

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “MiFID II”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

PROHIBITION OF SALES TO CONSUMERS – Notes issued under the Programme are not intended to be offered, sold to or otherwise made available to and will not be offered, sold or otherwise made available by any Dealer to any “consumer” (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek economisch recht/Code de droit économique*).

Final Terms dated 25 June 2018

KBC Group NV

Issue of EUR 500,000,000 0.875% Senior Notes due 27 June 2023

under the EUR 10,000,000,000

Euro Medium Term Note Programme

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 12 June 2018 which constitutes a base prospectus (the “**Base Prospectus**”) for the purposes of Directive 2003/71/EC (as amended, including by Directive 2010/73/EU) (the “**Prospectus Directive**”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the Issuer’s website (www.kbc.com) and copies may be obtained during normal business hours at the registered office of the Issuer.

1	(i) Series Number:	G00011
	(ii) Tranche Number:	1
	(iii) Date on which Notes will be consolidated and form a single Series:	Not Applicable
2	Specified Currency:	Euro (“EUR”)
3	Aggregate Nominal Amount:	EUR 500,000,000
	(i) Series:	EUR 500,000,000
	(ii) Tranche:	EUR 500,000,000
4	Issue Price:	99.485 per cent. of the Aggregate Nominal Amount

5	(i) Specified Denominations:	EUR 100,000 and integral multiples of EUR 100,000 in excess thereof
	(ii) Calculation Amount:	EUR 100,000
6	(i) Issue Date:	27 June 2018
	(ii) Interest Commencement Date:	Issue Date
7	Maturity Date:	27 June 2023
8	Interest Basis:	Fixed Rate
9	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100 per cent. of their nominal amount.
10	Change of Interest Basis:	Not Applicable
11	Issuer Call Option:	Not Applicable
12	(i) Status of the Notes:	Senior Notes
	(ii) Waiver of set-off in respect of Senior Notes:	Condition 2(a)(ii): Applicable
	(iii) Event of Default or Enforcement in respect of Senior Notes:	Condition 10(a): Not Applicable Condition 10(b): Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13	Fixed Rate Note Provisions	Applicable
	(i) Rate(s) of Interest:	0.875 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	27 June in each year from and including 27 June 2019
	(iii) Fixed Coupon Amount:	EUR 875 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual ICMA
	(vi) Determination Dates:	27 June in each year
14	Fixed Rate Reset Note Provisions	Not Applicable
15	Floating Rate Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

16	Tax Event	
	Notice periods for Condition 4(b):	Minimum period: 30 days Maximum period: 60 days
17	Capital Disqualification Event	Not Applicable

18	Capital Disqualification Event Variation	Not Applicable
19	Loss Absorption Disqualification Event Variation or Substitution	Applicable
20	Issuer Call Option	Not Applicable
21	Loss absorption Disqualification Event in respect of Senior Notes:	Condition 4(e): Applicable from 27 June 2018
	(i) Notice periods for Condition 4(e):	Minimum period: 30 days Maximum period: 60 days
22	Final Redemption Amount	EUR 100,000 per Calculation Amount
23	Early Redemption Amount	EUR 100,000 per Calculation Amount
	Early Redemption Amount(s) payable on redemption following a Tax Event, following a Capital Disqualification Event (in the case of Subordinated Tier 2 Notes), following a Loss Absorption Disqualification Event (in the case of Senior Notes) or on event of default or other early redemption:	

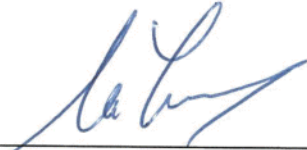
GENERAL PROVISIONS APPLICABLE TO THE NOTES

24	Form of Notes:	Dematerialised form
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THIRD PARTY INFORMATION

The Issuer accepts responsibility for the information contained in these Final Terms. The brief explanation on the meaning of the ratings in paragraph 2 of Part B of these Final Terms has been extracted from www.standardandpoors.com, www.moody.com and www.fitchratings.com (the “**Relevant Websites**”). The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by each of the Relevant Websites, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the Issuer:



By: **Innocenzo Soi**
Duly authorised



By: **Bronson Mostinckx**
Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND ADMISSION TO TRADING

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on Euronext Brussels with effect from the Issue Date.
- (ii) Estimate of total expenses related to admission to trading: EUR 3,700

2 RATINGS

The Notes to be issued are expected to be rated: Standard & Poor's Credit Market Services France S.A.S. ("**S&P**"): BBB+

Moody's Investors Service Limited ("**Moody's**"): Baa1

Fitch France S.A.S. ("**Fitch**"): A

S&P is established in the EU and registered under Regulation (EU) No 1060/2009 (the "**CRA Regulation**"). As defined by S&P, a 'BBB' rating means that the obligations of the Issuer under the Notes exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the capacity to meet the financial commitments on the obligations. The addition of a plus (+) or minus (-) sign shows the relative standing within the major rating categories.

