

**FIRST SUPPLEMENT DATED 16 September 2014
TO THE BASE PROSPECTUS DATED 15 July 2014**



BELFIUS BANK SA/NV

(incorporated with limited liability in Belgium)

Euro 10,000,000,000

Belgian Public Pandbrieven Programme

This first supplement (the “**First Supplement**”) is supplemental to, and should be read in conjunction with the Base Prospectus dated 15 July 2014 (the “**Base Prospectus**”) prepared in relation to the Belfius Bank SA/NV (the “**Issuer**”) Euro 10,000,000,000 Belgian Public Pandbrieven Programme (the “**Programme**”). On 15 July 2014 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 16 September 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 results of first half 2014 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.

Results of first half 2014 of Belfius Bank SA / NV

Selected Financial Information

The following tables summarise (i) the audited consolidated balance sheet and consolidated income statement for the periods ending 31 December 2012 and 31 December 2013 and (ii) the unaudited consolidated balance sheet of Belfius Bank for the period ending 30 June 2014 and the unaudited consolidated income statement for the periods ending 30 June 2013 and 30 June 2014.

Consolidated balance sheet

Assets

(in thousands of EUR)		Notes	Dec-12	Dec-13	Jun-14
			Audited	Audited	Unaudited
I.	Cash and balances with central banks	5.2.	1,964,560	1,445,716	1,603,719
II.	Loans and advances due from banks	5.3.	41,279,786	30,123,709	35,661,183
III.	Loans and advances to customers	5.4.	89,486,116	87,721,562	87,944,729
IV.	Financial assets measured at fair value through profit or loss	5.5.	5,077,635	5,512,233	5,150,106
V.	Financial investments	5.6.	31,603,663	28,074,151	27,901,549
VI.	Derivatives	5.8.	35,234,965	23,190,180	26,258,759
VII.	Fair value revaluation of portfolio hedge		4,144,582	3,044,509	4,009,112
VIII.	Investments in associates	5.9.	92,872	169,487	148,143
IX.	Tangible fixed assets	5.10.	1,480,271	1,391,707	1,351,147
X.	Intangible assets and goodwill	5.11.	209,794	199,048	194,887
XI.	Tax assets	5.12.	1,207,713	958,827	753,235
XII.	Other assets	5.13.	1,155,549	923,135	1,057,642
XIII.	Non-current assets held for sale	5.14.	19,617	23,159	30,482
TOTAL ASSETS			212,957,124	182,777,422	192,064,694

Consolidated balance sheet

Liabilities

(in thousands of EUR)		Notes	Dec-12	Dec-13	Jun-14
			Audited	Audited	Unaudited
I.	Due to banks	6.1.	40,440,300	29,235,568	29,098,002
II.	Customer borrowings and deposits	6.2.	66,649,092	61,625,312	63,192,859
III.	Financial liabilities measured at fair value through profit or loss	6.3.	10,462,951	8,460,808	8,793,822
IV.	Derivatives	5.8.	41,765,535	28,602,043	32,240,433
V.	Fair value revaluation of portfolio hedge		87,205	42,632	182,737
VI.	Debt securities	6.4.	26,439,494	27,184,180	29,652,114
VII.	Subordinated debts	6.5.	1,039,906	893,192	908,226
VIII.	Technical provisions of insurance companies	6.6.	17,579,188	17,641,090	17,771,424
IX.	Provisions and other obligations	6.7.	978,104	462,146	496,457
X.	Tax liabilities	6.8. & 5.12.	130,751	109,652	171,425
XI.	Other liabilities	6.9	2,045,136	1,899,853	2,176,708
XII.	Liabilities included in disposal groups held for sale	6.10	0	0	0
TOTAL LIABILITIES			207,617,662	176,156,476	184,684,208

