

**FIRST SUPPLEMENT DATED 4 NOVEMBER 2014
TO THE BASE PROSPECTUS DATED 22 SEPTEMBER 2014**



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 September 2014 (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 September 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 4 November 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 asset quality review of Belfius Bank SA/NV performed by the European Central Bank, in close cooperation with the National Bank of Belgium.

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. Asset Quality review

The following is a press release of Belfius Bank Sa/NV dated 26 October on the Asset Quality Review.

Brussels, 26th October 2014

Belfius clearly succeeds in the “comprehensive assessment” of the ECB

The European Central Bank (ECB) performed over the last year a comprehensive assessment on the most significant European Banks. The comprehensive assessment takes as starting point December 31st, 2013 and consists of an in-depth assessment of the accounts (asset quality review (AQR)) and a stress test.

Belfius clearly succeeds in both components:

- The asset quality review confirms the accuracy of the accounts and leads to a **Basel III phased-in CET 1 capital ratio of 13.50 % on 01/01/2014 after the application of the AQR.**
- Belfius posts a **Basel III phased-in CET 1 capital ratio of 7.30 %** in 2016 after applying a severe stress test scenario. This is **well above the minimum required threshold of 5.5 %.**
The corresponding capital buffer after stress test amounts as such to 1.13 billion EUR.
- On top of that, Belfius created 328 million EUR of additional capital buffer during the first half year 2014 which would lead to a **total capital buffer after stress test of 1.46 billion EUR.**
- This result proves once again that Belfius' future is built on solid grounds and hence enables Belfius to pursue its strategy focused on customer satisfaction.

Belfius clearly succeeds

The comprehensive assessment of the ECB analyzes the financial health of European Banks. The assessment is built on two elements. On the one hand, the asset quality review assessed the accuracy and the transparency of the accounts on December 31st, 2013. On the other hand, this balance sheet and profit & loss account was submitted to a severe stress test in which negative scenario's were applied over a three year timeframe, after which the resulting solvency in 2016 is being assessed.

Belfius clearly succeeds in the comprehensive assessment of the ECB:

- **The Basel III phased-in CET 1 capital ratio of Belfius stands at 13.50 % after AQR on the accounts of December 31st 2013.** This was based on a thorough due diligence analyzing over 50 % of risk weighted assets. The ECB indicates some limited prudential adjustments of 0.35 %, which are primarily adjustments to valuation models for financial instruments. Prudential adjustments for credit risk are limited to 15 million EUR and this on a total portfolio of well over 100 billion EUR. Hence Belfius' accounts can be considered as accurate and transparent and provide as such confidence for its future.
- **Belfius can still posts a Basel III phased-in CET 1 ratio in 2016 of 7.30 %** after application of a severe stress test. This is an excess of 1.80 % above the prevailing 5.5 % threshold. The corresponding capital buffer after stress test amounts as such to 1.13 billion EUR. Belfius' strategy based on tactical derisking of the legacy portfolio's as well as on the focus on its commercial franchise, clearly bears fruit.
- Even under the future Fully Loaded prudential framework, Belfius remains significantly above the 5.5 % threshold with a Basel III CET 1 ratio 2016 after stress test of 6.46 %.

Constitution of capital buffer further continues

The ECB stress test doesn't take into account the 2014 results. If the net profit realized over 1H2014 and the already executed tactical derisking during the same period would be taken into consideration, Belfius would post a Basel III phased-in CET 1 ratio 2016 of 8.0 % after stress test. **This would bring the total capital buffer after stress test to 1.46 billion EUR.**

Confirmation of the pertinence of Belfius' strategy

Belfius' excellent result for this European comprehensive assessment proves the pertinence of its strategy:

- the focus on enlarging its commercial franchise leads to a better operational result and hence improved equity
- the execution of a tactical derisking leads to lower risk weighted assets of the legacy portfolio's.

Based on this strong result, Belfius is confident on its future and able to pursue its strategy:

- to be a healthy and sustainable bank and insurer with the highest level of social commitment;
- to be the most customer-focused bank and insurer;
- to maintain a high level of expertise in finance and risk-management.

Marc Raisière, CEO: *“I’m very satisfied with this outstanding result. It proves the relevance of our approach and strategy. It shows once again that we’re able to built trust with our customers. I expressly wish to thank all of our customers, employees and agents for their contribution to this achievement. We can feel confident about the future in which we will continue to put the customer at the center of our strategy.”*

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