



**KBC INTERNATIONALE FINANCIERINGSMAATSCHAPPIJ
N.V. (KBC IFIMA N.V.)**

(Incorporated with limited liability in The Netherlands)

Unconditionally and irrevocably guaranteed by KBC Bank NV

(Incorporated with limited liability in Belgium)

€10,000,000,000

Retail Euro Medium Term Note 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 13 of the Luxembourg Law of 10 July 2005 on Prospectuses for Securities (the “**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 25 June 2014 (the “**Retail Base Prospectus**”), issued by KBC IFIMA N.V. (the “**Issuer**”), for the purpose of giving information with regard to the issue of Notes under its €10,000,000,000 Retail Euro Medium Term Note Programme during the period of twelve (12) months after the date of the Retail Base Prospectus. Terms defined in the Retail Base Prospectus or in any document incorporated by reference in the Retail 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 Luxembourg Commission de Surveillance du Secteur Financier (the “**CSSF**”), as competent authority under the Prospectus Directive. This Supplement N°1 will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the www.kbc.com¹ website.

Each of the Issuer and the Guarantor 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 <https://www.kbc.com/MISC/D9e01/~E/~KBCCOM/~BZJ47O7/~BZIZTPN/BZJ0507/BZJ06PN>

I. New information

1) Introduction

On 7 August 2014, KBC Group NV published a press release regarding its earnings statement on the second quarter of 2014 in the document “*Excellent commercial results in the second quarter, impacted by severe legislation in Hungary*”. On 12 August 2014, KBC Ifima N.V. published its unaudited half year results of 2014 for the half year ending 30 June 2014 in the document “*Interim financial report for the half year to June 30, 2014*”. On 29 August 2014, the Guarantor published its unaudited half year results of 2014 for the half year ending 30 June 2014 in the document “*Half-year Report – 1H2014*”.

As the financial position of KBC Group NV might affect the financial position of the Guarantor, the latter being a direct subsidiary of KBC Group NV and in order to ensure that the information contained in the Retail Base Prospectus is up-to-date as required by the Prospectus Directive and the Prospectus Law, the aforementioned press release of KBC Group NV and financial reports of the Issuer and the Guarantor will be incorporated by reference in the Retail Base Prospectus. A copy of these documents can be obtained from the www.kbc.com² website, from the website of the Luxembourg Stock Exchange at www.bourse.lu and from the registered office of the Issuer and the Principal Paying Agent.

Due to the new information, the following sections of the Retail Base Prospectus are amended as described below.

2) Summary of the Base Prospectus

Item B.12 will be replaced as follows:

B.12 Selected historical key 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 2012 and 31 December 2013 and from the Issuer's interim financial report for the six months ended on 30 June 2013 and for the six months ended on 30 June 2014 (unaudited):

<i>Income statement</i>	2012 (EUR)	2013 (EUR)	June 30, 2013 (EUR)	June 30, 2014 (EUR)
Summary of profit and loss account				
Gross margin and other income	5,268,611	4,691,861	3,609,266	3,326,737
Total Expenses	(528,406)	603,501	(249,873)	(342,985)
Profit before taxation	4,740,205	4,088,360	3,359,393	2,983,752
Corporation tax	(1,135,676)	(1,014,341)	(829,848)	(734,898)
Net profit	3,604,529	3,074,019	2,529,545	2,248,854

Statement of Financial Position	2012 (EUR)	2013 (EUR)	June 30, 2014 (EUR)
Summary of balance sheet			
Total Assets	20,279,006,204	17,581,347,896	12,858,590,570
Total bonds outstanding	19,260,678,425	17,038,605,545	12,455,150,818
Of which maturing within one	2,527,412,828	6,736,241,998	4,340,601,898

² Press release of KBC Group NV “*Excellent commercial results in the second quarter, impacted by severe legislation in Hungary*” is available at: https://multimediafiles.kbcgroup.eu/ng/published/KBCCOM/PDF/COM_HDV_pb_2Q2014_7_Aug_en.pdf?