Equity

(in thousands of EUR)		Notes	Dec-12	Dec-13	Jun-14
			Audited	Audited	Unaudited
XIII.	Subscribed capital	1.3.	3,458,066	3,458,066	3,458,066
XIV.	Additional paid-in capital		209,232	209,232	209,232
XV.	Treasury shares		0	0	0
XVI.	Reserves and retained earnings		2,812,095	3,230,926	3,675,727
XVII.	Net income for the period		421,277	444,998	276,669
CORE SHAREHOLDERS' EQUITY			6,900,670	7,343,222	7,619,694
XVIII.	<i>Remeasurement available-for-sale reserve on securities</i>		(735,459)	-167,603	311,843
	<i>Frozen fair value adjustment of financial assets reclassified to loans and advances</i>		(893,478)	-701,877	-665,971
XIX.	<i>Remeasurement defined benefit plan</i>		85,707	129,851	100,165
XX.	<i>Remeasurement defined benefit plan</i>		85,707	129,851	100,165
XXI.	<i>Discretionary participation features of insurance contracts</i>	6.6.	0	0	8,827
XXII.	<i>Other reserves</i>		(37,321)	1,457	2,133
GAINS AND LOSSES NOT RECOGNISED IN THE STATEMENT OF INCOME			(1,580,551)	-738,172	-243,003
TOTAL SHAREHOLDERS' EQUITY			5,320,119	6,605,051	7,376,691
XXIII.	Non-controlling interests		19,343	15,896	3,795
TOTAL EQUITY			5,339,462	6,620,946	7,380,486
TOTAL LIABILITIES AND EQUITY			212,957,124	182,777,422	192,064,694

Consolidated statement of income

(in thousands of EUR)		Notes	Dec-12	Dec-13	June 2013	June 2014
			Audited	Audited	Unaudited	Unaudited
I.	Interest income	7.1.	7,641,037	6,270,012	3,206,106	2,868,577
II.	Interest expense	7.1.	(5,518,518)	(4,353,139)	-2,253,287	-1,835,700
III.	Dividend income	7.2.	53,357	50,753	29,898	29,975
IV.	Net income from associates	7.3.	5,793	4,672	1,764	1,090
V.	Net income from financial instruments at fair value through profit or loss	7.4.	(25,660)	(188,180)	5,545	-31,570
VI.	Net income on investments	7.5.	586,589	154,562	101,736	42,593
VII.	Fee and commission income	7.6.	441,930	490,945	240,789	271,599
VIII.	Fee and commission expense	7.6.	(127,631)	(116,396)	-54,943	-56,328
IX.	Premiums and technical income from insurance activities	6.6.	2,143,184	1,910,832	1,003,389	952,852
X.	Technical expense from insurance activities	6.6.	(2,717,831)	(2,314,952)	-1,201,330	-1,105,948
XI.	Other net income	7.7.	(23,908)	(74,774)	-29,336	-29,636
INCOME			2,458,342	1,834,335	1,050,333	1,107,504
XII.	Staff expense	7.8.	(714,341)	(560,411)	-333,684	-320,916
XIII.	General and administrative expense	7.9.	(477,982)	(478,712)	-226,291	-217,217
XIV.	Network costs		(298,581)	(293,000)	-146,500	-142,300
XV.	Depreciation & amortization	7.10.	(93,590)	(92,049)	-44,147	-48,172
EXPENSES			(1,584,494)	(1,424,172)	-750,622	-728,606
GROSS OPERATING INCOME			873,848	410,163	299,711	378,898
XVI.	Impairment on loans and provisions for credit commitments	7.11.	(267,881)	108,558	30,148	-4,181
XVII.	Impairment on tangible and intangible assets	7.12.	231	(922)	-922	-380
XVIII.	Impairment on goodwill	7.13.	0	0	0	0
XIX.	Provisions for legal litigations	7.14.	0	0	0	0
NET INCOME BEFORE TAX			606,198	517,799	328,937	374,337
XX.	Tax expense	7.15.	(183,553)	(72,703)	-73,604	-98,409
NET INCOME AFTER TAX			422,645	445,096	255,333	275,928
XXI.	Discontinued operations (net of tax)		0	0	0	0
NET INCOME			422,645	445,096	255,333	275,928
Attributable to non-controlling interests			1,368	98	91	-741
Attributable to equity holders of the parent			421,277	444,998	255,242	276,669

1H 2014 Results

1. Key Figures

In the first half of 2014, Belfius posted a net income group share of EUR 277 million up 8% compared to the first half of 2013.

