http://www.oblible.com

MIFID II product governance / Retail investors, professional investors and ECPs target market – Solely for the purposes of the 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, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); EITHER and (ii) all channels for distribution of the Notes are appropriate, including investment advice, portfolio management, non-advised sales and pure execution services OR (ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate – investment advice, / and non-advised sales and pure execution services, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer's 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 manufacturer's target market assessment) and determining appropriate distribution channels, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable.

FINAL TERMS

3 December 2018

KBC IFIMA S.A.

(a public limited liability company (société anonyme) incorporated under the laws of the Grand Duchy of Luxembourg, having its registered office at 4 rue du Fort Wallis, L-2714 Luxembourg and registered with the RCS Luxembourg under number B 193577)

Issue of USD 1,000,000 up to USD 100,000,000 of 3 year KBC IFIMA S.A. (LUX.) Fixed Rate Note in USD

Public offer

Principal protected

Guaranteed by KBC Bank NV
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 (the "Conditions") set forth in the base prospectus dated 21 June 2018, as supplemented by a supplement dated 12 September 2018 and a supplement dated 27 September 2018, together the "**Base Prospectus**", which constitutes a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**") and must be read in conjunction with the Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of a combination of these Final Terms and the Base Prospectus. A summary of the issue of the Notes (which comprises the summary in the Base Prospectus as amended to reflect the provision of these Final Terms) is annexed to these Final Terms. The Base Prospectus is available on the website of the Luxembourg Stock Exchange at www.bourse.lu and the website of the Issuer at www.kbc.com and copies may be obtained during normal business hours at the registered office of the

http://www.oblible.com

Issuer. A copy of the Final Terms will be available on the website of the Luxembourg Stock Exchange at www.bourse.lu and on the website of the Issuer at www.kbc.com.

GENERAL DESCRIPTION OF THE NOTES

1	(i)	Series Number:	R00160
	(ii)	Tranche Number:	1
	(iii)	Date on which the Notes will be consolidated and form a single Series:	Not Applicable
2	Specified Currency:		US Dollar (**"USD"**)
3	Aggregate Nominal Amount:		
	(i)	Series:	from USD 1,000,000 up to USD 100,000,000
	(ii)	Tranche:	from USD 1,000,000 up to USD 100,000,000
4	Issue Price:		100.75 per cent. of the Aggregate Nominal Amount
5	(i)	Specified Denominations:	USD 2,000
	(ii)	Calculation Amount:	USD 2,000
6	Issue Date:		3 January 2019
7	(i)	Maturity Date:	3 January 2022
	(ii)	Business Day Convention for Maturity Date:	Modified Following Business Day Convention
	(iii)	Additional Business Centre(s):	Target2 (Trans-European Automated Real-Time Gross Settlement Express Transfer System)
8	Interest Basis:		Fixed Rate Notes
9	Redemption/Payment Basis:		Fixed Redemption Notes
10	Issuer Call:		Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11	**Fixed Rate Notes**		Applicable
	(i)	Rate of Interest:	3.10 per cent. per annum Payable annually in arrear
	(ii)	Interest Commencement Date:	3 January 2019
	(iii)	Interest Period End Date(s):	3 January in each year, starting on 3 January 2020, up to and including the Maturity Date
	(iv)	Business Day Convention for Interest Period End Dates:	Not Applicable
	(v)	Interest Payment Date(s):	3 January in each year, starting on 3 January 2020, up to and including the Maturity Date

	(vi) Business Day Convention for Interest Payment Dates:	Modified Following Business Day Convention
	(vii) Additional Business Centre(s):	Target2 (Trans-European Automated Real-Time Gross Settlement Express Transfer System)
	(viii) Fixed Day Count Fraction:	30/360 (without adjustment of the Interest Period)
	(ix) Determination Date(s):	Not Applicable
12	**Floating Rate Notes**	Not Applicable
13	**Range Accrual Notes**	Not Applicable
14	**Zero Coupon Notes**	Not Applicable
15	**Index Linked Interest Notes**	Not Applicable
16	**Equity Linked Interest Notes**	Not Applicable
17	**Inflation Linked Interest Notes**	Not Applicable
18	**Currency Linked Interest Notes**	Not Applicable
19	**Additional Disruption Events**	Not Applicable
20	**Alternative Currency Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21	**Issuer Call**	Not Applicable
22	**Autocall Early Redemption**	Not Applicable
23	**Final Redemption Amount:**	Redemption will be at par
24	**Early Redemption Amount:**	
	Early Redemption Amount payable on redemption for taxation reasons or on an illegality (or, in the case of Floating Rate Notes, following a cessation of the Reference Rate or, in the case of Index Linked Notes, following an Index Adjustment Event in accordance with Condition 6*(b)*(ii)(b) or, in the case of Equity Linked Notes, following a De-listing and/or Merger Event and/or Nationalisation and/or Insolvency and/or Tender Offer in accordance with Condition 7*(b)*(ii)(b) or, in the case of Inflation Linked Notes, following an Inflation Index Cancellation pursuant to a Cessation of Publication in accordance with Condition 8 or, in the case of Currency Linked Notes, following a Currency Disruption Event, in	– Fixed Early Redemption Amount: Not Applicable – Fixed Early Redemption Percentage: Not Applicable – Including Interest: Not Applicable

	accordance with Condition 9*(b)*(i)(D)) or following an Additional Disruption Event (if applicable) or, following a Scheduled Payment Currency Disruption Event:	
25	**Index Linked Redemption Notes:**	Not Applicable
26	**Equity Linked Redemption Notes**	Not Applicable
27	**Currency Linked Redemption Notes**	Not Applicable
28	**Credit Linked Notes:**	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE NOTES

