

INFORMATION MEMORANDUM

KBC GROUP NV

Issuer



**SINGLE ISSUER GLOBAL MULTICURRENCY
SHORT TERM CERTIFICATE OF DEPOSIT PROGRAMME**

EUR 2,000,000,000

This programme is not rated or guaranteed

Arranger, Issuing and Paying Agent and Dealer

KBC BANK NV



1 June 2016

Potential investors are invited to read this Information Memorandum, and in particular the Terms and Conditions and the selling restrictions, prior to investing.

This Information Memorandum has been prepared in compliance with the STEP requirements laid down in the STEP Market Convention.

Potential investors are invited to read this Information Memorandum, and in particular the Terms and Conditions of the Certificates of Deposit and the Selling Restrictions, prior to investing. Nevertheless, a decision to invest in the Certificates of Deposit should not be made on the sole basis of this document and should only be made (by the potential investor) after a careful analysis of all its features and risks (including the ones on the Issuer), by taking into account its own financial, accounting, and tax situation (and the possible related impacts of purchasing the Certificates of Deposit) and its own objectives, experience, financial and operational resources and other relevant circumstances, and after having obtained all necessary information and advice from professional advisers (including legal, accounting, and tax advisers) if the potential investor estimates such advice is necessary. The potential investor should conduct its own analysis, using such assumptions as it deems appropriate and performing all the checks it would estimate as necessary, and should fully consider other available information, including any risk factor, in order to make an informed assessment of the Certificates of Deposit and of the Issuer and to make an independent determination of the suitability, risks, and consequences of such instrument for the potential investor.

IMPORTANT NOTICE

This information memorandum (together with any supplementary information memorandum and information incorporated herein by reference, the “**Information Memorandum**”) contains summary information provided by the Issuer under which the Issuer may issue at any time short-term Certificates of Deposit in the form of dematerialised certificates of deposit (*certificats de dépôt / depositobewijzen*) pursuant to the Belgian Law of 22 July 1991 (as amended) (the “**Law**”) and the Belgian Royal Decree of 14 October 1991 (as amended) (the “**Royal Decree**”) relating to “*billets de trésorerie et certificats de dépôt / thesauriebewijzen en depositobewijzen*” (the “**Certificates of Deposit**”) up to a maximum aggregate amount of EUR 2.000.000.000 (the “**Programme**”). The Issuer is entitled to issue Certificates of Deposit further to Article 1 §1 second indentation of the Law and this Information Memorandum constitutes a ‘prospectus’ for the purposes of Article 5 of the Law.

Under the Programme, the Issuer may issue Certificates of Deposit outside the United States pursuant to Regulation S (the “**Regulation S**”) of the United States Securities Act of 1933, as amended (the “**Securities Act**”). The Issuer has, pursuant to a dealer agreement dated 1 June 2016 (as amended, supplemented or restated from time to time, the “**Dealer Agreement**”), appointed KBC Bank NV as arranger (the “**Arranger**”) for the Programme and KBC Bank NV as dealer (the “**Dealer**”) for the Certificates of Deposit, and authorised and requested the Dealer to circulate the Information Memorandum in connection with the Programme on its behalf to purchasers or potential purchasers of the Certificates of Deposit.

The Issuer has confirmed to the Arranger and to the Dealer that, in the context of this Programme, the information contained in this Information Memorandum or incorporated by reference, when read in conjunction with the most recently published consolidated annual report and accounts and any subsequent interim statements of the Issuer (copies of which may be obtained from the Issuer on request and are available on the website of the STEP Secretariat), is in all material respects true, accurate and not misleading and that since the date of such press releases, accounts or financial statements, there has been no material adverse change in the financial condition of the Issuer up to the date of this Information Memorandum (or, if applicable, any update thereof or supplement thereto), other than as disclosed in this Information Memorandum or incorporated therein by reference (as updated or supplemented from time to time).

The information contained in the Information Memorandum is not and should not be construed as a recommendation by the Arranger and/or the Dealer or the Issuer that any recipient should purchase Certificates of Deposit. Each such recipient must make and shall be deemed to have made its own independent assessment and investigation of the financial condition, affairs and creditworthiness of the Issuer and of the Programme as it may deem necessary and must base any investment decision upon such independent assessment and investigation and not on the Information Memorandum. The financial information made available to each Noteholder (each a “**Noteholder**”) shall be available on the website www.kbc.com and at the registered address of the Issuer and shall be provided to any Noteholder upon request.

Neither the Arranger nor any Dealer has independently verified the information contained herein. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility or liability is

accepted by the Arranger or a Dealer as to the authenticity, origin, validity, accuracy or completeness of, or any errors in or omissions from, any information or statement contained in the Information Memorandum or any supplement hereto.

The Issuer accepts responsibility for the Information Memorandum and its supplements and updates, if any. In particular, the Issuer will be responsible towards interested parties for losses which may occur as an immediate and direct result of the absence or inaccuracy of any matters that are required to be contained herein pursuant to Article 5 of the Law and pursuant to the provisions of Chapter II, Section 2 of the Royal Decree.

No person is authorised by the Issuer or any Dealer to give any information or to make any representation not contained within the Information Memorandum or any supplement hereto, and if given or made, such information or representation must not be relied upon as having been authorised. Neither the Issuer, the Arranger nor any Dealer, except for the Issuer as required by law, accept any responsibility, express or implied, for updating the Information Memorandum and neither the delivery of the Information Memorandum nor any offer or sale made on the basis of the information in the Information Memorandum shall under any circumstance create any implication that the Information Memorandum is accurate at any time subsequent to the date of the Information Memorandum with respect to the Issuer or that there has been no change in the business, financial condition or affairs of the Issuer since the date of the Information Memorandum.

Neither the Arranger nor the Dealer undertakes to review the business or financial condition or affairs of the Issuer during the life of the Programme, nor undertakes to advise any recipient of the Information Memorandum of any information or change in such information coming to the Arranger's or any Dealer's attention.

The Dealer and the Domiciliary Agent will, in connection with their appointment or under the Certificates of Deposit, act solely for and upon the instructions of the Issuer and will incur no liability for or in respect of any action taken by any of them pursuant to the Law and/or the Royal Decree, nor will they have any obligations towards, or a relationship of agency or trust with, any of the holders or owners of Certificates of Deposit.

Neither the Arranger nor the Dealer accepts any liability in relation to this Information Memorandum or its distribution by any other person. This Information Memorandum does not, and is not intended to, constitute or contain an offer or invitation to any person to purchase Certificates of Deposit, nor may it be used for such purposes. The distribution of this Information Memorandum and the offering for sale of the Certificates of Deposit in certain jurisdictions may be restricted by law. Any persons into whose possession this Information Memorandum or any Certificates of Deposit come are required by the Issuer, the Arranger and any Dealer to inform them of, and to observe any such restrictions. In particular such persons are required to comply with the restrictions on offers or sales of Certificates of Deposit and on distribution of this Information Memorandum and other information in relation to the Certificates of Deposit set out under Selling Restrictions set out in *Schedule 1* hereto.

In the case of any doubt about the content or meaning of the Information Memorandum, the functioning of the Certificates of Deposit or about the risk involved in purchasing the Certificates of Deposit, investors should consult a specialised financial adviser or abstain from investing.