KBC Ifima N.V.'s “*Interim financial report for the half year to June 30, 2014*” is available at:

https://multimediafiles.kbcgroup.eu/ng/published/KBCCOM/PDF/COM_BDV_pdf_IFIMA_halfjaarverslag_2014.pdf?

KBC Bank NV's “*Interim financial report for the half year to June 30, 2014*” is available at:

https://multimediafiles.kbcgroup.eu/ng/published/KBCCOM/PDF/COM_BDV_pdf_halfjaarverslag_2014_bank_en.pdf?

year			
Shareholders' equity	12,514,526	12,088,545	11,237,399
Gross interest margin	5,111,110	4,691,861	3,326,737
Profit after tax	3,604,529	3,074,019	2,248,854
Solvency ratio	0.06%	0.07%	n/a
Dividends paid out of previous year's profit	3,500,000	3,100,000	n/a

There has been no material adverse change in the prospects of the Issuer or the KBC Bank Group since 31 December 2013. There has been no significant change in the financial or trading position of the Issuer or the KBC Bank Group since 30 June 2014.

Item B19 / B.12 will be replaced as follows:

B19 / B.12 / Selected historical key financial information: The tables below set out a summary of key financial information extracted from the Guarantor's audited comprehensive income statements for each of the two years ended, and statements of financial position as at, 31 December 2012 and 31 December 2013 respectively, and from the Guarantor's consolidated balance sheet and consolidated income statement for the six months ended on 30 June 2013 and on 30 June 2014 (limited review):

<i>Income statement</i>	FY 2012	FY 2013	1H 2013	1H 2014
Summary of consolidated profit and loss account data (in millions of EUR, IFRS)				
Total income	5,937	6,309	3,357	2,637
Operating Expenses	-3,666	-3,280	-1,631	-1,648
Impairment	-2,323	-1,827	-562	-249
Result after tax, group share	-306	590	824	472

<i>Statement of Financial Position</i>	31 December 2012	31 December 2013	30 June 2014
Summary of consolidated balance sheet data (in millions of EUR, IFRS)			
Total assets	224,824	206,087	218,944
Parents shareholders' equity	11,255	11,662	11,250

There has been no material adverse change in the prospects of the Guarantor or the KBC Bank Group since 31 December 2013. There has been no significant change in the financial or trading position of the Guarantor or the KBC Bank Group since 30 June 2014.

3) Documents incorporated by reference

The section *Documents incorporated by reference* on page 74 of the Retail Base Prospectus will be supplemented by adding the following limbs to the list of documents which are incorporated and form part of the Retail Base Prospectus:

- (f) *the press release dated 7 August 2014 "Excellent commercial results in the second quarter, impacted by severe legislation in Hungary;*
- (g) *the unaudited financial statements of the Issuer for the six months ended June 30, 2014, set out in the "Interim financial report for the half year to June 30, 2014 of the Issuer; and*
- (h) *the unaudited financial statements of the Guarantor for the six months ended June 30, 2014, set out in the "Interim financial report for the half year to June 30, 2014 of the Guarantor."*

The sub-section *Specific items contained in “Documents Incorporated by Reference”* on page 76 of the Retail Base Prospectus shall be supplemented as follows:

Unaudited Interim financial report for the half year to June 30, 2014 of the Issuer

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The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of the Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements.

II. General

Save as disclosed in this Supplement N°1, there has been no significant new factor, material mistake or inaccuracy since 25 June 2014, the date of the publication of the Retail Base Prospectus.

Copies of this Supplement N°1 will be available (i) without charge at the specified office of the Issuer and the Principal Paying Agent, (ii) on the website of the Luxembourg Stock Exchange at www.bourse.lu 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 Retail Base Prospectus, the statements in (a) above will prevail.

In accordance with Article 13 paragraph 2 of the Prospectus Law, investors who already agreed to purchase or subscribe for Notes under the €10,000,000,000 Retail Euro Medium Term Note Programme before this Supplement N°1 was published, have the right to withdraw their acceptances within two (2) working days after the publication of this Supplement N°1, namely up to and including 5 September 2014.

2 September 2014

³ <https://www.kbc.com/MISC/D9e01/~E/~KBCCOM/~BZJ47O7/~BZIZTPN/BZJ0507/BZJ06PN>