

**FIRST SUPPLEMENT DATED 18 MARCH 2014
TO THE BASE PROSPECTUS DATED 22 OCTOBER 2013**



BELFIUS BANK SA/NV

(incorporated with limited liability in Belgium)

Euro 10,000,000,000

Belgian Mortgage Pandbrieven Programme

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with the Base Prospectus dated 22 October 2013 (the “**Base Prospectus**”) prepared in relation to the Belfius Bank SA/NV (the “**Issuer**”) Euro 10,000,000,000 Belgian Mortgage Pandbrieven Programme (the “**Programme**”). On 22 October 2013 the Belgian Financial Services and Markets Authority (the “**FSMA**”) approved the Base Prospectus as a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC, as amended (the “**Prospectus Directive**”) and Article 29 of the Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market, as amended (the “**Prospectus Law**”).

The FSMA approved this First Supplement on 18 March 2014 as supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and Article 34 of the Prospectus Law.

This First Supplement provides information about the key figures of 2013 of Belfius Bank SA/NV and changes in the composition of the Management Board and the Board of Directors of Belfius Bank SA/NV.

The Issuer accepts responsibility for the information contained in this First Supplement. The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this First 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 Base Prospectus shall have the same meaning when used in this First Supplement. The Base Prospectus and the First Supplement are available on the internet site www.belfius.be and a copy can be obtained free of charge in the offices of BELFIUS BANK SA/NV.

1. Key Figures 2013 of Belfius Bank SA / NV

The following is a press release of Belfius Bank SA/NV dated 13 March 2014 on the results for the year ended on 31 December 2013.



Press release

Brussels, 13 March 2014

Following a successful 2013, Belfius can look to the future with confidence

- **Sound financial and commercial performance with net profit of EUR 445 million**
- **Excellent solvency, thanks to de-risking efforts**
- **Towards the future with real ambition**

Belfius Bank & Insurance, the only integrated bank and insurer that is active in the whole of Belgium, posted a consolidated net profit of EUR 445 million in 2013. Operating profitability increased thanks to new commercial initiatives and an ambitious savings plan (costs down by 10.1%). Belfius also reduced its risks further, resulting in strong solvency ratios (Basel III (CRR) CET 1 ratio fully fledged pro forma: 11.7%).

Total shareholders' equity doubled from EUR 3.3 billion at the end of 2011 to EUR 6.6 billion at the end of 2013. Belfius also invested some EUR 10 billion exclusively in the Belgian economy through granting loans to individuals, local authorities, SMEs,

Belfius feels calm and confident about 2014 and the future. As an autonomous, sustainable financial player with excellent solvency, Belfius will focus more than ever on the further development of its commercial business.

Sound commercial and financial performance

Net profit from commercial business rose by 63.9% in 2013 to EUR 508 million, of which EUR 400 million recurring profit.

The Legacy, including a.o. a bond portfolio and the exposure to Dexia, had a negative contribution of EUR 63 million to the 2013 net profit, mainly due to high funding costs.

Commercial results of EUR 508 million, after deduction of the negative contribution of Legacy-activities, generated a consolidated net profit of EUR 445 million for Belfius in 2013. That is an increase of 5.7% compared with 2012. The main underlying reasons for this were:

- Net fee and commission income increased by 19.2% to EUR 376 million.
- Belfius Insurance performed strongly, with a net result up from EUR 59 million to EUR 215 million and an “economic” combined ratio¹ standing at 98.7%.
- Costs were kept under strict control (costs down by 10.1%) through a disciplined implementation of the cost-cutting plan approved and introduced in 2013.
- Cost of risk remained low and was even positive due to the write-back of provisions resulting from the tactical de-risking of the Legacy.

