



KBC IFIMA S.A.

(Incorporated with limited liability in the Grand Duchy of Luxembourg)

Unconditionally and irrevocably guaranteed by KBC Bank NV

(Incorporated with limited liability in Belgium)

€10,000,000,000

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 21 June 2018 (the “Base Prospectus”), issued by KBC IFIMA S.A. (the “Issuer”), for the purpose of giving information with regard to the issue of Notes under its €10,000,000,000 Euro Medium Term Note Programme during the period of twelve 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 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.

I. New Information

1) Long-term ratings of KBC Bank NV (the “Guarantor”)

On 30 July 2018 Standard & Poors (“S&P”) upgraded the Guarantor’s long-term credit ratings from a positive outlook (A) to a stable outlook (A+).

This rating upgrade reflects S&P’s view that the group will continue to expand and perform well in its core markets, with continuously strong and resilient earnings as it leverages its efficient bancassurance operating model.

¹ <https://www.kbc.com/en/kbc-ifima>

Due to the new information, the section *Solicited Credit Ratings* mentioned on page 11 of the Base Prospectus is amended as described below.

2) Introduction

On 31 August 2018 KBC Bank NV published its unaudited half year results of 2018 for the half year ending on 30 June 2018 in the document "*Half-Year Report – 1H2018*".
On 31 July 2018 KBC IFIMA S.A. published its unaudited half year results of 2018 for the half year ending on 30 June 2018 in the document "*Unaudited semi-annual accounts as at 30 June 2018*".

In order to ensure that the information contained in the Base Prospectus is up-to-date as required by the Prospectus Directive and the Prospectus Law, the financial reports of the Issuer and Guarantor will be incorporated by reference in the Base Prospectus. A copy of these documents can be obtained from the www.kbc.com 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 Base Prospectus are amended as described below.

3) Risk factors relating to the Issuer and the Guarantor

To the section "*Risk factors relating to the Issuer and the Guarantor*" on page 37 and following of the Base Prospectus a new article 3.24 shall be added:

"3.24 No taxation gross-up

If the prohibition of sales to consumers in Belgium does not apply, neither the Issuer nor the Guarantor shall be liable for or otherwise obliged to pay any tax, duty, withholding or other payment which may arise as a result of the ownership, transfer, presentation and surrender for payment, or enforcement of any Notes and all payments made by the Issuer or, as the case may be, the Guarantor shall be made subject to any tax, duty, withholding or other payment which may be required to be made, paid, withheld or deducted. Such Notes will not have the benefit of a gross up provision in respect of withholding taxes and deductions, meaning that Noteholders will take the risk of any applicable withholding taxes or deductions."

4) Summary of the Base Prospectus

(i) Item B.12 on page 3 and following of the Base Prospectus will be replaced as follows:

B.12	Selected historical key financial information / Material adverse change / Significant change in the financial or trading position:	<i>Selected historical key information:</i>			
		The tables below set out a summary of key financial information extracted from the Issuer's financial statements (i) for the fiscal years ended on 31 December 2016 and 31 December 2017 the audited financial information and (ii) for the six months ended on 30 June 2017 and 30 June 2018, the non-audited financial information prepared in accordance with generally accepted accounting principles applicable in the Grand Duchy of Luxembourg ("Luxembourg GAAP").			
		<i>Income Statement</i>			
		2016 (EUR) prepared under Luxembo	2017 (EUR) prepared under Luxembourg	HY 2017 (EUR) prepared under Luxembourg	HY 2018 (EUR) prepared under Luxembourg GAAP (unaudited)

	urg GAAP (audited)	GAAP (audited)	g GAAP (unaudited)	
Summary of profit and loss account				
Other external charges	367,470	158,103	92,663	149,356
Staff costs	188,408	224,247	120,546	126,800
Income tax (includes all taxes applicable)	479,819	426,849	71,035	79,476
Profit for the financial year	1,107,928	1,355,223	312,814	230,625
<i>Statement of Financial Position</i>				
	2016 (EUR) prepared under Luxembourg GAAP (audited)	2017 (EUR) prepared under Luxembourg GAAP (audited)	HY 2017 (EUR) prepared under Luxembourg GAAP (unaudited)	HY 2018 (EUR) prepared under Luxembourg GAAP (unaudited)
Summary of balance sheet				
Total Assets	4,118,851,117	2,355,017,439	2,795,283,904	2,310,292,777
Non subordinated debts – non convertible loans				
Of which maturing within one year	1,803,537,635	1,054,714,001	486,183,761	911,272,809
Capital and reserves	20,650,114	12,619,949	20,426,646	11,878,588
Dividends paid out of previous year's profits	2,181,881	536,282	536,281.72	971,987

