

KBC BANK WARRANT PROGRAMME BASE PROSPECTUS SUPPLEMENT (N°1) dated 19 September 2017



KBC Bank NV

(Incorporated with limited liability in Belgium)

Warrant Programme

This base prospectus supplement (the “**Supplement N°1**”) constitutes a supplement for the purposes of Article 16 of Directive n° 2003/71/EC (the “**Prospectus Directive**”) and Article 34 of the Belgian Law dated 16 June 2006 concerning the public offer of investment securities and the admission of investment securities to trading on a regulated market (the “**Belgian Prospectus Law**”), implementing the Prospectus Directive. The Supplement N°1 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 24 April 2017 (the “**Base Prospectus**”), issued by KBC Bank NV (the “**Issuer**”), for the purpose of giving information with regard to the issue of warrants (the “**Warrants**”) under the KBC Bank NV Warrant Programme during a period of twelve (12) months after the date of the Base Prospectus. Terms defined in the Base Prospectus or in any document incorporated by reference in the Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement N°1.

This Supplement N°1 has been approved by the Financial Services and Markets Authority (the “**FSMA**”) on 19 September 2017, as competent authority under the Prospectus Directive and will be published on the website of Euronext Brussels (www.nyx.com) and on the www.kbc.com¹ website.

The Issuer accepts responsibility for the information contained in this Supplement N°1 and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement N°1 is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything likely to affect the import of such information.

1. Documents Incorporated by Reference

On 31 August 2017 KBC Bank NV published its half-year financial results for 1H2017 together with the related statutory auditors’ report in the document titled as “*KBC Bank, Half-Year Report – 1H2017*”.²

In order to ensure that the information contained in the Base Prospectus is up-to-date as required by the Prospectus Directive and the Belgian Prospectus Law, the aforementioned report will be incorporated by reference in the Base Prospectus.

¹ <https://www.kbc.com/en/kbc-bank-warrant-programme>

² https://www.kbc.com/en/system/files/doc/investor-relations/9-Bank-info/2017_1H_JVS_bank_en.pdf

The document “*KBC Bank, Half-Year Report – 1H2017*” of the Issuer will be added to the documents incorporated by reference. This will have the following text impacts.

- (i) The section *Documents incorporated by reference* on page 60 of the Base Prospectus will be supplemented by adding the following limb to the list of documents which are incorporated and form part of the Base Prospectus:

" • *the unaudited consolidated financial statements of the Issuer for the six months ended 30 June 2017;*
https://www.kbc.com/en/system/files/doc/investor-relations/9-Bank-info/2017_1H_JVS_bank_en.pdf. "

- (ii) The sub-section *Specific items contained in Documents Incorporated by Reference* on page 61-62 of the Base Prospectus shall be supplemented as follows:

" *Unaudited Interim financial report for the half year to June 30, 2017 of the Issuer* *

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* *Page references are to the English language PDF version of the relevant incorporated documents.*

2. Summary of the Base Prospectus

Element B.12 (“Selected Financial Information”) of the section Element B.12 (“*Selected financial information*”) of the section *Summary of the Base Prospectus* on page 13 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the updated section B.12:

B.12	Selected financial information	The tables below each set out a summary of key financial information extracted from the Issuer’s Financial Reports (audited) for the fiscal years ended on 31 December 2015 and 31 December 2016, and from the Issuer’s interim financial report for the six months ended on 30 June 2016 and the six
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months ended on 30 June 2017 (unaudited):					
Highlights of the consolidated statement KBC Bank (in millions of EUR)	2015	2016	HY 2016	HY 2017	
Net interest income	3,675	3,635	1,824	1,762	
Dividend income	19	27	12	15	
Net result from financial instruments at fair value through profit or loss	224	551	252	433	
Net realised result from available-for-sale assets	82	134	119	50	
Net fee and commission income	1,945	1 753	854	1,017	
Other net income	200	140	82	57	
TOTAL INCOME	6,145	6,240	3,118	3,368	
Operating expenses	-3,388	-3,399	-1,854	-1,893	
Impairment	-650	-145	-55	67	
Share in results of associated companies and joint-ventures	21	23	11	6	
RESULT BEFORE TAX	2,128	2,719	1,220	1,549	
Income tax expense	291	-525	-217	-273	
RESULT AFTER TAX	2,419	2,195	1,003	1,276	
Attributable to minority interest	180	169	80	89	
Attributable to equity holders of the parent	2,239	2,026	923	1,187	
<i>Material adverse change:</i>					
There has been no material adverse change in the prospects of the Issuer or KBC Bank Group since 31 December 2016.					
<i>Significant change in the financial or trading position:</i>					
There has been no significant change in the financial or trading position of the Issuer since 30 June 2017.					