The Issuer is involved in a general business relationship or/and in specific transactions with the Dealer (or/and certain affiliates of the Dealer) and that they might have conflicts of interests which could have an adverse effect to the interests of the Noteholders. The Dealers may hold from time to time debt securities, shares or/and other financial instruments of the Issuer. Within the framework of a normal business relationship with its banks, the Issuer entered or/and may enter into facilities agreement with the Dealer or certain affiliates of the Dealer. Such facilities agreement(s) may include different or additional terms or covenants in favour of the lenders under the facilities agreement compared to the terms of the Certificates of Deposit.

THE CERTIFICATES OF DEPOSIT HAVE NOT BEEN NOR WILL BE REGISTERED UNDER THE SECURITIES ACT, AND SUBJECT TO CERTAIN EXCEPTIONS, CERTIFICATES OF DEPOSIT MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S).

TAX

No comment is made or advice given by the Issuer, the Arranger, or the Dealer in respect of taxation matters relating to the Certificates of Deposit and each investor is advised to consult its own professional adviser.

1	<p><u>SUMMARY OF THE PROGRAMME</u></p> <p><u>TERMS AND CONDITIONS</u></p>
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Each and all Certificates of Deposit issued under the Programme will be subject to the following terms and conditions (the “**Terms and Conditions**”).

The following terms are the full terms and conditions as stipulated in Article 5 § 5 of the Law and Article 16 § 1 of the Royal Decree, which (subject to completion and amendment) will be applicable to each series of Certificates of Deposit (Certificates of Deposit issued under the Programme are issued in series and, when applicable, each series may comprise one or more tranches of Certificates of Deposit), provided that a Certificate of Deposit may have other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these terms and conditions, replace the following terms and conditions for the purpose of such Certificate of Deposit.

In accordance with Article 5 § 5 of the Law, these Terms and Conditions are enforceable to the subscribers and acquirers of Certificates of Deposit issued under the Programme.

1.1	Name of the programme	KBC Group NV Certificate of Deposit Program (hereinafter the “ Programme ”)
1.2	Type of programme	Single Issuer Global Multicurrency Short Term Certificate of Deposit programme (STEP COMPLIANT)
1.3	Name of the Issuer	KBC Group NV Registered Office: Havenlaan 2 B-1080 Brussels Belgium
1.4	Type of Issuer	Financial holding
1.5	Purpose of the Programme (Net proceeds)	The net proceeds of the Certificates of Deposit will be applied by the Issuer to meet part of its general financing requirements.
1.6	Maximum amount outstanding of the Programme (Programme Size)	The Issuer undertakes not to issue the Certificates of Deposit under the Programme if such issuance would lead to have an outstanding aggregate nominal amount of the Certificates of Deposit exceeding EUR 2,000,000,000 (or the equivalent thereof in any Selected Currency).

For this purpose, the equivalent in EUR of a Certificate of Deposit denominated in a Selected Currency shall be calculated on the basis of the latest indicative exchange rate published by the European Central Bank on either Reuters page LOCKING, or Reuters page ECB37 at or about 2:15 p.m. on the Business Day preceding the Issue Date. The equivalent of the already outstanding Certificates of Deposit shall be calculated on the basis of the same conversion rate.

“**Selected Currency**” means the means the lawful currency other than Euro for which the European Central Bank daily publishes Euro

foreign exchange rates. Any transaction for Certificates of Deposit denominated in any Selected Currency shall be conditional upon

- this transaction being lawful and in compliance with all requirements of any relevant central bank and any other relevant fiscal, monetary, regulatory or other authority from time to time, for deposits to be made in such currency and for such Certificate of Deposit to be issued, offered for sale, sold and delivered;
- the written consent of the Domiciliary Agent to that Selected Currency having been given; and
- any appropriate amendments required, or considered by the Domiciliary Agent to be required, to be made to this Agreement and/or the Domiciliary Agency Agreement excluding EUR, provided the Clearer accepts such currency and subject to compliance with all applicable laws, regulations and requirements of the relevant central bank or equivalent body.

1.7 **Characteristics and form of the Certificates of Deposit**

Dematerialised Certificates of Deposit

The advances granted by investors within the framework of this Programme shall be evidenced by Certificates of Deposit issued on a dematerialised basis in book-entry form in accordance with the Law and the Royal Decree and may not be converted into another form.

1.8 **Interest (Yield basis)**

The Certificates of Deposit generating periodical interest payments at a fixed or floating rate shall be designated as “**Interest-bearing Certificates of Deposit**”.

The Certificates of Deposit issued on a discount basis shall be designated as “**Discount Certificates of Deposit**”.

On each Interest Payment Date in respect of Interest-bearing Certificates of Deposit, interest will be paid thereon calculated at the agreed fixed or floating rate.

Fixed interest will be calculated on the basis of twelve (12) months of thirty days (30) divided by 360.

Floating interest will be calculated on the basis of the actual number of days elapsed divided by 360 or 365 following market practice for the relevant Selected Currency.

1.9 **Currencies of issue of the Certificates of Deposit**

The Certificates of Deposit may be denominated in EUR and any other lawful Selected Currency (see Clause 1.6 of this Information Memorandum), subject to compliance with any applicable legal regulatory and central bank requirements.

1.10 **Maturity Date**

Means in relation to any Certificates of Deposit, the day (which shall be a Business Day) on which such Certificates of Deposit become due and payable pursuant to the terms thereof. If the day set forth as Maturity Date is not a Business Day, repayment of the relevant amount of the Certificates of Deposit shall be made on the next succeeding Business Day, without the relevant Certificate of Deposit holders being entitled to any payment claim nor to any interest claim or other compensation with respect to such postponement.

1.11	Tenor of the Certificates of Deposit	Means a minimum of one (1) calendar day, a maximum of three hundred sixty four (364) calendar days with that Tenor being calculated from (and including) the Issue Date to (but excluding) the Maturity Date of that v. Without prejudice to the aforementioned the Tenor of the Certificate of Deposit shall be subject to compliance with the rules of the Clearing System and any applicable law or regulation. In case any applicable law or regulation imposes a minimum or maximum tenor in respect of the Certificate of Deposit, such minimum or maximum tenor shall apply in respect of any Certificate of Deposit issued after the entry into force thereof.
1.12	Minimum Issuance Amount	This should be at least EUR 250,000 or the equivalent for non EUR issuances.
1.13	Minimum denomination of the Certificates of Deposit	At any given time, a minimum amount of EUR 250,000 or the equivalent in any Selected Currency or such other denominations as may be determined by the Law and/or the Royal Decree.
1.14	Status of the Certificates of Deposit	The Certificates of Deposit shall represent direct, unconditional, unsubordinated and unsecured obligations of the Issuer. At all times they shall rank <i>pari passu</i> with all other present and future unsubordinated and unsecured obligations of the Issuer for funds borrowed or guaranteed by the Issuer.
1.15	Governing law that applies to the Certificates of Deposit	The Certificates of Deposit shall be governed by the laws of the Kingdom of Belgium and shall be subject to the exclusive jurisdiction of the Dutch speaking courts of Brussels, Belgium.
1.16	Listing	The Certificates will be listed on the Official List of the Luxembourg Stock Exchange and will be admitted to trading on the Luxembourg Stock Exchange's regulated market.
1.17	Settlement system	<p>The Certificates of Deposit issued on a dematerialised basis shall be recorded in the securities account of each investor with its Custodian Bank. The Certificates of Deposit will be delivered to the securities account of the investor with its Custodian Bank and cash payments will be made to the cash account of the investor with its Custodian Bank within and in accordance with the regulations governing the clearing system organised by the Clearer. The Certificates of Deposit will thus be represented by book-entries and the holders of the Certificates of Deposit will not be entitled to the exchange into Certificates of Deposit in bearer, registered or any other form.</p> <p>Payments of principal, interest and other amounts due under Certificates of Deposit denominated in euro will be made through the Clearing System and its direct and indirect participants (including Euroclear, Clearstream, Luxembourg, SIX SIS (Switzerland) and Monte Titoli (Italy)) recorded in the Clearing System as holding interests in the Certificates of Deposit and payments of principal, interest and other amounts due under Certificates of Deposit denominated in any Selected Currency will be made in accordance with the rules of the Clearing System through Euroclear, Clearstream, Luxembourg, and other participants in the Clearing</p>

System (such as SIX SIS (Switzerland) and Monte Titoli (Italy)) recorded in the Clearing System as holding interests in the Certificates of Deposit.

