

KBC BANK NV BASE PROSPECTUS SUPPLEMENT (N°2)
dated 19 September 2017



KBC Bank NV
(Incorporated with limited liability in Belgium)

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

This base prospectus supplement dated 19 September 2017 (the “**Supplement N°2**”) 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°2 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 18 October 2016 as supplemented by the Supplement N°1 dated 24 April 2017 (the “**Supplement N°1**”) (together 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°2.

This Supplement N°2 has been approved by the Financial Services and Markets Authority (the “**FSMA**”) on 19 September 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°2 and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement N°2 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 August 2017, the Issuer published its semi-annual financial results for 2017 together with the related report of the statutory auditor in the document titled as “*KBC Bank Half-Year Report – 1H2017*”.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/9-Bank-info/2017_1H_JVS_bank_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 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 first paragraph of the section *Documents incorporated by reference* on page 12 of the Base Prospectus will be supplemented by adding the following paragraph (d) to the list of documents which are incorporated and form part of the Base Prospectus:

" (d) the unaudited consolidated financial statements of the Issuer for the six months ended 30 June 2017, set out in the document “KBC Bank Half-Year Report – 1H2017” "

- (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 set 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 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 12 of the Base Prospectus shall be supplemented by the following table on page 13:

Unaudited consolidated semi-annual financial statements of the Issuer for the first six months of 2017

Half-Yearly Report H1
2017 of the Issuer *

*Unaudited consolidated semi-annual financial statements of the Issuer for the first six months of 2017**

report of the board of directors	page 2-8
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income statement	page 10
statement of comprehensive income	page 11
cash flow statement	page 14
notes to the financial statements	page 14-25
statement of changes in equity	page 13
<i>Auditors' report</i>	page 26-27

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

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

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°2.

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°2.

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 no significant change in the financial or trading position of the Issuer since 30 June 2017 and 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) the unaudited consolidated financial statements of the Issuer for the half year ending 30 June 2017, together with the auditor’s report thereon;*
- (vi) 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*

- (vii) *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°2, there has been no other significant new factor, material mistake, inaccuracy or change relating to the information included in the Base Prospectus since 24 April 2017, the date of the publication of the Supplement N°2.

To the extent that there is an inconsistency between (a) any statement in this Supplement N°2 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°2 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).

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-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 2015 and 31 December 2016 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	FY 2016	1H2016	1H2017
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
Result after tax, group share	2,239	2,026	1,276	1,003
Summary of consolidated balance sheet (in millions of €, IFRS)				
Total assets	217,626	239,333	239,333	260,522
Parent shareholders’ equity	11,888	12,568	12,568	13,344

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 30 June 2017 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 2015 and 31 December 2016 and from the 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 and 31 December 2016 have been audited in accordance with ISA.

1 Consolidated balance sheet

ASSETS (in millions of €)	31-12-2015	30-06-2016	31-12-2016	30-06-2017
Cash and cash balances with central banks	7 038	5 184	20 711	32 576
Financial assets	204 051	218 110	211 8481	221 079
Held for trading	10 497	12 203	9 787	9 162
Designated at fair value through profit or loss	5 092	8 910	1 129	272
Available for sale	20 274	21 842	21 084	20 902
Loans and receivables	140 294	147 538	151 140	164 271
Held to maturity	27 379	27 113	28 297	26 073
Hedging derivatives	514	505	410	399
Fair value adjustments of hedged items in portfolio hedge of interest rate risk	105	397	202	- 3
Tax assets	2 285	2 446	2 276	2 166
Current tax assets	96	70	49	68
Deferred tax assets	2 189	2 376	2 227	2 097
Non-current assets held for sale and assets associated with	15	14	8	24
Investments in associated companies and joint ventures	181	168	180	189
Investment property	275	275	272	292
Property and equipment	2 087	2 136	2 249	2 346
Goodwill and other intangible assets	831	831	854	990
Other assets	758	708	732	863
TOTAL ASSETS	217 626	230 270	239 333	260 522

LIABILITIES AND EQUITY
(in millions of €)

Financial liabilities	201 760	214 128	222 646	242 976
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ASSETS (in millions of €)	31-12-2015	30-06-2016	31-12-2016	30-06-2017
Held for trading	8 380	8 977	8 586	8 033
Designated at fair value through profit or loss	12 039	9 423	3 900	1 627
Measured at amortised cost	179 150	193 608	208 455	231 808
Hedging derivatives	2 191	2 120	1 704	1 508
Fair value adjustments of hedged items in portfolio	171	312	204	79
Tax liabilities	197	170	217	227
Current tax liabilities	88	88	124	111
Deferred tax liabilities	109	82	93	116
Provisions for risks and charges	278	204	207	228
Other liabilities	1 730	1 934	1 902	2 024
TOTAL LIABILITIES	204 135	216 749	225 175	245 535
Total equity	13 490	13 520	14 158	14 987
Parent shareholders' equity	11 888	11 890	12 568	13 344
Additional Tier-1 instruments included in equity	1 400	1 400	1 400	1 400
Minority interests	202	230	190	243
TOTAL LIABILITIES AND EQUITY	217 626	230 270	239 333	260 522

2 Consolidated income statement

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

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