



KBC Bank NV
(Incorporated with limited liability in Belgium)

Euro 10,000,000,000
Residential Mortgage Covered Bonds Programme

This base prospectus supplement dated 2 October 2018 (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 15 November 2017 (the “**Covered Bonds Base Prospectus**”), prepared in connection with the Euro 10,000,000,000 Residential Mortgage Covered Bonds 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 covered bonds (the “**Covered Bonds**”) under the Programme during a period of twelve (12) months after the date of the Covered Bonds Base Prospectus. Terms defined in the Covered Bonds Base Prospectus or in any document incorporated by reference in the Covered Bonds 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 2 October, 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) Ratings of KBC Bank NV

On 30 July 2018 Standard & Poors (“**S&P**”) upgraded KBC Bank’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.

Due to the new information, the section “Ratings of KBC Bank NV” mentioned on page 179 of the Base Prospectus is deleted entirely and amended as follows:

Long-term credit ratings (as at 30 July 2018)	
Fitch	A
Moody's	A1
Standard & Poors	A+

2) Introduction

On 31 August 2018 the Issuer published its semi-annual financial results for 2018 together with the related report of the statutory auditor in the document titled “KBC Bank Half-Year Report – 1H2018”.

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

Due to the new information, the section “Selected Financial Information” mentioned on page 177-179 of the Base Prospectus is deleted entirely and amended as follows:

“Income Statement

The table below sets out highlights of the information extracted from KBC Bank’s consolidated income statement for each of the years ended 31 December 2016 and 31 December 2017, respectively, and for the half years ended 30 June 2017 and 30 June 2018, respectively:

Highlights of the consolidated income statement KBC Bank (in millions of EUR)	2016	2017	HY2017	HY2018
Net interest income	3 635	3 546	1 762	1 989
Dividend income	27	20	15	18
Net result from financial instruments at fair value through profit or loss	551	860	443	86
Net realised result from available-for-sale assets	134	114	50	-
Net realised result from debt instruments at FV through OCI	-	-	-	8
Net fee and commission income	1,753	2,023	1,017	1,050
Other net income	140	25	82	83
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
Share in results of associated companies and joint-ventures	23	8	6	8
RESULT BEFORE TAX	2,719	3,073	1,549	1,297
Income tax expense	-525	-891	-273	-262
RESULT AFTER TAX	2,195	2,182	1,276	1,035
Attributable to minority interest	169	179	89	88
Attributable to equity holders of the parent	2,026	2,003	1,187	947

Balance Sheet

The table below sets out highlights of the information extracted from KBC Bank's consolidated income statement for each of the years ended 31 December 2016 and 31 December 2017, respectively, and for the half years ended 30 June 2017 and 30 June 2018, respectively:

Highlights of the consolidated income statement KBC Bank (in millions of EUR)	2016	2017	HY2017	HY2018
Total assets	239,333	256,322	260,522	266,379
Loans and advances to customers	133,481	141,036	138,949	145,918
Securities (equity and debt instruments)	52,180	47,995	50,969	45,390
Deposits from customers and debt securities	178,697	194,517	190,582	197,007
Risk weighted assets (Basel III)	78,482	83,117	82,256	83,624
Total equity	14,158	15,656	14,987	15,724
of which parent shareholders' equity	12,568	14,083	13,344	13,115

3) Documents incorporated by reference

The document "KBC Bank Half-Year Report – 1H2018" of the Issuer will be added to the documents incorporated by reference. This will have the following text impacts.

- (i) The section "Documents incorporated by reference" on page 88 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 Covered Bonds Programme Base Prospectus:

" • the unaudited consolidated financial statements of the Issuer for the six months ended 30 June 2018; https://www.kbc.com/en/system/files/doc/investor-relations/9-Bank-info/2018_1H_JVS_Bank_en.pdf."

- (ii) The sub-section "Specific items contained in Documents Incorporated by Reference" on page 89 – 90 of the Base Prospectus shall be supplemented as follows:

"Audited consolidated semi-annual financial statements of the Issuer and its consolidated subsidiaries for the first six months of 2018"

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

4) General information

The sub-section “*Significant or Material Change*” on page 228 of the Covered Bonds 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 or the KBC Bank Group since 30 June 2018; and*
- (a) no material adverse change in the prospects of the Issuer or the KBC Bank Group since 30 June 2018.”*

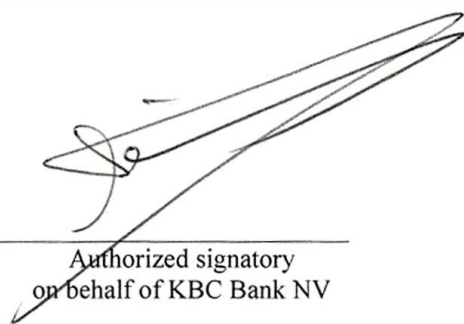
5) General

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 Covered Bonds Base Prospectus since 15 November 2017, the date of the publication of the Covered Bonds 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 Covered Bonds 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) and (iii) on the website of the Issuer (www.kbc.com¹).

2 October 2018



Authorized signatory
on behalf of KBC Bank NV

Danny Swinnen
Chief Dealer
Financial Markets



Authorized signatory
on behalf of KBC Bank NV

Patrick Roppe
CEO Markets

¹ <https://www.kbc.com/en/euro-10000000000-residential-mortgage-covered-bonds-programme-issued-kbc-bank-nv?agree=1>