Where:

“**Clearer**” means the National Bank of Belgium (the “**NBB**”) (*Nationale Bank van België NV/SA / Banque Nationale de Belgique*) or any other entity entitled by law to operate a clearing system and with whom the Issuer and the Domiciliary Agent have concluded a clearing agreement or to whom the rights and obligations of the NBB might be lawfully transferred. The clearing agreement concluded by and between the NBB, the Issuer and the Domiciliary Agent dated 1 June 2016 (the “**Clearing Services Agreement**”) is attached hereto as *Schedule 2*.

“**Clearing System**” means the clearing system established by:

- Articles 3 to 13bis of the Law of 2 January 1991 on the market of public debt securities and the monetary policy instruments, as amended from time to time;
- the Law of 6 August 1993 on the Transactions on Certain Securities, as amended, and its Royal Decrees of implementation of 26 May and 14 June 1994, as amended from time to time.

The securities settlement system operated by the NBB was recognised as such by the Royal Decree of 14 June 1994.

“**Custodian Bank**” means any of the institutions approved by the Belgian Ministry of Finance and participating in the clearing system organised by the Clearer. Participants in the Clearing System of the NBB include most Belgian banks and stock brokers, Euroclear Bank SA/NV as operator of the Euroclear system (“**Euroclear**”), Clearstream Banking société anonyme (“**Clearstream**”) and banks established in a country belonging to the European Community.

1.18	Rating(s) of the Programme	The Programme is not rated.
1.19	Guarantor(s)	Not Applicable
1.20	Issuing, paying and domiciliary agent(s)	KBC Bank NV
1.21	Arranger(s)	KBC Bank NV
1.22	Dealers(s)	KBC Bank NV. KBC Bank NV will be responsible for the placement of any issuances.
1.23	Selling Restrictions	See <i>Schedule 1</i>
1.24	Taxation	Belgian Taxation

The following is a general summary of Belgian taxation as of the date hereof in relation to payments made under and other transfers involving the Certificates of Deposit. It is not exhaustive and holders of Certificates of Deposit who are in doubt as to their tax position should consult their professional advisors.

(a) **FATCA (U.S. Foreign Account Tax Compliance Act)**

According to the FATCA legislation, an Intergovernmental Agreement (IGA) was signed on 23 April 2014 (the Belgian law implementing the FATCA legislation is “*Wet tot regeling van de mededeling van inlichtingen betreffende financiële rekeningen, door de Belgische financiële instellingen en de FOD Financiën in het kader van automatische uitwisseling van inlichtingen op internationaal niveau en voor belastingdoeleinden*” of 16 December 2015) according to which Belgian financial institutions are required to identify and report financial information regarding the Certificates of Deposit (income, gross proceeds, etc.) held directly or indirectly by US persons to the Belgian competent authority, who shall communicate the information to the US tax authorities.

(b) **Common Reporting Standard**

The Savings Directive (2003/48/EC) of 3 June 2003 has been repealed from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States. The measures of cooperation provided by the Savings Directive will be progressively replaced by the implementation of Council Directive 2014/107/EU of 09/12/2014 on administrative cooperation in the field of taxation which provides for automatic exchange of financial account information between Member States (DAC2), including income categories contained in the Savings Directive (the latter Directive contains a much broader scope of reporting than the Savings Directive).

Under this latter Directive (and the Belgian law implementing this Directive - “*Wet tot regeling van de mededeling van inlichtingen betreffende financiële rekeningen, door de Belgische financiële instellingen en de FOD Financiën in het kader van automatische uitwisseling van inlichtingen op internationaal niveau en voor belastingdoeleinden*” of 16 December 2015) Belgian Reporting Financial Institutions holding these notes for tax residents in another CRS contracting state shall report financial information regarding the Certificates of Deposit (income, gross proceeds, etc.) held by a resident in another CRS contracting country to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

(c) **Withholding Tax**

By application of the Belgian Law of 6 August 1993 concerning transactions in certain securities, the Belgian withholding tax, of which the rate currently is 27%, is *not levied* if the Certificates of Deposit are booked on an account that has been opened in the books of a direct or indirect participant of the X/N clearing system of the NBB, and if the Noteholder falls within the category of persons which are allowed to open an X-account in

accordance with Article 4 of the Royal Decree of 26 May 1994 regarding the collection and the reallowance of withholding taxes (the “**Eligible Investors**”). X-account means a securities account in the Clearing System on which Certificates of Deposit are kept for the account of persons or institutions referred to in Article 4 of the Royal Decree of 26 May 1994 (as amended).

Eligible Investors means (i) the resident companies referred to in Article 2 § 1, 5^o, b of the Belgian Income Tax Code of 1992 (the “**BITC**”); (ii) without prejudice to Article 262,1^o and 5^o of the BITC, the institutions, organisations or companies referred to in Article 2 § 3 of the Law of 9 July 1975 with respect to the supervision of the insurance companies, other than those referred to under (i) and (iii); (iii) semi-governmental institutions for social security or assimilated institutions specified in Article 105, 2^o of the Royal Decree of 27 August 1993 implementing the BITC; (iv) non-resident savers referred to in Article 105, 5^o of the same Royal Decree; (v) investment funds referred to in Article 115 of the same Royal Decree; (vi) tax-payers referred to in Article 227, 2^o of the BITC who hold the Certificates of Deposit for their professional activities in Belgium and who are subject to the non-resident income tax pursuant with Article 233 of the BITC (belasting van de niet-inwoners/impôt des non-résidents); (vii) the Belgian State, for its investments exempted from withholding tax in accordance with Article 265 of the BITC; (viii) investment funds organized under foreign law that are an undivided estate managed by a management company on behalf of the participants, if their rights of participation are not publicly issued in Belgium nor traded in Belgium and (ix) the resident companies not referred to in (i) having an activity that consists solely or mainly of granting credits and loans and (x) only for the income from debt securities issued by legal persons that are part of the sector public authorities, in the sense of the European system of national and regional accounts (ESA), for the application of the European Community Rule N° 3605/93 of 22 November 1993 on the application of the Protocol on the procedure in case of excessive deficits attached to the Treaty of the European Communities, the legal entities that are part of the aforementioned sector of public authorities.

Holders of the Certificates of Deposit that do not belong to one of the categories listed above (i.e. who are not qualified as Eligible Investors) and in respect of which the withholding tax is levied at a current rate of 27% in respect of the Certificates of Deposit include, inter alia, Belgian resident individuals or Belgian non-profit organisations, other than those referred to under (ii) and (iii) above, or Belgian organizations for the financing of pensions as meant in the Law of 27 October 2006.

