

**KBC BANK NV BASE PROSPECTUS SUPPLEMENT (N°1)**  
**dated 24 April 2017**



**KBC Bank NV**  
*(Incorporated with limited liability in Belgium)*

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

This base prospectus supplement dated 24 April 2017 (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 18 October 2016 (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 24 April 2017, 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 2017, the Issuer published its annual financial results for the financial year ended 31 December 2016 together with the related statutory auditors’ report in the document titled as “*KBC Bank, Annual Report for 2016*”.<sup>1</sup>

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.

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<sup>1</sup> [https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS\\_2016/JVS\\_2016\\_BNK\\_en.pdf](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.com](http://www.kbc.com)<sup>2</sup>) and from the website of Euronext Brussels ([www.euronext.com](http://www.euronext.com)).

## 2. Documents incorporated by reference

The document "KBC Bank, Annual Report for 2016" 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 12 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 2016 together with the related statutory auditors' report. "

- (ii) The fourth paragraph of section *Documents incorporated by reference* on page 12 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 2014, 31 December 2015 and 31 December 2016, 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 2016 as set out in the Issuer's Half-year Report 1H 2016. 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 12 of the Base Prospectus shall be supplemented by the following table on page 13:

" Audited consolidated annual financial statements of the Issuer and its consolidated subsidiaries for the financial years ended 31 December 2016\*

report of the board of directors	5 - 69
balance sheet	73
income statement	71
statement of comprehensive income	72
cash flow statement	76 - 77
notes to the financial statements	78 - 139
statement of changes in equity	74 - 75"
<i>Auditors' report</i>	140 - 143
<i>Additional information</i>	
ratios used	236-239

<sup>2</sup> [https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS\\_2016/JVS\\_2016\\_BNK\\_en.pdf](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 18 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 116-118 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 148 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 2016;*  
*and*
  - (b) *no material adverse change in the prospects of the Issuer since 31 December 2016. “*

Paragraph (9) of the section *General Information* on pages 148 and 149 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 2014, 31 December 2015 and 31 December 2016, 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 2016, together with the auditors’ 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*


## 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 18 October 2016, 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](http://www.euronext.com)) and (iii) on the website of the Issuer ([www.kbc.com](http://www.kbc.com))<sup>3</sup>.

24 April 2017

  
Innocenzo Soi  
Authorized signatory  
on behalf of KBC Bank NV

  
Wim Lyssens  
Authorized signatory  
on behalf of KBC Bank NV

<sup>3</sup> <https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-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 2014, 31 December 2015 and 31 December 2016 and the Issuer’s unaudited consolidated semi-annual financial statements for the first six months of 2015 and 2016.

<b>Summary of consolidated income statement (in millions of €, IFRS)</b>	<b>FY 2014</b>	<b>Q1 2015</b>	<b>FY 2015</b>	<b>Q1 2016</b>	<b>FY 2016</b>
Total income	5,734	3,302	6,145	3,118	6,240
Operating expenses	-3,311	-1,810	-3,388	-1,854	-3,399
Impairment	-472	-219	-650	-55	-145
Result after tax, group share	1,312	895	2,239	923	2,026
<b>Summary of consolidated balance sheet (in millions of €, IFRS)</b>	<b>FY 2014</b>	<b>Q1 2015</b>	<b>FY 2015</b>	<b>Q1 2016</b>	<b>FY 2016</b>
Total assets	211,116	221,639	217,626	230,270	239,333
Parent shareholders’ equity	11,676	11,371	11,888	11,890	12,568

*Material adverse change:*

There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2016.

*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 2016 and no material adverse change in the prospects of the Issuer since 31 December 2016. “

**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 2014, 31 December 2015 and 31 December 2016 and from the Half Yearly Report 1H 2015 and 1H 2016 of the Issuer.*

*The consolidated financial statements of the Issuer for the years ended 31 December 2014, 31 December 2015 and 31 December 2016 have been audited in accordance with ISA.*