<i>Cash flow statement</i>		
	2016 (EUR) prepared under Luxembourg GAAP (audited)	2017 (EUR) prepared under Luxembourg GAAP (audited)
Net profit	1,107,928	1,355,223
Adjustment for:		
Interest income/charges	(1,954,808)	(2,105,688)
Net amortisation on loans and bonds	(241,678)	(122,089)
Other provision	965	(3,936)
	(1,087,593)	(876,490)
Change in other assets and liabilities	(110,492)	(6,017)
Taxes (paid)/received	678,025	(948,320)
Tax provision	515,884	(1,183,383)
Net cash flow from operational activities	10,399,158	(11,862,157)
Financial fixed assets – issued	(91,200,650)	(101,963,015)
Financial fixed assets – repaid	2,558,509,585	1,830,022,665
Interests received	177,378,562	107,082,935
Net cash flow from investment activities	2,644,687,497	1,835,142,585
Bonds issued	80,796,465	100,427,504
Bonds repaid	(2,558,356,950)	(1,819,585,435)
Dividend paid	(2,181,881)	(536,282)
Interest paid	(174,876,082)	(105,497,868)
Net cash flow from financing activities	(2,654,618,448)	(1,825,192,080)
Net cash flow	468,208	(1,911,650)
Cash balance as at 1 January	6,471,842	(6,940,049)
Cash balance as at 31 December	6,940,050	5,028,400
Net cash flow	468,208	(1,911,650)

		<p><i>Material adverse change:</i> There has been no material adverse change in the prospects of the Issuer or KBC Bank Group since 31 December 2017.</p> <p><i>Significant change in financial or trading position:</i> Not applicable; there has been no significant change in the financial or trading position of the Issuer or KBC Bank Group since 30 June 2018.</p>
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(ii) Item B19/B.12 on page 9 and following of the Base Prospectus will be replaced as follows:

B.19/ B.12	Selected historical key financial information / Material adverse change / Significant change in the financial or trading position:	<p><i>Selected historical key financial information:</i> The tables below set out a summary of key financial information extracted from (i) the Guarantor's audited comprehensive income statements for each of the two years ended, and statements of financial position at, 31 December 2016 and 31 December 2017 and (ii) the Guarantor's interim financial report for the six months ended on 30 June 2017 (non-audited) and 30 June 2018:</p>																																						
		<p><i>Income Statement</i></p> <table border="1"> <thead> <tr> <th>Summary of consolidated profit and loss account data (in millions of EUR, IFRS)</th> <th>FY 2016 (audited)</th> <th>FY 2017 (audited)</th> <th>HY 2017 (unaudited)</th> <th>HY 2018 (unaudited)</th> </tr> </thead> <tbody> <tr> <td>Total income</td> <td>6,240</td> <td>6,588</td> <td>3,368</td> <td>3,233</td> </tr> <tr> <td>Operating expenses</td> <td>- 3,399</td> <td>-3,568</td> <td>- 1,893</td> <td>-2,001</td> </tr> <tr> <td>Impairment</td> <td>-145</td> <td>44</td> <td>67</td> <td>57</td> </tr> <tr> <td>Result after tax, group share</td> <td>2,026</td> <td>2,003</td> <td>1,187</td> <td>947</td> </tr> </tbody> </table> <p><i>Statement of Financial Position</i></p> <table border="1"> <thead> <tr> <th>Summary of consolidated balance sheet data (in millions of EUR, IFRS)</th> <th>FY 2016 (audited)</th> <th>FY 2017 (audited)</th> <th>HY 2017 (unaudited)</th> <th>HY 2018 (unaudited)</th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>239,333</td> <td>256,322</td> <td>260,522</td> <td>266,379</td> </tr> <tr> <td>Parent shareholders' equity</td> <td>12,568</td> <td>14,083</td> <td>13,344</td> <td>13,115</td> </tr> </tbody> </table> <p><i>Material adverse change:</i> There has been no material adverse change in the prospects of the Guarantor or KBC Bank Group since 31 December 2017.</p>	Summary of consolidated profit and loss account data (in millions of EUR, IFRS)	FY 2016 (audited)	FY 2017 (audited)	HY 2017 (unaudited)	HY 2018 (unaudited)	Total income	6,240	6,588	3,368	3,233	Operating expenses	- 3,399	-3,568	- 1,893	-2,001	Impairment	-145	44	67	57	Result after tax, group share	2,026	2,003	1,187	947	Summary of consolidated balance sheet data (in millions of EUR, IFRS)	FY 2016 (audited)	FY 2017 (audited)	HY 2017 (unaudited)	HY 2018 (unaudited)	Total assets	239,333	256,322	260,522	266,379	Parent shareholders' equity	12,568	14,083
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		<p><i>Significant change in the financial or trading position:</i> Not applicable, there has been no significant change in the financial or trading position of the Guarantor or KBC Bank Group since 30 June 2018.</p>
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(iii) Item B.19/B.17 on page 11 and following of the Base Prospectus will be deleted and replaced as follows:

[B.19 / B.17]	[Solicited Credit Ratings]	<p><i>[Long-term credit ratings of the Guarantor (as at 30 July 2018):</i></p> <table> <tr> <td>Fitch</td> <td>A</td> </tr> <tr> <td>Moody's</td> <td>A1</td> </tr> <tr> <td>Standard & Poor's</td> <td>A+</td> </tr> </table> <p>Rating of the Notes: [The rating of the Notes [is] [is expected to be] [●].] [Not Applicable. The Notes are not rated.]] <i>(include only if Notes are issued that require information to be given in accordance with Annex V of the Regulation (EC) 809/2004 as amended)</i></p>	Fitch	A	Moody's	A1	Standard & Poor's	A+
Fitch	A							
Moody's	A1							
Standard & Poor's	A+							

(iv) Item D.6 on page 29 and following of the Base Prospectus: a new item (e) will be added to the text:

D.6	[Risk warning that investors may lose value of entire investment]	<p>[There are certain key risk factors which are material for the purpose of assessing the risks associated with the Notes, including, without limitation, the following key risk factors:</p> <p>(a) The Notes may not be a suitable investment for all investors and involve a high degree of risk.</p> <p>(b) Noteholders may be required to absorb losses in the event that KBC Bank Group were to become subject to the exercise of "bail-in" powers by the resolution authority.</p> <p>(c) The Notes are [not] principal protected[; any such protection is dependent on the Issuer, failing which, the Guarantor, performing its obligations with respect to the Notes. In addition, any such principal protection is only at maturity]. Also, if the Notes are linked to a [n Autocal][Maturity]Reference Item, the amount [of interest] payable to Noteholders [or amounts payable upon Autocall Redemption or at maturity] will be contingent on the level, price or value of the [Autocall][Maturity]Reference Item and on the structure of the Notes. [Prospective investors in the Notes should note that, in certain circumstances, they may not receive any interest.]</p> <p>(d) Risks associated with investing in the Notes include, without limitation, [(i)] [risk of disruption to valuations], [(ii)] [adjustment to the conditions, substitution of the relevant index and/or early redemption following an adjustment event or an illegality], [(iii)] [postponement of interest payments] [and/or] minimum [and][/][or] maximum limits imposed on interest rates, (iv) cancellation or scaling back of offers to the public or the issue date being deferred, [(v)] [hedging activities of the Issuer and/or any of its affiliates], [(vi)] conflicts of interest between the Issuer and/or any of its affiliates and holders of Notes, [(vii)] modification of the</p>
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		<p>terms and conditions of Notes by majority votes binding all holders, [(viii)] change and interpretation of law, [(ix)] illiquidity of denominations consisting of integral multiples, [(x)] payments being subject to withholding or other taxes, [(xi)] fees and commissions not being taken into account when determining secondary market prices of Notes, [(xii)] there being no secondary market, [(xiii)] [exchange rate risk], [(xiv)] general risks relating to Credit Linked Notes, such as the variation of the Reference Entities as the result of the determination of one or more successor Reference Entities and factors influencing the risk of a credit event occurring and the event of losses following the occurrence of a credit event]. [(xv)] market value of Notes being affected by various factors independent of the creditworthiness of the Issuer or the Guarantor [including] [the occurrence of a credit event in respect of the Notes] [and] [credit risk in respect of the Reference Entities and obligations of such Reference Entity]; and [(xvi)] credit ratings not reflecting all risks.]</p> <p>(e) The Notes will be not benefit from a taxation gross up.</p> <p>The risk factors summarised in item D.2 above in respect of the Issuer also apply in respect of the Guarantor (other than the risk set out in sub-paragraph (i) thereof).</p> <p>The capital invested in the Notes is at risk. Consequently, the amount a prospective investor may receive on redemption of its Notes may be less than the amount invested by it and may be zero (0).</p> <p>[Investors may lose up to the entire value of their investment:</p> <p>(a) as the relevant payoff conditions may not provide for full repayment of the initial purchase price upon redemption or early redemption [and the underlying Reference Items may perform in such a manner that the amount due under the Notes is less than the initial purchase price] [(For Credit Linked Notes) and the amounts due to investors following a credit event may be significantly less than the value of the applicable proportion of the Notes redeemed, or zero];</p> <p>(b) if the Investor sells its Notes prior to the Scheduled Maturity Date in the secondary market at an amount that is less than the initial purchase price;</p> <p>(c) if the Issuer or the Guarantor is subject to insolvency or bankruptcy proceedings or some other event which negatively affects the Issuer's or the Guarantor's ability to repay amounts due under the Notes;</p> <p>(d) if the Notes are redeemed early for reasons beyond control of the Issuer (such as e.g. a change of applicable law or market event in relation to the [Autocall][Maturity]Reference Item(s)) and the amount paid or delivered is less than the initial purchase price; or</p> <p>if the Notes are subject to certain adjustments or alternative valuations following certain disruptive market events that result in the amount to be paid or delivered being reduced to an amount or value that is less than the initial purchase price.]] <i>(include only if Notes are issued that require information to be given in accordance with Annex XII of the Regulation (EC) 809/2004 as amended)</i></p>
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5) Documents incorporated by reference