When opening a X-Account for the holding of Certificates of Deposit, investors are normally required to provide the financial institution where this account is kept with a certificate stating that the investor qualifies as “*Eligible Investor*”. Furthermore, this specific certificate has to be kept by the financial institution where this account is kept at the disposal of the Belgian Tax Authorities.

If the Noteholder does not belong to, or ceases to belong to, one of the categories listed in Article 4 of the Royal Decree of 26 May 1994, as amended, its account with the clearing system organised by the Clearer will be designated as a non-exempted account (the “**N-account**”), and, therefore, the Noteholder will be subject to the withholding tax of which the rate is currently 27%.

(d) **Tax Gross Up**

If, as a result of any amendment to or any change in the laws or regulations of the Kingdom of Belgium or any political subdivision thereof or agency thereof or therein or in the interpretation or administration of any such laws or regulations which becomes effective on or after the Issue Date of the relevant Certificates of Deposit, Certificates of Deposit held by the holders of Certificates of Deposit belonging to one of the categories of investors as listed in Article 4 of the Royal Decree of 26 May 1994 regarding the collection and the reallocation of withholding taxes, would become subject to withholding tax on the occasion of the next Interest Payment Date in respect of such Certificates of Deposit, the Issuer may, at its option, either pay such additional amounts to the holder of the Certificates of Deposit as may be necessary for the net amounts received by that holder, after such deduction or withholding, to equal the respective amounts which would have been receivable under these terms and conditions in respect of the Certificates of Deposit in the absence of such deduction or withholding (“**Additional Amounts**”) or, redeem all, but not some only, of the Certificates of Deposit held by such holders of Certificates of Deposit which would be subject to such withholding (in no case earlier than 30 days before the effective date of such new treatment) upon notice being given not less than 15 days prior to the redemption date.

(e) **Income Tax**

A holder of a Certificate of Deposit, who derives income from a Certificate of Deposit, or who realises a gain on disposal or redemption of a Certificate of Deposit, will, apart from Belgian withholding tax (if applicable, see Clause 1.23(a) above) generally not be subject to Belgian income tax unless (i) the holder is a non-resident who is using the Certificates of Deposit in a fixed base or permanent establishment which he maintains in Belgium, (ii) the holder is a private individual resident of Belgium who is using the Certificates of Deposit for his professional activity, (iii) the holder is a private individual whose income or capital gains arise from transactions going beyond the normal course of management of private property, or (iv) the holder is subject to the Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*).

(f) **Gift Tax**

The Certificates of Deposit will not be subject to Belgian gift taxes provided the gift is not required to be and is not made or evidenced by a deed or other instrument subject to registration in Belgium.

(g) **Inheritance Tax**

The Certificates of Deposit will not be subject to Belgian inheritance taxes if held by persons not resident in Belgium at the time of their death.

1.25 **Nominal Amount** Means the principal amount or the par value of a Certificate of Deposit, exclusive of premium or interest payable by the relevant Issuer at the Maturity Date of such Certificate of Deposit; it is also the value used for the calculation of interest of an Interest-bearing Certificate of Deposit.

1.26 **Interest Payment Dates** Means in relation to any Interest-bearing Certificates of Deposit, a day determined in accordance with the following provisions:

(a) for Interest-bearing Certificates of Deposit with a fixed rate of interest:

- the first Interest Payment Date shall fall on the date of the first anniversary of the Issue Date of such Certificate of Deposit and each subsequent Interest Payment Date, if any, shall fall on the date of the anniversary in each year of the Issue Date of such Certificate of Deposit, however with the possibility for the Issuer and the investors to agree upon a shorter or longer interest period;
- the final Interest Payment Date shall fall on and coincide with the Maturity Date of such Certificate of Deposit;
- the “*anniversary*” of an Issue Date in each year shall mean the day falling in the same month as and numerically corresponding to the Issue Date of such Certificate of Deposit.

(b) for Interest-bearing Certificates of Deposit with a floating rate of interest:

- the first Interest Payment Date shall fall on the date which is 1, 2, 3, 6 or 12 months or such other periods as the Issuer and the investors may agree upon after the Issue Date of such Certificate of Deposit and each subsequent Interest Payment Date shall fall on the date which is respectively 1, 2, 3, 6 or 12 months or such other period as the Issuer and the investors may agree upon after the preceding Interest Payment Date;
- the final Interest Payment Date shall fall on and coincide with the Maturity Date of such Certificate of Deposit.

If any Interest Payment Date determined in accordance with the above provisions is not a Business Day, payment of the relevant interest amount shall be postponed to the next Business Day, unless, in case of floating rate certificates, such day falls in the next calendar month, in which event it shall mature on the immediately preceding Business Day. Such change of Interest Payment Date will not entitle the relevant holders of Certificates of Deposit to any payment claim nor to any interest claim or other compensation.

- 1.27 **Late Payment Interest** Means any amount remaining unpaid under any Certificate of Deposit shall itself bear interest without prior notice and until the actual payment of all amounts due, such late payment interest being calculated
- in respect of Certificates of Deposit in EUR on a day to day basis at the rate of 1% per annum above “*het marginale voorschottentarief van de Europese Centrale Bank*” (as published on Reuters page ECB01); or
 - in respect of Certificates of Deposit in any Selected Currency above, the prevailing overnight inter-bank offered rate in the relevant currency as published on the relevant page of the Reuters Screen at 11.00 a.m. in the financial centre where such inter-bank offered rate is fixed. Late Payment Interest will not be calculated on a compound basis.
- “**Selected Currency**” shall have the meaning as mentioned in Clause 1.7.
- 1.28 **Euro and EUR** Means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.
- 1.29 **Business Days** Means (i) a day other than a Saturday or Sunday on which the Securities Settlement System of the National Bank of Belgium is operating and (ii) a day on which banks and forex markets are open for general business in Belgium and in the country of the relevant Selected Currency in which the Certificates of Deposit are denominated, and (iii) (if a payment in euro is to be made on that day), a day which is a Business Day for the Target 2 System.
- Target 2 System means the Trans European Automated Real-Time Gross Settlement Express Transfer System.
- 1.30 **Issue Date** Means in relation with any Certificates of Deposit, the Business Day on which such Certificates of Deposit are issued under the Programme and on which cash payments are due to be made by the subscribers of the Certificates of Deposit to the Issuer and, if applicable, on which a Certificate of Deposit starts to yield interest.
- 1.31 **Redemption** The Certificates of Deposit will be redeemed:
- (i) in the case of Discount Certificates of Deposit, at a price which is calculated according to the formulae given in “Issue Price” above.

Considering that, for the purpose of these formulae:

- (a) the issue price is to be understood as the redemption price;
- (b) the annual yield remains the issue yield;
- (c) the actual number of days to take into account are those remaining between the early redemption date and the Maturity Date;

(ii) in the case of Interest-bearing Certificates of Deposit, at their principal amount in the relevant currency together with accrued interest up to the date fixed for redemption.

1.32 Issue Price

The issue price of each Discount Certificate of Deposit will be calculated as follows:

$$IP = \frac{NA}{1 + \left(\frac{T}{X} \cdot \frac{Y}{100} \right)}$$

where:

- IP is the issue price
- NA is the Nominal Amount of the Certificate of Deposit
- T is the actual number of days elapsed between the Issue Date (included) and the Maturity Date (excluded) of the Certificate of Deposit
- Y is the annual yield of the Certificate of Deposit
- X is 360 or 365 days according to the ISDA day count conventions applicable to the relevant currency at the time of issue of the Certificate of Deposit.

