct result of the absence or inaccuracy of any matters that are required to be contained herein.

Neither the Arranger nor the Dealer accepts any liability in relation to this Supplement or its distribution by any other person.

The distribution of this Supplement and the offering or sale of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Supplement comes are required by the Issuer, the Arranger and the Dealer to inform themselves about and to observe any such restrictions. This Supplement has not been, and will not be, submitted for approval to any competent authority within the meaning of the Prospectus Directive.

For a description of certain restrictions on offers and sales of Notes and on distribution of the Prospectus (as supplemented), please refer to the section entitled “*Selling Restrictions*” of the Prospectus.

Arranger, Domiciliary Agent & Dealer



BNP PARIBAS
FORTIS

PURPOSES OF THIS SUPPLEMENT

1. Increase of the Programme Limit

As from the date of this Supplement, the Prospectus is amended to the following effect:

The maximum aggregate principal amount of all Notes that may from time to time be outstanding under the Programme is increased from EUR 743,500,000 (or its equivalent in other currencies) to EUR **1,250,000,000** (or its equivalent in other currencies), and all references in the Prospectus to a Programme Limit at "EUR 743,500,000" shall be amended accordingly to read "EUR 1,250,000,000".

The Issuer confirms having obtained all the relevant internal and external approvals to increase the Programme Limit to EUR 1,250,000,000.

2. Use of a Pricing Supplement for medium or long term notes only

As from the date of this Supplement, a Pricing Supplement will only be executed and issued by the Issuer for Notes having a tenor of more than 365 days. As a result, the following paragraphs and definitions included in the Prospectus are amended as follows:

- Under the section "Important Notice", the definition of Pricing Supplement is amended and restated as follows:
"The applicable terms of the relevant Tranche (as defined hereafter) of Notes will be agreed between the Issuer and the Dealer prior to the issue of the Notes and, **for Notes having a maturity of more than 365 days**, will be specified in a pricing supplement (hereinafter the "**Pricing Supplement**")."

- Under the section "Overview of the Programme", the definition of Pricing Supplement is amended and restated as follows:

"The terms of the Treasury Notes **having a maturity of more than 365 days** will be specified in the applicable Pricing Supplement which, for the purposes of the relevant Treasury Notes only, supplements the Conditions set out in the Prospectus. In the event of any inconsistency between the Conditions and the relevant Pricing Supplement, the relevant Pricing Supplement shall prevail. The relevant Pricing Supplement shall be deemed to be part of the Prospectus. Each **holder of Notes having a maturity of more than 365 days** may obtain a copy of the relevant Pricing Supplement at the offices of the Issuer and the Domiciliary Agent as set out at the end of this Prospectus during normal business hours so long as the relevant Notes are outstanding.

The terms of the Treasury Notes having a maturity of 365 days or less will only be specified in the applicable Descriptive Card (as defined in the Conditions)."

- Under Condition 1.B of the Terms and Conditions of The Programme, the definition Pricing Supplement is amended and restated as follows:

"Each Tranche **having a maturity of more than 365 days** will be subject to the terms of a pricing supplement (hereinafter the "**Pricing Supplement**") which supplements these terms and conditions."

- *The first explanatory sentence of the form of Pricing Supplement is completed to be read as follows:*

*"The Pricing Supplement in respect of each Tranche of Series of Notes **having a maturity of more than 365 days** will be substantially in the following form, duly supplemented (if necessary), amended (if necessary) and completed to reflect the particular terms of the relevant Notes and their issue."*

3. New set of terms and conditions

As from the date of this Supplement, any Note issued will be issued under the Terms and Conditions applicable to the Notes included in the Prospectus but as modified as follows:

- The "Negative Pledge" clause is removed. The Condition 7 shall then be read as follows:

"7. Negative Pledge: none"

- The "gross-up clause" is removed. The Condition 13 is then amended and replaced by the following words:

"13. Taxation

- (a) All payments in respect of the Notes will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature, unless the Issuer, the National Bank of Belgium, the Domiciliary Agent or any other person is required by applicable law to make any payment in respect of the Notes subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the Issuer, the National Bank of Belgium, the Domiciliary Agent or such other person (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the Issuer, the National Bank of Belgium, the Domiciliary Agent nor any other person will be obliged to gross up the payments in respect of the Notes or to make any additional payments to any Noteholders in respect of any such withholding or deduction.
- (b) The Issuer, the National Bank of Belgium, the Domiciliary Agent or any other person being required to make a tax deduction shall not constitute an event of default."

