

KBC BANK NV BASE PROSPECTUS SUPPLEMENT (N°1)
dated 8 May 2018



KBC Bank NV
(Incorporated with limited liability in Belgium)

€5,000,000,000
Euro Medium Term Note Programme

This base prospectus supplement dated 8 May 2018 (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, as amended from time to time (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 October 2017 (the “**Base Prospectus**”), prepared in connection with the €5,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by KBC Bank NV (incorporated as a limited liability company under the laws of Belgium, with registered office at Havenlaan 2, B-1080 Brussels and registered with the Crossroads Bank of Enterprises under number 0462.920.226 (Brussels)) (the “**Issuer**”), for the purpose of giving information with regard to the issue of Belgian notes (the “**Notes**”) under the 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 8 May 2018, as competent authority under the Prospectus Directive and the Belgian Prospectus Law. This approval does not imply any appraisal of the appropriateness or the merits of any issue under the Programme, nor of the situation of the Issuer.

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.

I. New information

1. Introduction

On 31 March 2018, the Issuer published its annual financial results for the financial year ended 31 December 2017 together with the related statutory auditors’ report in the document titled as “*KBC Bank, Annual Report for 2017*”.¹

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/system/files/doc/investor-relations/Results/JVS_2016/JVS_2016_BNK_en.pdf

A copy of these documents, incorporated by reference in the Base Prospectus, can be obtained from the website of the Issuer (www.kbc.com²) and from the website of Euronext Brussels (www.euronext.com).

2. Documents incorporated by reference

The document “*KBC Bank, Annual Report for 2017*” of the Issuer will be added to the documents incorporated by reference. This will have the following text impacts.

- (i) The first paragraph of the section *Documents incorporated by reference* on page 11 of the Base Prospectus will be supplemented by adding the following paragraph (c) to the list of documents which are incorporated and form part of the Base Prospectus:

" (c) *the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2017 together with the related statutory auditors' report.* "

- (ii) The fourth paragraph of section *Documents incorporated by reference* on page 11 of the Base Prospectus shall be deleted and replaced by the following:

" *The tables below sets out the relevant page references for the audited consolidated statements for the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, respectively, as set out in the Issuer's Annual Reports and for the unaudited consolidated semi-annual financial statements for the first six months of 2017 as set out in the Issuer's Half-year Report 1H 2017. Information contained in the documents incorporated by reference other than information listed in the table below is for information purposes only, and does not form part of this Base Prospectus.* "

- (iii) The fourth paragraph of the section *Documents incorporated by reference* on page 11 of the Base Prospectus shall be supplemented by the following table on page 11 and 12 :

" *Audited consolidated annual financial statements of the Issuer and its consolidated subsidiaries for the financial years ended 31 December 2017**

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² https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS_2016/JVS_2016_BNK_en.pdf

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

3. Summary of the Base Prospectus

Element B.12 (“*Selected financial information*”) of the section *Summary of the Base Prospectus* on page 19 of the Base Prospectus shall be deemed to be deleted in its entirety and replaced with the updated section B.12, set in Annex 1 of this Supplement N°1.

4. Selected Financial Information

Section *Selected Financial Information* on pages 115-117 shall be deemed to be deleted in its entirety and replaced with the updated section “*Selected Financial Information*” set out in Annex 2 of this Supplement N°1.

5. General Information

Paragraph (3) of the section *General Information* on page 143 of the Base Prospectus shall be deleted and replaced by the following paragraph:

- “ (3) *Other than as disclosed in this Base Prospectus, there has been:*
- (a) *no significant change in the financial or trading position of the Issuer since 31 December 2017;*
and
 - (b) *no material adverse change in the prospects of the Issuer since 31 December 2017. “*

Paragraph (9) of the section *General Information* on pages 143 and 144 of the Base Prospectus shall be deleted and replaced by the following paragraph:

“ (9) *For so long as Notes may be issued pursuant to this Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays and public holidays excepted), for inspection at the registered office of the Issuer:*

- (i) *the constitutional documents of the Issuer;*
- (ii) *the Agency Agreement;*
- (iii) *the audited consolidated financial statements of the Issuer for each of the financial years ended 31 December 2015, 31 December 2016 and 31 December 2017, in each case together with the auditors' reports in connection therewith;*
- (iv) *the unaudited consolidated financial statements of the Issuer for the half year ending 30 June 2017 together with the auditor's report thereon ;*
- (v) *each Final Terms (save that Final Terms relating to a Note which is neither admitted to trading on a regulated market within the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Issuer and the Agent as to its holding of Notes and identity); and*

- (vi) a copy of the Base Prospectus together with any further or supplement prospectuses relating to the Programme.