Interest-bearing Certificates of Deposit may be issued at par, at a discount or at premium to their nominal amount.

1.33 Negative Pledge

Not Applicable

1.34 Events of Default

If:

- (a) the Issuer fails to pay in part or in full any sum under any Certificate of Deposit as and when it shall become due and payable either on the Maturity Date or an Interest Payment Date, upon redemption or otherwise, and such failure is continuing for five (5) Business Days after the date on which such sum was due, except where such non-payment or late payment is due to any (in)action of the Domiciliary Agent or disfunctioning of the Clearing System; or
- (b) the Issuer fails to duly observe or perform any other of the material undertakings contained herein and such failure is continuing for fifteen (15) Business Days after the date on which written notice of such failure requiring the Issuer to remedy the same shall have been addressed to the Domiciliary Agent and/or the Issuer; or
- (c) the Issuer commences negotiations with any one or more of its creditors with a view to a general readjustment or rescheduling of

its indebtedness or makes a general assignment for the benefit of or a composition with its creditors; or

(d) the Issuer defaults in the due payment of any other indebtedness of, assumed or guaranteed by the Issuer unless the relevant payment is contested in good faith by the Issuer, and by appropriate proceedings, and provided any such default has not been cured within the period contractually agreed upon or subsequently agreed upon for such payment, or any such indebtedness shall have become repayable before the due date thereof as a result of acceleration of maturity by reason of the occurrence of any event of default thereunder; or

(e) the Issuer takes any corporate action or other steps are taken or legal proceedings are started (in a voluntary or involuntary case) for its winding-up, dissolution or reorganisation or for the appointment of a receiver, liquidator, sequestrator (or other similar official) of the Issuer, or of any substantial part of its property under any applicable bankruptcy or insolvency law or any other similar law, other than a judicial reorganisation under the Belgian Law of 31 January 2009 without prejudice to any applicable mandatory limits to the termination of agreements such as those under the Law of 2 June 2010 regarding the measures to be taken by the corporate entities in the financial and banking sector in case of winding-up (*“Wet tot uitbreiding van de herstelmaatregelen voor de ondernemingen uit de bank- en financiële sector / Loi visant à compléter les mesures de redressement applicables aux entreprises relevant du secteur bancaire et financier”*); or

(f) any representation, warranty or statement made by the Issuer in connection with the Information Memorandum (or any amendments thereto) or incorporated in the following documents/agreements: (a) Clearing Services Agreement; (b) the Domiciliary Agency Agreement; or (c) the Certificates of Deposit is proved to have been incorrect in any material respect; or

(g) the Issuer becomes insolvent or is declared insolvent by a competent jurisdiction or stops, suspends or threatens to stop or suspend payment of all or a material part of its debt, or ceases or threatens to cease to carry on all or a material part of its business or a moratorium is proposed, agreed or declared in respect of all or a material part of the business or a moratorium is proposed, agreed or declared in respect of all or a material part of the indebtedness of the Issuer or the Issuer commences a voluntary case or an order is presented under any applicable bankruptcy or insolvency law or any other similar law; or

(h) it becomes unlawful for the Issuer to perform any of its obligations under the Certificates of Deposit or any of its obligations ceases to be valid, binding or enforceable;

(i) subsequent to the date of this Information Memorandum there have occurred (i) any change, or event involving a prospective change in the structure of the organisation of the Issuer; or (ii) any change, or event involving a prospective change or transfer of business or transfer of assets of the Issuer which would have a

material change on the nature or activities of the Issuer as a whole, as compared to the activities as these are carried out on the date of this Information Memorandum; or (iii) any change, or event involving a prospective change in the condition (financial or other), business, properties or results of operations of the Issuer which is material and adverse and makes it impractical or inadvisable to proceed with completion of the issue of any Certificates of Deposit under the Programme or the sale of any Certificates of Deposit, or (iv) any change, or event involving a prospective change which would result in the validity or enforceability of the Information Memorandum or any of the other documents related to the Programme

then, in each and every such case, any holder of a Certificate of Deposit may, by written notice by registered letter to the Issuer or the Domiciliary Agent, declare that such a Certificate of Deposit shall be forthwith due and payable, whereupon as from the date of notice, such Certificate of Deposit shall become immediately due and payable.

1.35 Secondary Market

Should an investor wish to sell a Certificate of Deposit before its Maturity Date, the Dealer shall, at a best-effort basis, try to find a buyer for it, without making any commitment to repurchase such Certificate of Deposit.

Each investor is allowed to sell one or several Certificates of Deposit it owns, provided that the aggregate nominal amounts of both the Certificate(s) of Deposit on sale and of the Certificate(s) of Deposit to remain in its hands, if any, after such sale represent each at least EUR 250,000 or its approximate equivalent in any Selected Currency, pursuant to Article 6 of the Royal Decree.

With regard to the Certificates of Deposit denominated in a Selected Currency, Article 2 § 2 of the Royal Decree of 14 June 1994 stipulates that no transaction may occur on a value date falling two Business Days or less before a Maturity Date or an Interest Payment Date.

1.36 Stock Exchange Tax

The Certificates of Deposit are exempt from *TOB (Stock Exchange Transaction Tax /Taks op Beursverrichtingen)*.

1.37 Law

The Law of 22 July 1991 concerning "*thesauriebewijzen en depositobewijzen/billets de trésorerie et certificats de dépôt*", as published in the Official Gazette of 21 September 1991 (as amended from time to time).

1.38 Royal Decree

The Royal Decree of 14 October 1991 concerning "*thesauriebewijzen en depositobewijzen/billets de trésorerie et certificats de dépôt*", as published in the Official Gazette 19 October 1991 (as amended from time to time).

1.39 Notices

Notices to the holders of Certificates of Deposit shall be validly given through publication on the website of the Luxembourg Stock Exchange (www.bourse.lu) and additionally (i) by fax or letter addressed to the holders of Certificates of Deposit having a securities account or to the Custodian Bank holding the securities with the

Clearer or by a notice through the intermediary of the Clearer or (ii) published in one or more financial daily newspapers having general circulation in Belgium (which is expected to be “L’Echo” and/or “De Tijd”).

All notices shall be made in writing or by facsimile. Each notice shall be made to the relevant party at the address or facsimile number as set out herein.

A notice shall be deemed received (if in writing) when delivered and (if by facsimile) when despatched.

Notices to the Issuer or to the Domiciliary Agent will be made to their respective offices by mail or telefax and addressed for the attention of the person designated by that party for that purpose as set out below:

Issuer:

KBC Group NV
Havenlaan 2
B-1080 Brussels
Belgium
Origination Desk
Tel: +32 2 429 50 85
Contact: LDM
E-mail address: dcm@kbcsecurities.be

Domiciliary Agent:

KBC Bank NV
Havenlaan 2
B-1080 Brussels
Belgium
Tel: +32 2 429 17 35
Fax: +32 2 429 17 15
E-mail: workflow@kbc.be and comm.paper@kbc.be
Contact: Back Office

1.40 Inquiries

Any information regarding the Programme may be obtained from the Dealer:

KBC Bank NV
Havenlaan 2
B-1080 Brussels
Belgium

Sales:
Tel: +32 2 417 4653
Fax: +32 2 429 5705
Contact: Institutional Sales Department
E-mail address: cpdesk@kbc.be

1.41 Duration of the Programme

Undefined. The Programme may be terminated at any time in accordance with the terms of the Dealer Agreement, provided that the Terms and Conditions on the termination date of the Programme will remain in full force and effect in respect of any Certificates of Deposit until any such Certificate of Deposit has been redeemed in

full. The Issuer, the Domiciliary Agent or the Dealer will, save in case of an Event of Default, respect a thirty (30) days prior written notice thereof to the other parties, provided however that, save in case of an Event of Default, such termination may not take place earlier than six (6) months after the date of setting up the Programme.