Belfius performed well in each of its business lines:

- **Retail & Commercial Banking: the best of both worlds.**

Belfius offers its customers the best of both worlds by combining mobile banking with personal advice. In that context, the free Pulse account and debit card offering enjoyed a successful launch. Belfius banking apps are among the best on the Belgian market, with a satisfaction score of virtually 100% among over 200,000 active users. In addition, the successful campaign for Branch 44 insurance products attracted investments of EUR 580 million. By the end of February 2014, Belfius had already raised EUR 430 million for the citizens⁷

¹ The “economic” combined ratio is the total combined ratio (i.e. the claims ratio + commission fees + costs + reinsurance) adjusted with non-“recurrent” elements (such as VAT on legal fees)

loans, making it the market leader. Belfius also provided extensive support for SMEs by offering detailed advice, and by granting EUR 2 billion in loans. In addition, 8,524 start-up businesses became customers of the bank, which was an increase of 10% in a declining market. With a EUR 1.2 billion increase in mandates under management Belfius is the third private bank in Belgium.

- **Public & Wholesale Banking: market leader in Public and Social Banking; solid partner for corporates.**

Belfius reaffirmed its partnership with local authorities through its market share of over 70% in outstanding loans. For example, Belfius was entrusted with the task of cashier for the Brussels-Capital Region. The bank also granted long-term loans totalling EUR 2.4 billion to the Public and Social Profit sector. Moreover Belfius applied its expertise to the granting of short-term and long-term bonds, an area where it also leads the market. This, and other important bond issues for Corporate customers, won the Bond Finance House Award 2013 from Euronext Brussels.

Furthermore, Belfius provided active support to many corporates by granting them EUR 1.6 billion in loans and playing a leading role in the major market operations (IPOs) of 2013 (for instance BPost, Quares Retail Fund, Retail Estates, Leaseinvest,...). Finally, Belfius launched a number of innovative solutions for its Public & Wholesale customers, such as Belfius Web Mobile, Twikey and SEPA Assist Tool.

- **Insurance: increased convergence between banking and insurance.**

The further pursuit of the convergence between banking and insurance at Belfius through the extension of its product range in both Life and Non-Life is already delivering results. The successful Branch 44 campaign mentioned above is a proof of this. Belfius Insurance has continued its multichannel approach with an important commercial success registered by its affiliated on line company Corona.

Excellent solvency thanks to de-risking efforts

Belfius' total balance sheet has been reduced by 25.3% since September 2011, to EUR 183 billion, without adversely affecting the development of its commercial business. A range of factors have contributed to this outstanding result:

- The Legacy bond portfolio has been reduced to EUR 12.4 billion as the result of tactical de-risking and the natural amortization of the portfolio. The residual portfolio remains of good quality.
- Exposure to Dexia has fallen by 76% since October 2011 and is currently EUR 13.5 billion coming to maturity at the beginning of 2015, of which EUR 13.4 billion is guaranteed by the governments.

The outstanding de-risking carried out by Belfius combined with the reported profit resulted in a substantial improvement of the solvency position:

- Basel II Tier 1 ratio of 15.4 % at the end of 2013 (compared with 11.8% at the end of 2011).
- Basel III (CRR) CET 1 ratio (pro forma 1/1/2014 phased in) of 13.5% & Basel III (CRR) CET 1 ratio (pro forma 31/12/2013 fully fledged) of 11.7%*

[*insert footnote : The NBB decided - on a temporary basis (until the implementation of IFRS 9) - to grant a national option allowing not to take account of the AFS reserve on the sovereign portfolio for an amount of 5% of this portfolio. The NBB also accepted the rules on financial conglomerates (Danish compromise).]

- Belfius Insurance's Solvency II ratio was 223%.

Belfius also looks forward with serenity to the Asset Quality Review carried out by the ECB.

As a consequence of its strong results and extensive de-risking, Belfius achieved a substantial increase in its total shareholders' equity, which doubled from EUR 3.3 billion at the end of 2011 to EUR 6.6 billion at the end of 2013.