29	**Form of Notes:**	
	(i) Form:	Temporary Global Senior Prefered Note exchangeable for a Permanent Global Senior Prefered Note which is exchangeable for definitive Notes only upon an Exchange Event
	(ii) New Global Note:	No
30	**Calculation Agent responsible for calculating the Rate of Interest and Interest Amount and for making calculations pursuant to the Conditions**	KBC Bank NV, Havenlaan 2, B-1080 Brussels, Belgium
31	**Additional Financial Centre(s) and/or other elections relating to Payment Days:**	Not Applicable
32	**Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):**	No

DISTRIBUTION

33	(i) **Method of distribution:**	Non-syndicated
	(ii) **If syndicated:**	
	a) **Names and addresses of Managers:**	Not Applicable
	b) **Date of Subscription Agreement:**	Not Applicable
	c) **Stabilisation Manager(s), if any:**	Not Applicable
34	**If non-syndicated, name of relevant Dealer:**	KBC Bank NV, Havenlaan 2, B-1080 Brussels, Belgium

35	**Total commission and concession:**	0.75 per cent. of the Aggregate Nominal Amount Distribution fee of 0.25 per cent. per year and up to 0.75 per cent per year of other running charges
36	**U.S. Selling Restrictions:**	Reg. S Compliance Category 2; TEFRA D
37	**Prohibition of sales to EEA retail investors:**	Not Applicable
38	**Prohibition of sales to consumers in Belgium:**	Not Applicable
39	**Additional selling restrictions:**	Not Applicable
40	**Public Offer Consent:**	An offer of the Notes may be made by KBC Bank NV, as dealer, and CBC Banque SA, whose registered office is Avenue Albert 1er 60, 5000 Namur, Belgium and KBC Bank NV - Bolero, whose registered office is Havenlaan 2, 1080 Brussels (the "**Initial Authorised Offerors**") other than pursuant to Article 3(2) of the Prospectus Directive in Belgium (the "**Public Offer Jurisdictions**") during the period from (and including) 3 December 2018 to (and including) (and including) 21 December 2018 ("**Offer Period**").
41	**Consent:**	Not Applicable
42	**Other conditions to consent:**	Not Applicable

THIRD PARTY INFORMATION

The brief explanation on the meanings of the ratings in paragraph 2 of Part B of these Final Terms (the "**Reference Information**") has been extracted from www.standardandpoors.com, www.moodys.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: _____ KBC IFIMA SA
Duly authorised F. BOUDABZA
Director

By: _____ KBC IFIMA SA
Duly authorised S. GOCKEL
Director

Signed on behalf of the Guarantor:

By: _____

Duly authorised

Danny Swinnen
Chief Dealer
Financial Markets

Tine Procureur
Head Liegal Department
Markets & Finance

By: _____

Duly authorised

PART B - OTHER INFORMATION

1. ADMISSION TO TRADING:

Admission to trading:	Not applicable.

2. RATINGS:

The Notes to be issued have not been rated. The rating of the Guarantor is:

Standard & Poor's Credit Market Services Italy Srl.: A+ (stable outlook)

Moody's France S.A.S.: Aa3 (positive outlook)

Fitch France S.A.S.: A+ (stable outlook)

Brief explanation on the meaning of the rating

(source: www.standardandpoors.com; www.moodys.com and www.fitchratings.com)

Standard & Poor's Credit Market Services Italy Srl. ("S&P"): A. An Obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories.

Moody's France S.A.S. ("Moody's"): Aa3. Obligations rated 'A' are judged to be of upper-medium grade, subject to low credit risk, but that have elements present that suggest a susceptibility to impairment over the long term. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. 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 France S.A.S. ("Fitch"): A+: High Credit Quality: "A" ratings denote expectations of low default risk. 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. "+" or "-" may be appended to a rating to indicate the relative position of a credit within the rating category. Such suffixes are not added to ratings in the 'AAA' category or to ratings below the 'B' category.

S&P, Moody's and Fitch are established in the European Union and is registered under Regulation (EC) No. 1060/2009 and listed on the "List of Registered and Certified CRA's" as published by

ESMA in accordance with Article 18(3) of such Regulation.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE:

Save for any fees payable to the Initial Authorised Offerors, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer. The Initial Authorised Offerors and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and the Guarantor and their affiliates in the ordinary course of business.

4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES:

(i)	Reasons for the offer:	The net proceeds from the issue of Notes will be applied by the Issuer to assist the financing of the activities of the Guarantor or its affiliates to the extent permitted by applicable law.
(ii)	Estimated net proceeds:	From USD 1,000,000 up to USD 100,000,000 depending on the results of the offer.
(iii)	Estimated total expenses:	None

5. YIELD:

Indication of yield:

(i)	Gross yield:	2.84 per cent. gross per annum The gross yield is calculated (i) on the basis of the assumption that the Noteholders hold the Notes from the Issue Date until the Scheduled Maturity Date and that all payments are effectuated in USD and (ii) on the basis of the Issue Price, the Rate of Interest, the Final Redemption Amount, the original tenor of the Notes and without taking into account any tax deduction. The gross yield is not an indication of future yield unless the Notes are held until the Scheduled Maturity Date.
(ii)	Net yield:	1.91 per cent. per annum The net yield is calculated (i) on the basis of the assumption that the Noteholders hold the Notes from the Issue Date until the Scheduled Maturity Date and that all payments are effectuated in USD and (ii) on the basis of the Issue Price, the Rate of Interest, the Final Redemption Amount, the original tenor of the Notes and after deduction of withholding tax (currently 30.00%). The net yield is not an indication of future yield unless the Notes

	are held until the Scheduled Maturity Date.
Maximum yield:	Not Applicable
Minimum yield:	Not Applicable

6. **HISTORIC INTEREST RATES:** (*Floating Rate Notes only*)

Not Applicable

7. **PERFORMANCE OF INDEX, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE INDEX:** (*Index-Linked Notes only*)