1.42 **Termination of the Information Memorandum dated 14 November 2012**

This Information Memorandum replaces the Information Memorandum dated 14 November 2012 (the “**Previous Information Memorandum**”) in connection with the Programme of Certificates of Deposit issued by KBC Group NV with effect from and including the date of this Information Memorandum.

For the avoidance of any doubt, any Certificates of Deposit issued under the Previous Information Memorandum remain subject to the terms and conditions of the Previous Information Memorandum.

1.43 **Involvement of national authorities**

Not applicable.

2.1	Legal name	KBC Group NV
2.2	Legal form/status	The Issuer was established in Belgium as limited liability company (“ <i>naamloze vennootschap</i> ”) and operates under the laws of Belgium.
2.3	Date of incorporation /establishment	9 February 1935
2.4	Registered office	Havenlaan 2 1080 Brussels (Sint-Jans-Molenbeek)
2.5	Registration number, place of registration	0403.227.515, Brussels, Belgium The company is a financial holding company, which has at its purpose, the direct or indirect holding and management of shareholdings in other companies, including but not restricted to credit institutions, insurance companies and other financial institutions.
2.6	Articles of Association	A copy of the Articles of Association is available for inspection and can be obtained at the registered office of KBC Group NV or at www.kbc.com .
2.7	Company’s purpose	The company also has as object to provide support services for third parties, as mandatory or otherwise, in particular for companies in which the company has an interest – either directly or indirectly. The company may do everything that directly or indirectly can contribute to the realization of its purpose in the widest sense.
2.8	Trend Information	In the wake of the euro area’s recovery, the gradual revival of the Belgian economy has continued in 2015. Belgian GDP has been on a positive, albeit muted, growth track for three years now, with GDP again exceeding its pre-great recession level by nearly 5%. The recovery is expected to continue at a moderate pace, with growth reaching an estimated 1.4% in 2016 and 1.5% in 2017. Growth in KBC Group’s Central European markets (Czech Republic, Slovakia, Hungary and Bulgaria) benefited from the catch-up in use of European cohesion funds, which stimulated investment growth. This caused real GDP growth in 2015 to be almost (Hungary and Bulgaria) or even more than (Czech Republic and Slovakia) twice as strong as the euro area average. We expect Central European countries’ GDP growth to ease somewhat in 2016, as the impulse provided by European funds for government investment will dissipate.
2.9	Summarised description of current activities	KBC is a financial services group active in the fields of banking, insurance and wealth management. One of the top bank, insurance and asset managers in Belgium, the KBC Group also has a key position in Central and eastern Europe.
2.10	Capital or equivalent (31 December 2015)	At the end of December 2015, the share capital of KBC Group NV was EUR 1,454,298,014.35 and consisted of 418,087,058 ordinary shares which have been fully paid up.

	Shareholders	% of the current number of shares	Number
2.11 List of main shareholders (31 December 2015)	KBC Ancora	18.5%	77,516,380
	Cera	2.7%	11,127,166
	MRBB	11.5%	47,889,864
	Other core shareholders	7.6%	31,768,376
	Free float	59.7%	249,785,272

2.12a Annual financial report and interim financial reports

The Issuer publishes an audited financial report on an annual basis and non-audited interim financial reports on a quarterly basis. These financial reports are published at www.kbc.com.

	In millions of EUR	2014	2015
2.12b Selected Financial Information	Net interest income	4,308	4,311
	Dividend income	56	75
	Net result from financial instruments at fair value through profit or loss	227	214
	Net realised result from available-for-sale assets	150	190
	Net fee and commission income	1,573	1,678
	Other net income	406	679
	TOTAL INCOME	6,720	7,148
	Operating expenses	-3,818	-3,890
	Impairment	-506	-747
	Share in results of associated companies	25	24
	RESULT BEFORE TAX	2,420	2,535
	Income tax expense	-657	104
	RESULT AFTER TAX	1,763	2,639
Attributable to minority interest	0	0	
Attributable to equity holders of the parent	1,762	2,639	

2.13 **Listing of the shares of the Issuer**

The shares are listed on Euronext Brussels.

2.14 **Rating of the Issuer**

The Programme has not been rated.

Rating of the Issuer:

<i>Rating Agency</i>	<i>Long Term Rating</i>	<i>Short Term Rating</i>
Fitch	A-	F1
Moody's	Baa1	P-2
S & P	BBB+	A2

2.15

List of the members of the Board of Directors, or of the Supervisory Board and of the Directory

LEYSEN Thomas	Chairman of the Board of Directors of Umicore NV Chairman of the Board of Directors of Corelio NV Non-executive Director of Mediacore NV Executive Director of Tradicor NV Non-executive Director of Booischot NV Chairman of the Board of Directors of KBC Verzekeringen NV Chairman of the Board of Directors of KBC Bank NV Chairman of the Board of Directors of KBC Groep NV
VLERICK Philippe	Deputy Chairman of the Board of Directors of KBC Groep NV Member of the Board of Directors of Concordia Textiles NV Chairman of the Board of Directors of Indus Kamdhenu Fund Chairman of the Board of Directors of Lurick NV Chairman of the Board of Directors of THERICK NV Chairman of the Board of Directors of Vlerick Investeringsmaatschappij CVBA Chairman of the Board of Directors of Raymond Uco denim Private Ltd. Member of the Board of Directors of B.M.T. Nv Member of the Board of Directors of ETEX GROUP SA Chairman of the Board of Directors of BATIBIC NV Member of the Board of Directors of KBC Verzekeringen NV Deputy Chairman of the Board of Directors of Durabilis NV Managing Director of Point NV Executive Director of TESSA LIM NV Executive director of Lutheric NV Executive director of Bareldam NV Non-executive director of Sapient Investment Managers Non-executive director of BMT International NV Member of the Board of Directors of Arteveld Member of the Board of Directors of BESIX Group NV Member of the Board of Directors of EXMAR NV