3. Income Statement and Balance Sheet

The sub-sections *Income Statement* and *Balance Sheet* on pages 105-106 of the Base Prospectus shall be deleted and replaced by the following sub-sections:

Income Statement

The table below sets out highlights of the information extracted from KBC Bank's consolidated income statement for each of the years ended 31 December 2015 and 31 December 2016, respectively, and for the half years ended 30 June 2016 and 30 June 2017, respectively:

Highlights of the consolidated income statement KBC Bank (in millions of EUR)	Full year 2015	Full year 2016	Half year 2016	Half year 2017
Net interest income	3,675	3,635	1,824	1,762
Dividend income	19	27	12	15
Net result from financial instruments at fair value through profit or loss	224	551	252	443
Net realised result from available-for-sale assets	82	134	119	50
Net fee and commission income	1,945	1,753	854	1,017
Other net income	200	140	57	82
TOTAL INCOME	6,145	6,240	3,118	3,368
Operating expenses	-3,388	-3,399	-1,854	-1,893
Impairment	-650	-145	-55	-1,893
Share in results of associated companies and joint-ventures	21	23	11	6
RESULT BEFORE TAX	2,128	2,719	1,220	1,549
Income tax expense	291	-525	-217	-273
RESULT AFTER TAX	2,419	2,195	1,003	1,276
Attributable to minority interest	180	169	80	89
Attributable to equity holders of the parent	2,239	2,026	923	1,187

Balance Sheet

The table below sets out highlights of the information extracted from KBC Bank's consolidated balance sheet statement as at 31 December 2015 and 31 December 2016, respectively, and for the half years ended 30 June 2016 and 30 June 2017, respectively:

Highlights of the consolidated balance sheet, KBC Bank (in millions of EUR)	31-12- 2015	31-12- 2016	30-06- 2016	30-06- 2017
Total assets	217,626	239,333	230,270	260,522
Loans and advances to customers	129,206	133,481	131,650	138,949
Securities (equity and debt instruments)	51,613	52,180	52,776	50,969

Deposits from customers and debt securities	170,873	178,697	176,770	190,582
Risk weighted assets (Basel III)	79,758	78,482	79,730	82,256
Total equity	13,490	14,158	13,520	14,987
of which parent shareholders' equity	11,888	12,568	11,888	13,344

4. General Information

The sub-section *Significant or Material Change* on page 144 of the Base Prospectus shall be deleted and replaced by the following paragraph:

“There has been:

- (a) no significant change in the financial or trading position of the Issuer or the KBC Bank Group since 30 June 2017; and*
- (b) no material adverse change in the prospects of the Issuer or the KBC Bank Group since 31 December 2016.”*


5. General


Save as disclosed in this Supplement N°1, there has been no significant change in the information in the Base Prospectus and no significant new matter has arisen since 24 April 2017, the date of the publication of the Base Prospectus.

Copies of this Supplement N°1 will be available without charge (i) at the specified office of the Issuer and the Paying Agent, (ii) on the website of Euronext Brussels at www.nyx.com and (iii) on the www.kbc.com³ website.

To the extent that there is an inconsistency between (a) any statement in this Supplement N°1 and (b) any statement in, or incorporated by reference into, the Base Prospectus, the statements in (a) above will prevail.

19 September 2017


Innocenzo Soi
 Authorized signatory
 on behalf of KBC Bank NV


Patrick Roppe
 CEO Financial Markets
 Authorized signatory
 on behalf of KBC Bank NV

³ <https://www.kbc.com/en/kbc-bank-warrant-programme>