Not Applicable

8. **PERFORMANCE OF THE UNDERLYING EQUITY/BASKET OF UNDERLYING EQUITIES, AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING EQUITY/BASKET OF UNDERLYING EQUITIES** (*Equity Linked Notes only*)

Not Applicable

9. **PERFORMANCE OF INFLATION AND OTHER INFORMATION CONCERNING INFLATION INDEX** (*Inflation Linked Notes only*)

Not Applicable

10. **INFORMATION IN RELATION TO THE REFERENCE ENTITY AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE REFERENCE ENTITY** *(Credit Linked Notes only*)

Not Applicable

11. **TERMS AND CONDITIONS OF THE OFFER:**

Offer Price:	Issue Price
Conditions to which the offer is subject:	A public offer of the Notes may only be made by the Initial Authorised Offerors to the public in the Public Offer Jurisdictions. The offer is subject to the conditions set out in this Paragraph 11 (Terms and Conditions of the Offer).
Description of the application process:	The Notes may be offered by the Initial Authorised Offerors other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdictions during the Offer Period. The Offer Period may be early terminated prior to the Scheduled Offer Period End Date either (i) at the time and date when the Dealer announces that the total of the subscriptions for the Notes equals USD 100,000,000 in the Aggregate Nominal Amount, or (ii) at any such earlier date as the Issuer may decide. In the event the offer is terminated earlier than the Scheduled Offer Period End Date, notice of such event will be given via the website www.kbc.be and on the Luxembourg Stock Exchange website www .bourse.lu.

http://www.oblible.com

	In the event that, at the end of the Offer Period, the total of the subscriptions for the Notes is less than USD 1,000,000 the Issuer may cancel the offer and the issue of the Notes, in which case, notice will be given via the website and on the Luxembourg Stock Exchange website www.bourse.lu and any refund of amounts paid by such investor shall be made in accordance with the refund rules and procedures of the relevant Initial Authorised Offeror. To participate in the offer of the Notes, each prospective investor should contact an Initial Authorised Offeror through its usual contacts. Investors will not be required to enter into any contractual arrangements directly with the Issuer in order to subscribe for or purchase the Notes.
Details of the minimum and/or maximum amount of application:	Not Applicable
Description of possibility to reduce: subscriptions and manner for refunding excess amount paid by applicants	Not Applicable
Details of the method and time limits for paying up and delivering the Notes:	The Notes will be issued on or around the Issue Date against payment to the Issuer of the net subscription moneys through the Dealer. The date of delivery of the Notes to the investors' respective book-entry securities accounts will vary depending on the period during which the offer of the Notes is accepted by the relevant investor. The Issuer estimates that the Notes will be delivered on or around the date specified for the relevant period under the heading "Settlement Date" as specified in the table under "Offer Price" above.
Manner in and date on which results of the offer and the Additional Settlement Date(s) (if relevant) are to be made public:	The exact Aggregate Nominal Amount of Notes to be issued will be determined by the Issuer, taking into account the prevailing market conditions and demand for the Notes and will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu at the end of the Offer Period.
Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
Whether tranche(s) have been reserved for certain countries:	Not Applicable

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	In case of oversubscription (i.e. aggregate subscriptions for the Notes exceeding USD 100,000,000), the subscription of each investor shall be reduced proportionally by the relevant Initial Authorised Offeror (within the allocation of Notes to such Initial Authorised Offeror) in multiples of USD 2,000 in accordance ,with the allocation rules and procedures of such Initial Authorised Offeror. As soon as practicable after the end of the Offer Period, investors will be notified of their allocation of Notes by the relevant Initial Authorised Offeror, only if they will not be allocated 100.00 per cent. of the Notes for which they have subscribed. Dealings in the Notes may not begin before notification is made to all investors.
Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	A distribution fee of 0.75 per cent. per Specified Denomination is included in the Issue Price. A foreign exchange rate commission (which is usually 1.00 per cent. of the foreign exchange rate applied on the relevant payment date) could be charged to the investors. Depending on the arrangements between the investors and the branch of the respective Initial Authorised Offeror, a deviation from this foreign exchange rate commission could be possible. For details of taxes applicable to investors, see the section entitled "Belgium" under "Taxation" in the Base Prospectus. The Issuer is not aware of any other expenses and/or taxes charged to the investor relating to the Notes. Investors should ascertain from the relevant Initial Authorised Offeror whether there are any other expenses and/or taxes relating to the subscription for the Notes.
Name(s) and addresses, to the extent known to the Issuer, of the placers in the various countries where the offer takes place:	The financial intermediaries identified in or in the manner specified in paragraph 40 (Public Offer Consent) KBC Bank NV Havenlaan 2, B-1080 Brussels, Belgium KBC Bank NV - Bolero Havenlaan 2, B-1080 Brussels, Belgium CBC Banque SA Avenue Albert 1er 60, B-5000 Namur, Belgium

12. OPERATIONAL INFORMATION:

(i)	ISIN:	XS1916277681
(ii)	Common Code:	191627768

(iii)	Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s):	Not Applicable
(iv)	Delivery:	Delivery against payment
(v)	Agent:	Banque Internationale à Luxembourg S.A
(vi)	Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
(vii)	Intended to be held in a manner which would allow Eurosystem eligibility:	No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

ANNEX
SUMMARY OF THE NOTES

SUMMARY OF THE BASE PROSPECTUS

Summaries are made up of disclosure requirements known as "**Elements**". These Elements are numbered in Sections A – E (A.1 – E.7). This Summary contains all the Elements required to be included in a summary for the type of Notes and the Issuer and the Guarantor in relation to Notes with a denomination of less than EUR 100,000 (or its equivalent in any other currency). Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the Summary because of the type of Notes, the Issuer and the Guarantor, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element should be included in the summary with the mention of "not applicable".