	<p>Chairman of the Board of Directors of VIT NV</p> <p>Chairman of the Board of Directors of Belgian International Carpet C° NV</p> <p>Member of the Board of Directors of LVD Company NV</p> <p>Deputy Chairman of the Board of Directors of CORELIO NV</p>
BOSTOEN Alain	<p>Executive Director of Quatorze Juillet BVBA</p> <p>Delegate Director of AGROBOS NV</p> <p>Non-executive Director of KBC Group NV</p> <p>Member of the Board of Directors of KBC Verzekeringen NV</p> <p>Executive Director of Christeys NV</p> <p>Executive Director of ALGIMO NV</p>
DEPICKERE Franky	<p>Executive Director of Almancora Beheersmaatschappij NV</p> <p>Executive Director of Cera cvba</p> <p>Executive Director of Cera Beheersmaatschappij NV</p> <p>Executive Director of BRS Microfinance Coop cvba</p> <p>Non-executive Director of KBC Ancora cva</p> <p>Non-executive Director of International Raiffeisen Union e.V.</p> <p>Non-executive Director CBC BANQUE SA</p> <p>Non-executive Director of KBC Groep NV</p> <p>Non-executive Director of Euro Pool System International BV</p> <p>Non-executive Director of KBC Verzekeringen NV</p> <p>Non-executive Director of KBC Bank NV</p> <p>Executive director FWR Consult cvba</p> <p>Non-executive director of Ceskoslovenska Obchodni Banka a.s.</p>
DISCRY Luc	<p>Executive Director of Cera CVBA</p> <p>Non-executive Director of KBC Verzekeringen NV</p> <p>Non-executive Director of KBC Bank NV</p> <p>Non-executive Director of KBC Groep NV</p> <p>Executive Director of Cera Beheersmaatschappij NV</p> <p>Non-executive director of Precura Verzekeringen NV</p>
DONCK Frank	<p>Executive Director of 3D NV</p> <p>Non-executive Director of Iberanfra BVBA</p> <p>Member of the Board of Directors of Ibervest NV</p> <p>Non-executive Director of Ter Wyndt NV</p> <p>Non-executive Director of Ter Wyndt CVBA</p> <p>Non-executive Director of KBC Groep NV</p> <p>Non-executive Director of Anchorage NV</p> <p>Executive Director of Hof Het Lindeken CVBA</p> <p>Executive Director of Huon & Kauri NV</p> <p>Executive Director of Tris</p> <p>Non-executive director of Atenor Groep NV</p> <p>Executive director Private Equity NV</p> <p>Non-executive director 3D Real Estate NV</p> <p>Non-executive director of Elia System Operator NV</p> <p>Non-executive director of Elia Asset NV</p> <p>Non-executive director of Tele Columbus NV</p> <p>Non-executive director of Barco NV</p> <p>Non-executive Director of Winge Golf NV</p>

	Non-executive Director of KBC Verzekeringen NV
KIRALY Julia	Non-executive director of KBC Groep NV
MORLION Lode	Non-executive Director of M&D Invest NV Chairman of the Board of Directors of Cera Beheersmaatschappij NV Member of the Board of Directors Woonmaatschappij Ijzer en Zee CVBA Non-executive Director of KBC Verzekeringen NV Non-executive Director of FIGGA (Financieringsvereniging van de gemeenten van Gaselwest) Non-executive Director of KBC Bank NV Non-executive Director of KBC Group NV
PEPELIER Luc	Executive Director of KBC Verzekeringen NV Executive Director of KBC Groep NV Executive Director of KBC Bank NV Non-executive Director of KBC Credit Investments NV
ROUSSIS Theo	Non-executive director of KBC Verzekeringen NV Non-executive director of KBC Groep NV Non-executive director Pentahold NV Executive director Asphalia NV
THIJS Johan	Executive Director/CEO of KBC Verzekeringen NV Non-executive Director Febelfin Executive Director/CEO of KBC Group NV Executive Director/CEO of KBC Bank NV
VAN KERCKHOVE Ghislaine	Non-executive director of Almancora Beheersmaatschappij NV Non-executive director of Cera Beheersmaatschappij NV Non-executive director of KBC Groep NV Non-executive director of KBC Bank NV Non-executive director of KBC Verzekeringen NV
VANTHEMSCHE Pieter	Non-executive Director of Agricord NV Non-executive Director of KBC Groep NV Non-executive Director of KBC Bank NV Non-executive director of KBC Verzekeringen NV Non-executive director of Wit-gele Kruis Vlaanderen Executive director of Lukoban
WITTEMANS Marc	Non-executive Director of Aktiefinvest CVBA Non-executive Director of Acerta CVBA Non-executive Director of Acerta Consult CVBA Non-executive Director of SBB Accountants en Belastingconsulenten BV cvba Non-executive Director of M.R.B.B. cvba - Maatschappij voor Roerend Bezit van de Boerenbond Non-executive Director of KBC Verzekeringen NV Non-executive Director of KBC Bank NV Non-executive Director of KBC Groep NV Non-executive Director of Arda Immo NV Non-executive director of SBB Bedrijfsdiensten cvba Non-executive director of Acerta Public NV Non-executive director of Shéhérazade Developpement cvba

- 2.16 **No Material Adverse Change** There has been no material adverse change in the financial position of the Issuer since the date of its last audited annual financial statements (31 December 2015).
- 2.17 **No Material Litigation** The Issuer is not involved in any governmental, legal or arbitration proceedings (including any proceedings which are pending or threatened of which the Issuer is aware) which may have (or have had in the 12 months preceding the date of this Information Memorandum) a material adverse impact on the financial position or profitability of the Issuer.
- 2.18 **Additional information on the Issuer of the Programme** Not Applicable

Certification of information for the Programme by the Issuer**Persons responsible for the Information Memorandum**

Rik Janssen, Group Treasurer
Luc Popelier, CFO

3.1

To the best of our knowledge,

Declaration of the person(s) responsible for the Information Memorandum:

1. this information memorandum (the “**Information Memorandum**”) and its supplemented documents and documents incorporated by reference (please refer to Clause 5) contain all information regarding itself and the Certificates of Deposit to be issued under the Programme, which is material in the context of this Programme;
2. the information contained in the Information Memorandum and all supplemented documents and documents incorporated by reference (please refer to Clause 5) is true and accurate in all material respects and is not misleading;
3. the opinions and intentions expressed in the Information Memorandum are honestly held; and
4. there are no other facts the omission of which would, in the context of the Programme and the issuance of Certificates of Deposit thereunder, make any such information or the expression of any such opinions or intentions misleading.

In accordance with the terms of the Royal Decree, we accept responsibility for the information contained in this Information Memorandum and shall compensate any investor for material damage arising directly from the omission or falseness of any information.

3.2

Date, Place of signature, Signature

1 June 2016, Brussels (for the signatures, please refer to page 31 of this Information Memorandum).

3.3

Independent auditors of the issuer, who have audited the accounts of the issuer’s annual report

Ernst & Young
Bedrijfsrevisoren BVBA
De Kleetlaan 2
B1831 Diegem – Brussels
Belgium

3.4

Disclaimer clauses for dealer(s), IPA(s) and arranger(s)

The Issuer certifies that, to the best of its knowledge and belief, the information contained in this Information Memorandum and its supplements, if any, is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Issuer accepts responsibility for this Information Memorandum and its supplements, if any. In particular, the Issuer will be liable towards interested parties for the losses, which may occur as an immediate and direct result of the absence or incorrectness of any

information required to be mentioned pursuant to the Law and/or the Royal Decree.

Everyone should be aware that, in the present document, as foreseen by the Law and the Royal Decree, the term “Information Memorandum” always and in all circumstances includes any supplement, updates, documents incorporated by reference (please refer to Clause 5), annual and semi-annual reports and financial information such as income statements and balance sheets of the Issuer.

This Information Memorandum contains information concerning the Programme and the Issuer, but is not intended to provide the basis of any credit, taxation or other evaluation and should not be considered as a recommendation by the Dealer that any recipient hereof should buy any Certificates of Deposit.

Each investor considering an investment under the Programme shall be deemed to have made its own independent investigation into the financial condition and affairs and its own appraisal of the creditworthiness of the Issuer and thus, in making its decision to invest, shall not rely, and shall be deemed not to have relied upon, any information or advice whatsoever, regarding the Issuer, provided by the Dealer and/or the Domiciliary Agent.