This Base Prospectus, the Final Terms for Notes that are listed and admitted to trading on Euronext Brussels' regulated market and each document incorporated by reference will be published on the website of Euronext Brussels (www.euronext.com). “

II. General

Save as disclosed in this Supplement N°1, there has been no other significant new factor, material mistake, inaccuracy or change relating to the information included in the Base Prospectus since 24 October 2017, the date of the publication of the Base Prospectus.

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.

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 (www.euronext.com) and (iii) on the website of the Issuer (www.kbc.com³).

8 May 2018



Danny Swinnen
Chief Dealer
Financial Markets

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-nv-eur-5000000000-emptn-programme>

Annex 1
Summary of the Base Prospectus Element B.12

“ Selected historical key financial information:

The tables below set out a summary of key financial information extracted from the Issuer’s audited consolidated financial statements for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 and the Issuer’s unaudited consolidated semi-annual financial statements for the first six months of 2016 and 2017.

Summary of consolidated income statement (in millions of €, IFRS)	FY 2015	HY1 2016	FY 2016	HY1 2017	FY 2017
Total income	6,145	3,118	6,240	3,368	6,588
Operating expenses	-3,388	-1,854	-3,399	-1,893	-3,568
Impairment	-650	- 55	- 145	67	44
Result after tax, group share	2,239	923	2,026	1,187	2,003
Summary of consolidated balance sheet (in millions of €, IFRS)	FY 2015	HY1 2016	FY 2016	HY1 2017	FY 2017
Total assets	217,626	230,270	239,333	260,522	256,322
Parent shareholders’ equity	11,888	11,890	12,568	13,344	14,083

Material adverse change:

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2017.

Significant change in the financial or trading position:

There has been no significant change in the financial or trading position of the Issuer since 31 December 2017 and no material adverse change in the prospects of the Issuer since 31 December 2017. “

Annex 2
Selected Financial Information

“ The following tables set out in summary form certain statements of financial position, income statements, statements of comprehensive income and cash flow information relating to the Issuer. The information has been extracted from the audited consolidated financial statements of the Issuer for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 and from the unaudited Half Yearly Report 1H 2016 and 1H 2017 of the Issuer.

The consolidated financial statements of the Issuer for the years ended 31 December 2015, 31 December 2016 and 31 December 2017 have been audited in accordance with ISA.

1 Consolidated balance sheet

ASSETS (in millions of €)	31-12-2015	30-06-2016	31-12-2016	30-06-2017¹	31-12-2017
Cash and cash balances with central banks	7 038	5 184	20,711	32 576	29 762
Financial assets	204 051	218 110	211, 848	221 079	220 184
Held for trading	10 497	12 203	9 787	9 162	7 509
Designated at fair value through profit or loss	5 092	8 910	1 129	272	63
Available for sale	20 274	21 842	21 084	20 902	19 637
Loans and receivables	140 294	147 538	151 140	164 271	166 927
Held to maturity	27 379	27 113	28 297	26 073	25 803
Hedging derivatives	514	505	410	399	245
Fair value adjustments of hedged items in portfolio	105	397	202	-3	-78
Tax assets	2 285	2 446	2 276	2 166	1 575
Current tax assets	96	70	49	68	45
Deferred tax assets	2 189	2 376	2 227	2 097	1530
Non-current assets held for sale and assets associated with	15	14	8	24	21
Investments in associated companies and joint ventures	181	168	180	189	210
Investment property	275	275	272	292	314
Property and equipment	2 087	2 136	2 249	2 346	2532
Goodwill and other intangible assets	831	831	854	990	1 019
Other assets	758	708	732	863	785
TOTAL ASSETS	217 626	230 270	239 333	260 522	256 322

