

RETAIL BASE PROSPECTUS SUPPLEMENT (N°3) dated 30 September 2015



KBC IFIMA S.A.

(Incorporated with limited liability in Luxembourg)

Unconditionally and irrevocably guaranteed by KBC Bank NV

(Incorporated with limited liability in Belgium)

€10,000,000,000

Retail Euro Medium Term Note Programme

This base prospectus supplement (the “**Supplement N°3**”) constitutes a supplement for the purposes of Article 16 of Directive n° 2003/71/EC (the “**Prospectus Directive**”) and Article 13 of the Luxembourg Law of 10 July 2005 on Prospectuses for Securities (the “**Prospectus Law**”), implementing the Prospectus Directive. The Supplement N°3 is supplemental to, forms part of, and must be read in conjunction with the base prospectus dated 25 June 2015 as supplemented by the supplement dated 25 June 2015 (the “**Supplement N°1**”) and as supplemented by the supplement dated 9 September 2015 (the “**Supplement N°2**”) (the “**Retail Base Prospectus**”), issued by KBC IFIMA S.A. (the “**Issuer**”), for the purpose of giving information with regard to the issue of Notes under its €10,000,000,000 Retail Euro Medium Term Note Programme during the period of twelve months after 25 June 2015. Terms defined in the Retail Base Prospectus or in any document incorporated by reference in the Retail Base Prospectus shall, unless the context otherwise requires, have the same meaning when used in this Supplement N°3.

This Supplement N°3 has been approved by the Luxembourg Commission de Surveillance du Secteur Financier (the “**CSSF**”), as competent authority under the Prospectus Directive. This Supplement N°3 will be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the www.kbc.com¹ website.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement N°3 and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement N°3 is, to the best of its knowledge and belief, in accordance with the facts and does not omit anything likely to affect the import of such information.

I. Amendments to the information contained in the Retail Base Prospectus

1. Introduction

Article 3 (2) (b) of the Law of the Grand Duchy of Luxembourg dated 11 January 2008 relating to the transparency requirements for issuers of securities (*Loi du 11 janvier 2008 relative aux obligations de transparence sur les émetteurs de valeurs mobilières*) (the “**Luxembourg Transparency Law**”) requires that the profit and loss account for the first six months of the financial year in question shall include comparative information for the comparable period for the preceding financial year. The CSSF informed the Issuer that the information in relation to the profit and loss account included in the “*Unaudited semi-annual accounts as at 30 June 2015*” (the “**Unaudited semi-annual accounts**”) of the Issuer which was published on 11 August 2015 does not comply with the requirements of the Luxembourg Transparency Law in respect of the

¹ <https://www.kbc.com/MISC/D9e01/~E/~KBCCOM/~BZJ47O7/~BZIZTPN/BZJ0507/BZJ06PN>

requirements relating to the profit and loss account and the CSSF requested that the Unaudited semi-annual accounts of the Issuer be adapted to correct the aforementioned non-compliance. As a consequence, the Issuer amended its Unaudited semi-annual accounts by including comparative information in relation to its profit and loss account concerning the period ended 30 June 2014 (instead of the period ended 31 December 2014).

Furthermore, the Issuer has noticed some inaccuracies in the section “*Summary of the Base Prospectus*” relating to the historical key financial information of KBC Bank NV (the “**Guarantor**”).

As a consequence of the above, the sections “*Documents incorporated by reference*” and the “*Summary of the Retail Base Prospectus*” of the Retail Base Prospectus are deemed to be amended as described below.

2. Documents incorporated by reference

a) The section *Documents incorporated by reference* on page 93 of the Base Prospectus will be supplemented by adding the following limbs to the list of documents which are incorporated in and form part of the Retail Base Prospectus

(g) “*unaudited financial statements of the Issuer for the six months ended on 30 June 2015, set out in the document “Unaudited semi-annual accounts as at 30 June 2015” as adapted and amended by the Issuer and as currently published on the website at www.kbc.com*”².

b) The following sub-section of the *Specific items contained in “Documents Incorporated by Reference”* on page 95 of the Retail Base Prospectus shall be deemed to be deleted

Unaudited Interim financial report for the half year to June 30, 2015 of the Issuer

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and replaced by the following text:

Unaudited Interim financial report for the half year to June 30, 2015 of the Issuer as adapted and amended by the Issuer

Management report	3
Balance sheet	5
Profit and loss account	7
Notes to the semi-annual accounts	8