Total shareholders' equity stood at EUR 7.4 billion as of 30 June 2014, up 11% compared to 31 December 2013.

2. Analysis of the consolidated balance sheet

As at 30 June 2014, the balance sheet total amounted to EUR 192 billion an increase of EUR 9.3 billion or 5% compared to 31 December 2013.

Assets

Loans and advances to banks and central banks stood at EUR 37 billion as at 30 June 2014, an increase of EUR 5.7 billion mainly due to higher reverse repo activity. The loans and advances to customers remained stable and amounted to EUR 88 billion. Financial investments and financial assets measured at fair value through profit and loss fell by EUR 0.5 billion to EUR 33 billion as at 30 June 2014, whereby the decrease due to the tactical de-risking was partially compensated by an increase of the fair value. The positive fair value of derivatives rose by EUR 3 billion to EUR 26 billion as a consequence of the general decrease of interest rates.

Liabilities

Total liabilities stood at EUR 185 billion as at 30 June 2014, an increase of EUR 8.5 billion compared to 31 December 2013. Liabilities due to banks remained stable at EUR 29 billion. Customer deposits increased with EUR 1.6 billion to EUR 63 billion. Debt securities rose by EUR 2.5 billion to EUR 30 billion, mainly resulting from new bond issues. Financial liabilities at fair value through profit or loss (EUR 9 billion) and subordinated debt (EUR 0.9 billion) remained stable. The negative fair value of derivatives rose by EUR 3.6 billion to EUR 32 billion as a consequence of the general decrease of interest rates.

Equity

As at 30 June 2014, total equity amounted to EUR 7.4 billion, against EUR 6.6 billion as at 31 December 2013. The EUR 0.8 billion growth is explained by the increase of the core shareholders' equity and the considerable improvement of gains and losses not recognised in the statement of income.

Core shareholders' equity increased by EUR 277 million to EUR 7.6 billion as a result of the profit realised in the first half of 2014.

Gains and losses not recognised in the statement of income improved by EUR 0.5 billion during the first half of 2014 from EUR -0.7 billion at year-end 2013 to EUR -0.2 billion as at the end of June 2014.

3. Analysis of the consolidated statement of income

Belfius posted a net income group share of EUR 277 million in the first half of 2014 against 255 million in 1H 2013. The profit, which results from good commercial activity and strict cost control, will be allocated to strengthening Belfius' equity base.

In the first half of 2014, total income amounted to EUR 1,108 million, up 5% compared to 1,050 million in 1H 2013, due to:

- a further improvement of the net interest income (8%) also thanks to the steadily increasing interest margin on the commercial book
- a strong increase (16%) of net fee and commission income as a result of higher off-balance investments by clients and growth in mandates & bancassurance

- a decrease of net income on investments mainly explained by the capital gain booked in the first half of 2013.

In the first half of 2014, expenses stood at EUR 729 million decreasing by 3% compared to 1H 2013 thanks to the ongoing impact of the savings plan of the bank. This resulted in a cost to income ratio of 65.8% compared to 71.5% in 1H 2013.

As a consequence, gross operating income was EUR 379 million in the first half of 2014, up 26% compared to 1H 2013.

The level of cost of risk (EUR 4 million) has confirmed the overall good quality of assets.

The pre-tax income stood at EUR 374 million.

Tax expenses (including deferred taxes) amounted to EUR 98 million in 1H 2014.

As a consequence, Belfius net income group share amounted to EUR 277 million in the first half of 2014, compared to EUR 255 million in 1H 2013.