Towards the future with real ambition

With these fine results behind it, Belfius is now able to look to the future with confidence and has three major ambitions:

1. To be a healthy, sustainable bank and insurer with the highest level of social commitment

Belfius intends to become the benchmark of a new banking culture. With a clear, uncomplicated business model: managing savings, protecting assets, granting loans and helping customers to take up their challenges. Belfius is not looking for short-term gain, giving preference instead to recurrent operational income. Savings are re-invested in the Belgian economy.

Belfius is also aiming to achieve a sustainable and healthy financial profile, as well as to establish a strong position in terms of liquidity and solvency. For this reason, the bank conducts a cautious policy on risk in which speculative transactions play no part.

2. To be the most customer-focused bank and insurer

Belfius aims to place its customers front and centre by concentrating fully on customer satisfaction. Belfius has set itself the target of achieving a 95% satisfaction score among its active customers by 2016.

In Public and Social banking, Belfius will make the most of its historical leader position to innovate in socially important fields and create value for the community.

Based on its unrivalled expertise in the public sector, Belfius is now aiming to offer its Corporate customers access to this segment (Business to Government). Individuals and SMEs can continue to rely on the strong local presence of Belfius branches, with more than 2,000 personal advisers. They can also count on Belfius' digital channels and new mobile technologies, which are among the best on the market. Customers will have access to investments that suit their needs and can rely on fast credit decisions taken in Belgium. Company directors can call on the skills and knowledge of business experts to support their long-term development with a full package of products and services.

Belfius is also seeking to improve its operational efficiency. All Belfius departments and budgets are being optimised further in line with their actual contribution to customer satisfaction.

3. To ensure a high level of financial and risk management expertise

Belfius continues to guarantee its current high level of financial and risk management expertise. This is absolutely vital if we are to guide our customers better through the ins and outs of their day-to-day business and to further reduce the Legacy.

Conclusion

Belfius has three major ambitions for the future. These are: (1) to be a healthy and sustainable bank and insurer with the highest level of social commitment; (2) to be the most customer-focused bank and insurer; and (3) to ensure a high level of financial and risk management expertise.

Belfius aims to be the benchmark for the new banking culture that the community wants and expects.

Belfius intends to create value and share it with others:

- with customers by putting them first and striving to achieve 95% customer satisfaction;
- with the community by investing EUR 30 billion by the end of 2016 and by developing innovative solutions to important social issues.
- with staff by giving their engagement pride of place.
- And with its shareholders.

Jos Clijsters, Chairman of the Board of Directors, *“We have put our uncertainties well and truly behind us and can be proud of the ground we have covered. I expressly wish to thank all of our customers for their confidence and trust in us. And our members of staff also deserve great praise for their commitment.”*

Marc Raisière, CEO, *“We can now feel calm and confident about the future. We must set ourselves the goal of being a healthy, sustainable bank and insurer, with the highest level of social commitment. We are delighted with the trust our customers have shown in us. And we are proud to serve them as a solid partner they can really rely on.”*

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2. Changes in the composition of the Management Board and the Board of Directors of Belfius Bank SA / NV

The section "Management and Supervision of Belfius Bank" on pages 132 to 139 of the Base prospectus should be replaced by the following:

Management and Supervision of Belfius Bank

Composition of the management board and the board of directors

1. Management board

The management board currently has six members who have all acquired experience in the banking and financial sector. The members of the management board form a college.

At the date of this Base Prospectus, the management board has consisted of the following six members:

Name	Position	Other major functions performed outside Belfius Bank
Marc Raisière	chairman	chairman of the management board of Belfius Insurance (temporary)
Dirk Gyselincx	member	none
Eric Hermann	member	none
Luc Van Thielen	member	none
Dirk Vanderschrick	member	none
Johan Vankelecom	member	none

The above members of the management board have their business address at 1000 Brussels, Boulevard Pachéco 44, Belgium.

The board of directors has delegated the management of the bank's business to a management board created from among its members.

Such delegation of its powers does not extend to supervision of the management or the business position of the bank, or to the determination of general policy, or to any other powers that are reserved under the law to the board of directors.