Section A - Introduction and warnings		
A.1	Introduction and warnings	This summary should be read as an introduction to the base prospectus dated 21 June 2018 as supplemented from time to time (the "**Base Prospectus**"). Any decision to invest in the Notes should be based on consideration of the Base Prospectus as a whole by the investor. Where a claim relating to the information contained in the Base Prospectus is brought before a court in a Member State, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the Summary, including any translation thereof, but only if the Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus or it does not provide, when read together with the other parts of the Base Prospectus, key information in order to aid investors when considering whether to invest in such Notes.
A.2	Consent to use the Base Prospectus for subsequent resale or final placement by financial intermediaries and conditions attached to such consent	Consent: Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with a Public Offer of Non-Exempt PD Notes (as defined below) by KBC Bank NV (the "**Dealer**") and CBC Banque SA and each financial intermediary whose name is published on the Issuer's website (www.kbc.com), and identified as Authorised Offeror in respect of the relevant Public Offer. A "**Public Offer**" of Non-Exempt PD Notes is an offer of Notes (other than pursuant to Article 3(2) of Directive 2003/71/EC as amended (the "**Prospectus Directive**") in Belgium (the "**Public Offer Jurisdictions**") during the Offer Period specified below. Those persons to whom the Issuer gives its consent in accordance with the foregoing provisions are the "**Authorised Offerors**" for such Public Offer. "**Non-Exempt PD Notes**" are any Notes which are offered to the public in the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive and have a denomination of less than EUR 100,000 (or its equivalent in any other currency). Offer Period: The Issuer's consent referred to above is given for Public Offers of Non-Exempt PD Notes during the period from 3 December 2018 to 21 December 2018 (the "**Offer Period**"). Conditions to consent: The conditions to the Issuer's consent (in addition to the conditions referred to above) are such that consent (a) is only valid in respect of the relevant Tranche of Non-Exempt PD Notes; (b) is only valid during the Offer Period; and (c) only extends to the use of this Base Prospectus to make Public Offers of the relevant Tranche of Non-Exempt PD Notes in Belgium.

Section A - Introduction and warnings		
		An investor intending to acquire or acquiring any Non-Exempt PD Notes from an Authorised Offeror will do so, and offers and sales of such Non-Exempt PD Notes to an investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such investor including as to price allocations and settlement arrangements (the "Terms and Conditions of the Public Offer"). The Issuer will not be a party to any such arrangements (other than dealers) with investors in connection with the offer or sale of Non-Exempt PD Notes and, accordingly, the Base Prospectus and any Final Terms will not contain such information. The Terms and Conditions of the Public Offer shall be provided to investors by that Authorised Offeror at the time of the Public Offer. None of the Issuer, the Guarantor or any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.

Section B - Issuer and Guarantor		
B.1	Legal and commercial name of the Issuer	KBC IFIMA S.A.
B.2	Domicile/ legal form/ legislation/ country of incorporation	The Issuer, having its registered office at 4 rue du Fort Wallis, L-2714, Luxembourg, is incorporated in the Grand Duchy of Luxembourg as a limited liability company (*société anonyme*) under the laws of the Grand Duchy of Luxembourg and registered with the Luxembourg Register of Commerce and Companies (under number B 193577).
B.4b	Trend information	Not applicable; there are no trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Issuer's prospects.
B.5	Description of the group and the position of the Issuer within the group	The KBC group consists of the KBC Group NV (the holding company) and its wholly owned subsidiaries KBC Bank NV and KBC Insurance NV (the "**Group**"). KBC IFIMA S.A. is a wholly-owned subsidiary of KBC Bank NV (the "**Guarantor**"). The Guarantor and KBC Insurance NV each have a number of subsidiaries. KBC Bank NV and its subsidiaries (the "**KBC Bank Group**") is a multi-channel bank that caters primarily to private persons, small and medium-sized enterprises and midcaps. Besides its banking activity KBC Bank Group also has a holding function for a wide range of group companies, mainly banking and other financial entities in Central and Eastern Europe and in other selected countries, such as Ireland. The Issuer acts as a financing vehicle within KBC Bank Group.
B.9	Profit forecast or estimate	Not applicable; the Issuer does not make profit forecasts or estimates.
B.10	Audit report qualifications	Not applicable; there are no qualifications in the audit reports on the Issuer's audited financial statements for the years ended 31 December 2016 and 31 December 2017.
B.12	Selected historical key	*Selected historical key information:*

Section B - Issuer and Guarantor		
	financial information / Material adverse change / Significant change in the financial or trading position:	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"). ***Income Statement***

	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

Statement of Financial Position

	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

Section B - Issuer and Guarantor						
		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

Cash flow statement

	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
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**

Section B - Issuer and Guarantor		
		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** *Material adverse change:* There has been no material adverse change in the prospects of the Issuer or KBC Bank Group since 31 December 2017. *Significant change in financial or trading position:* 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.
B.13	Events impacting the Issuer's solvency	Not applicable; there have not been any recent events relevant to the evaluation of the Issuer's solvency since 31 December 2017.
B.14	Dependence upon other group entities	The Issuer is dependent on the Guarantor and other members of KBC Bank Group servicing debt on-lent by the Issuer as described in Element B.15 below. Please also refer to Element B.5.
B.15	Principal activities	The principal activity of the Issuer is to assist in the financing of the Guarantor, its subsidiaries and associated companies by raising debt to be on-lent to the Guarantor and the other members of KBC Bank Group.
B.16	Controlling shareholders	KBC Bank NV holds 100 per cent. of the share capital of the Issuer. As KBC Bank NV is a wholly-owned subsidiary of KBC Group NV, the Issuer is indirectly controlled by KBC Group NV and ultimately by the shareholders of KBC Group NV. KBC Group NV's shares are listed on Euronext Brussels. At the date of the Base Prospectus and based on the notifications made in accordance with the Belgian law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, the major shareholders of KBC Group NV are KBC Ancora, Cera, MRBB and the other core shareholders.
B.17	Solicited credit ratings	*Rating of the Issuer*: Not Applicable. The Issuer is not rated by any credit rating agency. *Rating of the Notes*: Not Applicable. The Notes are not rated.
B.18	Description of the Guarantee	The Notes will be unconditionally and irrevocably guaranteed by the Guarantor pursuant to the deed of guarantee dated 21 June 2017, as amended and/or restated from time to time (the "**Guarantee**"). Claims in respect of the Guarantee constitute direct, unconditional,