4. Solvency

The fully loaded Basel III Common Equity Tier 1 ratio (CET 1) rose by 138 basis points compared to the end of 2013 to 12.9% as at 30 June 2014, due to the increase of the common equity capital (47bp) and a strong decrease of the weighted risks (91bp).

The phased-in Basel III CET 1 ratio stood at 14.6% as at 30 June 2014.

The fully loaded Basel III total capital ratio stood at 13.9% as at 30 June 2014 and the phased-in Basel III, total capital ratio amounted to 16.0%.

The following is a press release of Belfius Bank SA/NV dated 10 September 2014 on the key figures for the first half of 2014. This information is based on unaudited figures.

Brussels, 10th September 2014

Belfius again confirms its strong position on the Belgian market following solid commercial and financial results in first half year

- **Net income after tax: 277 million euro: an increase of 8% compared with 1H 2013**
- **Outstanding solvency of 12.9%¹**
- **Lending up to 4.5 billion euro**
- **Significant success of the bank-insurance model, with a rise of 46% in Life Gross Written Premiums**

Aim to become the most customer-centric bank-insurer confirmed and clearly on track

Solid commercial and financial results

Net income from commercial business for the first half of 2014 rose by 31% to 291 million euro, of which 247 million euro was net underlying income.

In the first half of the year, the Legacy side of the business, which includes a bond portfolio and the bank's exposure to Dexia, had a negative impact of 14 million euro.

This resulted in a consolidated net profit of 277 million euro for Belfius in 1H 2014, which was an increase of 8% compared with 1H 2013.

The main reasons for this increase were:

- Net interest income rose by 8%, to 1,033 million euro, compared with the same period in 2013. Two of the reasons for this were increased savings volumes and improved funding costs .
- Net fee and commission income increased to 215 million euro (+16% compared with 1H 2013). This was explained by changing customer preferences for off-balance sheet products such as Branch 44.
- Costs continued to be kept strictly under control (reduced by 3%) through a disciplined implementation of the cost-cutting plan introduced in 2013. Evidence of this can be seen from the favourable movement in the Cost-Income ratio, which fell from 71% 1H 2013 to 66% 1H 2014. This cost discipline remains necessary given today's low interest rate environment.
- Cost of risk remained low.

Belfius Bank performed strongly, with an underlying net income up from 61 million euro in the first half of last year to 167 million euro this year. This represents a clear structural improvement in the net underlying result.

Belfius Insurance also performed well, with a net income that remained stable at 133 million euro of which 80 million euro underlying, despite a net loss of 20 million euro (after reinsurance) as a result of the hailstorms that occurred on Whit weekend. Its underlying Economic Combined Ratio² (without impact hailstorms) was 97.7%.

¹ Basel III CET 1 ratio fully loaded

² Economic Combined Ratio: the "economic" Combined Ratio is the total Combined Ratio (i.e. the claims ratio + commission fees + costs + reinsurance) adjusted with non-recurrent elements and without overprovisioning.

Belfius recorded strong performances in every segment:

- **Commercially speaking, Belfius combined its highly successful mobile banking model with personal advice**

For its individual retail and SME customers, Belfius implemented a winning combination of technological and human interaction – an initiative rewarded with good commercial success. An example of this is the launch of Belfius Pulse Start: 33,000 packs during 1H2014 (of which 8,000 new customers).

In total, Belfius welcomed no fewer than 48,000 new current account holders in the first half year.

Hence 1 out of 6 new customers steps in via Belfius Pulse Start.

The innovative free Belfius app has over 257 000 active users end of June, a number growing day by day. They awarded this app a satisfaction score of 98%, making the Belfius Direct Mobile app the best currently available on the market. So much so, Belfius currently has a 24.7% market share in mobile banking in Belgium.

With a 900 million euro increase in mandates under management, Belfius reinforced its position as the third-largest private bank in Belgium, with 54,000 investors able at all times to count on the expertise of their over 200 local certified Private Bankers for their investments.