**1 Consolidated balance sheet**

<b>ASSETS</b> <b>(in millions of €)</b>	<b>31-12-2014</b>	<b>30-06-2015</b>	<b>31-12-2015</b>	<b>30-06-2016</b>	<b>31-12-2016</b>
Cash and cash balances with central banks	5 771	4 453	7 038	5 184	20 148
Financial assets	198 865	210 848	204 051	218 110	212 411
Held for trading	12 277	11 400	10 497	12 203	9 787
Designated at fair value through profit or loss	6 526	13 203	5 092	8 910	1 130
Available for sale	18 048	17 718	20 274	21 842	21 084
Loans and receivables	134 955	140 393	140 294	147 538	151 702
Held to maturity	25 956	27 302	27 379	27 113	28 297
Hedging derivatives	1 104	832	514	505	410
Fair value adjustments of hedged items in portfolio	168	115	105	397	202
Tax assets	1 702	1 564	2 285	2 446	2 276
Current tax assets	45	77	96	70	49
Deferred tax assets	1 657	1 487	2 189	2 376	2 227
Non-current assets held for sale and assets associated with	18	36	15	14	8
Investments in associated companies and joint ventures	179	167	181	168	180
Investment property	397	314	275	275	272
Property and equipment	2 029	2 007	2 087	2 136	2 249
Goodwill and other intangible assets	1 027	1 036	831	831	854
Other assets	960	1 100	758	708	732
<b>TOTAL ASSETS</b>	<b>221 116</b>	<b>221 639</b>	<b>217 626</b>	<b>230 270</b>	<b>239 333</b>
<b>LIABILITIES AND EQUITY</b>					
<b>(in millions of €)</b>					
Financial liabilities	195 038	4 453	201 760	214 128	222 646

<b>ASSETS</b> <b>(in millions of €)</b>	<b>31-12-2014</b>	<b>30-06-2015</b>	<b>31-12-2015</b>	<b>30-06-2016</b>	<b>31-12-2016</b>
Held for trading	8 510	7 867	8 380	8 977	8 586
Designated at fair value through profit or loss	11 356	12 320	12 039	9 423	3 900
Measured at amortised cost	171 682	182 932	179 150	193 608	208 455
Hedging derivatives	3 491	2 996	2 191	2 120	1 704
Fair value adjustments of hedged items in portfolio	189	121	171	312	204
Tax liabilities	165	202	197	170	217
Current tax liabilities	80	97	88	88	124
Deferred tax liabilities	85	105	109	82	93
Provisions for risks and charges	527	437	278	204	207
Other liabilities	1 861	1 725	1 730	1 934	1 902
<b>TOTAL LIABILITIES</b>	<b>197 780</b>	<b>208 601</b>	<b>204 135</b>	<b>216 749</b>	<b>225 175</b>
Total equity	13 336	13 038	13 490	13 520	14 158
Parent shareholders' equity	11 676	11 371	11 888	11 890	12 568
Additional Tier-1 instruments included in equity	1 400	1 400	1 400	1 400	1 400
Minority interests	260	267	202	230	190
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>211 116</b>	<b>221 639</b>	<b>217 626</b>	<b>230 270</b>	<b>239 333</b>

## 2 Consolidated income statement

<b>(in millions of €)</b>	<b>31-12-2014</b>	<b>30-06-2015</b>	<b>31-12-2015</b>	<b>30-06-2016</b>	<b>31-12-2016</b>
Net interest income	3 648	1 860	3 675	1 824	3 635
Interest income	7 305	3 385	6 605	3 156	6 147
Interest expense	- 3 657	- 1 525	- 2 930	- 1 332	- 2 512
Dividend income	14	13	19	12	27
Net result from financial instruments at fair value	195	238	224	252	551
Net realised result from available-for-sale assets	49	52	82	119	134
Net fee and commission income	1 822	1 047	1 945	854	1 753
Fee and commission income	2 303	1 287	2 408	1 058	2 175
Fee and commission	- 482	- 240	- 462	- 203	- 422
Net other income	5	93	200	57	140
<b>TOTAL INCOME</b>	<b>5 734</b>	<b>3 302</b>	<b>6 145</b>	<b>3 118</b>	<b>6 240</b>

(in millions of €)	31-12-2014	30-06-2015	31-12-2015	30-06-2016	31-12-2016
Operating expenses	- 3 311	- 1 810	- 3 388	- 1 854	- 3 399
Staff expenses	- 1 577	- 799	- 1 594	- 796	- 1 589
General administrative	- 1 597	- 948	- 1 665	- 986	- 1 663
Depreciation and amortisation of fixed assets	- 136	- 64	- 128	- 71	- 146
Impairment	- 472	- 219	- 650	- 55	- 145
on loans and receivables	- 587	- 211	- 323	- 54	- 126
on available-for-sale assets	- 4	- 2	- 11	0	- 1
on goodwill	0	0	- 308	0	0
on other	119	- 6	- 9	- 2	- 19
Share in results of associated companies and joint ventures	22	12	21	11	23
<b>RESULT BEFORE TAX</b>	<b>1 973</b>	<b>1 285</b>	<b>2 128</b>	<b>1 220</b>	<b>2 719</b>
Income tax expense	- 504	- 302	291	- 217	- 525
<b>RESULT AFTER TAX</b>	<b>1 469</b>	<b>983</b>	<b>2 419</b>	<b>1 003</b>	<b>2 195</b>
Attributable to minority	157	88	180	80	169
<b>Attributable to equity holders of the parent</b>	<b>1 312</b>	<b>895</b>	<b>2 239</b>	<b>923</b>	<b>2 026</b>