Section B - Issuer and Guarantor		
		unsecured and unsubordinated obligations of the Guarantor and rank and will rank *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantor, without any preference among themselves and *pari passu* without any preference one above the other by reason of priority of date of issue, currency of payment or otherwise, except for obligations given priority by law.
B.19	Information about the Guarantor	
B.19/B.1	Legal and commercial name of the Guarantor	KBC Bank NV
B.19/B.2	Domicile/ legal form/ legislation/ country of incorporation	The Guarantor, having its registered office at Havenlaan 2, B-1080 Brussels, is established in Belgium as a bank and operates under the laws of Belgium.
B.19/ B.4b	Trend information	The main sources for this section are the European Banking Authority, the European Central Bank (the "ECB") and the European Commission. **Banking sector** After ongoing recapitalisation in the aftermath of the Euro crisis, banks in the Eurozone continued to strengthen their balance sheet, closely monitored by the European Single Supervisor. At the same time, they adjusted their business models to the evolving regulatory and challenging operating environment. While overall progress is significant, the results remain uneven across institutions and countries, with Italian and Portuguese banks still facing the toughest challenges. On the other hand, the asset quality of banks in core countries such as Belgium withstood the recent crises years remarkably well and continue to be very good. The Czech and Slovakian banking systems are also characterised by good asset quality, while in Hungary and Bulgaria high non-performing loans are coming down. Loan growth in the Euro area, particularly corporate loan growth, is strengthening, but remains low compared to pre-crisis levels. Looking forward,. enhanced economic governance and the banking union, which still needs to be completed, significantly strengthened the Eurozone architecture and offer a more stable banking sector environment than in the pre-crisis years. Amids a benign macroeconomic environment – despite significant emerging risks – profitability continues to improve, but significant challenges remain to enhance cost efficiency in a competitive environment and to withstand ongoing pressure on revenue growth. At the same time new technologies trigger new challenges to business models. Banks with a large customer and diversified income base are likely best suited to cope with these challenges. **General economic environment and risks** Global sentiment indicators have continued their downward trajectory lately. Both the services and manufacturing sectors - the latter of which is strongly related to global trade developments - saw notable drops in sentiment after posting very strong figures at the

Section B - Issuer and Guarantor		
		beginning of 2018. Although these leading confidence indicators are still at solid levels and currently indicate economic expansion, the synchronised drop suggests that the period of global growth acceleration is moving towards a late-cyclical phase. This comes during a period of heightened nervousness and volatility due to rising protectionist pressures and the trade dispute between China and the US. Business surveys in the euro area dropped markedly in recent months, with economic expectations becoming notably less favourable (although remaining at high levels), and thus hinting at an end to the period of growth acceleration. Firms active in the tradable goods sector expressed concerns about the proposed import tariffs in the US-China conflict while some activity indicators suggest that euro area economic growth is about to shift into a lower gear. Similar to the US, favourable labour market developments together with high consumer confidence will continue to support domestic demand as a growth driver. Recently tensions on the international trade stage have built significantly. In the run-up to November's mid-term elections, the Trump administration has hardened its trade stance, especially against China, in the context of the persistently increasing bilateral trade deficit. This bilateral trade dispute could potentially have a substantially negative impact on the global economy. Initially, American and Chinese growth prospects could be negatively affected. But eventually, the global economic outlook is likely to be hit due to international spillovers. If the trade conflict escalates to other regions, notably the EU, the potential economic damage might even be larger. At this moment, however, we consider this a downside risk to our scenario, and not our main projection. In the meantime, inflation in the euro area remains very moderate. For example, in March 2018, core inflation, which measures underlying price pressures by excluding energy and food prices, remained flat at a subdued 1.0%. Inflation expectations dropped again, which contributed to the fall in long-term government bond yields. Mixed macro-economic results together with the lack of a convincing and sustainable upward trend of inflation towards the ECB's target of below, but close to, 2% over the medium term supports the ECB strategy of being patient and persistent regarding the end of their monetary stimulus. Therefore, we expect the ECB to continue its Asset Purchase Programme (APP) at least until September 2018 with a period of tapering thereafter. The first step towards a policy rate normalisation will only be taken well after the end of the APP, i.e. at the earliest in the second half 2019. As widely anticipated, the Federal Reserve raised its policy rate by 25 basis points at Powell's inaugural meeting as Fed chairman in March 2018. Based on the current growth and inflation dynamics together with some extra fiscal stimulus, we still expect the Fed to raise its policy rate twice in the remainder of 2018 and twice in 2019 as well.
B.19/B.5	Description of the group and the position of the Guarantor within the group	See Element B.5 above.
B.19/B.9	Profit forecast or estimate	Not applicable; the Guarantor does not make profit forecasts or estimates.
B.19/B.10	Audit report qualifications	Not applicable; there are no qualifications in the audit reports on the Guarantor's audited financial statements for the years ended 31 December 2016 and 31 December 2017.

Section B - Issuer and Guarantor		
B.19/ B.12	Selected historical key financial information / Material adverse change / Significant change in the financial or trading position:	*Selected historical key financial information:* 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: ***Income Statement***

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

Statement of Financial Position

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	13,344	13,115

Material adverse change:
There has been no material adverse change in the prospects of the Guarantor or KBC Bank Group since 31 December 2017.

Significant change in the financial or trading position:
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.

