

KBC GROUP NV BASE PROSPECTUS SUPPLEMENT (N°3)

dated 19 February 2019



KBC Group NV

(incorporated with limited liability in Belgium)

EUR 10,000,000,000

Euro Medium Term Note Programme

This supplement dated 19 February 2019 (the “**Supplement N°3**”) constitutes a supplement for the purposes of Article 34 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market, as amended from time to time (the “**Belgian Prospectus Law**”). The Supplement N°3 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 12 June 2018 as supplemented by the supplement N°1 dated 18 September 2018 (the “**Supplement N°1**”) and the supplement N°2 dated 19 November 2018 (the “**Supplement N°2**” and together with the base prospectus and the Supplement N°1, the “**Base Prospectus**”), prepared in connection with the EUR 10,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by KBC Group NV, incorporated as a limited liability company under the laws of Belgium, with registered office at Havenlaan 2, 1080 Brussels and registered with the Crossroads Bank of Enterprises VAT BE0403.227.515 (Brussels) (the “**Issuer**”). 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°3.

This Supplement N°3 has been approved by the FSMA, as competent authority under 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°3. The Issuer confirms that, to the best of its knowledge (having taken all reasonable care to ensure that such is the case) the information contained in this Supplement N°3 is in accordance with the facts and does not omit anything likely to affect the import of such information.

I. New information

Introduction

On 14 February 2019, the Issuer published its extended quarterly report for the fourth quarter in the document “*KBC Group Quarterly Report 4Q 2018*”.

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

copy of these document, incorporated by reference in the Base Prospectus, can be obtained from the website of the Issuer (www.kbc.com¹) and from the website of Euronext Brussels (www.euronext.com).

A copy of the extended quarterly report has been filed with the FSMA.

If documents which are incorporated by reference themselves incorporate any information or other documents therein, either expressly or implicitly, such information or other documents will not form part of this Supplement N°3 for the purposes of the Belgian Prospectus Law, except where such information or other documents are specifically incorporated by reference or attached to this Supplement N°3.

Due to this new information the Base Prospectus is amended as described below.

1. Documents incorporated by reference

- (i) The section “*Documents incorporated by reference*” on page 49 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:

“(d) the unaudited financial statements of the Issuer, set out in the Quarterly Report 4Q 2018 of the Issuer.”

- (ii) The section “*Documents incorporated by reference*” on page 49 of the Base Prospectus will be supplemented by adding the following sub-section below the sub-section “Audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2016 and 31 December 2017**”:

“The table below sets out the relevant page references for the unaudited financial statements of the Issuer, as set out in the Quarterly Report 3Q 2018 and in the Quarterly Report 4Q 2018 of the Issuer.

	Issuer’s Quarterly Report for the quarter ended 30 September 2018	Issuer’s Quarterly Report for the quarter ended 31 December 2018
Report of the Board of Directors	NA	NA
Balance sheet	Page 15	Page 15
Income Statement	Page 12	Page 12
Cash flow Statement	Page 18	Page 18
Notes to the financial statements (Notes on statement of compliance and changes in accounting policies)Statements of changes in equity	From Page 18 Page 16-Page 17	From page 18 Page 16-Page 17
Auditor’s report	NA	NA

¹ https://www.kbc.com/MISC/D9e01/Homepagina_KBCCOM_Engels/investor_relations/debt_issuance

Additional Info

Ratio's used

Page 52- page 57

Page 51-Page 55

2. Selected Financial Information

The section "*Selected Financial Information*" on pages 151 to and including 155, shall be deemed to be deleted in its entirety and replaced with the updated section "*Selected Financial Information*" set out in Annex 1 to this Supplement N°3.

3. General Information

Paragraph (3) on page 179 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 no significant change in the financial or trading position of the Issuer since 31 December 2018 and no material adverse change in the prospects of the Issuer since 31 December 2017."

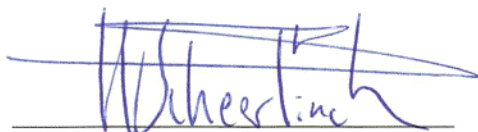
II. General

Save as disclosed in this Supplement N°3, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since 12 June 2018, the date of publication of the Base Prospectus.

To the extent that there is an inconsistency between (a) any statement in this Supplement N°3 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°3 will be available without charge at the specified office of the Issuer and the Agent, on the website of Euronext Brussels (www.euronext.com) and the website of the Issuer (www.kbc.com²).

19 February 2019



Hendrik Scheerlinck
Executive director
on behalf of KBC Group NV



Johan Thijs
Executive director
on behalf of KBC Group NV

² https://www.kbc.com/MISC/D9e01/Homepagina_KBCCOM_Engels/investor_relations/debt_issuance

Annex 1
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 2016 and 31 December 2017 and from the unaudited consolidated financial statements of the Issuer included in the quarterly report 3Q and 4Q 2018 of the Issuer.