Moody's is established in the EU and registered under the CRA Regulation. As defined by Moody's, a 'Baa1' rating means that the obligations of the Issuer under the Notes are judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category.

Fitch is established in the EU and registered under the CRA Regulation. As defined by Fitch, an 'A' rating indicates that in respect of the obligations of the Issuer under the Notes expectations of credit

risk are currently low. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

3 **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save as discussed in “*Subscription and Sale*”, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.”

4 **REASONS FOR THE OFFER**

An amount equivalent to the proceeds will be used for loans, assets, projects and activities of the Group that promote climate-friendly and other environmental or sustainable purposes (“**Green Bond Eligible Assets**”). The Issuer will on-lend the net proceeds to KBC Bank NV in order for KBC Bank NV to finance and/or refinance the relevant Green Bond Eligible Assets.

For this transaction, Category 1 Renewable Energy and Category 4 Green Buildings apply.

For further details on the Categories and Eligibility Criteria, see the KBC Green Bond Framework dated 11 May 2018, paragraph 2.1 “Use of Proceeds”.

5 **YIELD**

Indication of yield:

(i)	Gross yield:	0.981 per cent. per annum
		The yield is calculated on the basis of the Issue Price, the Rate of Interest applicable from and including the Interest Commencement Date until and excluding the Maturity Date, and the Final Redemption Amount. It is not an indication of future yield.
(ii)	Net yield:	Not Applicable
	Maximum yield:	Not Applicable
	Minimum yield:	Not Applicable

6 **HISTORIC INTEREST RATES**

Not Applicable

7 **OPERATIONAL INFORMATION**

(i)	ISIN:	BE0002602804
(ii)	Common Code:	184665662
(iii)	CFI:	DTFNGR
(iv)	FISN:	Not Applicable
(v)	Any clearing system(s) other than the Securities Settlement System,	Not Applicable

Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s):

- | | |
|--|--------------------------|
| (vi) Delivery: | Delivery against payment |
| (vii) Names and addresses of additional Agent(s) (if any): | Not Applicable |
| (viii) Name and address of the Calculation Agent when the Calculation Agent is not KBC Bank NV | Not Applicable |
| (ix) Intended to be held in a manner which would allow Eurosystem eligibility: | No |
| (x) Relevant Benchmark: | Not Applicable |

8 **DISTRIBUTION**

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| (i) Method of distribution | Syndicated |
| (ii) If syndicated: | |
| (A) Names and addresses of Dealers and underwriting commitments/quotas: | ABN AMRO Bank N.V.
Gustav Mahlerlaan 10
1082 PP Amsterdam
The Netherlands
Underwriting commitment: EUR 100,000,000 |
| | Barclays Bank PLC
5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom
Underwriting commitment: EUR 100,000,000 |
| | Commerzbank Aktiengesellschaft
Kaiserstraße 16 (Kaiserplatz)
60311 Frankfurt am Main
Germany
Underwriting commitment: EUR 100,000,000 |
| | Crédit Agricole Corporate and Investment Bank
12, place des Etats-Unis
CS 70052
92547 Montrouge Cedex
France
Underwriting commitment: EUR 100,000,000 |

KBC Bank NV
Havenlaan 2
1000 Brussels
Belgium
Underwriting commitment: EUR 100,000,000

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|---|---|
| (B) Date of Subscription Agreement: | 25 June 2018 |
| (C) Stabilising manager(s) (if any): | Not Applicable |
| (iii) If non-syndicated, name and address of Dealers: | Not Applicable |
| (iv) US Selling Restrictions | Reg. S Category 2; TEFRA not applicable |
| (v) Additional selling restrictions: | Not Applicable |