Section B - Issuer and Guarantor		
B.19/ B.13	Events impacting the Guarantor's solvency	On 31 December 2017, total equity came to 15.7 billion euros. This figure included 14.1 billion euros in parent shareholders' equity, 1.4 billion euros in additional tier-1 instruments and 0.2 billion euros in minority interests. Total equity rose by 1.5 billion euros in 2017, with the most important components in this respect being the inclusion of the annual profit (+2 billion euros, excluding minority interests), the payment of a dividend to KBC Group (-0.5 billion euros) and the remeasurement of defined benefit plans (+0.1 billion euros). Solvency position remained strong as a result, with a common equity ratio of 14.5% (fully loaded).
B.19/ B.14	Dependence upon other Group entities	The Guarantor, as full subsidiary of KBC Group NV, has, besides its banking activity, also a holding function for a wide range of group companies, mainly banking and other financial entities in Central and Eastern Europe and in other selected countries, such as Ireland. In its capacity of holding company, the Guarantor is affected by the cash flows from dividends received from these group companies. The Guarantor also functions as funding provider for a number of these group companies. Please also refer to Element B19/B.5.
B.19/ B.15	Principal activities	KBC Bank Group is a multi-channel bank catering mainly for retail, private banking, small and medium-sized enterprises and mid-cap clients. Geographically, KBC Bank Group focuses on its core markets of Belgium, the Czech Republic, the Slovak Republic, Hungary and Bulgaria. It is also present in Ireland and, to a limited extent, elsewhere in the world, primarily to support corporate clients from its core markets. KBC Bank Group's core business is retail and private bank-insurance (including asset management) in its home markets, though it is also active in services to larger corporations and market activities. Across these markets, KBC Bank Group is active in a large number of products and activities, ranging from the plain vanilla deposit, credit, asset management and insurance businesses (via its sister company, KBC Insurance NV), to specialised activities (which are conducted out of specialised departments at head office or specialised KBC Bank Group companies) such as, but not exclusively, payments services, dealing room activities (money and debt market activities), brokerage and corporate finance, foreign trade finance, international cash management and leasing.
B.19/ B.16	Controlling shareholders	As the Guarantor is a wholly-owned subsidiary of KBC Group NV, it is indirectly controlled by the shareholders of KBC Group NV. KBC Group NV's shares are listed on Euronext Brussels. At the date of the Base Prospectus and based on the notifications made in accordance with the Belgian law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market, the major shareholders of KBC Group NV are KBC Ancora, Cera, MRBB and the other core shareholders.
B.19/ B.17	Solicited credit ratings	*Long-term credit ratings of the Guarantor (as at 30 July 2018):* Fitch A+ (positive outlook) Moody's A1 (stable outlook) Standard and Poor's A+ (stable outlook) *Rating of the Notes*: Not Applicable. The Notes are not rated.

Section C – Securities		
C.1	Type and class of Notes/ISIN	*Type:* The Notes are Fixed Rate Notes and Fixed Redemption Notes due 3 January 2022. *Identification Code:* The Notes will be Series Number R00160 (Tranche Number 1) and will be uniquely identified by the ISIN Code XS1916277681 and Common Code 191627768.
C.2	Currency	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealer(s) at the time of issue. The Notes will be denominated in US Dollar ("**USD**"), any Interest Amounts will be payable in USD and any amount payable on redemption will be in USD.
C.5	Description of restrictions on free transferability of the Notes	Not applicable; the Notes are freely transferable.
C.8	Description of rights attached to the Notes, ranking and including limitations to those rights	The Notes have terms and conditions relating to, among other matters, the following: *Interest/Redemption:* The Notes entitle the holder to the payment (a) of any amount of interest payable in respect of an interest period and an interest basis (the "**Interest Amounts**") as set out in more detail below in Elements C.9 and and (b) on the maturity date of a cash amount (the "**Redemption Amount**") as set out in more detail in Element C.9. *Meetings:* The Notes contain provisions for calling meetings of holders of the Notes to consider matters affecting their interests generally. Defined majorities can bind all holders of Notes and Coupons whether or not such holders voted on the resolution. *Governing law:* The Notes (except the ranking of claims on the Guarantee), the Guarantee (except the status of the Guarantee) and the Coupons are governed by English law. The ranking of claims on the Guarantee and the status of the Guarantee are governed by Belgian law. The provisions of articles 86 to 94-8 of the Luxembourg law of 10 August 1915 on commercial companies, as amended, are excluded. *Status:* The Notes and Coupons (if any) constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer ranking *pari passu* with all present and future unsecured and unsubordinated obligations of the Issuer and *pari passu* among themselves. Claims on the Guarantee on the Notes constitute direct, unconditional, unsecured and unsubordinated obligations of the Guarantor ranking *pari passu* with all present and future unsecured and unsubordinated obligations of the Guarantor and *pari passu* among themselves. *Events of default:* If one or more of the following events occurs and is continuing: (i) default in payment of any principal or any Interest Amounts due in respect of the Notes, continuing for a period of 30 days after the due date; (ii) non-performance or non-observance by the Issuer or the Guarantor of any of their respective other obligations under the Notes or the Guarantee, continuing for a period of 90 days after notice requiring a remedy is given to the Agent by any Noteholder; (iii) events relating to the winding up, insolvency, bankruptcy or similar procedure of the Issuer or the Guarantor (except for a reconstruction or amalgamation where the resulting entity assumes the obligations on the Notes or Guarantee respectively); and (iv) a distress, execution or other process is levied or enforced upon or sued out against all or any material part of