The Branch 44 insurance campaign in 1H 2014 was also very successful, generating 500 million euro in investments.

Belfius also supported young entrepreneurs by signing a major agreement with the European Investment Fund (EIF), releasing a total envelope of 360 million euro spread over 3 years for start-up businesses.

Belfius also significantly contributed to supporting Belgian economic tissue. In retail, Belfius was able to support its individual customers in their real estate realisations by granting over 1.2 billion euro in mortgages. This led to an increase of market share compared to end of 2013.

Belfius assisted 11,000 customers in 1H 2014 to develop their business thanks to 1.8 billion euro of investment loans.

- **Significant success of the bank-insurance model**

In 1H 2014, Belfius Insurance recorded a striking increase in its life insurance gross written premium, which rose by 46% to 1,038 million euro. The banking channel was mainly responsible for making this rise possible.

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. An example of this is the successful Branch 44 campaign already mentioned, plus an increase in all cross-sell ratios in credit linked mortality insurance and property insurance.

We intend to continue the momentum of this success with the launch of a new Branch 44 campaign, which highlights the commitment made by Belfius to the Belgian economy.

In Non-Life, gross written premiums rose by 4% to 315 million euro.

Belfius Insurance also continued its multi-channel strategy, with more commercial success at Corona, its direct insurance subsidiary, where gross written premium rose by 9% as a result of the successful “Ça c'est fort !” campaign.

- **Established leadership among local authorities, which Belfius also makes available to the business world**

As ever, Belfius remains the only financial institution capable of responding to all of the applications for loans made by the local public sector by providing a binding offer. To demonstrate this, over 1.2 billion euro of projects were financed, an increase of 7%. In addition, Belfius also participated in the placement of 83% of all issues made by (semi-)public authorities.

Its role as a public sector specialist was reinforced further by the underwriting of a 400 million euro financing facility with the European Investment Bank. This was carried out in the context

of the Smart Cities project in which Belfius is in the process of establishing itself as the “go-to” partner operating between our local government and Europe. This partnership will enable the immense challenges of urbanisation to be tackled more appropriately.

In addition, Belfius also introduced the Belfius Easy Card: an innovative solution allowing people without a bank account to yet participate in the electronic payment system.

30% of all loans granted by Belfius to Belgian companies are directly linked to its “Business 2 Government” strategy, focusing on synergies between the private and public sector.

Finally, Belfius launched a number of innovative solutions for all of its Public & Wholesale customers, such as Belfius Web Mobile and Belfius e-fleet.

In general, there was a 6% rise in lending across all segments at Belfius Bank & Insurance during the first half of the year: this means that loans totalling 4.5 billion euro were provided by Belfius to the Belgian economy.

Excellent solvency due in part to continued non-core de-risking efforts

Belfius’ total balance sheet has been reduced by 22% since September 2011, to 192 billion euro without adversely affecting the development of commercial activities. A range of factors have contributed to this outstanding result:

- The Legacy portfolio has been significantly reduced through a combination of tactical de-risking and the natural amortization of the portfolio. This way, the Legacy bond portfolio had been brought down to 10.7 billion at 30th June 2014 (compared with 18.3 billion euro at the end of 2011), while the off-balance sheet credit guarantee portfolio was down to 6.8 billion euro (compared with 11.6 billion euro at the end of 2011). The residual portfolio remains of good average credit quality. De-risking has also been continued into the second half of the year, with an additional 600 million euro shed from the bond portfolio in July and August.
- Exposure to Dexia has fallen by 76% since October 2011 and currently amounts to 13.5 billion euro, as it did at the end of last year, an amount that matures at the beginning of 2015. This is guaranteed by the French, Luxembourg & Belgian governments.

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

- Basel III CET 1 ratio (phased in) stands at 14.6% as of June 30th 2014 (compared with 13.8% at the end of 2013) & Basel III CET 1 ratio (fully loaded) stands at 12.9% as of June 30th 2014 (compared with 11.5% at the end of 2013).
- The Solvency II ratio of Belfius Insurance was 239% (compared with 223% at the end of 2013).