KBC Bank NV has been appointed by the Issuer as its dealer (KBC Bank NV, in its capacity as dealer, will hereinafter be referred to as the “**Dealer**”) and therefore every holder or prospective holder of Certificates of Deposit may require from the Dealer the delivery of an Information Memorandum.

This document is also available at the administrative and commercial office of the Issuer and will be delivered to any investor in the Certificates of Deposit. KBC Bank NV has been appointed by the Issuer as its domiciliary agent (KBC Bank NV, in its capacity as domiciliary agent, will hereinafter be referred to as the “**Domiciliary Agent**”).

No warranty or undertaking, expressed or implied, is made and no responsibility or liability is accepted by the Dealer or the Domiciliary Agent as to the accuracy or completeness at any time of this Information Memorandum or any further information given in connection with the Programme. The Dealer and the Domiciliary Agent expressly do not undertake to advise any investor in the Certificates of Deposit concerning any information coming to their attention and cannot be held responsible for any lack of information towards the investors.

THIS INFORMATION MEMORANDUM DOES NOT CONSTITUTE, AND MAY NOT BE USED FOR THE PURPOSE OF, AN OFFER, INVITATION OR SOLICITATION BY ANYONE IN ANY JURISDICTION OR IN ANY CIRCUMSTANCES IN WHICH SUCH OFFER, INVITATION OR SOLICITATION IS NOT AUTHORISED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE SUCH OFFER, INVITATION OR SOLICITATION. PERSONS IN POSSESSION OF THIS INFORMATION MEMORANDUM ARE REQUIRED TO RESPECT THE SELLING RESTRICTIONS SET OUT HEREIN.

SPECIFIC CONDITIONS OF EACH ISSUE OF CERTIFICATES OF DEPOSIT WILL BE MENTIONED IN THE INVESTOR'S CONFIRMATION THAT WILL BE PROVIDED TO EACH INVESTOR.

The Issuer fulfils the financial prerequisites detailed in Article 13 of the Royal Decree, as amended, and is therefore entitled to issue Certificates of Deposit.

The Dealer and the Domiciliary Agent will, in connection with such appointment or under the Certificates of Deposit, act solely for and upon the instructions of the Issuer and will incur no liability for or in respect of any action taken by it pursuant to the Law and/or the Royal Decree, nor will they have any obligations towards, or a relationship of agency or trust with any of the owners of Certificates of Deposit.

An application to obtain a STEP label for this Programme will be made to the STEP Secretariat in relation to the Notes eligible under the STEP Market Convention. Information as to whether the STEP label has been granted for this Programme may be made available on the STEP market website (www.stepmarket.org).

This website is not sponsored by the Issuer and the Issuer is not responsible for its content or availability.

Unless otherwise specified in this Information Memorandum, the expressions "STEP", "STEP Market Convention", "STEP label", "STEP Secretariat", and "STEP market website" shall have the meaning assigned to them in the Market Convention on Short-Term European Paper dated 25 October 2010 and adopted by the Euribor ACI and Euribor EBF (as amended from time to time).

DOCUMENTS INCORPORATED BY REFERENCE


The following documents, which have previously been published or are published simultaneously with this Information Memorandum and have been filed with the Luxembourg Stock Exchange and the STEP Secretariat, shall be incorporated in, and form part of, this Information Memorandum:


- 5.1 **Issuer's Annual Reports
Year 2015** The Issuer's 2015 Annual Report can be found on the website www.kbc.com, under the tab Investor Relations, Reports or directly using this link https://www.kbc.com/system/files/doc/investor-relations/Results/JVS_2015/JVS_2015_GRP_en.pdf
- 5.2 **Issuer's Annual Reports
Year 2014** The Issuer's 2014 Annual Report can be found on the website www.kbc.com, under the tab Investor Relations, Reports or directly using this link https://www.kbc.com/system/files/doc/investor-relations/3-Reports/IRO_Reports_Annual_2014_en.pdf
- 5.3 All documents required to be incorporated herein under the Law (as defined in the Terms and Conditions) and the Royal Decree (as defined in the Terms and Conditions), to the extent applicable.
- 5.4 All other documents that are expressly incorporated in this Information Memorandum.

Copies of documents incorporated by reference in this Information Memorandum can be obtained from (i) the registered office of the Issuer and at www.kbc.com; and (ii) the Luxembourg Stock Exchange's website at www.bourse.lu.

SIGNATURES:

Signatures of KBC Bank NV as Issuer on 1 June 2016


Authorized signatory
on behalf of KBC Group NV
Frederik Vyncke
Manager Wholesale Funding


Authorized signatory
on behalf of KBC Group NV

- List of Schedules :
- Schedule 1** – Selling Restrictions
 - Schedule 2** – The Clearing Services Agreement
(dated 1 June 2016)
 - Schedule 3** – The Issuer’s Annual Report for the year
2014
 - Schedule 4** – The Issuer’s Annual Report for the year
2015

SCHEDULE 1 Selling Restrictions

In Belgium, there are no restrictions in respect to the purchase and transfer of the Certificates of Deposit other than (i) that the Certificates of Deposit are kept at all times on a securities account with a participant in the Clearing System, and (ii) no issuance or transfer of Certificates of Deposit may result in any investor holding Certificates of Deposit for an amount of less than EUR 250,000.

Outside Belgium, the Certificates of Deposit may be purchased, offered or sold only in compliance with applicable laws and regulations of these jurisdictions and/or of the home countries of the relevant currencies in which they are purchased, offered or sold.

The Dealer has represented, warranted and agreed to the Issuer only that it has, to the best of its knowledge and belief, complied with and will comply with all applicable laws and regulations in any jurisdiction in which it may offer, sell or deliver Certificates of Deposit and it will not directly or indirectly offer, sell, resell, re-offer or deliver Certificates of Deposit or distribute the Information Memorandum, advertisement or other offering material in any country or jurisdiction except under circumstances that will result, to the best of its knowledge and belief, in compliance with all applicable laws and regulations.

The offering for sale of Certificates of Deposit may, in jurisdictions other than Belgium, be restricted by law. Potential investors shall be responsible for complying with applicable legislation in said other jurisdictions. In particular, they shall comply with the restrictions involving the United States of America and the United Kingdom, as set out hereunder.

(a) The United States of America

The Certificates of Deposit have not been and shall not be registered under the U.S. Securities Act of 1933 (the "**Securities Act**") and may not be offered, sold or delivered within the United States or to U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

(b) The United Kingdom

Certificates of Deposit having a maturity of one year or more may not be offered or sold, prior to the expiry of the period of six months from the issue date of the Certificates of Deposit, to persons in the United Kingdom except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended), and subject to compliance with all applicable provisions of the Financial Services and Markets Act 2000 (the "**FSMA**") with respect to anything done in relation to the Certificates in, from or otherwise involving the United Kingdom. Any information likely to lead to the purchase of Certificates of Deposit may only be or caused to be communicated as an invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) in connection with the issue or sale of any Certificates of Deposit in circumstances in which section 21(1) of the FSMA does not apply to the Issuer. Certificates of Deposit having a maturity of less than one year may only be issued to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their business and any such Certificates of Deposit may not be offered or sold by such persons other than to persons: (1) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or (2) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses, where the issue of the Certificates of Deposit would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer.

SCHEDULE 2
The Clearing Agreement of 1 June 2016

SCHEDULE 3
The Issuer's Annual Report for the year 2014

SCHEDULE 4
The Issuer's Annual Report for the year 2015