

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 EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to, any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”) or (ii) a customer within the meaning of Directive 2002/92/EC (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

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 23 January 2019

KBC Group NV

**Issue of EUR 750,000,000 1.125% Senior Notes due 25 January 2024
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 and the supplements to it dated 18 September 2018 and 19 November 2018 which together constitute 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: G00012

	(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 750,000,000
	(i) Series:	EUR 750,000,000
	(ii) Tranche:	EUR 750,000,000
4	Issue Price:	99.850 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:	25 January 2019
	(ii) Interest Commencement Date:	Issue Date
7	Maturity Date:	25 January 2024
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:	1.125 per cent. per annum payable in arrear on each Interest Payment Date
	(ii) Interest Payment Date(s):	25 January in each year from and including 25 January 2020
	(iii) Fixed Coupon Amount:	EUR 1,125 per Calculation Amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction:	Actual/Actual ICMA

	(vi) Determination Dates:	25 January 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 25 January 2019
	(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: **Séverine Ferri**
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 4,450

2 RATINGS

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

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, an 'A-' rating means that the obligations of the Issuer are more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the Issuer's capacity to meet its financial commitments on the obligation is still strong. 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**

Not Applicable

5 **YIELD**

Indication of yield:

- | | | |
|------|----------------|---|
| (i) | Gross yield: | 1.156 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: | BE0002631126 |
| (ii) | Common Code: | 194260431 |
| (iii) | CFI: | DTFNGR |
| (iv) | FISN: | Not Applicable |
| (v) | Any clearing system(s) other than the Securities Settlement System, Euroclear Bank SA/NV and Clearstream Banking, S.A. and the relevant identification number(s): | Not Applicable |
| (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**

(i) Method of distribution Syndicated

(ii) If syndicated:

(A) Names and addresses of Dealers and underwriting commitments/quotas:
BNP Paribas
10 Harewood Avenue
London NW1 6AA
England
Underwriting commitment: EUR 150,000,000

Goldman Sachs International
Peterborough Court
133 Fleet Street
London EC4A 2BB
England
Underwriting commitment: EUR 150,000,000

ING Bank N.V.
Foppingadreef 7
1102 BD Amsterdam
The Netherlands
Underwriting commitment: EUR 150,000,000

KBC Bank NV
Havenlaan 2
1000 Brussels
Belgium
Underwriting commitment: EUR 150,000,000

UBS AG London Branch
5 Broadgate
London EC2M 2QS
England
Underwriting commitment: EUR 150,000,000

(B) Date of Subscription Agreement: 23 January 2019

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|---|---|
| (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 |