These ratios mean that Belfius has a good capital buffer compared with the respective stress test limits of 8% and 5.5% required by the ECB. Belfius is therefore serene in the ECB’s Asset Quality Review.

Belfius complies with the Liquidity Coverage Ratio. This new international liquidity standard comes into effect in 2015 in Belgium. Belfius has been in line with actual national standards for longer. At the end of June 2014, Belfius had a buffer of 37 billion euro in liquid assets; this is sufficient to cover 5 times the institutional funding resources which are maturing in less than a year.

As a result of its solid results and extensive de-risking, Belfius achieved a substantial increase in its total shareholder's equity. This doubled from 3.3 billion euro in 2011 to 6.6 billion euro at the end of 2013, rising further to 7.4 billion euro at the end of June 2014.

Belfius reconfirms its ambition

Based on its strong commercial and financial results, as well as its excellent solvency, Belfius is able to look to the future with even greater confidence. In that sense, the main lines of its previously defined business policy are still relevant.

Belfius aims:

- to be a healthy, sustainable bank-insurer with an exceptional social commitment;**
- to be the most customer-centric bank-insurer;**
- to ensure a consistently high level of financial and risk management expertise.**

This ambition is supported by 4 core values: proud on results, innovating for the future, passion for clients and collaborating with respect.

Over the past six months, Belfius has taken clear-cut action on achieving its ambition.

With regard to its commitment to society, Belfius has decided to allocate its sponsorship policy to fulfilling its role within society to the maximum. Its commitment to the Special Olympics 2014 speaks volumes in this regard. Belfius will be the company providing the largest number of volunteers to organise the Games, with more than 750 employees on hand during the events. It will also provide structural support for many of the other components involved in organising the Special Olympics.

With regard to achieving its aim of having 95% of satisfied customers, Belfius has implemented an ambitious research project in conjunction with the well-respected research agency, GFK. In July 2014, we began the task of actively and accurately measuring customer satisfaction levels. Every year, more than 400 000 customers will be polled. This ambition will not only result in increased customer loyalty and equipment levels, but will also lead to a change in culture that will lay the foundations for enhanced brand positioning.

As part of the same logic, Belfius also intends to keep working on improving its operational efficiency. All Belfius departments and budgets will be further fine-tuned based on their actual contribution to customer satisfaction. In this way, an additional 60 million euro in non-staffing costs has been identified that can be eliminated in the years ahead – without having any impact on customer satisfaction. For example, significant savings will be achieved on buildings and the related maintenance and heating costs by accommodating as much of the head office staff in Brussels as possible in the Rogier Tower by the beginning of 2015.

All of this work will enable Belfius to position itself as the most customer-friendly financial institution in Belgium: our aim is now and will remain to achieve 95% of satisfied customers by 2016.

Conclusion

Belfius has set itself three “ambitions” for its future. These are: (1) to be a healthy, sustainable bank-insurer with an exceptional social commitment; (2) to be the most customer-centric bank-insurer; and (3) to ensure a consistently high level of financial and risk management expertise.

As a result of its strong commercial and financial results generating a good level of solvency, Belfius is able to reaffirm its strategy for the end of 2016.

Mr Jos Clijsters, Chairman of the Board of Directors: *“We have taken another clear step forward in ensuring a sustainable future for Belfius. We are well on the way to meeting all of the requirements imposed by Europe – so much so that by the end of this year, we will be able to complete that particular chapter in our history. I am particularly pleased about the vibrant recovery in our commercial business, as well as by the confidence that our customers place in us.”*

Mr Marc Raisière, CEO: *“We can now feel serene and confident about the future. We must set ourselves the goal of being a healthy, sustainable bank-insurer, with the highest level of social commitment. Our aim is still to achieve 95% of satisfied customers by 2016. Thanks to our customers, Belfius has been able to develop into a strong, attractive financial player .”*

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