LIABILITIES AND EQUITY
(in millions of €)

Financial liabilities	201 760	214 128	222 646	242 976	238 273
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1. As explained in the Issuer's Half-year Report 1H 2017 (see p.12), reference figures have been restated as of 2017 to align with the consolidated financial reporting framework (FINREP) of the European Banking Authority

ASSETS (in millions of €)	31-12-2015	30-06-2016	31-12-2016	30-06-2017¹	31-12-2017
Held for trading	8 380	8 977	8 586	8 033	6 998
Designated at fair value through profit or loss	12 039	9 423	3 900	1 627	1 482
Measured at amortised cost	179 150	193 608	208 455	231 808	228 509
Hedging derivatives	2 191	2 120	1 704	1 508	1 284
Fair value adjustments of hedged items in portfolio	171	312	204	79	-86
Tax liabilities	197	170	217	227	210
Current tax liabilities	88	88	124	111	72
Deferred tax liabilities	109	82	93	116	139
Provisions for risks and charges	278	204	207	228	373
Other liabilities	1 730	1 934	1 902	2 024	1 895
TOTAL LIABILITIES	204 135	216 749	225 175	245 535	240 666
Total equity	13 490	13 520	14 158	14 987	15 656
Parent shareholders' equity	11 888	11 890	12 568	13 344	14 083
Additional Tier-1 instruments included in equity	1 400	1 400	1 400	1 400	1 400
Minority interests	202	230	190	243	173
TOTAL LIABILITIES AND EQUITY	217 626	230 270	239 333	260 522	256 322

2 Consolidated income statement

(in millions of €)	31-12-2015	30-06-2016	31-12-2016	30-06-2017¹	31-12-2017
Net interest income	3 675	1 824	3 635	1 762	3 546
Interest income	6 605	3 156	6 147	2 851	5 760
Interest expense	- 2 930	- 1 332	- 2 512	- 1 089	- 2 214
Dividend income	19	12	27	15	20
Net result from financial instruments at fair value	224	252	551	443	860
Net realised result from available-for-sale assets	82	119	134	50	114
Net fee and commission income	1 945	854	1 753	1 017	2 023
Fee and commission income	2 408	1 058	2 175	1 404	2 706
Fee and commission	- 462	- 203	- 422	- 387	- 683
Net other income	200	57	140	82	25
TOTAL INCOME	6 145	3 118	6 240	3 368	6 588

1. As explained in the Issuer's Half-year Report 1H 2017 (see p.12), reference figures have been restated as of 2017 to align with the consolidated financial reporting framework (FINREP) of the European Banking Authority

Internal

(in millions of €)	31-12-2015	30-06-2016	31-12-2016	31-06-2017 ¹	31-12-2017
Operating expenses	- 3 388	- 1 854	- 3 399	-1 893	-3 568
Staff expenses	- 1 594	- 796	- 1 589	-835	-1 690
General administrative	- 1 665	- 986	- 1 663	-982	-1 718
Depreciation and amortisation of fixed assets	- 128	- 71	- 146	-76	- 160
Impairment	- 650	- 55	- 145	67	44
on loans and receivables	- 323	- 54	- 126	72	87
on available-for-sale assets	- 11	0	- 1	0	-2
on goodwill	- 308	0	0	0	0
on other	- 9	- 2	- 19	-4	-41
Share in results of associated companies and joint ventures	21	11	23	6	8
RESULT BEFORE TAX	2 128	1 220	2 719	1 549	3 073
Income tax expense	291	- 217	- 525	-273	- 891
RESULT AFTER TAX	2 419	1 003	2 195	1 276	2 182
Attributable to minority	180	80	169	89	179
Attributable to equity holders of the parent	2 239	923	2 026	1 187	2 003

1. As explained in the Issuer's Half-year Report 1H 2017 (see p.12), reference figures have been restated as of 2017 to align with the consolidated financial reporting framework (FINREP) of the European Banking Authority