

**BASE PROSPECTUS SUPPLEMENT N°2**  
dated 27 September 2018



**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°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 2018 as supplemented by the supplement dated 12 September 2018 (the “**Supplement N°1**”) (together 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°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](http://www.bourse.lu)) and on the [www.kbc.com](http://www.kbc.com)<sup>1</sup> 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. Summary of the Base Prospectus**

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

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<sup>1</sup> <https://www.kbc.com/en/kbc-ifima>

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 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 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	4,088,813,841	2,335,419,177	2,767,718,177	2,292,238,426

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	
EGM		10,421,347	-8,849,110	
Other advance		-18,013.00	1,165.00	
Change in other assets and liabilities		-110,492	-6,017	
Taxes (paid)/received		678,025	-948,320	
Tax provision		515,884	-1,183,383	
<b>Net cash flow from operational activities</b>		<b>10,399,158</b>	<b>-11,862,157</b>	
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	
<b>Net cash flow from investment activities</b>		<b>2,644,687,497</b>	<b>1,835,142,585</b>	
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
	<b>Net cash flow from financing activities</b>	<b>-2,654,618,448</b>	<b>-1,825,192,080</b>
	<b>Net cash flow</b>	<b>468,208</b>	<b>-1,911,650</b>
	Cash balance as at 1 January	6,471,842	6,940,049
	Cash balance as at 31 December	6,940,050	5,028,400
	<b>Net cash flow</b>	<b>468,208</b>	<b>-1,911,650</b>
	<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.		
	<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.		

## II. General

Save as disclosed in this Supplement N°2, 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°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](http://www.bourse.lu) and (iii) on the [www.kbc.com](http://www.kbc.com)<sup>2</sup> website.

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 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°2 was published, have the right to withdraw their acceptances within two working days after the publication of this Supplement N°2, namely up to and including 2 October 2018.

27 September 2018

KBC IFIMA SA  
S. GOCKEL  
Director

Authorized signatory  
on behalf of KBC IFIMA S.A.

KBC IFIMA SA  
I. BAUWENS  
Director

Authorized signatory  
on behalf of KBC IFIMA S.A.

<sup>2</sup> <https://www.kbc.com/en/kbc-ifima>