3. Summary of the Retail Base Prospectus

Item B19/B12 of the Summary of the Retail Base prospectus (on pages 6 – 7 of the Retail Base Prospectus) shall be deemed deleted and replaced as follows:

B19/	Selected	<i>Selected historical key financial information:</i>
B.12	historical key	The tables below set out a summary of key financial information extracted from the Guarantor's audited comprehensive income statements for each of the two years ended, and statements of financial

²https://multimediafiles.kbcgroup.eu/ng/published/KBCCOM/PDF/IFIMA_semi_annual_report_1H2015.pdf?

financial information / Material adverse change / Significant change in the financial or trading position: position as at, 31 December 2013 and 31 December 2014 and from the Guarantor's consolidated balance sheet and consolidated income statement for the six months ended on 30 June 2014 and on 30 June 2015 (limited review):

Income Statement					
Summary of consolidated profit and loss account data (in millions of EUR, IFRS)		FY 2013	FY 2014	1 H 2014	1 H 2015
Total income		6,240	5,734	2,637	3,302
Operating expenses		-3,252	-3,311	-1,698	-1,810
Impairment		-1,821	-472	-249	-219
Result after tax, group share		590	1,312	439	895

Statement of Financial Position

Summary of consolidated balance sheet data (in millions of EUR, IFRS – audited)	31 December 2013	31 December 2014	30 June 2015
Total assets	206,087	211,116	221,639
Parent shareholders' equity	11,662	11,676	11,371

Material adverse change:

There has been no material adverse change in the prospects of the Guarantor or KBC Bank Group since 31 December 2014.

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 2015.

II. Inclusion of NIBOR as Reference Rate

1. Introduction

The Issuer decided to include NIBOR as an additional Reference Rate in respect of (i) Floating Rate Notes where Screen Rate Determination is applicable, (ii) Floating Rate Notes where Rates Variance is applicable, (iii) Floating Rate Notes where Asian Option – Interest Rates is applicable, (iv) Floating Rate Notes where Digital Option is applicable, (v) Range Accrual Notes, (vi) Index Linked Interest Notes where Digital Option is applicable, (vii) Equity Linked Interest Notes where Digital Option is applicable, (viii) Inflation Linked Interest Notes where Digital Option is applicable and (ix) Currency Linked Interest Notes where Digital Option is applicable.

As a consequence, the sections “*Summary of the Base Prospectus*”, “*Form of Final Terms*” and “*Terms and Conditions of the Notes*” of the Retail Base Prospectus and the French and Dutch translations of the Summary are deemed to be amended as described below.

2. Summary of the Base Prospectus

In items C.9, C.10, C.15 and C.20 of the section “*Summary of the Base Prospectus*” (on pages 1 – 25 of the Retail Base Prospectus), all references to “[LIBOR][EURIBOR][CMS]” will be deemed deleted and replaced by “[LIBOR][EURIBOR][NIBOR][CMS]”.

3. Form of Final Terms

- (i) In items 14 (xi), 14 (xii), 14 (xiii), 14 (xiv), 15 (xi), 15 (xii), 17 (xxii), 18 (xxvii), 19 (xxii) and 20 (xxii) of “*Part A – Contractual Terms of the Form of Final Terms*” in the section “*Form of Final Terms*” (on pages 99 – 153 of the Retail Base Prospectus), all references to “[LIBOR][EURIBOR][CMS]” will be deemed deleted and replaced by “[LIBOR][EURIBOR][NIBOR][CMS]”.
- (ii) In item 6 of “*Part B – Other Information of the Form of Final Terms*” in the “*Form of Final Terms*” (on pages 154 - 159 of the Retail Base Prospectus), the reference to “[LIBOR/EURIBOR/CMS]” will be deemed deleted and replaced by “[LIBOR/EURIBOR/NIBOR/CMS]”.