(i) The section *Documents incorporated by reference* on page 111 of the Base Prospectus will be supplemented by adding the following limbs to the list of documents which are incorporated in and form part of the Base Prospectus:

- “ (c) *The unaudited financial statements of the Issuer for the six months ended on 30 June 2018, set out in the document “unaudited semi-annual accounts as at 30 June 2018”; and*
- (d) *The unaudited financial statements of the Guarantor for the six months ended on 30 June 2018, set out in the document “half-year report – 1H2018”;*

(ii) The sub-section *Specific items contained in “Documents Incorporated by Reference”* on page 112 of the Base Prospectus shall be supplemented as follows:

(a) *Unaudited Interim financial report of the Issuer for the half year ended 30 June 2018 (Luxembourg GAAP)**

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(b) *Unaudited Interim financial report of the Guarantor for the half year ended 30 June 2018 (IFRS)**

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

The information incorporated by reference that is not included in the cross-reference list and is not explicitly excluded to be incorporated by reference 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.

6) Significant or Material Change

The sub-section Significant or Material Change on page 419 of the Base Prospectus shall be deleted and replaced by the following paragraph:

“There has been:

(a) no significant change in the financial or trading position of the Issuer, the Guarantor or the KBC Bank Group since 30 June 2018; and

(b) no material adverse change in the prospects of the Issuer, the Guarantor or the KBC Bank Group since 30 June 2018.”

II. General


Save as disclosed in this Supplement N°1, there has been no significant new factor, material mistake or inaccuracy since 21 June 2018, the date of the publication of the 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.com² 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 Base Prospectus, the statements in (a) above will prevail.

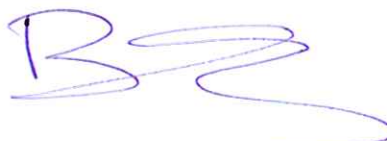
In accordance with Article 13 paragraph 2 of the Prospectus Law, investors who already agreed to purchase or subscribe for Notes under the €10,000,000,000 Euro Medium Term Note Programme before this Supplement N°1 was published, have the right to withdraw their acceptances within two working days after the publication of this Supplement N°1, namely up to and including 14 September 2018.

12 September 2018



KBC IFIMA SA
S. GOCKEL
Director

Authorized signatory
on behalf of KBC IFIMA S.A.



Authorized signatory
on behalf of KBC IFIMA S.A.

KBC IFIMA SA
F. BOUDABZA
Director

² <https://www.kbc.com/en/kbc-ifima>