The management board is responsible for the management of the bank whose various business lines and support activities it runs and co-ordinates, and for doing so in the light of the objectives and general policy laid down by the board of directors.

The management board delivers a prior opinion on all proposals that are to be discussed in the board of directors or the strategy committee in relation to the strategy or general policy of the bank, regardless of whether those proposals emanate from the chairman of the management board or from other directors. The management board ensures that the bank's business activities are in line with the strategy, risks and policies approved by the board of directors. It passes on relevant information to the board of directors to enable it to take informed decisions.

The members of the management board must carry out their duties in complete objectivity and independence and as a result may not serve exclusively the interests of the shareholders. This implies that the necessary conditions must be met in order to carry out the functions of a bank in a stable and continuous manner.

Subject to the supervision of the board of directors, the management board takes the necessary measures to ensure that the bank has a management structure that is suited to the activities it pursues or intends to pursue, as well as an administrative and book-keeping organisation, systems of control and security relating to electronic data processing and internal audit. It also guarantees the bank's operating transparency.

The management board oversees the line management and the performance of the powers and responsibilities that have been assigned as well as reporting procedures.

There are no potential conflicts of interest between any duties to BELFIUS BANK of the members of the management board and their private interests and other duties.

2. Board of directors

In accordance with Belgian law governing Belgian naamloze vennootschappen/sociétés anonymes and the articles of association of BELFIUS BANK, BELFIUS BANK is administered by its board of directors, which is entitled to take any action the right to which is not expressly reserved to the general meeting of shareholders of BELFIUS BANK by law or the articles of association of BELFIUS BANK. In accordance with Belgian banking law, the board of directors may delegate all or part of its powers, provided that such delegation does not affect either the determination of general policy or any actions which are reserved to the board of directors by law.

The board of directors of BELFIUS BANK has delegated to the management board of BELFIUS BANK all such powers to the maximum extent permitted under Belgian law.

Pursuant to the articles of association of BELFIUS BANK, the board of directors of BELFIUS BANK is composed of a minimum of five members appointed for maximum terms of four years. The table below sets forth the names of the directors, their position within BELFIUS BANK and the other major functions they perform outside BELFIUS BANK.

The executive members of the board of directors shall withdraw on the date of the general shareholders' meeting held in the year in which they reach the age of 65.

The non-executive members of the board of directors shall withdraw on the date of the general shareholders' meeting held in the year in which they reach the age of 70.

The board of directors has the right to make an exception to the aforementioned principles on a case-by-case basis if it considers it to be in the company's best interest.

The business address for the members of the board of directors is 1000 Brussels, Boulevard Pachéco 44, Belgium.

Composition as at the date of the Base Prospectus

The board of directors consists of sixteen members, six of whom sit on the management board.

In view of the fact that the board of directors consists of professionals from a variety of industries, and inter alia from the financial sector, it disposes of the knowledge and experience required to manage the various business activities of a bank.

Name	Position	Other major functions performed outside Belfius Bank
Jozef Clijsters	chairman of the board of directors of BELFIUS BANK	none
Marc Raisière	chairman of the management board of BELFIUS BANK	chairman of the management of Belfius Insurance (temporary)
Johan Vankelecom	member of the management board of BELFIUS BANK	none
	chief financial officer responsible for financial reporting, research, liquidity and capital management, financial communication, tax and asset and liability management	
Dirk Gyselink	member of the management board of BELFIUS BANK	none
	responsible for public & wholesale banking and treasury & financial markets	
Dirk Vanderschrick	member of the management board of BELFIUS BANK	none
	responsible for retail and commercial banking	
Eric Hermann	member of the management board of BELFIUS BANK	none
	chief risk officer	
Luc Van Thielen	member of the management board of BELFIUS BANK	none
	chief operations officer responsible for IT, operations, facility management and organisation	
Marie Gemma Dequae	member of the board of directors of BELFIUS BANK (independent director)	scientific advisor of the <i>Federation of European Risk Management Associations</i>
Wouter Devriendt	member of the board of directors of BELFIUS BANK	independent consultant at the <i>Federal Participations and Investment Company (FPIC)</i>
Carine Doutrelepon	Member of the board of directors of BELFIUS BANK (independent director)	lawyer and professor at the <i>Université Libre de Bruxelles (ULB)</i>