- The level of the cross default clause is increased from EUR 15,000,000 to EUR 30,000,000. The amount of EUR 15,000,000 included under Condition 14(C) is then replaced by EUR 30,000,000.

- The definitions of Foreign Currency under Condition 2 is modified as follows:

"Foreign Currency" refers to any lawful currency other than Euro [for which the European Central Bank daily publishes Euro foreign exchange reference rates.](#)

As a result, the description of "Currencies" under the section "Overview of the Programme" is also amended as follows:

"Currencies: Treasury Notes may be issued in Euro or in any lawful currency [for which the European Central Bank daily publishes Euro foreign exchange reference rates.](#)"

For the avoidance of any doubt, the Notes that are outstanding as of the date of this Supplement are not impacted by the above mentioned changes and the Terms and Conditions of these Notes remain unchanged.

4. Updated information on the Issuer

The informative document on the Issuer dated [] May 2012 (the **"Informative Document"**) is incorporated by reference in this Supplement.

The Informative Document, which has not been approved by, or submitted to, the Financial Services Regulatory Authority of Belgium or any other competent authority, under the Prospectus Law or any other legal basis, shall be deemed to update, modify or supersede the section "Description of the Issuer" of the Prospectus regarding the description of the Issuer, and in particular the description of the institutions, powers and economic situation of the Issuer, the summary of the finances and budgets of the Issuer and details on the cash and debt management of the Issuer, to the extent that a statement contained in such Informative Document is inconsistent with such section.

5. Additional information

As soon as they will exist, the following documents which will be published on the website of the Issuer (www.wallonie.be), shall be deemed to be incorporated in, and to form part of, the Prospectus:

1. The last Informative Document on the Issuer; a,d
2. The most recently published Budget of the Issuer as verified by the National Audit Office ("*Cour des comptes*")

Any information contained in a document incorporated by reference into the Prospectus shall be deemed to be modified or superseded to the extent that an information contained in any subsequent document which is also incorporated by reference into the Prospectus modifies or supersedes such statement (whether expressly, by implication or otherwise)..

Notwithstanding the above, no other information, including any information contained on the website of the Issuer shall be deemed incorporated by reference in this Supplement or the Prospectus.

Full information about the Issuer and the offer of any Notes is only available on the basis of the combination of the Prospectus, its supplements, and the information incorporated by reference into these documents (including the Informative Document).

Copies of these documents may be obtained, free of charge, at the offices of the Issuer and of the Domiciliary Agent set out at the end of the Prospectus during normal business hours so long as any Notes are outstanding, as well as on the website of the Issuer (www.wallonie.be).

6. Update of the tax description

Due to the Belgian law voted in the Belgian Senate on 23 December 2011 on miscellaneous matters, the paragraphs 2. "Belgian Taxation" and 3. "Savings Directive" of the chapter "Taxation in Belgium" starting on page 45 of the Prospectus are replaced by the following:

"2. BELGIAN TAXATION

The following is a general description of the main Belgian tax consequences of acquiring, holding, redeeming and/or disposing of the Notes. It is restricted to the matters of Belgian taxation stated herein and is intended neither as tax advice nor as a comprehensive description of all Belgian tax consequences associated with or resulting from any of the aforementioned transactions. Prospective investors are urged to consult their own tax advisors concerning the detailed and overall tax consequences of acquiring, holding, redeeming and/or disposing of the Notes.

The summary provided below is based on the information provided in this Prospectus and on Belgium's tax laws, regulations, resolutions and other public rules with legal effect, and the interpretation thereof under published case law, all as in effect on the date of this Prospectus and with the exception of subsequent amendments with retroactive effect.

