

WHOLESALE BASE PROSPECTUS SUPPLEMENT (N°2) dated 17 May 2016



KBC IFIMA S.A.

(Incorporated with limited liability in Luxembourg)

Unconditionally and irrevocably guaranteed by KBC Bank NV

(Incorporated with limited liability in Belgium)

€15,000,000,000

Wholesale Euro Medium Term Note Programme

This base prospectus supplement (the “**Supplement N°2**”) 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°2 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 21 June 2016 as supplemented by the supplement dated 15 September 2016 (the “**Supplement N°1**”) (the “**Wholesale 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 €15,000,000,000 Wholesale Euro Medium Term Note Programme during the period of twelve months after the date of the Wholesale Base Prospectus. Terms defined in the Wholesale Base Prospectus or in any document incorporated by reference in the Wholesale 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 Luxembourg *Commission de Surveillance du Secteur Financier* (the “**CSSF**”), as competent authority under the Prospectus Directive. This Supplement N°2 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°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) Long-term ratings of KBC Bank NV (the “Guarantor”)

On 20 March 2017 Fitch France S.A.S. (“Fitch”) upgraded the Guarantor’s long-term credit ratings from A- with a positive outlook to A with a stable outlook. This rating upgrade reflects the continued, gradual improvement in the bank’s Irish legacy loan portfolio, which combined with improved profitability and strengthened capitalisation has made KBC Bank more resilient to unexpected shocks. KBC Bank’s ratings are underpinned by its strong retail and corporate franchise in its two key markets, Belgium and the Czech Republic, limited market risk, strong and diversified earnings generation, solid capitalisation and sound funding and liquidity.

As a result of the ratings upgrade described above, the references in the Base Prospectus to the long-term credit ratings of the Guarantor given by Fitch are hereby replaced with “A” in Section B19/B.17 of the

¹ <https://www.kbc.com/MISC/D9e01/~E/~KBCCOM/~BZJ4707/-BZIZTPN/BZJ0507/BZJ06PN>

Summary of the Base Prospectus on page 10 of the Base Prospectus and in Clause 6 (Ratings of KBC Bank) of the Description of the Guarantor on page 348 of the Base Prospectus.

2) Publication of KBC Bank NV Annual Report for 2016

On 31 March 2017 KBC Bank NV published its annual financial results for the financial year ending on 31 December 2016 together with the related statutory auditors' report in the document titled "*Annual Report of KBC Bank 2016*".

In order to ensure that the information contained in the Wholesale Base Prospectus is up-to-date as required by the Prospective Directive and the Prospectus Law, the financial reports of the Issuer and the Guarantor will be incorporated by reference in the Wholesale 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 sections *Documents Incorporated by Reference* as well as *Significant or Material Change* of the Wholesale Base Prospectus are amended as described below.

3) Publication of KBC IFIMA S.A. Annual Report for 2016

On 28 April 2017, KBC IFIMA S.A. published its audited non-consolidated annual results for the year ended on 31 December 2016 together with the related statutory auditors' report in the document titled as "*KBC IFIMA S.A. Annual accounts as at 31 December 2016 and independent auditor's report*".

In order to ensure that the information contained in the Wholesale Base Prospectus is up-to-date as required by the Prospectus Directive and the Prospectus Law, the aforementioned document will be incorporated by reference in the Wholesale Base Prospectus. A copy of this document, incorporated by reference in the Wholesale Base Prospectus, can be obtained from the www.kbc.com³ 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 this new information, the sections *Documents Incorporated by Reference* as well as *Significant or Material Change* in the Wholesale Base Prospectus are amended as described below.

4) Documents incorporated by reference

(i) The section *Documents incorporated by reference* on page 70 of the Wholesale Base Prospectus will be supplemented by adding the following limbs to the list of documents which are incorporated in and form part of the Retail Base Prospectus:

- “(f) *the audited consolidated annual financial statements of the Guarantor for the financial year ended 31 December 2016 together with the related statutory auditor's report.; and*
- (g) *the audited non-consolidated annual financial statements of the Issuer for the financial year ended 31 December 2016 with the related statutory auditor's report.”;*

(ii) The sub-section *Specific items contained in “Documents Incorporated by Reference”* on page 71 of the Wholesale Base Prospectus shall be supplemented as follows:

- (a) “Annual Report of the Issuer for the Financial Year ended 31 December 2016

² “KBC Bank, Annual Report for 2016” is available at https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS_2016/JVS_2016_BNK_en.pdf

³ KBC IFIMA S.A.'s “KBC IFIMA S.A. Annual accounts as at 31 December 2016 and independent auditor's report” is available at https://www.kbc.com/en/system/files/doc/other/2016_FY_Ilima.pdf

*Audited non-consolidated annual financial statements of the Issuer for the financial year ended 31 December 2016 (Luxembourg GAAP)**

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(b) "Annual Report of the Guarantor for the Financial Year ended 31 December 2016

*Audited consolidated annual financial statements of the Guarantor and its consolidated subsidiaries for the financial year ended 31 December 2016**

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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.

5) Significant or Material Change

The sub-section Significant or Material Change on page 386 of the Wholesale 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 31 December 2016; and

(b) no material adverse change in the prospects of the Issuer, the Guarantor or the KBC Bank Group since 31 December 2016."

II. General

Save as disclosed in this Supplement N°2, there has been no significant new factor, material mistake or inaccuracy since 15 September 2016, the date of the publication of the Supplement N°1.

Copies of this Supplement N°2 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.com⁴ website.

⁴ <https://www.kbc.com/en/kbc-ifima>

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 Wholesale Base Prospectus, the statements in (a) above will prevail.

17 May 2017