Pierre Francotte	member of the Board of Directors of BELFIUS BANK (independent director)	former CEO of Euroclear and professor at the <i>Solvay Brussels School of Economics and Management</i>
Guy Quaden	member of the board of directors of BELFIUS BANK (independent director)	former Governor of the <i>National Bank of Belgium</i>
Chris Sunt	member of the Board of Directors of BELFIUS BANK	lawyer
Lutgart Van Den Berghe	member of the Board of Directors of BELFIUS BANK (independent director)	executive director at Guberna and professor at the <i>Vlerick Business School</i>
Rudi Vander Vennet	member of the Board of Directors of BELFIUS BANK (independent director)	professor of financial economics and banking - <i>Ghent University</i>
Serge Wibaut	member of the Board of Directors of BELFIUS BANK (independent director)	independent consultant

There are no potential conflicts of interest between any duties to BELFIUS BANK of the members of the board of directors and their private interests and other duties.

Advisory committees set up by the board of directors

The board of directors set up advisory committees to assist it in its tasks.

There are no potential conflicts of interest between any duties to BELFIUS BANK of the members of any of the following specialised committees and their private interests and other duties.

1. Appointments and compensation committees

On 12 March 2013, the appointments and compensation committee was split into two separate committees:

- the appointments committee
- the compensation committee

As of the date of the Base Prospectus, the appointments committee of BELFIUS BANK had the following membership:

Name	Position
Lutgart Van Den Berghe	chairman
	director of BELFIUS BANK
Jozef Clijsters	member
	chairman of the board of directors of BELFIUS BANK
Carine Doutrelepont	member
	director of BELFIUS BANK

As of the date of the Base Prospectus, the compensation committee of BELFIUS BANK had the following membership:

Name	Position
Lutgart Van Den Berghe	chairman
	director of BELFIUS BANK
Jozef Clijsters	member
	chairman of the board of directors of BELFIUS BANK
Carine Doutrelepont	member
	director of BELFIUS BANK

Two independent directors (including the chairman) sit on the appointments committee and on the compensation committee. As representatives of the management board, the chairman of the management board and the head of Human Resources attend meetings of the appointments committee and of the compensation committee. Representative(s) of Belfius Insurance attend(s) meetings of the appointments and the compensation committees for questions relating to Belfius Insurance and its subsidiaries. These committees are constituted in such a manner as to enable them to formulate a competent and independent judgment of the policies and practices of remuneration and on the incentives created for the management of risks, capital and reserves and liquidity.

The appointments committee prepares the decisions of the board of directors that relate inter alia to:

- the assessment of the suitability of the members of the management board, the non-executive directors and the key function holders;
- the appointment or renewal of the term of office for the members of the management board and the non-executive directors;
- the preservation of the necessary skills, knowledge and experience within the board of directors;
- the evaluation of the criteria for independence based on which independent directors can be appointed. It also puts forward proposals to the general meeting of shareholders;

The compensation committee prepares the decisions of the board of directors that relate inter alia to:

- the compensation paid to the chairman of the management board and, at his proposal, the compensation of the members of the management board;
- the compensation policy elaborated for the chairman of the board of directors and the non-executive directors;
- the compensation report published in the annual report;
- the achievement of the compensation programme (aim and compliance with the provisions into force);
- the annual assessment of the performance and activities of the members of the management board.

The appointments and compensation committees act for both BELFIUS BANK and Belfius Insurance.

2. Audit committee

As at the date of the Base Prospectus, the audit committee of BELFIUS BANK had the following membership:

Name	Position
Guy Quaden	chairman
	director of BELFIUS BANK
Marie Gemma Dequae	member
	director of BELFIUS BANK
Chris Sunt	member
	director of BELFIUS BANK
Rudi Vander Vennet	member
	director of BELFIUS BANK

The audit committee assists the board of directors in its task of carrying out prudential supervision and exercising general control. The audit committee of BELFIUS BANK operates independently of the audit committee implemented at Belfius Insurance. However, the respective audit committees of BELFIUS BANK and Belfius Insurance meet jointly at least once a year. Additional joint meetings may be held at the request of the chairman of the bank's audit committee.

3. Strategy committee

The strategy committee consists of six members including the chairman of the board of directors, the chairman of the management board and four non-executive directors. As at the date of the Prospectus, the strategy committee of BELFIUS BANK had the following membership:

Name	Position
Jozef Clijsters	chairman
	chairman of the board of directors of BELFIUS BANK
Marc Raisière	member
	chairman of the management board of BELFIUS BANK
Wouter Devriendt	member
	director of BELFIUS BANK

Philippe Francotte	member
	director of BELFIUS BANK
Guy Quaden	member
	director of BELFIUS BANK
Serge Wibaut	member
	director of BELFIUS BANK

The chairman of the management board of Belfius Insurance and the members of the management board responsible for public and wholesale banking and for retail and commercial banking are permanent invitees to strategy committee meetings.

The strategy committee is responsible for assisting the board of directors in defining strategy for the company and its subsidiaries. The strategy committee gives its opinion on the business plan and annual budgets, as well as on opportunities for acquisitions, transfers, partnerships or modifications to the business model. The committee monitors application of the Belfius group's strategy.

4. Risk & Capital Committee

The Risk & Capital Committee consists of four non-executive directors. As at the date of the Base Prospectus, the Risk & Capital Committee had the following membership:

Name	Position
Rudi Van der Vennet	chairman
	director of BELFIUS BANK
Wouter Devriendt	member
	director of BELFIUS BANK
Serge Wibaut	member
	director of BELFIUS BANK
Pierre Francotte	member
	director of BELFIUS BANK

The chairman of the management board, the chief risk officer, the chief financial officer and the member of the management board responsible for the treasury and financial markets attend the meetings of the committee as permanent invitees. The other members of the management board and non-executive directors attend the meetings upon invitation of the committee. The Risk & Capital Committee has advisory powers and responsibilities with regard to the board of directors in the following areas:

- detecting risks inherent in the business of banking and insurance;
- supervising the bank's risk policy and comparing it with the bank's approved risk appetite and risk strategy;
- allocating the risk appetite to various categories of risk and defining the extent and limits of risk in order to manage and restrict major risks;
- ensuring that these risks are in proportion to the bank's equity;
- supervising the capital and liquidity requirements, the capital and liquidity objectives and the transactions with an impact on the capital base and the liquidity position of the bank;
- supervising the effectiveness of the risk management function, infrastructure and organisation;
- examining the main areas of exposure to risk and the manner in which they are managed;
- formulating an opinion with regard to major transactions and new proposals for strategic activities that have a significant impact on the bank's risk appetite;
- obtaining information and analysing management reports as to the extent and nature of the risks faced by the bank.

The Risk & Capital Committee of BELFIUS BANK operates independently of the Risk & Capital Committee of Belfius Insurance. A joint Risk & Capital Committee meeting may be held between BELFIUS BANK and Belfius Insurance at the request of the bank's committee.

To enable the audit committee to carry out its statutory assignment of “monitoring the effectiveness of internal auditing systems and managing the risks of the credit establishment”, the Risk & Capital Committee submits a report each quarter to the audit committee into developments in risks and impairments, and a further report at least once a year about the analysis of the report on operational risks.

In the same way, the audit committee reports at least once a year to the Risk & Capital Committee about its analysis of the effective management report about the assessment of the internal audit function and risk analyses conducted by the legal, compliance and audit divisions.

The Risk & Capital Committee aligns the bank’s risk strategy with that of the strategy committee, taking account of the impact of the risk strategy on the bank’s strategic initiatives.