For the present purposes, interest includes: (i) periodic interest income; (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer); and (iii) if the Notes qualify as fixed income securities pursuant to Article 2, §1, 8° of the Belgian Income Tax Code 1992, in case of a disposal of the Notes between two interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the holding period.

Withholding Tax

All interest payments in respect of the Notes will be subject to Belgian withholding tax at a rate of 21%, on the gross amount of the interest. Tax treaties may provide for a lower rate subject to certain conditions.

However, under Belgian domestic law, payments of interest on the Notes by or on behalf of the Issuer may normally be made without deduction of withholding tax for Notes held by Tax Eligible Investors in an X-Account with the Securities Settlement System or with a Participant.

For certain forms of Notes, the withholding tax exemption will only apply provided all Notes of that form are held by Tax Eligible Investors in an X-Account with the Securities Settlement System or with a Participant. This would be relevant for, *inter alia*:

- Notes with a maturity of more than one year which are issued in tranches when the actuarial return of one tranche exceeds the actuarial return from the initial issue until maturity by more than 0.75 points;
- Notes which are early redeemable at the option of the investor if the actuarial return in case of exercise of this right exceeds the actuarial return from the issue until maturity by more than 0.75 points; and
- Notes with a maturity of more than five years when the actuarial return from the issue until maturity exceeds their nominal annual interest rate by more than 0.75 points, as well as Notes with a capitalisation feature.

Tax Eligible Investors include, *inter alia*:

- (a) Belgian resident corporate investors;
- (b) semi-public governmental social security institutions or institutions similar thereto;
- (c) corporate investors who are non-residents of Belgium, whether they have a permanent establishment in Belgium or not;
- (d) individual investors who are non-residents of Belgium and who have not allocated the Notes to a professional activity in Belgium;
- (e) foreign mutual investment funds the units of which are not publicly offered or marketed in Belgium; and
- (f) (only for debt securities issued by legal persons belonging to the public sector) legal entities which belong to the public sector.

The above categories only summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, to which investors should refer to for a precise description of the relevant eligibility rules.

Tax Eligible Investors do not include *inter alia* Belgian resident investors who are individuals or Belgian non-profit organisations other than those specifically referred to under Article 4 of the Royal Decree of 26 May 1994.

Upon opening an X-Account with the Securities Settlement System or a Participant, a Tax Eligible Investor is required to provide a statement of its tax eligible status on a form approved by the Belgian Minister of Finance. There are no ongoing declaration requirements for Tax Eligible Investors save that they need to inform the Participants of any changes to the information contained in the statement of their tax eligible status. However, Participants are required to annually provide the National Bank of Belgium with listings of investors who have held an X-Account during the preceding calendar year.

These identification requirements do not apply to Notes held by Tax Eligible Investors through Euroclear or Clearstream, Luxembourg or their sub-participants outside of Belgium, provided that these institutions or sub-participants only hold X-Accounts and are able to identify the accountholder.

Participants must keep the Notes which they hold on behalf of non-Tax Eligible Investors in a non-exempt account (an **N-Account**). In such instance all payments of interest are subject to withholding tax, which is withheld by the National Bank of Belgium from the interest payment and remitted to the Belgian Treasury.

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

- In case of a transfer from an N-account to an X-account or an N-account, the transferring non-Tax Eligible Investor must remit to the National Bank of Belgium withholding tax calculated on the pro rata of accrued interest from the last interest payment date up to the transfer date.
- In case of a transfer from an X-account or an N-account to an N-account, the National Bank of Belgium must refund to the acquiring non-Tax Eligible Investor an amount equal to withholding tax calculated on the pro rata of accrued interest from the last interest payment date up to the transfer date.
- In case of a transfer between two X-accounts, no adjustment on account of withholding tax applies.

Income Tax

- (a) Belgian Resident Individuals

For individuals subject to Belgian personal income tax (*personenbelasting* / *impôt des personnes physiques*) and holding Notes as a private investment, the applicable regime is set out below. Different rules apply for Belgian resident individuals holding Notes as a professional investment.