Section C – Securities		
		the property of the Issuer or the Guarantor (subject to certain exceptions), then the Notes will become due and payable upon notice being given by the Noteholder. *Taxation:* Neither the Issuer nor the Guarantor shall be liable for any tax, duty, withholding or other payment which may arise in connection with the Notes and all payments made by the Issuer or the Guarantor shall be made subject to any such tax, duty, withholding or other payment which may be required. "**Tax Jurisdiction**" means (i) any jurisdiction under the laws of which, in respect of payments by the Issuer, the Issuer or, in respect of payments by the Guarantor, the Guarantor, or any successor thereto, is organised or (ii) any jurisdiction in which the Issuer or the Guarantor (as applicable), or any successor thereto, is resident for tax purposes. *Illegality:* The Issuer may early redeem the Notes if the Calculation Agent determines that the Issuer's or Guarantor's obligations under the Notes or Guarantee, as the case may be, has or will become unlawful, illegal, or otherwise prohibited in whole or in part.
C.9	Interest, maturity and redemption provisions, yield and representative of the Noteholders	Please also refer to Element C.8 above. *Interest:* The Notes bear fixed rate interest from the Interest Commencement Date 3 January 2019 at the rate of 3.10% per annum payable annually in arrear on 3 January in each year. The yield for the Notes will be 2.84% per annum (calculated at the Issue Date and before withholding tax) based on the Issue Price, fixed rate of interest, Final Redemption Amount and original tenor of the Notes. This is not an indication of future yield unless the Notes are held until maturity. The Issue Price of the Notes is 100.75%. The Interest Commencement Dates is 3 January 2019 (the "**Issue Date**"). The Interest Payment Date is 3 January in each year starting on 3 January 2020, up to and including the Maturity Date. *Redemption:* The Maturity Date of the Notes is 3 January 2022. Unless redeemed or purchased and cancelled earlier, the Issuer will redeem the Notes on the Maturity Date at 100.00% of their nominal amount. *Representative of holders:* There is no note trustee or other representative of Noteholders.
C.10	Derivative component in the interest payment	Not applicable. There is no derivative component in the interest payment.
C.11	Application for Admission to Trading	There is no listing.
C.15	Description of how the value of your investment is affected by the value of the Underlying Assets	The payments on the Notes are not linked to any Reference Rate or Reference Item.

Section C – Securities		
C.16	Expiration or Maturity Date / Exercise Date or final reference date	Subject to compliance with all relevant laws, regulations and directives, the Maturity Date of the Notes is 3 January 2022.
C.17	Settlement procedure	The Notes will be cash settled on 3 January 2022. The Notes are cleared through Euroclear and Clearstream, Luxembourg.
C.18	Description of return on Securities	The amounts payable as interest or on redemption of the Notes will reflect an investor's return.
C.19	Final reference price of the Underlying Asset	The amount (if any) payable on redemption of the Notes at maturity is not linked to a Maturity Reference Item.
C.20	Type of Underlying Asset / Where information on the underlying asset can be found	The amounts (if any) payable as Interest Amounts or on redemption of the Notes are not linked to a Reference Item.

Section D – Risks		
D.2	Key risks regarding the Issuer and the Guarantor	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Notes. The principal risks in respect of the Issuer include, without limitation, the following: (i) the Issuer is a finance vehicle and accordingly has no trading assets and, if the Guarantor's financial condition deteriorates, the Issuer and investors may suffer direct and materially adverse consequences, (ii) current economic and market conditions pose significant challenges for KBC Bank Group and may adversely affect its results, (iii) increased regulation of the financial services industry, (iv) the highly competitive environment in which KBC Bank Group operates could intensify further, (v) KBC Bank Group has significant credit default risk exposure, (vi) risks associated with liquidity and funding may be aggravated by the current global market conditions, (vii) KBC Bank Group is exposed to counterparty credit risk, (viii) changes in interest rates, (ix) foreign exchange risk, (x) strategies for hedging against market risks may prove to be ineffective, (xi) a downgrade in credit rating may limit access to certain markets and counterparties and may necessitate the posting of additional collateral to counterparties or exchanges, (xii) risk management policies, procedures and methods may expose KBC Bank Group to unidentified or unanticipated or incorrectly quantified risks, (xiii) operational risks, (xiv) the financial industry, including KBC Bank Group, is increasingly dependent on information technology systems, which may fail, be inadequate or no longer available, (xv) KBC Bank Group's financial statements are in part based on assumptions and estimates which, if inaccurate, could have an impact on its reported results or financial position, (xvi) the risk of breaches of compliance-related requirements, (xvii) litigation

Section D – Risks		
		or other proceedings or actions may adversely affect KBC Bank Group, (xviii) risks on account of pension obligations, (xix) KBC Bank Group is responsible for contributing to compensation schemes and subject to special bank taxes, (xx) KBC Bank Group is subject to increasingly onerous minimum regulatory capital and liquidity requirements, (xxi) KBC Bank Group could become subject to the exercise of "bail-in" powers or other resolution powers by the Resolution Authority, (xxii) the Belgian bank recovery and resolution regime, and (xxiii) KBC Bank Group is highly concentrated in and hence vulnerable to European sovereign exposure, in particular in its home country Belgium.
D.3	Key risks regarding the Notes	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: (a) The Notes may not be a suitable investment for all investors and involve a high degree of risk. (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 authorities. (c) The Notes are 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. Prospective investors in the Notes should note that, in certain circumstances, they may not receive any interest. (d) Risks associated with investing in the Notes include, without limitation, (i) cancellation or scaling back of offers to the public or the issue date being deferred, (ii) conflicts of interest between the Issuer and/or any of its affiliates and holders of Notes, (iii) modification of the terms and conditions of Notes by majority votes binding all holders, (iv) change in law, (v) illiquidity of denominations consisting of integral multiples, (vi) payments being subject to withholding or other taxes, (vii) fees and commissions not being taken into account when determining secondary market prices of Notes, (viii) there being no secondary market, (ix) exchange rate risk (x) market value of Notes being affected by various factors independent of the creditworthiness of the Issuer or the Guarantor; and (xi) credit ratings not reflecting all risks. 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).
D.6	Risk warning that investors may lose value of entire investment	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: (a) The Notes may not be a suitable investment for all investors and involve a high degree of risk. (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.