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

Note: As of 2018, KBC Group started applying IFRS 9. In simplified terms, this means that the classification of financial assets and liabilities, as well as the impairment methodology, have changed significantly. As a result, some of the profit and loss and balance sheet figures are not fully comparable to the 2017 and 2016 reference figures (which are still based on IAS 39, as KBC is making use of transition relief for comparative data). More information on the transition to IFRS 9 is provided in KBC Group's 1Q2018, 2Q2018, 3Q2018 and 4Q2018 quarterly reports, available on www.kbc.com.

Consolidated balance sheet

(in millions of EUR)	31-12-18 IFRS9	31-12-17 IAS9	01-01- 2018 IFRS 9
ASSETS			
Cash, cash balances with central banks and other demand deposits with credit institutions	18 691	29 727	
Financial assets	256 916	254 753	253 817
Held for trading	-	7 431	
Designated at fair value through profit or loss	-	14 484	
Available for sale	-	34 156	
Loans and receivables	-	167 458	
Held to maturity	-	30 979	
Amortised cost	216 792	-	210 865
Fair value through OCI	18 279	-	19 516
Fair value through profit or loss	21 663	-	23 191
of which held for trading	6 426	-	7 148
Hedging derivatives	183	245	245
Reinsurers' share in technical provisions, insurance	120	131	
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	64	- 78	
Tax assets	1 549	1 625	
Current tax assets	92	82	
Deferred tax assets	1 457	1 543	
Non-current assets held for sale and disposal groups	14	21	
Investments in associated companies and joint ventures	215	240	
Property, equipment and investment property	3 299	3 207	
Goodwill and other intangible assets	1 330	1 205	
Other assets	1 610	1 512	

TOTAL ASSETS	283 808	292 342	
LIABILITIES AND EQUITY			
Financial liabilities	242 626	251 260	251 260
Amortised cost	220 671	227 944	
Fair value through profit or loss	20 844	22 032	
of which held for trading	5 834	6 998	
Hedging derivatives	1 111	1 284	
Technical provisions, before reinsurance	18 324	18 641	
Fair value adjustments of the hedged items in portfolio hedge of interest rate risk	- 79	- 86	
Tax liabilities	380	582	
Current tax liabilities	133	148	
Deferred tax liabilities	247	434	
Liabilities associated with disposal groups	0	0	
Provisions for risks and charges	235	399	
Other liabilities	2 689	2 743	
TOTAL LIABILITIES	264 175	273 540	
Total equity	19 633	18 803	
Parent shareholders' equity	17 233	17 403	16 657
Additional tier-1 instruments included in equity	2 400	1 400	
Minority interests	0	0	
TOTAL LIABILITIES AND EQUITY	283 808	292 342	

Consolidated income statement

Consolidated income statement, IFRS	4Q2018	3Q2018	2Q2018	1Q2018	4Q2017	FY2018	FY2017
KBC Group (in millions of EUR)	(IFRS 9)	(IFRS 9)	(IFRS 9)	(IFRS 9)	(IAS 39)	(IFRS 9)	(IAS 39)
Net interest income	1.166	1.136	1.117	1.125	1.029	4.543	4.121
Non-life insurance (before reinsurance)	198	197	202	162	152	760	706
<i>Earned premiums</i>	409	403	392	378	384	1.582	1.491
<i>Technical charges</i>	-211	-205	-190	-216	-232	-822	-785
Life insurance (before reinsurance)	-3	-9	1	-7	-3	-18	-58
<i>Earned premiums</i>	416	293	315	336	410	1.359	1.271
<i>Technical charges</i>	-418	-302	-314	-343	-414	-1.377	-1.330
Ceded reinsurance result	-12	-6	-14	-9	-10	-41	-8
Dividend income	15	12	34	21	8	82	63
Net result from financial instruments at fair value through P&L ¹	2	79	54	96	235	231	856
Net realised result from available-for-sale assets	-	-	-	-	51	-	199
Net realised result from debt instruments at fair value through other comprehensive income	0	0	8	1	-	9	-
Net fee and commission income	407	424	438	450	430	1.719	1.707
Other net income	76	56	23	71	-14	226	114
Total income	1.848	1.888	1.863	1.912	1.878	7.512	7.700
Operating expenses	-996	-981	-966	-1.291	-1.021	-4.234	-4.074
Impairment	-43	2	1	56	-2	17	30
Of which: on loans and receivables ²	-	-	-	-	30	-	87
Of which: on financial assets at amortised cost and at fair value through other comprehensive income ²	-30	8	21	63	-	62	-

Share in results of associated companies & joint ventures	4	2	3	6	-5	16	11
Result before tax	814	911	901	683	850	3.310	3.667
Income tax expense	-192	-211	-210	-127	-451	-740	-1.093
Result after tax	621	701	692	556	398	2.570	2.575
attributable to minority interests	0	0	0	0	0	0	0
attributable to equity holders of the parent	621	701	692	556	399	2.570	2.575
Basic earnings per share (EUR)	1.44	1.63	1.61	1.30	0.92	5.98	6.03
Diluted earnings per share (EUR)	1.44	1.63	1.61	1.30	0.92	5.98	6.03