The Noteholder will not need to declare interest in respect of the Notes in its personal income tax return, provided that it allows the Issuer (or, as the case may be, the relevant financial intermediary in Belgium) to levy, in addition

to the withholding tax, an "additional tax on investment income" at the rate of 4%. If the Noteholder elects not to declare such interest income, the withholding tax and the "additional tax on investment income" are the final tax for the Noteholder, resulting in an aggregate tax rate of 25%. If the Noteholder elects to declare the interest income, the withholding tax and the "additional tax on investment income" are credited against the Noteholder's final tax liability, and any excess can be refunded. In that case, the tax rate applicable to the interest income will depend on the Noteholder's annual income:

- if the taxpayer's Qualifying Investment Income (defined as i) taxable interest income, other than interest income on Government bonds issued and subscribed in the period between 24 November 2011 and 2 December 2011, and ii) taxable dividend income, other than liquidation bonuses) for the relevant tax year does not exceed EUR 20,020 (amount for income year 2012), the interest income generated by the Notes will be subject to personal income tax at a rate of 21% (without application of municipal surcharges, according to statements made by the Minister of Finance, but this is currently not supported by the text of the law) or at the progressive personal income tax rates taking into account the taxpayer's other declared income, whichever is lower; and
- if the taxpayer's Qualifying Investment Income for the relevant tax year exceeds EUR 20,020 (amount for income year 2012), the interest income generated by the Notes will be subject to personal income tax at a rate of 21% (without application of municipal surcharges, according to statements made by the Minister of Finance, but this is currently not supported by the text of the law), and to the "additional tax on investment income" at the rate of 4%, it being understood that such "additional tax on investment income" is only due on the tranche of Qualifying Investment Income that exceeds EUR 20,020. To determine whether part or all of the interest income generated by the Notes is included in the first tranche of EUR 20,020, the taxable investment income which is exempt from the "additional tax on investment income" (such as i) taxable interest income from regulated saving deposits, ii) interest income on Government bonds issued and subscribed in the period between 24 November 2011 and 2 December 2011 and iii) dividends taxed at a rate of 25 %) is counted first, except that liquidation bonuses are fully disregarded.

The taxpayer can avoid the levy by the Issuer (or, as the case may be, the relevant financial intermediary in Belgium) of the 4% "additional tax on investment income" if the taxpayer allows the Issuer (or, as the case may be, the relevant financial intermediary in Belgium) to communicate the taxpayer's identity and the amount of the taxpayer's interest income to a central contact point operated by a separate department of the Federal Public Service Finance, which in turn will automatically communicate this information to the Belgian income tax authorities if the total annual amount of Qualifying Investment Income communicated by the Issuer and financial intermediaries with respect to that taxpayer exceeds the aforementioned threshold of EUR 20,020 (amount for income year 2012). The Belgian income tax authorities may also at any time request information on any investment income communicated to the central contact point with respect to a given taxpayer, it being understood that such request may exclusively purport to verify the correct (non) application of the 4% additional tax on investment income. If the taxpayer elects for the communication of the investment income to the central contact point, the 21% withholding tax does not discharge the taxpayer from the declaration of the interest income generated by the Notes in the taxpayer's personal income tax return. The taxpayer will need to declare this interest income, and the personal income tax rules applicable to such interest income will be identical to the rules set out above (ie personal income tax rate of 21% or 25%, again without application of municipal surcharges, according to statements made by the Minister of Finance, or progressive personal income tax rate taking into account the taxpayer's other declared income).

The specific terms under which the 4% "additional tax on investment income" would be applied "at source" on payments of income made through N-accounts, has, for the time being, not yet been clarified by the Belgian Tax Authorities. However, for the time being (as of the date of this Prospectus), for operational reasons, many financial institutions are not yet able to withhold the 4% "additional tax on investment income" at source. Therefore, from now on and until further notice (if any), the investment income must be reported in the annual income tax return.

Any capital gain upon a transfer of Notes will in principle be tax exempt (excluding, for the avoidance of doubt, the interest component if any and except to the extent the tax authorities can prove that the capital gain does not result from the normal management of the individual's private estate. Capital losses on Notes are not usually deductible.