Section D – Risks		
		(c) The Notes are 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. (d) Risks associated with investing in the Notes include, without limitation, (i) postponement of interest payments, (ii) cancellation or scaling back of offers to the public or the issue date being deferred, (iii) hedging activities of the Issuer and/or any of its affiliates, (iv) conflicts of interest between the Issuer and/or any of its affiliates and holders of Notes,(v) modification of the terms and conditions of Notes by majority votes binding all holders, (vi) change in law, (vii) payments being subject to withholding or other taxes, (viii) fees and commissions not being taken into account when determining secondary market prices of Notes, (ix) there being no secondary market, (x) exchange rate risk, (xi) market value of Notes being affected by various factors independent of the creditworthiness of the Issuer or the Guarantor and (xii) credit ratings not reflecting all risks. (e) The Notes will be not benefit from a taxation gross up. 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). **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).** Investors may lose up to the entire value of their investment: (a) 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; (b) 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; (c) if the Notes are redeemed early for reasons beyond control of the Issuer (such as e.g. a change of applicable law) and the amount paid or delivered is less than the initial purchase price; or (d) 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.

Section E – Offer		
E.2b	Reasons for the offer and use of proceeds	The net proceeds from the issue of Notes will be applied by the Issuer to assist the financing of the activities of the Guarantor or its affiliates to the extent permitted by applicable law.
E.3		Any Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to an Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangement in place between such

Section E – Offer			
	Terms and conditions of the offer	Authorised Offeror and such Investor including as to price, allocation and settlement arrangements.	
		Offer Price:	100.75%
		Conditions to which the offer is subject:	A public offer of the Notes may only be made by the Authorised Offerors to the public in Belgium(the "**Public Offer Jurisdiction**"). The offer is subject to the conditions set-out below.
		Description of the application process:	The Notes may be offered by the Authorised Offerors other than pursuant to Article 3(2) of the Prospectus Directive in the Public Offer Jurisdiction during the Offer Period. The Offer Period may be early terminated prior to the Scheduled Offer Period End Date (as defined in the Final Terms) either (i) at the time and date when KBC Bank NV announces that the total of the subscriptions for the Notes equals USD 100,000,000 in the Aggregate Nominal Amount, or (ii) at any such earlier date as the Issuer may decide. In the event the offer is terminated earlier than the Scheduled Offer Period End Date, notice of such event will be given via the website www.kbc.be and on the Luxembourg Stock Exchange website www.bourse.lu. In the event that, at the end of the Offer Period, the total of the subscriptions for the Notes is less than USD 1,000,000 the Issuer may cancel the offer and the issue of the Notes, in which case, notice will be given via the website www.kbc.be and on the Luxembourg Stock Exchange website www.bourse.lu and any refund of amounts paid by such investor shall be made in accordance with the refund rules and procedures of the relevant Authorised Offeror. To participate in the offer of the Notes, each prospective investor should contact an Authorised Offeror through its usual contacts. Investors will not be required to enter into any contractual arrangements directly with the Issuer in order to subscribe for or purchase the Notes.

Section E – Offer			
		Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	The applicants have no possibility to reduce their subscriptions. In the case of oversubscription (see below) where an applicant is not allocated 100.00% of the Notes subscribed for, any refund of excess amounts paid by such applicant shall be made in accordance with the respective refund rules and procedures of the relevant Authorised Offeror.
		Details of the minimum and/or maximum amount of application:	Not Applicable
		Details of the method and time limits for paying up and delivering the Notes:	The Notes will be issued on or around the Issue Date against payment to the Issuer of the net subscription moneys through the Dealer.
		Manner in and date on which results of the offer are to be made public:	The exact Aggregate Nominal Amount of Notes to be issued will be determined by the Issuer, taking into account the prevailing market conditions and demand for the Notes and will be published on the website of the Luxembourg Stock Exchange at www.bourse.lu at the end of the Offer Period.
		Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	Not Applicable
		Whether tranche(s) have been reserved for certain countries:	Not Applicable

Section E – Offer			
		Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	In case of oversubscription (i.e aggregate subscriptions for the Notes exceeding USD 100,000,000), the subscription of each investor shall be reduced proportionally by the relevant Authorised Offeror (within the allocation of Notes to such Authorised Offeror) in multiples of USD 2,000 (the "**Specified Denomination**") in accordance with the allocation rules and procedures of such Authorised Offeror. As soon as practicable after the end of the Offer Period, investors will be notified of their allocation of Notes by the relevant Authorised Offeror, only if they will not be allocated 100.00 per cent. of the Notes for which they have subscribed. Dealings in the Notes may not begin before notification is made to all investors.
		Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	A placement fee of 0.75% per Specified Denomination is included in the Issue Price. A foreign exchange rate commission (which is usually 1.00% of the foreign exchange rate applied on the relevant payment date) could be charged to the investors. Depending on the arrangements between the investors and the branch of the respective Authorised Offeror, a deviation from this foreign exchange rate commission could be possible. Certain tax deductions could be applicable under any applicable law. The Issuer is not aware of any other expenses and/or taxes charged to the investor relating to the Notes. Investors should ascertain from the relevant Authorised Offeror whether there are any other expenses and/or taxes relating to the subscription for the Notes.
E.4	Interest of natural and legal persons involved in the issue/offer	The Authorised Offerors will be paid aggregate commissions equal to 0.75% of the aggregate nominal amount of the Notes to be issued. So far as the Issuer is aware, no other person involved in the issue of the Notes has an interest material to the offer.	
E.7	Expenses charged to the investor by the Issuer or an offeror	The estimated expenses charged to the investor by the Issuer or offeror amount to 0.75% of the Aggregate Nominal Amount. A distribution fee of 0.25% per year and up to 0.75% per year of other running charges is charged.	