4. Terms and Conditions of the Notes

- (i) Condition 3 (b) (ii) (A) (2) (*Historic Interest Rates*) in the section “*Terms and Conditions of the Notes*” (on pages 167 and 168 of the Retail Base Prospectus) will be deemed deleted and replaced by the following paragraph:

“(2) If the Reference Rate is specified in the applicable Final Terms to be LIBOR, EURIBOR or NIBOR, where:

- (a) five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations; or

- (b) the Relevant Screen Page is not available or if in the case of Condition 3(b)(ii)(A)(1)(I), no such offered quotation appears or, in the case of Condition 3(b)(ii)(A)(1)(II), fewer than three such offered quotations appear, in each case as at the Specified Time (as defined in Condition 3(b)(ii)(A)(4)), the Calculation Agent shall request each of the Reference Banks (as defined in Condition 3(b)(ii)(A)(4)) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at approximately the Specified Time on the Interest Determination Date in question and if on any Interest Determination Date:

- (i) two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Variable Rate of Interest for such Interest Period shall be the product of (a) the arithmetic mean (rounded as provided above) of such offered quotations, plus or minus (as appropriate) the Margin (if any), and (b) the Interest Multiplier specified in the applicable Final Terms; or
- (ii) fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Variable Rate of Interest for the relevant Interest Period shall be the product of (a) the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean (rounded as provided

above) of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, at approximately the Specified Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London interbank market or, if the Reference Rate is EURIBOR, the Euro-zone interbank market, or, if the Reference Rate is NIBOR, the Oslo interbank market, as the case may be, plus or minus (as appropriate) the Margin (if any) and (b) the Interest Multiplier specified in the applicable Final Terms,

all as determined by the Calculation Agent; or

(c) the Variable Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Variable Rate of Interest shall be determined as at the last preceding Interest Determination Date.”

(ii) Condition 3 (b) (ii) (A) (4)) in the section “*Terms and Conditions of the Notes*” (on page 169 of the Retail Base Prospectus) will be deemed deleted and replaced by the following paragraph:

“(4) For the purposes of this Condition 3(b)(ii)(A):

“Reference Banks” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, and in the case of a determination of NIBOR, the principal Oslo office of four major banks in the Oslo inter-bank market, in each case selected by the Calculation Agent in its sole discretion.

“Specified Time” means 11.00 a.m. (London time) in the case of LIBOR, 11.00 a.m. (Brussels time) in the case of EURIBOR, 12.00 noon (Oslo time) in the case of NIBOR or 11.00 a.m. (Frankfurt time) in the case of CMS.”

(iii) In Condition 3 (e) (*General definitions applicable to interest-bearing Notes*) in the section “*Terms and Conditions of the Notes*” (on pages 184 and 185 of the Retail Base Prospectus), the definition of “Interest Determination Date” will be deemed deleted and replaced by the following definition of “Interest Determination Date”:

““Interest Determination Date” means (i) each date specified as such in the applicable Final Terms; (ii) where “Standard IDD” is specified in the applicable Final Terms (a) if the specified Relevant Screen Page is a LIBOR (other than euro LIBOR or Sterling LIBOR) rate, the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in London prior to the start of each relevant Interest Period; (b) if the specified Relevant Screen Page is a Sterling LIBOR rate, the first day of each Interest Period; (c) if the specified Relevant Screen Page is a EURIBOR or euro LIBOR rate, the second day on which the TARGET2 System is open prior to the start of each Interest Period; (d) if the specified Relevant Screen Page is a NIBOR rate, the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Oslo prior to the start of each Interest Period; and (e) if the specified Relevant Screen Page is a CMS rate, the second day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits) in Frankfurt prior to the start of each Interest Period; or (iii) where “Arrears IDD” is specified in the applicable Final Terms, the first day of the next following Interest Period or, in the case of the final Interest Period, the Scheduled Maturity Date;”

III. General

Save as disclosed in this Supplement N°3, there has been no significant new factor, material mistake or inaccuracy since 9 September 2015, the date of the publication of the Supplement N°2 to the Retail Base Prospectus.

Copies of this Supplement N°3 will be available (i) without charge at the specified office of the Issuer and the Principal Paying Agent, (ii) on the website of the Luxembourg Stock Exchange at www.bourse.lu and (iii) on the www.kbc.com³ website.

To the extent that there is an inconsistency between (a) any statement in this Supplement N°3 and (b) any statement in, or incorporated by reference into, the Retail Base Prospectus, the statements in (a) above will prevail.

In accordance with Article 13 paragraph 2 of the Prospectus Law, investors who already agreed to purchase or subscribe for Notes under the €10,000,000,000 Retail Euro Medium Term Note Programme before this Supplement N°3 was published, have the right to withdraw their acceptances within two working days after the publication of this Supplement N°3, namely up to and including 2 October 2015.

30 September 2015

³ <https://www.kbc.com/MISC/D9e01/~E/~KBCCOM/~BZJ47O7/~BZIZTPN/BZJ0507/BZJ06PN>