(b) Belgian Resident Corporations

For corporate Noteholders who are Belgian residents for tax purposes, i.e. who are subject to Belgian corporate income tax ("*Vennootschapsbelasting/Impôt des sociétés*"), all interest and any capital gains realized upon the disposal of the Notes are taxable at the applicable corporate income tax rate (the ordinary corporate tax rate is 33.99% but lower rates apply to small income companies under certain conditions). Any retained Belgian interest withholding tax will generally, subject to certain conditions, be creditable against any corporate income tax due and the excess amount will in principle be refundable. Capital losses realized upon the disposal of the Notes are in principle tax deductible.

(c) Belgian Resident Legal Entities

For Noteholders who are Belgian resident legal entities subject to Belgian legal entities' tax ("*Rechtspersonenbelasting/Impôt des personnes morales*"), the withholding tax on interest will constitute the final tax in respect of such income.

It should be noted that Belgian legal entities which qualify as Tax Eligible Investors and which have received interest free of withholding tax due to the fact that they hold the Notes through an X-Account with the Securities Settlement System, will have to declare the interest and pay the applicable withholding tax to the Belgian Treasury themselves.

Belgian legal entities are not liable to income tax on capital gains realised upon the disposal of the Notes (excluding, for the avoidance of doubt, the interest component if any).

(d) Non-Residents of Belgium

Noteholders who are non-residents of Belgium for Belgian tax purposes and who are not holding the Notes through a Belgian establishment or investing in the Notes in the course of their Belgian professional activity, will not incur or become liable for any tax on income or capital gains (except, for the avoidance of doubt, in the form of withholding tax if applicable) by reason only of the acquisition, ownership or disposal of the Notes.

A non-resident company having allocated the Notes to the exercise of a professional activity in Belgium through a Belgian establishment is subject to in substance the same rules as a Belgian resident corporation (see above).

Transfer tax

No transfer tax ("*Taks op de beursverrichtingen/Taxe sur les opérations de bourse*") will be due on the issuance of the Notes (primary market).

The transfer for consideration on the secondary market of Notes issued in dematerialised form governed by the Law of 2 January 1991 will trigger transfer tax of 0.09 per cent if executed in Belgium through a financial intermediary. The tax will be due on each disposal and acquisition separately. Under current rules, it would be limited to a maximum of EUR 650 per party and per transaction; the Belgian government apparently intends to introduce an increased maximum transfer tax of EUR 740 per party and per transaction but whether this will also apply to debt securities such as the Notes is not yet certain. Exemptions are available for non-residents acting for their own account (subject to delivery of an affidavit confirming their non-resident status), as well as for certain professional intermediaries, insurance companies, pension funds and mutual investment funds, acting for their own account.

The transfer for consideration on the secondary market of Notes issued under the form of dematerialised treasury notes as referred to in the Law of 22 July 1991, will be exempt from transfer tax.

3. EU SAVINGS DIRECTIVE

Under EC Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Savings Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax."

For the avoidance of any doubt, except as stated in this Supplement, the Prospectus remains unchanged.

AFFIDAVIT

The Issuer having made all reasonable enquiries, confirms that, to the best of its knowledge and belief:

(i) this Supplement, when read together with the Prospectus, contains all information with respect to the Issuer and the Treasury Notes to be issued under the Programme, which is material in the context of the Programme, (ii) the information contained in the Supplement and in the Prospectus is true and accurate in all material respects and is not misleading, (iii) the opinions and intentions expressed in the Supplement and in the Prospectus are honestly held and (iv) there are no other facts the omission of which would, in the context of the Programme and the issuance of Notes thereunder, make any of such information or the expression of any such opinions or intentions misleading in any material respect.

Without prejudice to the preceding paragraph, the Issuer accepts responsibility towards interested parties for the losses which may occur as an immediate and direct result of the absence or inaccuracy of any disclosure required to be made in the Prospectus (as amended or supplemented) pursuant to article 5 of the Law of 22 July 1991 on treasury notes and certificates of deposit and in accordance with the terms of the Royal Decree of 14 October 1991 on treasury notes and certificates of deposit. The Issuer confirms having made all reasonable inquiries to ascertain all material facts for the purposes aforesaid.

For the Issuer

Name:

Title: