Frederik Vyncke
Manager Wholesale Funding

KBC Bank NV

(incorporated with limited liability in Belgium)

EUR 5,000,000,000
Euro Medium Term Note Programme

Under this Euro Medium Term Note Programme (the **Programme**), KBC Bank NV (the **Issuer**) may from time to time issue notes (the **Notes**). Notice of the aggregate nominal amount of the Notes, interest (if any) payable in respect of the Notes, the issue price of Notes and certain other information which is applicable to the relevant Notes will be set out in the final terms document (the **Final Terms**).

This document is a base prospectus (the **Base Prospectus**) for purposes of Regulation (EU) 2017/1129 (the **Prospectus Regulation**). Certain information is not set out in this document but is incorporated by reference and forms part of this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112. The Issuer may also publish additional information from time to time in a supplement to this Base Prospectus in the event of certain significant new factors, material mistakes or material inaccuracies (as set out in Section "Supplements to this Base Prospectus" on page 115). Prospectus investors should read this document together with all information incorporated by reference herein, any supplements to this Base Prospectus published by the Issuer, and the applicable Final Terms. See Section "Where more information can be found" on page 116.

This Base Prospectus has been approved by the Belgian Financial Services and Markets Authority (**FSMA**), as competent authority under the Prospectus Regulation. The FSMA only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Notes. Investors should make their own assessment as to the suitability of investing in the Notes.

Application has been made to Euronext Brussels (**Euronext Brussels**) for Notes issued under the Programme during the period of 12 months from the date of approval of the Base Prospectus to be listed on Euronext Brussels and admitted to trading on the regulated market of Euronext Brussels. Further details regarding the listing and admission to trading of each issue of Notes will be set out in the applicable Final Terms.

The Notes issued will be in dematerialised form and will be represented by a book-entry in the records of the clearing system operated by the National Bank of Belgium (the **NBB**) or any successor thereto (the **Securities Settlement System**). Access to the Securities Settlement System is available through its participants, including Euroclear Bank SA/NV and Clearstream Banking Frankfurt and certain others.

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**), or any U.S. state securities laws and, unless so registered, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (**Regulation S**) except pursuant to an exemption from or in a transaction not subject to the registration requirements of the Securities Act and applicable U.S. state securities laws.

Any investment in the Notes does not have the status of a bank deposit and does not fall under any deposit protection scheme. The Notes are solely the corporate liabilities of the Issuer. The Notes and (re)payment of principal, interest or any other amount due in connection with the Notes are not guaranteed by any person, including KBC Group NV.

By subscribing to the Notes, investors lend money to the Issuer and risk losing all or part of their investment. Prospective investors should have regard to the factors described under the section headed "Risk factors" on pages 5 to 18 in this Base Prospectus, setting out certain risks in relation to the the Issuer and the Notes. The Notes may in whole or in part be written down or converted into equity upon a bail-in, as set out on page Error! Bookmark not defined. **of this Base Prospectus.**

The date of this Base Prospectus is 22 October 2019. This Base Prospectus is valid for a period of one year from its date of approval, *i.e.* until 22 October 2020. The obligation to publish a supplement to this Base Prospectus (as referred to above) no longer applies after the expiry of the validity period of this Base Prospectus.

Arranger and Dealer

KBC Bank

IMPORTANT NOTICES

Restrictions on distribution

The distribution of this Base Prospectus and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arranger to inform themselves about and to observe any such restriction.

Restrictions on public offers

The Notes may not be offered to the public in any Member State of the European Economic Area (**EEA**) except:

(a) to any person in Belgium and/or any other Member State where this Base Prospectus has been notified in accordance with Article 25 of the Prospectus Regulation (as specified in the applicable Final Terms), provided that:

  (i) the applicable Final Terms specify the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable";

  (ii) such offer is made in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in the relevant Final Terms (subject to the validity period of this Base Prospectus); and

  (iii) the Issuer has consented in writing to the use of this Base Prospectus for the purpose of that offer (see Section "Consent to use this Base Prospectus" on page 108); or

(b) to any legal entity which is a qualified investor as defined in the Prospectus Regulation; or

(c) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation); or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation. For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Member State of the European Economic Area means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes. The Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes to the public in the EEA except in the cases set out above.

Consent to use this base prospectus

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1.4 of the Prospectus Regulation in Belgium and any other EEA Member State where this Base Prospectus has been notified in accordance with Article 25 of the Prospectus Regulation. Any person making or intending to make such non-exempt offer of Notes on the basis of this Base Prospectus must do so only with the Issuer's consent – see "Consent to use this Base Prospectus" on page 108.

PRIIPS / EEA retail investors

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Applicable", those 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 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**); (ii) a customer within the meaning of Directive (EU) 2016/97 (the **Insurance Distribution Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling those Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling those Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPS Regulation.

Consumers in Belgium

If the Final Terms in respect of any Notes specifies the "Prohibition of sales to consumers in Belgium" as "Applicable", the Notes are not intended to be offered, sold or otherwise made available to and may not be offered, sold or otherwise made available to any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) in Belgium.

MiFID II product governance / target market

The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the 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 target market assessment) and determining appropriate distribution channels. A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.

Investment considerations

The Notes may not be a suitable or appropriate investment for all investors. In particular, each potential investor should:

(a) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement and all information contained in the applicable Final Terms;

(b) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(c) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where the currency for principal and/or interest payments is different from the potential investor's currency;

(d) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices, interest rates and financial markets; and

(e) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation, by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (a) Notes are legal investments for it, (b) Notes can be used as collateral for various types of borrowing and (c) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Forward-looking statements

This Base Prospectus contains or incorporates by reference certain statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Issuer's business strategies, trends in its business, competition and competitive advantage, regulatory changes, and restructuring plans.

Words such as believes, expects, projects, anticipates, seeks, estimates, intends, plans or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer does not intend to update these forward-looking statements except as may be required by applicable securities laws (see "Supplements to this Base Prospectus" on page 115).

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. See Section "Risk factors" on page 5 and following for a non-exhaustive overview of such factors.

Rounding

This Base Prospectus contains various amounts and percentages which have been rounded and, as a result, when those amounts and percentages are added up, they may not total.

Currencies

In this Base Prospectus, references to "euro", "EUR" and "€" are to 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.

References to the Issuer, KBC Bank Group, KBC Group NV and KBC Group

In this Base Prospectus, the term **Issuer** refers to KBC Bank NV. The Issuer together with its subsidiaries are referred to in this Base Prospectus as **KBC Bank Group**. The Issuer is a wholly-owned subsidiary of **KBC Group NV**. KBC Group NV together with its subsidiaries (including the Issuer) are referred to as **KBC Group**. See Section "Corporate structure, share capital and credit ratings" on page 20 for more information regarding the Issuer's corporate and group structure, and the relationship between the Issuer and KBC Group NV and between KBC Bank Group and KBC Group.

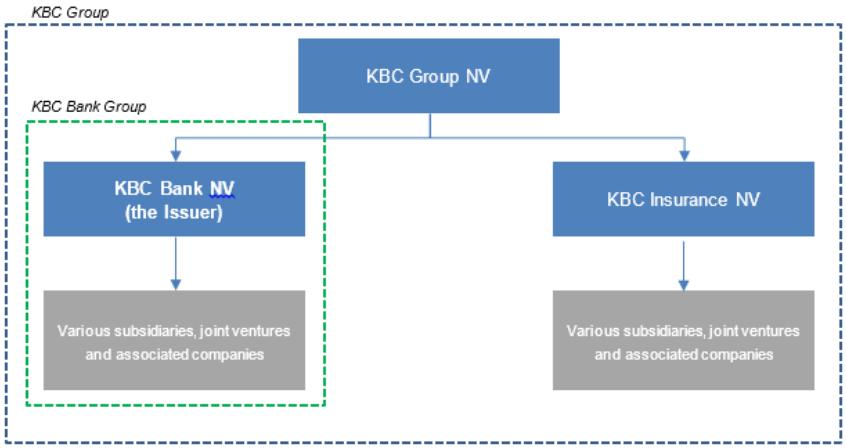
TABLE OF CONTENTS

GENERAL DESCRIPTION OF THE PROGRAMME

This section is the general description of the Programme referred to in Article 25(1)(b) of Commission Delegated Regulation (EU) No 2019/980 supplementing the Prospectus Regulation. This section is qualified in its entirety by the rest of this Base Prospectus, including the Terms and Conditions of the Notes as set out on page 49 and following.

Information relating to the issuer

Issuer:	KBC Bank NV
Description of the Issuer:	The Issuer is a registered as a credit institution with the National Bank of Belgium. It is a wholly-owned subsidiary of KBC Group NV and is part of the KBC Group. The Issuer's strategy is fully embedded in the strategy of KBC Group NV, which includes offering a unique bank-insurance experience combining the Issuer's banking activities and the Issuer's sister company KBC Insurance NV's insurance activities. A simplified schematic of KBC Group's legal structure is provided below:



Principal activities of the Issuer:	KBC Bank Group is a multi-channel banking group that caters primarily to private persons, small and medium-sized enterprises (SMEs) and midcaps. Its geographic focus is on Europe. In its "home" (or "core") markets Belgium, Czech Republic, Slovak Republic, Hungary, Bulgaria and Ireland, KBC Bank Group has important and (in some cases) even leading positions (based on internal data). KBC Bank Group is also present in other countries where the primary focus is on supporting the corporate clients of the home markets. KBC Bank Group's core business is retail and private bank-insurance (including asset management), although it is also active in providing services to corporations and market activities. Across most of its home markets, KBC Bank Group is active in a large number of products and activities, ranging from the plain vanilla deposit, credit, asset management and insurance businesses (via the Issuer's sister company, KBC Insurance NV) to specialised activities such as, but not exclusively, payments services, dealing room activities (money and debt market activities), brokerage and corporate finance, foreign trade finance, international cash management, leasing, etc.

(See section "Information relating to the Issuer" on page 20 and following for more detailed information.)

Information relating to the Programme

Description:	Euro Medium Term Note Programme.
Arranger and Dealer:	KBC Bank NV. The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme.
Agent:	KBC Bank NV.
Programme size:	Up to EUR 5,000,000,000 (or its equivalent in any other currencies) aggregate nominal amount of Notes outstanding at any one time under the Programme. The Issuer may agree with the Dealers to increase or decrease the size of the Programme without the consent of the Noteholders.
Series and Tranches:	The Notes will be issued in series (each a **Series**), whether or not issued on the same date, that have identical terms on issue (except in respect of the first payment of interest and their issue price) and are expressed to have the same series number. A **Tranche** means, in relation to a Series, those Notes of that Series that are identical in all respects. The final terms and conditions for each Series and Tranche of Notes (or the relevant provisions thereof) will be specified in the applicable Final Terms.
Distribution:	The Notes will be distributed by way of private placement or public offer on a syndicated or non-syndicated basis, as specified in the applicable Final Terms.
Currencies:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in any currency agreed between the Issuer and the relevant Dealers. The currency of each Series will be specified in the applicable Final Terms.
Maturity:	Subject to compliance with all relevant laws, regulations and directives and unless previously redeemed or purchased and cancelled, each Note will have the maturity as specified in the applicable Final Terms.
Issue Price:	Notes may be issued at their nominal amount or at a discount or premium to their nominal amount. This will be specified in the applicable Final Terms.
Form of Notes:	The Notes will be issued in dematerialised form in accordance with the Belgian Companies Code (*Wetboek van Vennootschappen /Code des Sociétés*) or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen / Codes Sociétés et des Associations*). The Notes will be represented exclusively by book entry in the records of the Securities Settlement System currently operated by the National Bank of Belgium. Title to the Notes will pass by account transfer.

	The Notes cannot be physically delivered and may not be converted into bearer notes (*effecten aan toonder/titres au porteur*). See Condition 1 (*Form, Denomination and Title*) on page 49.
Specified Denomination:	The Notes are issued in the specified denomination(s) specified in the applicable Final Terms (the **Specified Denomination**) and integral multiples of such Specified Denomination. The minimum Specified Denomination of the Notes shall be at least EUR 1,000 (or its equivalent in any other currency). The Notes have no maximum Specified Denomination.
Status of Notes:	The Notes constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and shall at all times rank *pari passu* without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations. See Condition 2 (*Status of the Notes*) on page 51.
Interest:	Except for Zero Coupon Notes, Notes will either bear interest payable at a fixed rate or a floating rate or a combination thereof. Interest will be payable on such date or dates as may be specified in the applicable Final Terms. See Condition 3 (*Interest and other calculations*) on page 51.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable. Notes will be redeemed either (i) at 100% of the Calculation Amount or (ii) at an amount per Calculation Amount specified in the applicable Final Terms.
Optional Redemption:	The Final Terms issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part), and if so the terms applicable to such redemption. This option is not available if "Prohibition of sale to consumers in Belgium" is specified as "Not Applicable" in the applicable Final Terms.
Early Redemption:	In addition to the "*Optional Redemption*" explain above, Notes can be early redeemed at the option of the Issuer prior to their stated maturity for tax reasons. See Condition 4.2 (*Redemption upon the occurrence of a Tax Event*). If so specified in the applicable Final Terms, Notes may also be early redeemed, subject to certain conditions, upon the occurrence of a Loss Absorption Disqualification Event. See Condition 4.4 (*Redemption of the Notes following the occurrence of a Loss Absorption Disqualification Event*). No early redemption is possible in case "Prohibition of sale to consumers in Belgium" is specified as "Not Applicable" in the applicable Final Terms.
Ratings:	Notes issued under the Programme may be rated or unrated. Where a Tranche of Notes is to be rated, such rating will be specified in the relevant Final Terms.

	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. Also see the section "Corporate structure, share capital and credit ratings" for information regarding credit ratings assigned to the Issuer generally (but not to a specific issue of Notes).
Withholding Tax:	All payments of principal and interest in respect of the Notes will be made free and clear of withholding taxes of the Kingdom of Belgium, unless the withholding is required by law. In such event, the Issuer shall, subject to customary exceptions, pay such additional amounts on interest (but not on principal or any other amount) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such withholding been required. See Condition 6 (*Taxation*) of the Terms and Conditions of the Notes on page 70.
Governing Law:	The Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with Belgian law.
Listing and Admission to Trading:	Application has been made to Euronext Brussels for Notes issued under the Programme to be listed and to be admitted to trading on the regulated market of Euronext Brussels. The applicable Final Terms will specify whether and where the Notes will be admitted to trading and listing.
Selling Restrictions:	There are restrictions on the offer, sale and transfer of the Notes. See "Subscription and Sale" on page 104 below.
Bail-in:	Because the Issuer is a credit institution and the Notes are senior unsecured obligations of the Issuer, the Notes are subject to "bail-in". This means that when the Issuer is failing or likely to fail, the EU Single Resolution Board together with the National Bank of Belgium can decide to write down the Notes (by reducing the outstanding principal amount) or to convert the Notes into equity. See risk factor "Noteholders may be required to absorb losses in the event the Issuer becomes non-viable or were to fail" on page **Error! Bookmark not defined.** and a more general description of the Issuer's regulatory status in Section "The Issuer's business - Banking supervision and regulation" on page 29.

RISK FACTORS

Text in italics below is an introduction to the "Risk Factors" section.

Which risks are described in this section and in how are they presented?

The Issuer believes that the risk factors described in this section are risks which are specific to the Issuer and/or to the Notes and which are material for taking an informed investment decision with respect to the Notes.

The risk factors are grouped in the following categories:

- Risks relating to the Issuer and the KBC Bank Group *(page 7 and following)*
- Risks relating to the Notes *(page 13 and following)*

In each category the most material risk factors are mentioned first. The materiality of a risk factor is assessed by its expected negative impact on the Issuer (including any relevant mitigation measures) and the probability of its occurrence.

Some risk factors can be grouped into more than one category. In that case, the Issuer has only mentioned that risk factor in the most appropriate category, and not in the other categories. Potential investors should consult the risk factors in all categories.

Does this section contain all risks that could result in adverse consequences for investors in the Notes?

No. This section does not contain risks:

- *that the Issuer does not consider material;*
- *that the Issuer does not consider to be specific to the Issuer or the Notes;*
- *of which the Issuer is not aware;*
- *that may arise in the future.*

Although not mentioned in this section, these risks could in the future still result in adverse consequences for investors in the Notes, for example an inability to pay interest, principal or any other amount on or in connection with the Notes.

In some cases, the Issuer will publish a supplement to this Base Prospectus if such risks become material or specific to the Issuer or the Notes, or when the Issuer becomes aware of them or when they arise, as explained in section "Supplements to this Base Prospectus" on page 115.

What is meant by risks that are "material" for taking an informed investment decision?

The Issuer has assessed the materiality of the risks factors, taking into account the expected negative impact of such risks on the Issuer (including any relevant mitigation measures) and the probability of their occurrence. For the risk factor relating to the Issuer and the KBC Bank Group, the result of this assessment is mentioned behind each risk factor, using a scale of "low", "medium" or "high".

What does a "low", "medium" or "high" materiality of a risk factor mean?

The qualitative scale of the materiality of a risk using the labels "low", "medium" or "high" is only intended to compare the expected negative impact of such risks on the Issuer (including any relevant mitigation measures) and the probability of their occurrence among the risk factors included in this

section. These labels do not correspond to certain amounts or percentages, and are based on a [good faith judgment] of the Issuer.

RISKS RELATING TO THE ISSUER AND THE KBC BANK GROUP

The overall management responsibility of a financial institution can be defined as managing capital, liquidity, return (income versus costs) and risks, which in particular arise from the special situation of banks as risk transformers. Taking risks and transforming risks is an integral part – and hence an inevitable consequence of – the business of a financial institution. Therefore, the KBC Bank Group (together with the KBC Group) does not aim to eliminate all the risks involved (risk avoidance) but instead looks to identify, control and manage them in order to make optimal use of its available capital (i.e. risk-taking as a means of creating value). Ergo it may leave the KBC Bank Group to unidentified, unanticipated and incorrectly quantified risks.

Credit risks (medium risk)

Credit risk is the potential negative deviation from the expected value of a financial instrument arising from the non-payment or non-performance by a contracting party (for instance a borrower), due to that party's insolvency, inability or lack of willingness to pay or perform, or to events or measures taken by the political or monetary authorities of a particular country (country risk). Credit risk thus encompasses default risk and country risk, but also includes migration risk, which is the risk for adverse changes in credit ratings.

As a bank, we are subject to a wide range of credit risks, the main source of which is the bank's loan portfolio. It includes all the loans and guarantees that the Group has granted to individuals, companies, governments and banks (including debt securities if they are issued by companies or banks). The aggregate outstanding amount of our loan portfolio amounted to EUR 165 billion on 31 December 2018. Most counterparties are private individuals (39.9%) and corporates (49.2%). Most counterparties are located in Belgium (55.0%) or Czech Republic (15.0%). 4.3% of this portfolio are impaired loans, *ie.* loans where it is unlikely that the full contractual principal and interest will be repaid/paid.

The main sources of other credit risks in the banking activities are trading book securities, counterparty risk of derivatives and government securities.

A more detailed breakdown of our loan portfolio, including information on impairments, can be found on page 94 of our 2018 annual report. More information on credit risks relating to trading book securities, counterparty risk of derivatives and government securities can be found on page 99 of our 2018 annual report. Our 2018 annual report is incorporated by reference into this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112. See Section "Where more information can be found" on page 116 for information on where you can find the Issuer's 2018 annual report.

Market risk in non-trading activities (medium risk)

Market risk is defined as the potential negative deviation from the expected value of a financial instrument (or portfolio of such instruments) due to changes in the level or in the volatility of market prices (e.g. interest rates, exchange rates and equity or commodity prices). Market risk is related to trading (which can be found in the section "*Market risk in trading activities (low risk)*" on page 10) and non-trading activities.

The Issuer is mainly exposed to interest rate risk, credit spread risk and equity price risk:

- Interest rate risk is the potential negative deviation from the expected value of a financial instrument or portfolio due to changes in the level or in the volatility of interest rates. The value of interest bearing positions will decrease when market interest rates increase and vice-versa, unless the position contains inherent protection against such decrease, such as a variable or floating interest rate mechanism. We estimate that, as at 31 December 2018, an increase of market

interest rates by 10 basis points would lead to a decrease of the value of our total portfolio with 65 million euro.

- Credit spread risk is the risk due to changes in the level or in the volatility of credit spreads. The value of our positions will decrease when credit spread increases, and vice-versa. This is mainly relevant for our portfolio of sovereign and non-sovereign bonds. As at 31 December 2018, the total carrying value (*i.e.* the amount at which an asset or liability is recognised in our accounts) of our sovereign and non-sovereign bond portfolio combined was 43.4 billion euro, and we estimate that an increase in credit spread of 100 basis points across the entire curve would lead to a theoretical negative economic impact of 1.9 billion euro on the value of both portfolios combined.

- Equity risk is the risk due to changes in the level or in the volatility of equity prices. The total value of our equity portfolio as at 31 December 2018 was 0.26 billion euro. A 25% drop in equity prices would have a negative impact of 65 million euro on the value of this portfolio.

More information regarding market risks in non-trading activities generally, and interest rate risk, credit spread risk and equity risk specifically can be found on pages 58 and following of our 2018 annual report. More information on credit risks relating to trading book securities, counterparty risk of derivatives and government securities can be found on page 52 of our 2018 annual report. Our 2018 annual report is incorporated by reference into this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112. See Section "Where more information can be found" on page 116 for information on where you can find the Issuer's 2018 annual report.

Operational risks (medium risk)

The Issuer is exposed to a large array of operational risks, which are defined as risk of loss resulting from inadequate or failed internal processes and systems, human errors or from sudden man-made or natural external events, that could give rise to material losses in services to customer and to loss or liability to the Issuer. These events can potentially result in financial loss, liability to customer, administrative fines, penalties and/or reputational damages.

The Issuer endeavours to hedge such risks by implementing adequate systems, controls and processes tailored to its business. Nevertheless, it is possible that these measures prove to be ineffective in relation to operational risks to which the Issuer is exposed.

The main operational risks of the Issuer are as follows (in order of importance):

- *Conduct & Compliance risk*: The risk of losses or sanctions due to failure (or perceived failure) to comply with the statutory and regulatory codes of integrity and conduct or with the internal policy in this regard and with the institution's own values and codes of conduct in relation to the integrity of its activities. This includes also the current or prospective risk of losses arising from inappropriate supply of financial services including cases of willful or negligent misconduct. Conduct risk covers many "hard" legal aspects, such as informing customers, providing the required transparency, avoiding misleading information and forced tying of products, selling the right product to the right customer and at the right time, conflicts of interest in doing business, manipulation of benchmarks, obstacles to changing financial products during their lifetime, automatic provision of products or unfair treatment of customers' complaints. There are also softer aspects to include in conduct risk. These are based specifically on behavior and are linked to people, culture and mindset.

- *Information security risk:* The risk of losses due to an intentional or unintentional breach – originating from within or outside the institution – to the availability, confidentiality and integrity of the organization's information assets.

- *IT (Information Technology) risk*: The risk of losses due to unavailability of systems and data inappropriateness of systems or inability to change.

- *Process risk:* Risks of losses caused by insufficient, badly designed or poorly implemented processes and processing controls and unintentional human errors or omissions during normal (transaction) processing.

- *Model risk*: The Issuer is exposed to risks of losses or potential for adverse consequences arising from decisions based on incorrect or misused model outputs and model reports.

- *Outsourcing risk & 3rd party risk:* risks stemming from problems regarding continuity, integrity and/or quality of the activities outsourced to or partnered with third parties (whether or not within a group) or from the equipment or staff made available by these third parties.

- *Legal risk:* risks of losses caused by bad management of disputes, the inability to protect our IP, failure to manage (non-)contractual obligations or failure to timely and correctly detect, assess and implement legislation and regulations.

- *Fraud risk:* risks of deliberate abuse of procedures, systems, assets, products and/or services by one or more persons who intend to deceitfully or unlawfully benefit themselves or others.

- *Business continuity risk:* risks of sudden (man-made or natural) external events (e.g. natural disasters, power outages, terrorism) leading to a situation that threatens the normal continuation of business of the Issuer.

- *Personal and physical security risk:* risks of losses arising from acts inconsistent with employment, health or safety laws or agreements, from personal injury claims, or from diversity / discrimination events.

Performance risk (medium risk)

Over the last years, the Issuer remained best in class in terms of performance, which underlines the resiliency of its business model in a challenging environment.

Going forward the market environment is likely to remain challenging, both for the Issuer and its peers, which might put pressure on the Issuer's profitability, credit rating although some of these evolutions also offer opportunities:

- (Longer than expected) low interest rates, negatively impacting the reinvestment yield and influencing client behaviour, e.g. through a drop in traditional life insurance sales;

- Increasing political uncertainty, both on a global and European level (e.g. rising protectionism, trade war etc); one of the factors that currently remain uncertain, is the Brexit. The Issuer is keeping track of possible consequences of several scenarios, with strategic contingency plans being developed. Domains that are affected most in the event of a hard Brexit are: KBC Bank Ireland, the exposure to corporates and SMEs, net interest income and our Asset Management activities. The risk linked to derivatives clearing activities has temporarily decreased thanks to the temporary recognition of LCH as a qualified central clearing counterparty. This implies that the clearing services can be continued without interruption until end of March 2020, which should leave more time for a full recognition of LCH in the EU-27. The Issuer has also become a direct clearing member of Eurex as an additional mitigation measure;

- Higher competition affected by consumer demand, technological changes (including the growth of digital banking), regulatory action and changes in competitive behaviors due to new entrants to the market (including potential non-traditional financial services providers such as large retails or technology conglomerates) and new lending models (such as, for example, peer-to-peer lending).

These competitive pressures could result in increased pricing pressures on a number of the Group's products and services and in the loss of market share in one or more such markets.Volatility on financial markets, putting pressure on the sales of investment products;

- Volatility on financial markets, putting pressure on the sales of investment products;
- An increasingly digital world, which offers opportunities but also challenges in terms of more and new competitors and changing client behaviour. Due to investments in digital transformation and mitigation risk measures, operational costs will increase over the coming years (for some of these risks see the section "Operational Risks (medium risk)" on page 8);
- Climate-related risks (and opportunities) remain high on the agenda. The Issuer has to deal with growing climate-related expectations of different stakeholders such as institutional investors, governments and clients. These risks will affect the activities and products of the Issuer in the coming years; and
- Workforce mismatches due to the digital transformation and pressure on the labour market / war for talent making it more difficult to build a future-proof workforce. In addition, more staff needs to be involved in reporting towards regulators.

Regulatory developments (medium risk)

The Issuer's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates.

There have been significant regulatory developments in response to the global financial crisis, including various initiatives, measures, stress tests and liquidity risk assessments taken at the level of the European Union, national governments, the European Banking Authority and/or the European Central Bank (the "**ECB**"). This has led to the adoption of a new regulatory framework and the so-called "Banking Union", as a result of which the responsibility for the supervision of the major Eurozone credit institutions (including the Group) has been assumed at the European level. Such increased regulation or changes thereto could have an adverse effect on the Issuer's operations.

Recent regulatory and legislative developments applicable to credit institutions such as the Issuer may adversely impact the Issuer and/or its subsidiaries, their business, financial condition or results of operation. A non-exhaustive overview of certain important regulatory and legislative developments, such as changes to the prudential requirements for credit institutions, capital adequacy rules, recovery and resolution mechanisms, is set out in Section "Banking supervision and regulation" and "Bank recovery and resolution" on pages 29 and following.

Moreover, there seems to have been an increase in the level of scrutiny applied by governments and regulators to enforce applicable regulations and calls to impose further charges on the financial services industry in recent years. Such increased scrutiny or charges may require the Group to take additional measures which, in turn, may have adverse effects on its business, financial condition and results of operations.

Any failure of the Issuer to meet regulatory requirements could result in administrative actions or sanctions.

Market risk in trading activities (low risk)

The Issuer is exposed to market risks via the trading activities of its dealing rooms in Belgium, the Czech Republic, Slovakia and Hungary, as well as via a minor presence in the UK and Asia. Limited trading activities are also carried out at United Bulgarian Bank (UBB) in Bulgaria (UBB's regulatory capital charges for market risk amounted to about 1% of the Issuer's total regulatory capital charges i.e. approximately EUR 3 million at the end of 2018).

Market risk exposures in the trading book are measured by the Historical Value-at-Risk (HVaR) method, which is defined as an estimate of the amount of economic value that might be lost due to market risk over a defined holding period. The Issuer uses the historical simulation method, based on patterns of experience over the previous two years. The Issuer's HVaR estimate, calculated on the basis of a one-day holding period, was 6 million euro as at 31 December 2018, and varied between 4 million euro and 7 million euro during the financial year of 2018.

Capital adequacy (low risk)

The CRD IV requirements include a capital conservation buffer and, in certain circumstances, a systemic buffer and/or a countercyclical buffer which come on top of the minimum requirements. These additional requirements are being gradually phased in and have an impact on the Group and its operations, as it imposes higher capital requirements. Capital requirements will increase if economic conditions or negative trends in the financial markets worsen and such further capital increases may be difficult to achieve or only be raised at high costs in the context of adverse market circumstances.

CRD IV requires the Group to meet targets set for the Basel III liquidity related ratios, i.e., (i) the liquidity coverage ratio ("**LCR**") which requires banks to hold sufficient unencumbered high quality liquid assets to withstand a 30-day stressed funding scenario and (ii) the net stable funding ratio ("**NSFR**") which is calculated as the ratio of an institution's amount of available stable funding to its amount of required stable funding.

Section "Banking supervision and regulation - Solvency supervision" on pages 31 and following provides a broader overview of the capital adequacy requirements.

Any failure of the Issuer to meet the regulatory capital and liquidity ratios could result in administrative actions or sanctions or it ultimately being subject to any resolution action.

Credit ratings (low risk)

The credit ratings of the Group are important to maintaining access to key markets and trading counterparties. See "Credit ratings" on page 21 for an overview of the Issuer's current credit ratings.

There can be no assurance that the Group will maintain the current ratings. Its failure to maintain its credit ratings could adversely impact the competitive position of the Group, makes entering into hedging transactions more difficult and increase borrowing costs or limit access to the capital markets or the ability of the Group to engage into funding transactions. In connection with certain trading agreements, the Group might also be required, if its current ratings are not maintained, to provide additional collateral.

Liquidity risk (low risk)

Liquidity risk is the risk that the Issuer will be unable to meet its liabilities and obligations as they come due, without incurring higher-than-expected costs.

Liquidity risks can be considered low, given the current solid liquidity position of the Issuer which is set out in the "Liquidity risk" section on pages 66 to 68 of the Issuer's 2018 Annual Report, which is incorporated by reference into this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112. See Section "Where more information can be found" on page 116 for information on where you can find the Issuer's 2018 annual report.

Liquidity risk can be sub-divided in contingency liquidity risk, structural liquidity risk and operational liquidity risk.

Contingency liquidity risk is the risk occurring when the Issuer may not be able to attract additional funds or replace maturing liabilities under stressed market conditions. This risk, assessed on the basis

of liquidity stress tests, relates to changes to the liquidity buffer of the bank under extreme stressed scenarios.

Structural liquidity risk is the risk occurring when the Issuer's long-term assets and liabilities might not be (re)financed on time or can only be refinanced at a higher-than-expected cost. Typical for banking operations, funding sources generally have a shorter maturity than the assets that are funded, leading to a negative net liquidity gap in the shorter time buckets and a positive net liquidity gap in the longer-term buckets. This creates liquidity risk if the Issuer would be unable to renew maturing short-term funding.

Operational liquidity risk is the risk occurring when the Issuer's operational liquidity management cannot ensure that a sufficient buffer is available at all times to deal with extreme liquidity events in which no wholesale funding can be rolled over.

RISKS RELATING TO THE NOTES

Noteholders may be required to absorb losses in the event the Issuer becomes non-viable or were to fail

Noteholders may lose their investment in case the Issuer were to become non-viable or fail. In such circumstances and aside from parts of the Issuer that can still go through normal insolvency proceedings, resolution authorities may require senior notes to be bailed-in, including (without limitation) the Notes issued prior to the date of this Base Prospectus.

In order to safeguard financial stability and minimize taxpayers' exposure to losses, BRRD[1] as implemented in the Belgian Banking Law includes a "bail-in" tool in relation to unsecured debt (including the Notes) and a statutory "write-down and conversion power" in relation to regulatory capital instruments. These powers allow resolution authorities to write down the claims of unsecured creditors (including the rights of Noteholders) of a failing institution in order to recapitalize the institution by allocating losses to its shareholders and unsecured creditors, or to convert debt into equity, as a means of restoring the institution's capital position.

The bail-in power includes the power to cancel a liability or modify the terms of contracts for the purposes of reducing or deferring the liabilities of the relevant financial institution and the power to convert a liability from one form to another, all with a view to recapitalizing the failing credit institution.

The Resolution Authority (which for the Issuer means the EU Single Resolution Board together with the resolution committee of the National Bank of Belgium) has the power to bail-in (i.e. write down or convert) senior debt such as the Notes, after having written down or converted tier 1 capital instruments and tier 2 capital instruments. On 31 December 2018, the Issuer's tier 1 and tier 2 capital amounted to EUR 15.7 billion in total.

The bail-in power enables the Resolution Authority to recapitalize a failed institution by allocating losses to its shareholders and unsecured creditors (including holders of the Notes) in a manner which is consistent with the hierarchy of claims in an insolvency of a relevant financial institution. BRRD contains certain safeguards which provide that shareholders and creditors that are subject to any write down or conversion should in principle not incur greater losses than they would have incurred had the relevant financial institution been wound up under normal insolvency proceedings.

Potential investors in the Notes should consider the risk that a Noteholder may lose all of its investment, including the principal amount plus any accrued and unpaid interest, if such statutory loss absorption measures are acted upon or that the Notes may be converted into ordinary shares.

Noteholders may have limited rights or no rights to challenge any decision to exercise such powers or to have that decision reviewed by a judicial or administrative process or otherwise.

The Issuer is not restricted from issuing additional debt, and may be required to do so because of regulatory requirements, and any future debt may be on better terms than the Notes

There is no restriction on the amount of debt that the Issuer may issue, which may rank senior to or *pari passu* with the Notes and which may benefit from security or guarantees that are not offered to the Noteholders. The Issuer has also issued and may continue to issue covered bonds and allocate certain assets to a special estate for these purposes, and the Noteholders do not have recourse to such special estate.

---

[1] Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending various EU Directives and Regulations, as amended by Directive (EU) 2017/2399 (**BRRD**).

The issue of any such additional debt or securities may reduce the amount recoverable by Noteholders upon the Issuer's bankruptcy or resolution. If the Issuer's financial condition were to deteriorate, the holders could suffer direct and materially adverse consequences, including suspension of interest and reduction of interest and principal and, if the Issuer were liquidated (whether voluntarily or involuntarily), the holders could suffer loss of their entire investment.

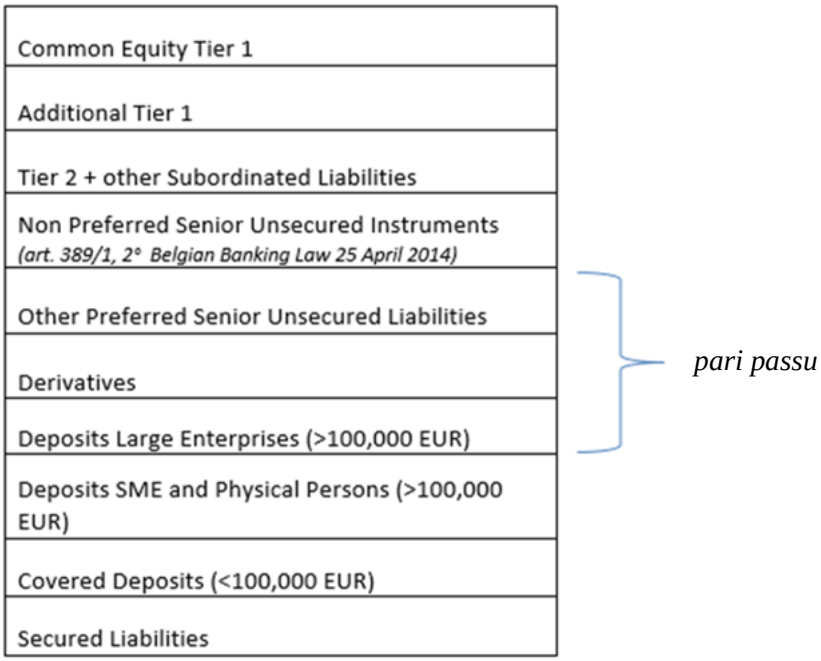
The Issuer may be required to issue additional debt because of regulatory requirements. In order to make the bail-in power (as described above) effective, credit institutions (including the Issuer) must at all times meet a minimum requirement for own funds and eligible liabilities (**MREL**) so that there is sufficient capital and liabilities available to stabilize and recapitalize failing credit institutions. The EU Single Resolution Board (SRB) requires KBC Group to achieve a ratio of 25.9% (of risk weighted assets (RWA)) by 1 May 2019 using eligible instruments of both KBC Group and the Issuer. Currently, KBC Group satisfies this requirement since its MREL ratio consolidated as of 30 June 2019 is 26.1% (of risk weighted assets (RWA)).

The Notes will rank behind certain deposits and secured liabilities

In case of bankruptcy or resolution of the Issuer, the Notes will rank behind deposits of small and medium enterprises (SME's) and physical persons, and *pari passu* with deposits of large enterprises in excess of EUR 100,000 and derivatives. This means that in such case, Noteholders will only be repaid after and to the extent that such deposits have been repaid first and hence bear a greater risk should the Issuer become (i) subject to the "bail-in" tool referred to in section "*The Notes can be "bailed-in" (written down or converted into equity) if the Issuer would be failing or likely to fail*" above or (ii) insolvent. On 31 December 2018, the Issuer, on a non-consolidated basis, had a total amount of customer deposits of EUR 127.8 billion (as reported in accordance with Belgian Generally Accepted Accounting Principles). The Issuer does not separately report deposits of large enterprises, SME's and physical persons.

Creditors that benefit from security rights granted by the Issuer, will be paid in priority from the proceeds of that security, and remaining proceeds (if any) will be paid to the other creditors (including the Noteholders) in accordance with their rank. On 31 December 2018, the book value of the Issuer's pledged assets amounted to EUR 32.1 billion (on a non-consolidated basis in accordance with Belgian Generally Accepted Accounting Principles).

Below is an overview of the ranking of the various debt, equity and derivative instruments issued by the Issuer in case of bankruptcy or resolution. The Notes fall within the category of "Other Preferred Senior Unsecured Liabilities".



The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions

In some cases, the Issuer may redeem the Notes prior to their stated maturity. This possibility does not apply if the "Prohibition of sales to consumers in Belgium" is specified as "Not Applicable" in the applicable Final Terms.

The possibilities for early redemption of the Notes are:

- When the Issuer becomes obliged to pay additional amounts ("gross-up") on interests from the Notes (but not principal or any other amount) pursuant to Condition 6 (*Taxation*) or it can no longer deduct payments in respect of the Notes for Belgian income tax purposes (see Condition 4.2 (*Redemption upon the occurrence of a Tax Event*)).

- If so specified in the applicable Final Terms, at the discretionary option of the Issuer (see Condition 4.3 (*Redemption at the Option of the Issuer*)).

- If so specified in the applicable Final Terms, when a Loss Absorption Disqualification Event occurs and is continuing. The term Loss Absorption Disqualification Event is defined and the related procedure is set out in Condition 4.4 (*Redemption of the Notes following the occurrence of a Loss Absorption Disqualification Event*). It is possible that a Loss Absorption Disqualification Event occurs with respect to a certain Series of Notes, but not with respect to another Series of Notes, depending on the terms of those Notes (such as the maturity date). The occurrence of such event will depend on the change in implementation of the minimum requirements for eligible liabilities under BRRD, which the Issuer cannot predict at this time.

The redemption amount payable by the Issuer upon such early redemption is equal to the principal amount outstanding (together with any accrued but unpaid interest), unless specified otherwise in the Final Terms.

Unless otherwise specified in the Final Terms, there is no reimbursement for the difference between the interest that Noteholders would have received if the Notes would remain outstanding until maturity, and the yield an investor may receive from reinvesting the redemption proceeds at that time until the original stated maturity of the Notes.

Additionally, during any period when the Issuer may elect or is perceived to be able to elect to redeem the Notes, the market value of the Notes generally will not rise substantially above the price at which they can be redeemed.

In case of redemption, the yields received may be lower than expected and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholders. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of their capital invested.

There is currently no active secondary market for the Notes, which may affect liquidity and market value of the Notes

There is currently no established secondary market for the Notes, and one may never develop (even if the Notes are admitted to trading). A secondary market for certain Series of Notes may not apply to other Series of Notes. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. This may have a negative impact on the liquidity of the Notes and cause low trading volumes. In similar vein, liquidity is likely to be very limited if the relevant Notes are not listed or no listing is obtained. The degree of liquidity may have a severely adverse effect on the market value of Notes, especially if the investors would be willing to sell the Notes within a short timeframe. In such circumstances, it is more likely that the Noteholders will have to sell the Notes at a discount in comparison with the nominal value of the Notes.

Moreover, although pursuant to Condition 4.7. (*Purchases*) the Issuer can purchase Notes at any time, the Issuer is not obliged to do so. Purchases made by the Issuer could affect the liquidity of the secondary market of the Notes and thus the price and the conditions under which investors can negotiate these Notes on the secondary market.

Foreign currency Notes expose investors to foreign exchange risk and the risk of exchange controls

An investment in foreign currency Notes expose investors to the risk of changing foreign exchange rates. The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that relevant authorities in respect of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders whose financial activities are carried out or dependent principally in a currency or currency unit other than the relevant Specified Currency may receive less interest or principal than expected, or no interest or principal.

Amendments to or discontinuance of LIBOR, EURIBOR or other reference rates may adversely affect the value and liquidity of and return on certain Notes

Amounts payable with respect to certain Notes may be determined by reference to reference rates such as the Euro Interbank Offered Rate (**EURIBOR**) and the London Interbank Offered Rate (**LIBOR**). Amendments to the way in which these reference rates are calculated or discontinuations of these reference rates can adversely affect the value of and return on those Notes. These reference rates are the subject of ongoing national and international regulatory reform. The implementation of the anticipated reforms may result in changes to a benchmark's administration, causing it to perform differently than in the past, or to be eliminated entirely, or resulting in other consequences which cannot be predicted as at the date of this Base Prospectus. Any such consequence could have an adverse effect on any Notes linked to such a benchmark.

As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021. On 12 July 2018, the UK Financial Conduct Authority further announced that LIBOR may in the future cease to satisfy the requirements of the Benchmark Regulation and described the steps that are being taken to ensure a transition from LIBOR to alternative interest rate benchmarks. These announcements indicate that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021.

As of today, the interest rate benchmark reforms leaves certain uncertainties with regard to the conditions that shall apply in the event of amendments or discontinuance of the applicable benchmark, which could affect the Notes... Condition 3.11 (*Benchmark replacement*) provides for certain fall-back arrangements in case a Benchmark Event occurs, such as the event that a relevant reference rate, such as LIBOR becomes unavailable, for purposes of replacing the original reference rate and determining amendments to the calculation method for amounts payable. A brief summary of this mechanism is included in Section (*Amounts payable by reference to reference rates*) on page 90.

As such, there is a high probability that some of the relevant reference rates will be replaced or the calculation method of amounts payable under the Notes will be amended, which can adversely affect the value and liquidity of and return on the Notes. Additionally, this could affect the ability of the Issuer to meet its obligations under the Notes.

The Noteholders may be bound by amendments to the (Conditions of) the Notes to which they did not consent, which may result in less favorable terms of the Notes for all or certain Noteholders

The Notes are subject to certain provisions allowing for the calling of meetings of Noteholders to consider matters affecting their interests. See Condition 9 (*Meetings of Noteholders and Modifications*). These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority. Noteholders may have diverging interests and amendments considered beneficial by the majority of Noteholders could be considered detrimental by a minority of Noteholders, who would still be bound by the decision of the relevant majority.

In the case of Notes for which the "Prohibition of sales to consumers in Belgium" is specified as "Non Applicable" in the applicable Final Terms, these cannot relate to an essential feature of the Notes and may not create an obvious imbalance between the rights and obligations of the parties to the detriment of the Noteholders. Moreover, such unilateral modifications must be made in response to the occurrence of force majeure or any other event that significantly changes the economy of the contract as originally agreed between the parties and which is not attributable to the Issuer and finally, such amendment may not result in any costs being due by the relevant Noteholders.

Tax laws of the investors' jurisdiction and of the Issuer's jurisdiction may have an impact on the value and liquidity of and return on the Notes

Withholding tax, income and capital gains tax, tax on stock exchange transactions, tax on securities accounts financial transaction taxes and other present and future taxes imposed in the investor's or the Issuer's jurisdiction may affect the value and liquidity of and return on the Notes. See "*Taxation of the Notes in Belgium*" on page 95 for an overview of certain Belgian tax aspects relating to the Notes (but note that such overview is not exhaustive and does not cover tax aspects of any other jurisdiction).

In certain cases, the Issuer will pay additional ("gross-up") amounts to certain Noteholders to cover certain taxes in relation to the Notes, as set out in Condition 6 (*Taxation*) on page 70. However, the scope of this "gross-up" obligation is limited to certain taxes and certain categories of persons. Additionally, as set out in section "*The Issuer may redeem the Notes prior to their stated maturity, subject to certain conditions*" on page 15, any such "gross-up" may cause the Issuer to redeem the Notes before their due date, which may have an adverse effect on a Noteholder.

For example, interest payments to natural persons in Belgium are subject to withholding tax, currently at a rate of 30%, and will not be eligible for such "gross-up" obligations, even if the withholding tax rate would increase in the future.

Reliance on the procedures of the Agent, Securities Settlement System and its (sub)-participants

The Notes will be represented exclusively by book entries in the records of the Securities Settlement System. Access to the Securities Settlement System is available through its Securities Settlement System participants whose membership extends to securities such as the Notes. Anyone who is not a participant in the Securities Settlement System that wants to invest in the Notes, must do so through a participant or a sub-participant. The Issuer relies on the Agent to enter the Notes in the Securities Settlement System and to receive and make payments in respect of the Notes through the Securities Settlement System.

Failures in the procedures or operations of the Securities Settlement System and/or its (sub)-participants can affect (timely) completion of transactions relating to the Notes. Additionally, Noteholders may be subject to insolvency risks of the Securities Settlement System and/or its (sub)-participants through which it holds Notes.

Notes issued as Green Bonds may not be a suitable investment for all investors seeking exposure to green or sustainable assets. Any failure to use the net proceeds of any Series of Green Bonds in connection with green or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets.

Neither the Issuer nor the Dealers make any representation as to the suitability for any purpose of any Compliance Opinion or whether any Green Bonds fulfil the relevant environmental and sustainability criteria. Prospective investors should have regard to the eligible green bond or sustainable bond projects and eligibility criteria described in the relevant Final Terms. Each potential purchaser of any Series of Green Bonds should determine for itself the relevance of the information contained in this Base Prospectus and in the relevant Final Terms regarding the use of proceeds and its purchase of any Green Bonds should be based upon such investigation as it deems necessary.

Further, although the Issuer may agree at the Issue Date of any Green Bonds to certain allocation and/or impact reporting and to use the proceeds for the financing and/or refinancing of green or sustainable projects (as specified in the relevant Final Terms), it would not be an event of default under the Green Bonds if (i) the Issuer were to fail to comply with such obligations or were to fail to use the proceeds in the manner specified in the relevant Final Terms and/or (ii) the Compliance Opinion were to be

withdrawn. Any failure to use the net proceeds of any Series of Green Bonds in connection with green or sustainable projects, and/or any failure to meet, or to continue to meet, the investment requirements of certain environmentally focused investors with respect to such Green Bonds may affect the value and/or trading price of the Green Bonds, and/or may have consequences for certain investors with portfolio mandates to invest in green or sustainable assets.

Potential investors should also be aware that Green Bonds may also be subject to the resolution tools granted to the competent authority under the BRRD in circumstances where the relevant Issuer becomes non-viable or were to fail. Please see the Section "Noteholders may be required to absorb losses in the event the Issuer becomes non-viable or were to fail" on page 13 in this regard.

Refer to the Section "Green Bonds" on page 94 below for further information on Green Bonds.

INFORMATION RELATING TO THE ISSUER

*In this section, as in the rest of this Base Prospectus, the term **Issuer** refers to KBC Bank NV. The Issuer together with its subsidiaries are referred to in this Base Prospectus as **KBC Bank Group**. The Issuer is a wholly-owned subsidiary of **KBC Group NV**. KBC Group NV together with its subsidiaries (including the Issuer) are referred to as **KBC Group**.*

CORPORATE STRUCTURE, SHARE CAPITAL AND CREDIT RATINGS

General information

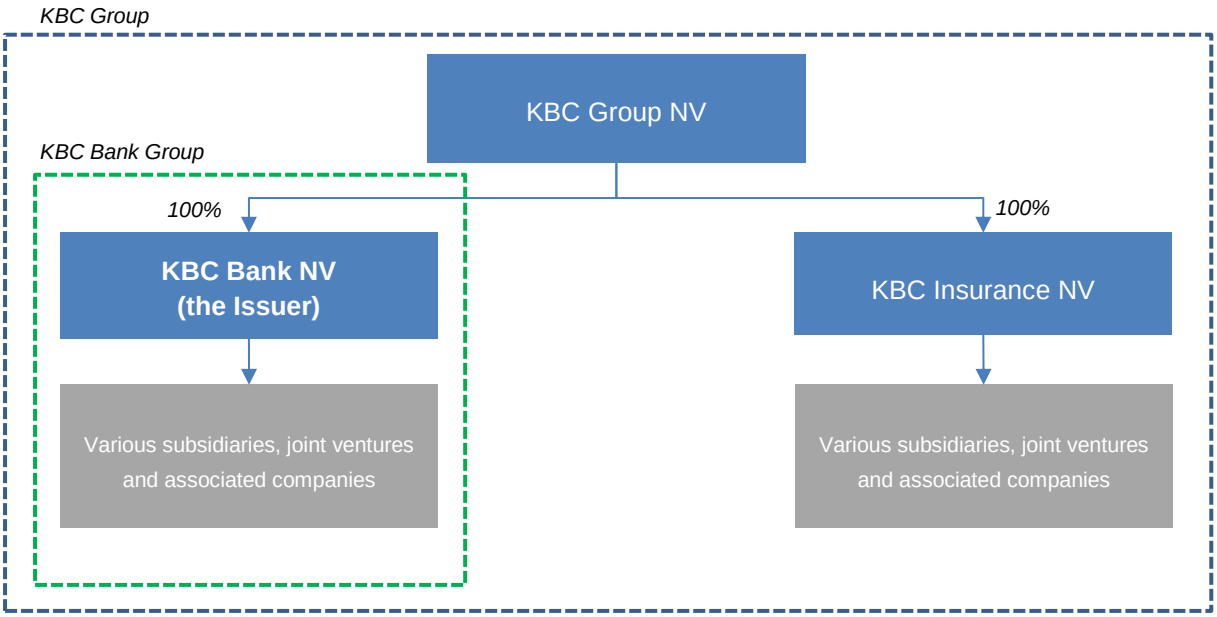
The Issuer was established in Belgium in 1998 as a bank in the form of a limited liability company (*naamloze vennootschap / société anonyme*) for an unlimited duration and operates under the laws of Belgium. The Issuer's Belgian enterprise number is 0462.920.226 and its LEI code is 6B2PBRV1FCJDMR45RZ53. The Issuer's is registered in the register of legal persons (*rechtspersonenregister (RPR) / registre des personnes morales (RPM)*) of the Dutch-speaking enterprise court of Brussels. The Issuer's registered office is at Havenlaan 2, B-1080 Brussels, Belgium, its telephone number is (+32) (0) 2 429 11 11 and its website is www.kbc.com/investor relations/information on KBC BANK. The information on the Issuer's website does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA, except to the extent that such information is explicitly incorporated by reference in this Base Prospectus (see Section "Documents incorporated by reference" on page 112 of this Base Prospectus). The Issuer is registered as a credit institution with the National Bank of Belgium.

Short history of the Issuer

The Issuer was initially formed through the merger of the banking operations of the Almanij-Kredietbank group and CERA Bank group. The merger combined the operations of four Belgian banks: Kredietbank, CERA, Bank van Roeselare and CERA Investment Bank.

The Issuer as a wholly-owned subsidiary of KBC Group NV and part of the KBC Group

The Issuer is a wholly-owned subsidiary of KBC Group NV and is part of the KBC Group, on which it depends for certain group functions and because of the integrated regulatory and solvency supervision. A simplified schematic of KBC Group's legal structure is provided below.



The major other subsidiary of KBC Group NV is KBC Insurance NV. The Issuer co-operates closely with KBC Insurance NV, amongst others, in relation to distribution of insurance products and depends on it for the further implementation of the bank-insurance model.

The Issuer and KBC Insurance NV each have a number of subsidiaries. The Issuer's subsidiaries are mainly banking and other financial entities in Central and Eastern Europe and in other selected countries, such as Ireland. The Issuer also acts as funding provider for a number of its subsidiaries.

A list of the subsidiaries of the Issuer and KBC Insurance NV can be found on pages 165 and following of the Issuer's 2018 Annual Report

Share capital and major shareholders

As at the date of this Base Prospectus, the Issuer's share capital was EUR 9,732 million and consisted of 995,371,469 ordinary shares, one of which is held by its sister company KBC Insurance NV and the remainder are held by KBC Group NV. The share capital is fully paid up.

The shares of the Issuer's parent company, KBC Group NV, are listed on Euronext Brussels. An overview of the shareholding of KBC Group NV is available on the website at www.kbc.com. The core shareholders of KBC Group NV are KBC Ancora, CERA, MRBB and the other core shareholders.

Credit ratings

The following long term credit ratings have been assigned to the Issuer with the cooperation of the Issuer in the rating process:

Fitch	A+

According to Fitch's Rating Definitions, an A rating is described as high credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.

Moody's	A1

According to Moody's Rating Symbols and Definitions, obligations rated A are judged to be upper-medium grade and are subject to low credit risk. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category

Standard and Poor's	A+

According to Standard and Poor's Global Ratings Definitions, an obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The addition of a plus (+) or minus (-) sign shows relative standing within the rating categories.

More information regarding the Issuer's long term credit ratings can be found in the latest credit opinion from the relevant credit rating agencies, available at https://www.kbc.com/en/credit-ratings and in the applicable rating methodologies published by the relevant credit rating agencies. None of that website, those credit opinions or those rating methodologies are incorporated by reference in or form part of this Base Prospectus, and they have not been scrutinised or approved by the FSMA.

A credit 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. The Issuer does not represent that it will maintain any level of credit rating, or any credit rating at all, with any credit rating agency.

These credit ratings relate to the Issuer's financial obligations generally, and not to any specific financial obligation such as the Notes or any Series or Tranche thereof. If a certain Series or Tranche of Notes is assigned an issue-specific credit rating on or prior to the issuance with the cooperation of the Issuer in the rating process, this may be specified in the applicable Final Terms.

Each credit rating agency referred to above is established in the EEA and is listed on the "List of Registered and Certified CRA's" as published by ESMA in accordance with Article 18(3) of Regulation (EC) No. 1060/2009 on credit rating agencies (the **CRA Regulation**). If an issue-specific credit rating is specified in Final Terms, then those Final Terms will also specify whether that credit rating is (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation.

THE ISSUER'S BUSINESS

The strategy of KBC Group

The Issuer's strategy is fully embedded in the strategy of its parent company, KBC Group NV. A summary is given below of the strategy of KBC Group, where the Issuer is essentially responsible for the banking business and KBC Insurance NV for the insurance business.

KBC Group's strategy rests on four principles:

- We place our clients at the centre of everything we do.
- We look to offer our clients a unique bank-insurance experience.
- We focus on our group's long-term development and aim to achieve sustainable and profitable growth.
- We meet our responsibility to society and local economies.

We implement our strategy within a strict risk, capital and liquidity management framework.

A summary of KBC Group's strategy is set out on pages 18 to 29 of the Issuer's 2018 Annual Report, which is incorporated by reference into this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112. See Section "Where more information can be found" on page 116 for information on where you can find the Issuer's 2018 annual report.

More detailed information regarding KBC Group's strategy can be found on pages 34 to 63 of KBC Group's 2018 Annual Report, which is available at https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS_2018/JVS_2018_GRP_en.pdf. KBC Group's 2018 Annual Report is not incorporated by reference into and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the FSMA for purposes of this Base Prospectus.

General description of the Issuer's activities

KBC Bank Group is a multi-channel banking group that caters primarily to private persons, small and medium-sized enterprises (SMEs) and midcaps. Its geographic focus is on Europe. In its "home" (or "core") markets Belgium, Czech Republic, Slovak Republic, Hungary, Bulgaria and Ireland, KBC Bank Group has important and (in some cases) even leading positions (based on internal data). KBC Bank Group is also present in other countries where the primary focus is on supporting the corporate clients of the home markets.

KBC Bank Group's core business is retail and private bank-insurance (including asset management), although it is also active in providing services to corporations and market activities. Across most of its home markets, KBC Bank Group is active in a large number of products and activities, ranging from the plain vanilla deposit, credit, asset management and insurance businesses (via the Issuer's sister company, KBC Insurance NV) to specialised activities such as, but not exclusively, payments services, dealing room activities (money and debt market activities), brokerage and corporate finance, foreign trade finance, international cash management, leasing, etc.

Activities in Belgium

Market position of the bank network in Belgium, end of 2018	
Market share (estimates by the Issuer)	Banking products* 20% Investment funds 32%
Bank branches	585

** Average of the share in credits and the share in deposits.*

The KBC Bank Group has a network of 585 bank branches in Belgium: KBC Bank branches in Flanders, CBC Banque branches in Wallonia and KBC Brussels branches in the Brussels area. The branches focus on providing clients with a broad area of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products (in cooperation with the Issuer's sister company, KBC Insurance NV) and other specialised financial banking products and services. The KBC Bank Group's bricks-and-mortar networks in Belgium are supplemented by electronic channels, such as ATMs, telephones and the Internet (including a mobile banking app). KBC Bank, CBC Banque and KBC Brussels serve, based on their own estimates, approximately 3.2 million clients.

KBC Group considers itself to be an integrated bank-insurer. Certain shared and support services are organised at KBC Group level, serving the entire KBC Group, and not just the bank or insurance businesses separately. It is the KBC Group's aim to continue to actively encourage the cross-selling of bank and insurance products. The success of KBC Group's integrated bank-insurance model is in part due to the cooperation that exists between the bank branches and the insurance agents of KBC Insurance NV and CBC Assurance, whereby the branches sell standard insurance products to retail customers and refer their customers to the insurance agents for non-standard products. Claims-handling is the responsibility of the insurance agents, the call centre and the head office departments at KBC Insurance NV.

At the end of 2018, the KBC Bank Group had, based on its own estimates (see table above), a 20% share of traditional banking activities in Belgium (the average of the share of the lending market and the deposit market). Over the past few years, the KBC Bank Group has built up a strong position in investment funds too, with an estimated market share of approximately 32%.

The KBC Bank Group believes in the power of a physical presence through a branch and agency network that is close to its clients. At the same time, however, it expects the importance of online and mobile bank-insurance to grow further and it is constantly developing new applications in these areas. That includes the various mobile banking apps for smartphones and tablets, which are being continuously improved and expanded.

With more and more customers opting for digital channels, the KBC Bank Group is gradually aligning its omni-channel distribution network with this changing customer behaviour. The KBC Bank Group is in the process of converting a number of smaller branches into unstaffed ones and closing some of the existing unstaffed branches in Flanders. At the same time, it continues to invest in its full-service branches, in KBC Live (online contact service with specialists from KBC) and in its digital channels. The KBC Group also optimised its group-wide governance model at management level and is in the process of further improving operational efficiency throughout the entire organisation in order to take customer service to an even higher level. This adaptation is essential in response to the new environment in which organisations are expected to be more agile, take decisions more quickly and thus continue to meet the expectations of customers and society.

In the KBC Bank Group's financial reporting, the Belgian activities are combined into a single Belgium Business Unit. The results of the Belgium Business Unit essentially comprise the activities of the Issuer, and its Belgian subsidiaries, the most important of which are CBC Banque, KBC Asset Management, KBC Lease Group (Belgium) and KBC Securities.

The Group's aim in Belgium is:

- to focus on an omnichannel approach and invest in the seamless integration of the different distribution channels (bank branches, insurance agencies of KBC Insurance, regional advisory centres, websites and mobile apps). KBC Group is also investing specifically in the further digital development of its banking and insurance services. Where necessary, KBC Group will

collaborate with partners through 'eco-systems' which enable it to offer its clients comprehensive solutions;

- to exploit the potential in Brussels more efficiently via the separate new brand, KBC Brussels, which reflects the capital's specific cosmopolitan character and is designed to better meet the needs of the people living there;
- to expand bank-insurance services at CBC Banque in specific market segments and to expand its presence and accessibility in Wallonia;
- to work on the ongoing optimisation of the bank-insurance model in Belgium;
- to continue the pursuit of becoming the reference bank for SME's and mid-cap enterprises based on thorough knowledge of the client and a personal approach; and
- that its commitment to Belgian society is reflected in initiatives in areas including environmental protection, financial literacy, entrepreneurship and demographic ageing, as well as in KBC Group's active participation in the mobility debate.

Activities in Central and Eastern Europe

Market position of the bank network in the home countries of Central and Eastern Europe, at the end of 2018		**Czech Republic**	**Slovak Republic**	**Hungary**	**Bulgaria**
Market share (estimates by the Issuer)	Banking products*	19%	10%	11%	10%
	Investment funds	23%	7%	13%	14%
Bank branches	Total	235**	122	206	214

** Average of the share in credits and the share in deposits*
*** ČSOB Bank branches + Postal Savings Bank financial centres.*

In the Central and Eastern European region, the KBC Bank Group focuses on four home countries, being the Czech Republic, the Slovak Republic, Hungary and Bulgaria. The main KBC Bank Group Central and Eastern European entities in those home markets are United Bulgarian Bank in Bulgaria, ČSOB in the Slovak Republic, ČSOB in the Czech Republic and K&H Bank in Hungary.

In its four home countries, the KBC Bank Group caters to over five million customers. This customer base, along with KBC Group's insurance customers in the region (via KBC Insurance NV subsidiaries), make KBC Group one of the larger financial groups in the Central and Eastern European region. The KBC Bank Group companies focus on providing clients with a broad area of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products (in co-operation with KBC Insurance NV's subsidiaries in each country) and other specialised financial banking products and services. As is the case in Belgium, the KBC Bank Group's bricks-and-mortar networks in Central and Eastern Europe are supplemented by electronic channels, such as ATMs, telephone and the Internet.

KBC Group's bank-insurance concept has over the past few years been exported to its Central and Eastern European entities. In order to be able to do so, KBC Group has built up a second home market in Central and Eastern Europe in insurance (via KBC Insurance NV). KBC Group has an insurance business in every Central and Eastern European home country: in the Czech Republic, KBC Group's insurer is ČSOB Pojist'ovňa, in the Slovak Republic it is ČSOB Poist'ovňa, in Hungary it is K&H Insurance and in Bulgaria it is DZI Insurance. Contrary to the situation of KBC Group in Belgium, KBC

Group's insurance companies in Central and Eastern Europe operate not only via tied agents (and bank branches) but also via other distribution channels, such as insurance brokers and multi-agents.

The KBC Bank Group's estimated market share (the average of the share of the lending market and the deposit market, see table above) amounted to 19% in the Czech Republic, 10% in the Slovak Republic, 11% in Hungary, and 10% in Bulgaria (rounded figures). The KBC Bank Group also has a strong position in the investment fund market in Central and Eastern Europe (estimated at 23% in the Czech Republic, 7% in the Slovak Republic, 13% in Hungary and 14% in Bulgaria).

In the KBC Bank Group's financial reporting, the Czech activities are separated in a single Czech Republic Business Unit, whereas the activities in the other Central and Eastern European countries, together with Ireland (see further), are combined into the International Markets business unit. The Czech Republic Business Unit hence comprises all the KBC Bank Group's activities in the Czech Republic, consisting primarily of the activities of the ČSOB group (under the ČSOB, Postal Savings Bank, Hypotečni banka, Patria and ČMSS brands) and ČSOB Asset Management. The International Markets Business Unit comprises the activities conducted by entities in the other (non-Czech) Central and Eastern European core countries, namely ČSOB in the Slovak Republic, K&H Bank in Hungary and UBB in Bulgaria, plus KBC Bank Ireland's Irish operations.

The focus of the KBC Bank Group in the future is the following:

- in relation to the Czech Republic Business Unit:
    - to move from largely channel-centric solutions to solutions that are client-centric and are based on an integrated model that brings together clients, third parties and the KBC Group's bank-insurer;
    - to offer new products and services to add value for clients and to further enhance client satisfaction, taking use of digital opportunities and taking account of new trends, shifting client behaviour and new regulations;
    - to continue to concentrate on simplifying products, IT capabilities, organisation, the bank distribution network, the head office and branding in order to achieve even greater cost efficiency;
    - to expand the bank-insurance activities through steps like introducing a progressive and flexible pricing model, developing combined banking and insurance products, and strengthening the insurance sales teams;
    - to keep expanding in traditionally strong fields, such as lending to businesses and providing home loans. The KBC Bank Group also wants to advance in areas – for example in relation to SME and consumer loans – where it has yet to tap its full potential; and
    - its social commitment is expressed in the focus on environmental awareness, financial literacy, entrepreneurship and demographic ageing;
- in relation to the International Markets Business Unit (excluding Ireland):
    - to move from a branch-oriented distribution model to an omnichannel model and simplify products and process in all countries;
    - to target income growth in Hungary through vigorous client acquisition in all banking segments and through more intensive cross-selling, in order to raise market share and profitability;

- to maintain robust growth in strategic products in the Slovak Republic (e.g., home loans, consumer finance, SME funding and leasing), partly through cross-selling to ČSOB group clients;
- to focus in Bulgaria on substantially increasing the share of the lending market in all segments, while applying a strict risk framework. The acquisition of United Bulgarian Bank fits this strategy perfectly; and
- to implement a socially responsible approach in all relevant countries, with a particular focus on environmental awareness, financial literacy, entrepreneurship and health.

An overview of KBC Bank Group's recent acquisitions is set out in the "Main changes in the scope of consolidation" section on pages 28 to 29 of the Issuer's half-year report for the first six months ended on 30 June 2019, which is incorporated by reference into this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112. See Section "Where more information can be found" on page 116 for information on where you can find the Issuer's half-year report for the first six months ended on 30 June 2019.

Activities in the rest of the world

A number of companies belonging to the Group are also active in, or have outlets in, countries outside the home markets, among which the Issuer, which has a network of foreign branches and KBC Bank Ireland.

KBC Bank Ireland

The loan portfolio of KBC Bank Ireland plc stood at approximately EUR 10 billion as at the end of June 2019, almost entirely relating to mortgage loans. At the end of June 2019, approximately 19% (EUR 1.9 billion) of the total Irish loan portfolio was impaired (of which EUR 0.9 billion more than 90 days past due). For the impaired loans, approximately EUR 0.5 billion impairments have been booked. The KBC Bank Group estimates its share of the Irish retail market in 2018 at 9%. It caters for around 0.3 million clients there. KBC Bank Ireland has sixteen branches (hubs) in Ireland, next to its digital channels. A full profit and loss scheme for Ireland is available in the Issuer's segment reporting (see page 117 and following of the Issuer's 2018 Annual Report which is incorporated by reference into this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112).

As regards the KBC Group's strategy in Ireland, please refer to Section "The Issuer's business – The strategy of the KBC Group" on page 23.

In the KBC Bank Group's financial reporting, KBC Bank Ireland is included in the International Markets Business Unit.

Foreign branches of the Issuer

The foreign branches of the Issuer are located mainly in Western Europe, Southeast Asia and the U.S. and focus on serving customers that already do business with KBC Bank Group's Belgian or Central and Eastern European network. In the past years, many of the other (niche) activities of these branches have been built down, stopped or sold, and the pure international credit portfolio has been scaled down. In the KBC Bank Group's financial reporting, the foreign branches of the Issuer are part of the Belgium Business Unit.

Group Centre

The three business units (Belgium, Czech Republic and International Markets) are supplemented by the group centre. The group centre includes, among other things, costs related to the holding of

participations and the results of the remaining companies or activities earmarked for divestment or in run-down.

Competition

All of the KBC Bank Group's operations face competition in the sectors they serve. Depending on the activity, competitor companies include other commercial banks, saving banks, loan institutions, consumer finance companies, investment banks, brokerage firms, specialised finance companies, asset managers, private bankers, investment companies, fintech and e-commerce companies, etc.

In both Belgium and Central and Eastern Europe, the KBC Bank Group has an extensive network of branches and the KBC Bank Group believes most of its companies have strong name brand recognition in their respective markets.

In Belgium, the KBC Bank Group is perceived as belonging to the top three (3) financial institutions. For certain products or activities, the KBC Bank Group estimates it has a leading position (e.g. in the area of investment funds). The main competitors in Belgium are BNP Paribas Fortis, Belfius and ING, although for certain products, services or markets, other financial institutions may also be important competitors.

In its Central and Eastern European home markets, the KBC Bank Group is one of the important financial groups, occupying significant positions in banking. In this respect, the KBC Bank Group competes, in each of these countries, against local financial institutions, as well as subsidiaries of other large foreign financial groups (such as Erste Bank, Unicredit and others).

In the rest of the world, the Group's presence mainly consists of KBC Bank Ireland plc, which is active in Ireland, and a limited number of branches and subsidiaries. In the latter case, the Group faces competition both from local companies and international financial groups.

KBC Bank Ireland plc is a challenger bank. Given that it has only launched its retail strategy in 2014, it has a small single digit market share of the outstanding stock in all products except mortgage loans, in which it has a market share of approximately 10%. Its main competitors are the large domestic banks such as Allied Irish Banks plc and Bank of Ireland plc.

Staff

As at the end of 2018, the KBC Group had, on average and on a consolidated basis, about 30,000 employees (in full time or equivalent-numbers), the majority of whom were located in Belgium (largely employed by the Issuer) and Central and Eastern Europe. In addition to consultations, at works council meetings and at meetings with union representatives and with other consultative bodies, the KBC Bank Group also works closely in other areas with employee associations. There are various collective labour agreements in force.

Risk management

Mainly active in banking, insurance and asset management, the KBC Group is exposed to a number of typical risks such as – but certainly not exclusively – credit risk, market risks, movements in interest rates and exchange rates, currency risk, liquidity risk, insurance underwriting risk, operational risk, exposure to emerging markets, changes in regulations and customer litigation as well as the economy in general. Material risk factors affecting the Issuer are mentioned in the section "Risks relating to the Issuer and the KBC Bank Group" on page **Error! Bookmark not defined.** and following of this Base Prospectus.

Risk management in the KBC Group is effected group-wide. As a consequence, the risk management for the Issuer and the KBC Bank Group is embedded in the KBC Group's risk management and cannot be seen separately from it.

An overview of KBC (Bank) Group's risk management approach is set out in the "Risk management" section on pages 42 to 70 of the Issuer's 2018 Annual Report, which is incorporated by reference into this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112. See Section "Where more information can be found" on page 116 for information on where you can find the Issuer's 2018 annual report.

More detailed information can be found in KBC Group NV's 2018 Risk Report, available at https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS_2018/Risk_report_2018.pdf. This document is not incorporated by reference and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the FSMA.

Banking supervision and regulation

Introduction

The Issuer, a credit institution governed by the laws of Belgium, is subject to detailed and comprehensive regulation in Belgium, and is supervised by the European Central Bank (**ECB**), acting as the supervisory authority for prudential supervision of significant financial institutions. The ECB exercises its prudential supervisory powers by means of application of EU rules and national (Belgian) legislation. The supervisory powers conferred to the ECB include, amongst others, the granting and withdrawal of authorisations to and from credit institutions, the assessment of acquisitions and disposals of qualifying holdings in credit institutions, ensuring compliance with the rules on equity, liquidity, statutory ratios and the carrying out of supervisory reviews (including stress tests) for credit institutions.

Since November 2014 the ECB holds certain supervisory responsibilities which were previously handled by the National Bank of Belgium (the "**NBB**"), pursuant to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions (the "**Single Supervision Mechanism**" or "**SSM**"). Pursuant to Regulation (EU) n° 468/2014 of 16 April 2014 establishing a framework for cooperation within the Single Supervisory Mechanism between the ECB and national competent authorities, a joint supervisory team has been established for the prudential supervision of the Issuer (and KBC Group NV). This team is composed of staff members from the ECB and from the national supervisory authority (*in casu* the NBB) and working under the coordination of an ECB staff member.

The Financial Services and Markets Authority (**FSMA**), an autonomous public agency, is in charge of the supervision of conduct of business rules for financial institutions and financial market supervision.

EU directives (as implemented through legislation adopted in each Member State, including Belgium) and regulations have had and will continue to have a significant impact on the regulation of the banking business in the EU. The general objective of these EU directives and regulations is to promote the realisation of a unified internal market for banking services and to improve standards of prudential supervision and market efficiency through harmonisation of core regulatory standards and mutual recognition among EU Member States of regulatory supervision and, in particular, licensing.

Supervision and regulation in Belgium

The banking regime in Belgium is governed by the Law of 25 April 2014 on the legal status and supervision of credit institutions and stockbroking firms (the **Banking Law**). The Banking Law replaces the Law on the legal status and supervision of credit institutions of 22 March 1993 and implements various EU directives, including, without limitation:

(i) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (**CRD**) and, where applicable, Regulation (EU) n° 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit

institutions and investment firms (**CRR**, and together with CRD, **CRD IV**), implementing the revised regulatory framework of Basel III in the European Union and

(ii) Directive 2014/59 of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms (BRRD) by setting up a new recovery and resolution regime for credit institutions which introduced certain tools and powers with a view to addressing banking crises pre-emptively in order to safeguard financial stability and minimize taxpayers' exposure to losses. CRD IV applies in Belgium since 1 January 2014, subject to certain requirements being phased in over a number of years, as set out therein. BRRD has formally been transposed into Belgian Law by amending the Banking Law with effect from 16 July 2016.

The Banking Law sets forth the conditions under which credit institutions may operate in Belgium and defines the regulatory and supervisory powers of the ECB and the NBB. The main objective of the Banking law is to protect public savings and the stability of the Belgian banking system in general.

Supervision of credit institutions

All Belgian credit institutions must obtain a license from the ECB before they may commence operations. In order to obtain a license and maintain it, each credit institution must fulfil numerous conditions, including certain minimum paid-up capital requirements.

In addition, any shareholder holding 10% or more (directly or indirectly, alone, together with affiliated persons or in concert with third parties) of the capital or the voting rights of the institution must be of "fit and proper" character to ensure proper and prudent management of the credit institution. The ECB therefore requires the disclosure of the identity and participation of any shareholder with a 10% or greater capital or voting interest. If the ECB considers that the participation of a shareholder in a credit institution jeopardises its sound and prudent management, it may suspend the voting rights attached to this participation and, if necessary, request that the shareholder transfers to a third party its participation in the credit institution. Prior notification to and non-opposition by the ECB is required each time a person intends to acquire shares in a credit institution, resulting either in the direct or indirect ownership of a qualified holding of the capital or voting rights (i.e., 10% or more), or in an increase of such qualified holding thereby attaining or surpassing 20%, 30% or 50%, or when the credit institution would become his subsidiary. Furthermore, a shareholder who wishes to directly or indirectly sell his participation or a part thereof, which would result in his shareholding dropping below any of the above-mentioned thresholds, must notify the ECB thereof. The Belgian credit institution itself is obliged to notify the ECB of any such transfer when it becomes aware thereof. Moreover, every shareholder acquiring, decreasing or increasing its holding (directly or indirectly, alone, together with affiliated persons or in concert with third parties) to 5% or more of voting rights or capital without reaching the qualifying holding threshold of 10%, must notify the ECB thereof within 10 working days.

The Banking Law requires credit institutions to provide detailed periodic financial information to the ECB and, under certain circumstances, the FSMA.

The ECB also supervises the enforcement of laws and regulations with respect to the accounting principles applicable to credit institutions.

The ECB sets the minimum capital adequacy ratios applicable to credit institutions. The ECB may also set other ratios, for example, with respect to the liquidity and gearing of credit institutions. It also sets the standards regarding solvency, liquidity, risk concentration and other limitations applicable to credit institutions and the publication of this information. The NBB may in addition impose capital requirements for capital buffers (including countercyclical buffer rates and any other measures aimed at addressing systemic or macro-prudential risks).

In order to exercise its prudential supervision, the ECB may require that all information with respect to the organisation, the functioning, the position and the transactions of a credit institution be provided to it. Further, the ECB supervises, among other things, the management structure, the administrative organisation, the accounting and the internal control mechanisms of a credit institution. In addition, the ECB may conduct on-site inspections (with or without the assistance of NBB staff).

The comprehensive supervision of credit institutions is also exercised through statutory auditors who cooperate with the supervisor in its prudential supervision. A credit institution selects its statutory auditor from the list of auditors or audit firms accredited by the NBB.

Within the context of the European System of Central Banks, the NBB issues certain recommendations regarding monetary controls.

The Banking Law has introduced a prohibition in principle on proprietary trading as from 1 January 2015. However, certain proprietary trading activities are excluded from this prohibition. Permitted proprietary trading activities (including certified market-making, hedging, treasury management, and long-term investments) are capped, and these types of activities must comply with strict requirements on reporting, internal governance and risk management.

Bank governance

The Banking Law also puts a lot of emphasis on the solid and efficient organisation of credit institutions and introduces to that effect a dual governance structure at management level, specialised advisory committees within the Board of Directors (Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee), independent control functions, and strict remuneration policies (including limits on the amount of variable remuneration, the form and timing for vesting and payment of variable remuneration, as well as Claw-Back Mechanics).

The Banking Law makes a fundamental distinction between the management of banking activities, which is within the competence of the Executive Committee, and the supervision of management and the definition of the credit institution's general and risk policy, which is entrusted to the Board of Directors. In accordance with the Banking Law, the Issuer has an Executive Committee of which each member is also a member of the Board of Directors.

Pursuant to the Banking Law, the members of the Executive Committee and the Board of Directors need to permanently have the required professional reliability and appropriate experience. The same goes for the responsible persons of the independent control functions.

The NBB Governance Manual for the Banking Sector (the **Governance Manual**) contains recommendations to assure the suitability of shareholders, management and independent control functions and the appropriate organisation of the business.

The Issuer also has a Corporate Governance Charter which is published on https://www.kbc.com/en/system/files/doc/corporate-governance/20190725_Corp_Gov_Charter_KBC_Bank_june2019.pdf. This Corporate Governance Charter is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

Solvency supervision

Capital requirements and capital adequacy ratios are provided for in the CRR, transposing the Basel III regulation into European law. CRR requires that credit institutions must comply with several minimum solvency ratios. These ratios are defined as Common Equity Tier 1, Tier 1 or Total Capital divided by risk weighted assets. Risk weighted assets are the sum of all assets and off-balance sheet items weighted according to the degree of credit risk inherent in them. The solvency ratios also takes into account market risk with respect to the bank's trading book (including interest rate and foreign currency

exposure) and operational risk in the calculation of the weighted risk. On top of the capital requirements defined by the solvency ratios, the regulation imposes a capital conservation buffer and, in certain cases a systemic risk buffer and/or a countercyclical buffer.

Solvency is also limited by the leverage ratio, which compares Tier 1 capital to non-risk weighted assets.

The minimum solvency ratios required under CRD IV/CRR are 4.5% for the common equity tier-1 (**CET1**) ratio, 6.0% for the tier-1 capital ratio and 8.0% for the total capital ratio (i.e., the pillar 1 minimum ratios). As a result of its supervisory review and evaluation process (**SREP**), the competent supervisory authority (in KBC Group's case, the ECB) can require KBC Group to maintain higher minimum ratios (i.e., the pillar 2 requirements which in 2016 have been split by the ECB in a pillar 2 requirement and a pillar 2 guidance) because, for instance, not all risks are properly reflected in the regulatory pillar 1 calculations. On top of this, a number of additional buffers have to be put in place, including a capital conservation buffer of 2.5%, a buffer for systemically important banks (**O-SII buffer**, to be determined by the national competent authority) and a countercyclical buffer in times of credit growth (between 0% and 2.5%, likewise to be determined by the national competent authority). These buffers need to be met using CET1 capital, the strongest form of capital.

In the context of its supervisory authority, the ECB requires KBC Group to maintain (i) a pillar 2 requirement (P2R) of 1.75% CET1 and (ii) a pillar 2 guidance (P2G) of 1.0% CET1.

The capital requirement for KBC Group is not only determined by the ECB but also by decisions of the various local competent authorities in KBC Group's core markets. The decision taken by the relevant Czech and Slovak authorities to further increase the countercyclical buffer requirement to 1.5% in the third quarter of 2019 and the introduction of a 1% countercyclical buffer requirement in Ireland and 0.5% countercyclical buffer requirement in Bulgaria correspond with an additional CET1 requirement of 0.10% at KBC group level (bringing the countercyclical buffer at KBC group level to 0.45%). The NBB requires an additional capital buffer for other systemically important banks of 1.5% in 2019.

The capital conservation buffer currently stands at 2.50% for 2019. These buffers come on top of the minimum CET1 requirement of 4.5% under pillar 1. Altogether, this brings the fully loaded CET1 requirement (under the Danish compromise[2]) to 10.70% with an additional 1% pillar 2 guidance.

The following table provides an overview of the fully loaded CET1 ratio requirement at the level of KBC Group for 2019:

KBC Group	
Pillar 1 minimum requirement (P1 min)	4.50%
Pillar 2 requirement (P2R)	1.75%
Conservation buffer	2.50%
O-SII buffer	1.50%
Countercyclical buffer	0.45%
Overal capital requirement (OCR) = MDA threshold*	10.70%

**Maximum Distributable Amount under CRD IV*

KBC Group clearly exceeds these targets: on 31 December 2018, the fully loaded CET1 ratio for KBC Group came to 16.0%, (16.3% at 31 December 2017) which represented a capital buffer of EUR 4 998

[2] The Danish compromise deals with the treatment of insurance holdings within conglomerates for the purpose of calculating the CRR capital ratios.

million relative to the minimum requirement of 10.70%. The leverage ratio (Basel III, fully loaded) stood at 6.1% (6.1% at 31 December 2017) relative to the minimum requirement of 3%.

The payment of dividends by Belgian credit institutions is not limited by Belgian banking regulations, except indirectly through capital adequacy and solvency requirements when capital ratios fall below certain thresholds. The pay-out is further limited by the general provisions of Belgian company law.

Large exposure supervsion

European regulations ensure the solvency of credit institutions by imposing limits on the concentration of risk in order to limit the impact of failure on the part of a large debtor. For this purpose, credit institutions must limit the amount of risk exposure to any single counterparty to 25% of the eligible capital. The eligible capital is the sum of the Tier 1 capital and the tier 2 capital that is equal or less than one third of Tier 1 capital, as defined in Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012. European regulations also require that the credit institutions establish procedures to contain concentrations on economic activity sectors and geographic areas.

Money laundering

Belgium has implemented Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing by the law of 18 September 2017 on the prevention of money laundering, terrorist financing and on the limitation of the use of cash (the **Law of 18 September 2017**). This legislation contains a preventive system imposing a number of obligations in relation to money laundering and the financing of terrorism. These obligations are related, among other things, to the identification of the client, special attention for unusual transactions, internal reporting, processing and compliance mechanisms with the appointment of a compliance officer, and employee training requirements. A risk-based approach assumes that the risks of money laundering and terrorism financing may take various forms. Accordingly, businesses/individuals subject to the Law of 18 September 2017 do have to proceed to a global assessment of the risks they are facing and formulate efficient and adequate measures. The definition of politically exposed people is being broadened. It will encompass not only national persons who are or who have been entrusted with prominent public functions residing abroad, but also those residing in the country. Member States also have to set up a central register which identifies the ultimate beneficial owner of companies and other legal entities. Payments/donations in cash are capped at EUR 3,000. Member States must also provide for enhanced customer due diligence measures for the obliged entities to apply when dealing with natural persons or legal entities established in high-risk third countries.

When, after investigation, a credit or financial institution suspects money laundering to be the purpose of a transaction, it must promptly notify an independent administrative authority, the Financial Intelligence Unit. This Unit is designated to receive reports on suspicious transactions, to investigate them and, if necessary, to report to the criminal prosecutors to initiate proceedings. The NBB has issued guidelines for credit and financial institutions and supervises their compliance with the legislation. Belgian criminal law specifically addresses criminal offences of money-laundering (Article 505, subsection 1, 2°-4° of the Criminal Code) and sanctions them with a jail term of a minimum of fifteen days and a maximum of five years and/or a fine of a minimum of EUR 26 and a maximum of EUR 100,000 (to be multiplied by 6) or, for legal entities, a fine of a minimum of EUR 500 and a maximum of EUR 200,000 (to be increased with the additional penalty or, in other words, to be multiplied by 6).

Consolidated supervision – supplementary supervision

The Issuer is subject to consolidated supervision by the ECB on the basis of the consolidated financial situation of KBC Group NV, which covers, among other things, solvency as described above, pursuant

to Articles 165 and following of the Banking Law. As a subsidiary of a Belgian mixed financial holding company (KBC Group NV) and part of a financial conglomerate, the Issuer is also subject to the supplementary supervision by the ECB, according to Directive 2011/89/EU of 16 November 2011 amending Directives 98/78/EC, 2002/87/EC, 2006/48/EC and 2009/138/EC as regards the supplementary supervision of financial entities in a financial conglomerate (implemented in Articles 185 and following of the Banking Law). The supplementary supervision relates to, among other things, solvency, risk concentration and intra-group transactions and to enhanced reporting obligations.

The consolidated supervision and the supplementary supervision will be aligned as much as possible, as described in Article 170 of the Banking Law.

KBC Asset Management

As from June 2005, the status of KBC Asset Management has been changed from "investment firm" to a "management company of undertakings for collective investment in transferable securities (UCITS)" (a **UCITS-management company**). Its activities are, inter alia, the management of UCITS and the management of portfolios of investments in accordance with mandates given by investors on a discretionary, client-by-client basis. KBC Asset Management is subject to detailed, comprehensive regulation in Belgium, supervised by the FSMA.

The UCITS-management company regime in Belgium is governed by the Law of 3 August 2012 on certain forms of collective management of investment portfolios (the **Law of 3 August 2012**). The Law of 3 August 2012 implements European Directive 2001/107/EC of 21 January 2002 relating to UCITS, as amended from time to time. The Law of 3 August 2012 regulates management companies and sets forth the conditions under which UCITS-management companies may operate in Belgium; furthermore, it defines the regulatory and supervisory powers of the FSMA.

The regulatory framework concerning supervision on UCITS-management companies is mostly similar to the regulation applicable to investment firms. The Law of 3 August 2012 contains, *inter alia*, the following principles:

- certain minimum paid-up capital requirements and rules relating to changes affecting capital structure;
- obligation for management companies to carry out their activities in the interests of their clients or of the UCITS they manage (e.g. creation of Chinese walls);
- obligation to provide, on a periodical basis, a detailed financial statement to the FSMA;
- supervision by the FSMA; and
- subjection to the control of the statutory auditor.

Bank recovery and resolution

The Banking Law establishes a range of instruments to tackle potential crises of credit institutions at three stages:

Preparation and prevention

Credit institutions have to draw up recovery plans, setting out the measures they would take to restore their financial position in the event of a significant deterioration to their financial position. These recovery plans must be updated at least annually or after a change to the legal or organisational structure of the institution, its business or its financial situation, which could have a material effect on, or necessitates a change to, the recovery plans. In its review of the recovery plan, the ECB pays particular

attention to the appropriateness of the capital and financing structure of the institution in relation to the degree of complexity of its organisational structure and its risk profile.

The SRB will have to prepare a resolution plan for each significant Belgian credit institution, laying out the actions it may take if it were to meet the conditions for resolution. The resolution college of the NBB has the same powers with regard to the non-significant Belgian credit institutions. If the SRB or the Resolution College identifies material impediments to resolvability during the course of this planning process, it can require a credit institution to take appropriate measures, including changes to corporate and legal structures.

Early intervention

The ECB/NBB dispose of a set of powers to intervene if a credit institution faces financial distress (e.g. when a credit institution is not operating in accordance with the provisions of the Banking Law or CRD IV), but before its financial situation deteriorates irreparably. These powers include the ability to dismiss the management and appoint a special commissioner, to convene a meeting of shareholders to adopt urgent reforms, to suspend or prohibit all or part of the credit institution's activities (including a partial or complete suspension of the execution of current contracts), to order the disposal of all or part of the credit institution's shareholdings, and finally, to revoke the license of the credit institution.

Resolution

Pursuant to the Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Bank Resolution Fund and amending the Regulation (EU) No 1093/2010 of the European Parliament and of the Council (the **Single Resolution Mechanism** or **SRM**), the Single Resolution Mechanism entered into force on 19 August 2014 and applies to credit institutions which fall under the supervision of the ECB. It established a Single Resolution Board (**SRB**), a resolution decision-making authority replacing national resolution authorities (such as the Resolution College of the NBB) for resolution decisions with regard to significant credit institutions. The SRB is responsible since 1 January 2016 of vetting resolution plans and carrying out any resolution in cooperation with the national resolution authorities (the SRB together with the resolution college of the NBB is hereinafter referred to as the **Resolution Authority**).

The Issuer and KBC Group NV are credit institutions falling within the scope of the Single Supervisory Mechanism.

The resolution authority can decide to take resolution measures if it considers that all of the following circumstances are present: (i) the determination has been made by the resolution authority, after consulting the competent authority, that a credit institution is failing or is likely to fail, (ii) there is no reasonable prospect that any alternative private sector measures or supervisory action can be taken to prevent the failure of the institution, and (iii) resolving the credit institution is necessary from a public interest perspective. The resolution tools are: (i) the sale of (a part of) the assets/liabilities or the shares of the credit institution without the consent of shareholders, (ii) the transfer of business to a temporary structure ("bridge bank"), (iii) the separation of clean and toxic assets and the transfer of toxic assets to an asset management vehicle and (iv) bail-in. Each decision will be subject to prior judicial control.

The fourth resolution tool, i.e. the bail-in tool, entered into force on 1 January 2016. It was implemented into Belgian law through the Royal Decree of 18 December 2015 implementing the Banking Law. Bail-in is a mechanism to write down the eligible liabilities (subordinated debt, senior debt and eligible deposits) or to convert debt into equity, as a means of restoring the institution's capital position. The resolution authority is also empowered (and in certain circumstances required) to write down or convert capital instruments (such as Common Equity Tier 1-, Additional Tier 1- and Tier 2-instruments), before or together with the use of any resolution tools, if it determines that a credit institution becomes non-

viable, that the conditions for the exercise of the resolution powers are fulfilled and/or that a credit institution has asked for public support.

The applicability of the resolution tools and measures to credit institutions that are part of a cross-border group are regulated by the Royal Decree of 26 December 2015 amending the Banking Law, which entered into force on 1 January 2016.

Material contracts

No member of the KBC Bank Group has entered into any material contracts outside the ordinary course of its business which could result in any member of the KBC Bank Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations under the Notes.

Trend information

The main sources for this section are the European Banking Authority, the European Central Bank (ECB) and the European Commission.

Banking sector

After ongoing recapitalisation in the aftermath of the Eurocrisis, banks in the Eurozone continued to strengthen their balance sheet, closely monitored by the European Central Bank. At the same time, they adjusted their business models to the evolving regulatory and challenging operating environment. While overall progress is significant, the results remain uneven across institutions and countries, with Italian and Portuguese banks still facing the toughest challenges. On the other hand, the asset quality of banks in core countries such as Belgium withstood the recent crises years rather well and continue to be good. The Czech and Slovakian banking systems are also characterised by good asset quality, while in Hungary and Bulgaria high non-performing loans are decreasing.

Loan growth in the Eurozone is strengthening. Looking forward, enhanced economic governance and the banking union, which still needs to be completed, significantly strengthened the Eurozone architecture and offer a more stable banking sector environment than in the pre-crisis years. Amid a macroeconomic environment with slower growth and elevated risks bank profitability faces significant challenges to enhance cost efficiency in a competitive environment and to withstand ongoing pressure on revenue growth. At the same time new technologies trigger new challenges to business models. Banks with a large customer and diversified income base are likely best suited to cope with these challenges.

General economic environment and risks

The global economy is going through a period of economic slowdown and elevated risks compared to previous years. Mainly the global manufacturing sector is suffering from lower global demand and the adverse impacts of international trade tensions. The US economy continues to perform relatively well, but is in a late-cyclical state and is expected to continue into a period of lower growth. As the US labour market remains relatively resilient to global economic jitters for now, we expect private consumption to remain a strong support for the US economy going forward. As a consequence of global weakness in the manufacturing industry which has been aggravated by the US-China trade war, net exports have been contributing negatively recently. Given weaknesses in the global economy, net exports will likely remain a drag on growth in the near future. Overall, uncertainties surrounding US trade policies are also weighing on corporate sentiment and activity. The positive effects from the 2018 tax reforms and budgetary stimulus are fading, but the 2019 Bipartisan Budget Act avoid a sharp fallback in government spending in the coming years. As an insurance against a weak global economy and against the potential impact of global trade tensions, the Federal Reserve Bank is likely to ease its monetary policy in the remainder of this year, but without starting a long series of policy rate cuts.

The slowdown of growth in the euro area is likely a normalisation of growth towards potential growth, rather than a prelude to a widespread recession. On top of capacity constraints, the slowdown reflects uncertainty stemming from both external headwinds (e.g. trade war, Brexit, slowing global growth) and internal headwinds with German economic weaknesses being the main source of concern. Still, economic growth is likely to be further supported by consumption demand on the back of continuous employment growth, real wage growth, fiscal policy measures in some countries and lower savings rates. Moreover, the investment cycle is likely to continue at a moderate pace on the back of still high capacity utilisation (despite the recent decline), the need to adapt to structural changes in the economy, labour shortages that necessitate the substitution of labour by capital, decent corporate profitability and the low interest rate environment. Net exports will likely have a slightly negative growth contribution due to continued import growth.

Given the expected continued shortfall of inflation from the European Central Bank's (ECB) inflation target of below but close to 2%, the ECB is likely to ease its policy stance again, combing a policy rate cut with a new asset purchasing programme (quantitative easing). As a result of this ultra-loose monetary policy projection, we don't see many factors that could trigger a significant increase in long-term sovereign bond yields in the remainder of this year. Throughout 2020 a very gradual normalisation is likely, but to a lesser extent than projected earlier. As a consequence of the likely new ECB asset purchasing programme, intra-EMU spreads will remain roughly constant at their current low levels. Nevertheless, there is still a risk of country-specific events that could spark some temporary financial market nervousness.

Litigation

This section sets out material litigation to which the Issuer or any of its companies (or certain individuals in their capacity as current or former employees or officers of the Issuer or any of its companies) are party. It describes all claims, quantified or not, that could lead to the impairment of the company's reputation or to a sanction by an external regulator or governmental authority, or that could present a risk of criminal prosecution for the company, the members of the board or the management.

Although the outcome of these matters is uncertain and some of the claims concern relatively substantial amounts in damages, the management does not believe that the liabilities arising from these claims will adversely affect the Issuer's consolidated financial position or results, given the provisions that, where necessary, have been set aside for these disputes.

CDO notes issued by KBC Financial Products

In 2009, the Issuer and subsidiaries such as K&H Bank and ČSOB SK received numerous complaints about CDO notes issued by KBC Financial Products that were sold to private banking and corporate clients and which have now been downgraded. Such clients have been asking for their notes to be bought back at their original value.

In 2010, the Issuer decided to examine all CDO related files with respect to private banking and retail clients on a case-by-case basis and to settle the disputes as much as possible out of court.

In Belgium settlements were reached with clients in KBC Bank Private Banking and Retail Banking. As a result of complaints, some Corporate Banking files were also examined. Subsequently negotiations started in the files where a decision to propose a settlement was taken and in a limited number of files settlements were reached. Only a few lawsuits are on-going. In nine cases the courts rendered judgments entirely in favour of KBC. At this stage two cases are pending in first instance, two cases are still pending in degree of appeal. In June 2018 the highest court (Cassation) refuted the appeal of a corporate.

In Hungary a marketing brochure was used which could be misinterpreted as a guarantee on a secondary market and contained a possibly misleading comparison with state bonds. In more than 94% of the files, a settlement has been reached. A limited number of clients started a lawsuit. Most of the lawsuits were

terminated by a settlement out of court; a few remaining court cases were lost and settled. All court proceedings are finished.

On 10 December 2009, the Hungarian Competition Authority ("**HCA**") passed a resolution whereby K&H was ordered to pay a fine of HUF 40,000,000 (approximately EUR 150,000) based on the violation of the Hungarian Act on the prohibition of unfair and restrictive market practices in relation to K&H's trade in CDO bonds. The appeal filed by K&H against the HCA resolution was rejected by the Budapest Metropolitan Court. K&H Bank submitted a revision claim before the Supreme Court which approved in May 2012 the second level decision.

In ČSOB SK a similar approach as in Belgium was followed and in all cases of CDO investments with Private Banking and Retail clients, settlements were reached. No lawsuit in respect of CDO investments is pending.

Lazare Kaplan International Inc.

Lazare Kaplan International Inc. is a U.S. based diamond company ("**LKI**"). Lazare Kaplan Belgium NV is LKI's Belgian affiliate ("**LKB**"). LKI and LKB together are hereinafter referred to as "LK". The merger between the Issuer and *Antwerpse Diamantbank* NV ("**ADB**") on 1 July 2015 entails that the Issuer is now a party to the proceedings below, both in its own name and in its capacity as legal successor to ADB. However, for the sake of clarity, further reference is made to ADB on the one hand and the Issuer on the other hand as they existed at the time of the facts described.

Fact summary

Since 2008, LKB has been involved in a serious dispute with its former business partners, DD Manufacturing NV and KT Collection BVBA ("Daleyot"), Antwerp based diamond companies belonging to Mr. Erez Daleyot. This dispute relates to a joint venture LK and Daleyot set up in Dubai (called "Gulfdiam").

LKB and Daleyot became entangled in a complex litigation in Belgium, each claiming that the other party is their debtor. Daleyot initiated proceedings before the Commercial Court of Antwerp for payment of commercial invoices for an amount of (initially) approximately USD 9 million. LKB launched separate proceedings for payment of commercial invoices for (initially) an amount of approximately USD 38 million.

At the end of 2009, ADB terminated LK's credit facilities. After LK failed to repay the amount outstanding of USD 45,000,000, ADB started proceedings before the Commercial Court of Antwerp, section Antwerp, for the recovery of said amount. In a bid to prevent having to pay back the amount owed, LK in turn initiated several legal proceedings against ADB and/or the Issuer in Belgium and the USA. These proceedings, which are summarised below, relate to, inter alia, the dispute between ADB and LKI with regard to the termination of the credit facility and the recovery of all the monies LKI owes under the terminated credit facility as well as allegations that LK was deprived out of circa USD 140 million by DD Manufacturing and other Daleyot entities in cooperation with ADB.

Overview Legal Proceedings

A. Belgian proceedings (overview per court entity)

A.1. Company Court of Antwerp, section Antwerp

On 16 March 2010, proceedings were initiated by ADB against LKI in order to recover the monies owed to it under the terminated credit facility (approximately USD 45 million in principal). LKB voluntarily intervened in this proceeding and claimed an amount of USD 350 million from ADB. LKI launched a counterclaim of USD 500 million against ADB (from which it claims any amount awarded to LKB must be deducted).

LKI and /or LKB started numerous satellite proceedings with the sole aim to delay the decision of the Company Court of Antwerp, section Antwerp regarding ADB's recovery claim. (see also proceedings described under point A.2., A.3., A.4. and B.)

All decisions (44) regarding these proceedings rejected LKI and /or LKB's claims / legal actions. Only one decision was rendered in favor of LKI in 2013 whereby the United States Court of Appeals for the Second Circuit reversed and remanded the RICO case back to the District Court on legal technical grounds. (see further below under point B)

Numerous times LKI and /or LKB were convicted for reckless and vexatious legal actions and were ordered to pay the Issuer in damages for a total amount of EUR 595,000 and legal expenses (including the legal representation costs) of EUR 222,015.51 (including the amounts granted by the decisions described under A.3 below).

Proceedings are now pending before the Court of Cassation initiated by LKI on 2 April 2019.

As today after almost 10 years of litigation the Company Court of Antwerp, section Antwerp has still not been able to decide on the merits of the case.

A.2. Company Court of Antwerp, section Antwerp

On 28 July 2014, LK launched proceedings against ADB and certain Daleyot entities. This claim is aimed at having certain transactions of the Daleyot entities declared null and void or at least not opposable against LK.

LK also filed a damage claim against ADB for a provisional amount of USD 60 million based on the alleged third party complicity of ADB. This case is still pending. The court postponed the case sine die.

A.3. Company Court of Antwerp, section Antwerp

On 10 December 2014, LKB filed a proceeding against ADB and the Issuer claiming an amount of approximately 77 million USD, based on the allegedly wrongful grant and maintenance of credit facilities by ADB and the Issuer to the Daleyot entities. In its last court brief LK claims an additional amount of approximately 5 million USD.

By decision of 7 February 2017, the Commercial Court of Antwerp, section Antwerp (now Company Court of Antwerp, section Antwerp) dismissed LKB's claim. Moreover, the Court decided that the proceedings initiated by LKB were reckless and vexatious and ordered LKB to pay EUR 250,000 in damages, as well as the maximum legal representation cost of EUR 72,000.

LKB appealed against the decision of 7 February 2017. On 28 February 2019, the Antwerp Court of Appeals dismissed LKB's appeal. LKB was ordered to pay the legal representation cost for the appeal proceedings of EUR 18,000. On 18 June 2019 LKB initiated proceedings before the Court of Cassation against the decision of the Antwerp Court of Appeals dated 28 February 2019. These proceedings are still pending.

LKI – which was not a party to the first instance proceedings – commenced third-party opposition proceedings against the decision of 7 February 2017 with the Commercial Court (now Company Court). By decision of 7 May 2019, the Company Court dismissed the third- party opposition proceedings initiated by LKI. The Court ordered LKI to pay the legal representation cost of EUR 1,440.

A.4. Criminal complaint

On 13 October 2016 LK filed a criminal complaint with the Investigating Magistrate at the Dutch speaking Court of First Instance of Brussels against the Issuer. The criminal complaint is based on: embezzlement, theft and money-laundering.

Although this investigation started at the initiative of LK, it follows its own course and will be submitted at the end of it to the chambers section of the criminal court for a judgment (either dismissal of charges or referral to the criminal court).

B. US proceedings

A complaint of USD 500 million was initiated by LKI against both ADB and the Issuer in 2011, alleging violations of the RICO Act (which provides for trebling of any damage award) and numerous other claims under state law. This complaint is, in fact, a non-cumulative duplicate of the one LKI brought before the Commercial Court of Antwerp, section Antwerp. The United States District Court for the Southern District of New York granted ADB's and the Issuer's motions to dismiss in 2012 on the basis of the doctrine of forum non conveniens, holding that the case should be heard in Belgium. In 2013, the United States Court of Appeals for the Second Circuit reversed and remanded the case back to the District Court for further proceedings. The Court of Appeals ordered the District Court to first resolve which of two contested forum selection clauses applied to LKI's claims prior to ruling on forum non conveniens or any other grounds on which ADB and the Issuer moved to dismiss.

Following the remand, and in accordance with the Court of Appeals's order, the District Court ruled that the parties were to engage in limited discovery related to the contested forum selection clauses. This included both document discovery and limited depositions. This limited discovery was completed by April 2016. The District Court stayed LKI's discovery related to the merits of the complaint, which is still in effect.

On 14 and 15 February 2017, an evidentiary hearing took place to determine which of the two disputed forum selection clauses applied. After the hearing, the parties submitted proposed findings of fact for the District Court to rule on. In addition, shortly after the hearing, LKI moved to strike the testimony of one of the Issuer's witnesses and filed a motion for sanctions against the Issuer alleging nondisclosure of an agreement related to the relationship between the Issuer and ADB (the Issuer disclosed the agreement years ago, and the District Court considered the agreement in making its findings of fact).

On 30 June 2017, the District Court issued its Findings of Facts and denied LKI's motion to strike the testimony of the Issuer's witness. The District Court's Findings of Fact rejected all of the facts that supported LKI's arguments and agreed with the Issuer's description of those facts.

On 14 July 2017, LKI filed a motion for reconsideration in connection with the District Court's Findings of Fact. The District Court denied this motion on 16 August 2017.

The District Court allowed LKI to file a motion for leave to amend its complaint on 8 September 2017. By order dated 25 September 2017, the District Court granted LKI's motion for leave to file an amended complaint which was filed on 26 September 2017. The District Court set a briefing schedule with regard to the motion to dismiss and the motion for sanctions. At the end of December 2017, all briefs were exchanged and parties are awaiting a judgement. On 28 March 2018, LKI's 'motion for sanctions' was dismissed.

By Opinion and Order of 29 August 2018, the District Court granted the Issuer / ADB's motion to dismiss, ruling that the case must be heard in Belgium. This ruling is based on an analysis of the forum selection clauses and a forum non conveniens analysis.

On 27 September 2018, LKI filed a notice of appeal against the Opinion and Order of 29 August 2018. The case is now pending before the US Court of Appeals (Second Circuit).

On 27 September 2018, LKI also requested a pre-motion conference before the District Court to file a motion in order to vacate its judgement. By letter of 2 October 2018, KBC opposed this request. Parties are waiting for a decision of the District Court on the requested pre-motion conference.

After exchange of briefs the U.S. Court of Appeals for the Second Circuit scheduled oral argument for Monday, 26 August 2019.

Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff

On 6 October 2011, Irving H. Picard, trustee for the substantively consolidated SIPA (Securities Investor Protection Corporation Act) liquidation of Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff, sued KBC Investments Ltd before the bankruptcy court in New York to recover approximately USD 110,000,000 worth of transfers made to KBC entities. The basis for this claim were the subsequent transfers that KBC had received from Harley International, a Madoff feeder fund established under the laws of the Cayman Islands. This claim is one of a whole set made by the trustee against several banks, hedge funds, feeder funds and investors. In addition to the issues addressed by the district court, briefings were held on the applicability of the Bankruptcy Code's 'safe harbor' and 'good defenses' rules to subsequent transferees (as is the case for KBC). KBC, together with numerous other defendants, filed motions for dismissal. District court Judge Jed Rakoff has made several intermediate rulings in this matter, the most important of which are the rulings on extraterritoriality and good faith defences.

On 27 April 2014, Judge Rakoff issued an opinion and order regarding the 'good faith' standard and pleading burden to be applied in the Picard/SIPA proceeding based on sections 548(b) and 559(b) of the Bankruptcy Code. As such, the burden of proof that lies on Picard/SIPA is that KBC should have been aware of the fraud perpetrated by Madoff. On 7 July 2014, Judge Rakoff ruled that Picard/SIPA's reliance on section 550(a) does not allow for the recovery of subsequent transfers received abroad by a foreign transferee from a foreign transferor (as is the case for KBC Investments Ltd.). Therefore, the trustee's recovery claims have been dismissed to the extent that they seek to recover purely foreign transfers. In June 2015, the trustee filed a petition against KBC to overturn the ruling that the claim fails on extraterritoriality grounds. In this petition, the trustee also amended the original claim including the sum sought. The amount has been increased to USD 196,000,000.

On 21 November 2016, Judge Bernstein issued a memorandum decision regarding claims to recover foreign subsequent transfers, including the transfers which the trustee seeks to recover from KBC. In this memorandum decision, Judge Bernstein concluded that the trustee's claims based on foreign transfers should be dismissed out of concern for international comity and ordered a dismissal of the action against KBC. and on 3 March 2017, the Bankruptcy Court issued an appealable order denying the Madoff Trustee's request for leave to amend his Complaint and dismissing the Complaint. On 16 March 2017 the trustee Picard filed an appeal of dismissal, on 27 September 2017 the Second Circuit granted trustee Picard's petition for a direct appeal, on 10 January 2018 trustee Picard filed his opening brief in appeal to Second Circuit.

Briefing in the appeal was completed on 8 May 2018, and the Second Circuit held oral argument on 16 November 2018.

On 28 February 2019 the Second Circuit reversed the Bankruptcy Court's dismissal of the actions against KBC on extraterritoriality and international comity grounds. The action against KBC has therefore been remanded back to the Bankruptcy Court for further proceedings. KBC believes it has substantial and credible defences to this action and will continue to defend itself vigorously.

However a writ of Certiorari for review of this decision of the Second Circuit will be filed before the end of August with the Supreme Court.

FINANCIAL INFORMATION OF THE ISSUER

Financial statements

The Issuer's 2017 and 2018 annual reports contain:

- the Issuer's audited consolidated financial statements drawn up in accordance with International Financial Reporting Standards (IFRS) for the last two financial years (2017 and 2018); and
- the Issuer's audited non-consolidated financial statements drawn up in accordance with Belgian Generally Accepted Accounting Principles (GAAP) for the last two financial years (2017 and 2018).

Additionally, the Issuer has published unaudited semi-annual consolidated financial statements for the six months ended on 30 June 2019, drawn up in accordance with IFRS, in its semi-annual report for the first half of 2019.

These (semi)-annual reports of the Issuer are incorporated by reference into this Base Prospectus as set out in Section "Documents incorporated by reference" on page 112. See Section "Where more information can be found" on page 116 for information on where you can find these reports.

Audit and review by the Issuer's statutory auditors

PricewaterhouseCoopers Bedrijfsrevisoren CVBA (*erkend revisor/réviseur agréé*), represented by R. Jeanquart and G. Joos, with offices at Woluwedal 18, B-1932 Sint-Stevens-Woluwe, Belgium (**PwC**), has been appointed as auditor of the Issuer for the financial years 2016-2018 and this appointment has been extended for the financial years 2019-2021. The financial statements of the Issuer have been audited in accordance with International Standards on Auditing by PwC for the financial years ended 31 December 2017 and 31 December 2018 and resulted in an unqualified audit opinion.

PwC is a member of the *Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises*.

The report of the Issuer's auditor on (i) the audited consolidated annual financial statements of the Issuer and its consolidated subsidiaries for the financial years ended 31 December 2017 and 31 December 2018, (ii) the audited non-consolidated annual financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2018, and (iii) the unaudited consolidated interim financial statements of the Issuer and its consolidated subsidiaries for the first six months ended 30 June 2019 are incorporated by reference in this Base Prospectus (as set out in Section "Documents incorporated by reference" on page 112), with the consent of the auditor.

Changes since the most recent published financial statements

There has been no material adverse change in the prospects of the Issuer since 31 December 2018, i.e. the date of its last published audited financial statements.

There has been no significant change in the financial position of the group nor in the insolvency of the Issuer since 30 June 2019, i.e. the end of the last financial period for which financial information has been published.

ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Board of directors

The Issuer's Board of Directors has the powers to perform everything that is necessary or useful to achieve the Issuer's corporate purpose, with the exception of those powers of which, pursuant to the law and its Articles of Association, solely another body is empowered to perform.

The Issuer's corporate purpose is set out in Article 2 of its Articles of Association. It includes the execution of all banking operations in the widest sense, as well as the exercise of all other activities which banks are or shall be permitted to pursue and all acts that contribute directly or indirectly thereto.

To the extent these laws and regulations apply to the Issuer, the Issuer complies with the laws and regulations of Belgium regarding corporate governance.

Pursuant to Article 24 of the Banking Law and Article 524bis of the Belgian Companies Code, the Issuer's Board of Directors has conferred powers on the Executive Committee to perform the acts referred to in Article 522 of the Belgian Companies Code and Article 18 of the Issuer's Articles of Association Bank. However, this transfer of powers relates neither to the definition of general policy, nor to the powers which are reserved to the Board of Directors by law. The Board of Directors is responsible for the supervision of the Executive Committee. The Issuer is not aware of any potential conflicts of interest between the duties to the Issuer of the Members of the Board of Directors detailed below and their private interests or other duties.

As at the date of this Base Prospectus, the members of the Board of Directors are the following:

Name and business address	Position	Expiry date of current term of office	External offices
LEYSEN Thomas KBC Bank NV Havenlaan 2 1080 Brussel	Chairman	2023	Non-executive Director of Umicore 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 Group NV Chairman of the Board of Directors of Mediahuis NV
HOLLOWS John CSOB Ceskoslovenska obchodni banka Radlicka 333/150 Praha 5 150 57 Czech Republic	Executive Director	2021	Executive Director of KBC Verzekeringen NV Member of the Executive Committee of KBC Groep NV CEO (non-director) of Ceskoslovenska Obchodni Banka a.s. (CR)
POPELIER Luc KBC Bank NV Havenlaan 2 1080 Brussel	Executive Director	2021	Executive Director of KBC Verzekeringen NV Member of the Executive Committee of KBC Groep NV Chairman of the Board of Directors of K&H Bank Zrt. Chairman of the Supervisory Board of K&H Biztosito Zrt.

			Chairman of the Board of Directors of Focus Fund NV Chairman of the Board of Directors of KBC Asset Management NV Member of the Management Board of KBC Bank NV, Dublin Branch Chairman of the Board of Directors of KBC Bank Ireland plc Chairman of the Board of Directors of KBC Securities NV Chairman of the Supervisory Board of Ceskoslovenska Obchodna Bank a.s. (SR) Chairman of the Supervisory Board of United Bulgarian Bank AD Member of the Management Board of CSOB Poistovna a.s. Chairman of the Supervisory Board of DZI General Insurance JSC Chairman of the Supervisory Board of DZI Life Insurance JSC Senior General Manager KBC Group NV – Branch Bulgaria
THIJS Johan KBC Bank NV Havenlaan 2 1080 Brussel	Executive Director/CEO	2021	Executive Director/CEO of KBC Verzekeringen NV Chairman of the Board of Directors of Febelfin Executive Director/CEO of KBC Group NV Non-executive Director of VOKA Non-executive Director of European Banking Federation Non-executive Director of Museum Nicolaas Rockox Non-executive Director of Gent Festival van Vlaanderen
VAN RIJSSEGHEM Christine KBC Bank NV Havenlaan 2 1080 Brussel	Executive Director	2022	Executive Director KBC Group NV Executive Director KBC Verzekeringen NV Non-executive Director of K&H Bank Zrt Non-executive Director of KBC Bank Ireland plc Member of the Supervisory Board of Ceskoslovenska Obchodni Banka a.s. (CR) Member of the Management Board of KBC Bank NV, Dublin Branch Member of the Supervisory Board of United Bulgarian Bank AD
ARISS Nabil 16 Chiddingstone KBC Bank NV Havenlaan 2 1080 Brussel	Non-executive Director	2022	Executive Director AF Law Executive Director Fresnel 1823 Limited
DEPICKERE Franky Cera-KBC Ancora	Non-executive Director	2019	Executive Director of Cera CVBA

Muntstraat 1 3000 Leuven			Executive Director of Cera Beheersmaatschappij NV Non-executive Director of BRS Microfinance Coop CVBA Non-executive Director of CBC Banque SA Non-executive Director of KBC Group NV Non-executive Director of KBC Verzekeringen NV Executive Director of Almancora Beheersmaatschappij NV Non-executive Director of International Raiffeisen Union e.V. Non-executive Director of Euro Pool System International BV Member of the Supervisory Board of Ceskoslovenska Obchodni Banka a.s. (CR) Executive Director of KBC Ancora Comm.VA Member of the Supervisory Board of United Bulgarian Bank AD
CALLEWAERT Katelijn Cera Beheersmaatschappij Muntstraat 1 3000 Leuven	Non-executive Director	2021	Executive Director of Cera Beheersmaatschappij NV Member of the Executive Committee of Cera CVBA Non-executive Director of KBC Group NV Non-executive Director of KBC Verzekeringen NV Executive Director of Almancora Beheersmaatschappij NV
DE BECKER Sonja MRBB CVBA Diestsevest 40 3000 Leuven	Non-executive Director	2020	Non-executive Director of Acerta CVBA Non-executive Director of M.R.B.B. CVBA – Maatschappij voor Roerend Bezit van de Boerenbond Non-executive Director of Directors of SBB Accountants en Belastingconsulenten BV CVBA Non-executive Director of KBC Group NV Non-executive Director of KBC Verzekeringen NV Executive Director of SBB Bedrijfsdiensten CVBA Non-executive Director of BB-Patrim CVBA Chairman of the Board of Directors of Boerenbond
WITTEMANS Marc MRBB cvba Diestsevest 40 3000 Leuven	Non-executive Director	2022	Non-executive Director of KBC Group NV Non-executive Director of SBB Accountants en Belastingconsulenten BV CVBA Executive Director/CEO of M.R.B.B. CVBA - Maatschappij voor Roerend Bezit van de Boerenbond Non-executive Director of Agri Investment Fund CVBA Executive Director/CEO of Aktiefinvest CVBA Non-executive Director of KBC Verzekeringen NV Non-executive Director Acerta Public NV Non-executive Director of Shéhérazade Développement CVBA

			Non-executive Director of AVEVE NV – Aan- en verkoopvennootschap van de Belgische Boerenbond Non-executive Director of KBC Bank Ireland Plc. Non-executive Director of SBB Bedrijfsdiensten CVBA Non-executive Director of K&H Bank Zrt.
FALQUE Daniel KBC Bank NV Havenlaan 2 1080 Brussels	Executive Director	2020	Non-executive Director of CBC Banque SA Executive Director of KBC Verzekeringen NV Member of the Executive Committee of KBC Group NV Non-executive Director of BVB Non-executive Director of Union Wallonne des Entreprises ASBL Non-executive Director of Febelfin
MAGNUSSON Bo KBC Bank NV Havenlaan 2 1080 Brussels	Non-executive Director	2020	Chairman of the Board of Directors of Carnegie Holding AB Chairman of the Board of Directors of Carnegie Investment Bank AB Chairman of the Board of Directors of SBAB AB Chairman of the Board of Directors of Sveriges Sakerstallda obligationer AB Non-executive Director of Bmag AB Chairman of the Board of Directors of Rikshem AB Chairman of the Board of Directors of Rikshem Intressenter AB
KIRALY Julia Havenlaan 2 1080 Brussel	Non-executive Director	2023	Executive Director Fintor Holding NV Non-executive Director KBC Group NV
PAPIRNIK Vladimira Havenlaan 2 1080 Brussel	Non-executive Director	2023	Non-executive Director KBC Group NV
LUTS Erik KBC Bank NV Havenlaan 2 1080 Brussels	Executive Director	2021	Executive Director of Ambassadors Club Slovenia in Belgium ASBL Non-executive Director of De Bremberg VZW Non-executive Director of Joyn Belgium NV Non-executive Director of Joyn International NV Non-executive Director of KBC Focus Fund NV Non-executive Director of Storesquare NV Executive Director of KBC Verzekeringen NV Member of the Executive Committee of KBC Group NV Non-executive Director of Isabel NV Non-executive Director of Belgian Mobile ID NV

			Non-executive Director of Bancontact Payconiq Company NV
SCHEERLINCK Hendrik KBC Bank NV Havenlaan 2 1080 Brussels	Executive Director	2021	Executive Director of KBC Group NV Executive Director of KBC Verzekeringen NV Non-executive Director of KBC Credit Investments NV

Audit Committee

The Audit Committee has been set up by the Board of Directors and has – with some limited legal exceptions – an advisory role. The Audit Committee, among other things, supervises the integrity and effectiveness of the internal control measures and the risk management in place, paying special attention to correct financial reporting.

The powers and composition of the Audit Committee, as well as its way of functioning, are extensively dealt with in the Corporate Governance Charter of the Issuer which is published on www.kbc.com. The Corporate Governance Charter is not incorporated by reference and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the FSMA.

The members of the Issuer's Audit Committee are:

- Marc Wittemans (chairman);
- Nabil Ariss (independent director); and
- Bo Magnusson (independent director).

Risk and compliance committee

The Risk and Compliance Committee has been set up by the Board of Directors and has an advisory role. The Risk and Compliance Committee, among other things, provides advice to the Board of Directors about the current and future risk tolerance and risk strategy.

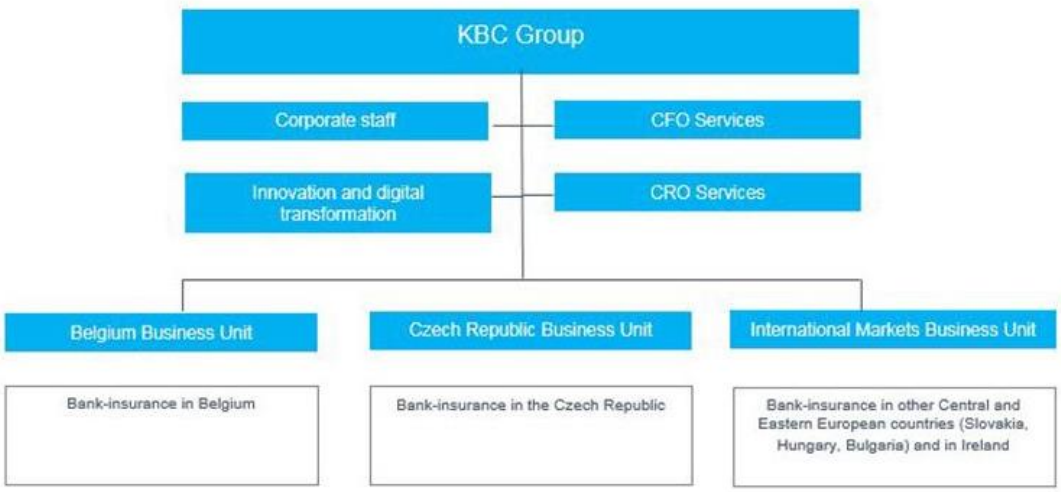
The powers and composition of the Risk and Compliance Committee, as well as its way of functioning, are extensively dealt with in the Issuer's Corporate Governance Charter, which is available on www.kbc.com. The Corporate Governance Charter is not incorporated by reference and does not form part of this Base Prospectus, and it has not been scrutinised or approved by the FSMA.

The members of the Issuer's Risk and Compliance Committee are:

- Franky Depickere (chairman);
- Nabil Ariss (independent director); and
- Bo Magnusson (independent director).

Management structure

KBC Group's strategic choices are fully reflected in the group structure, which consists, as at the date of this Base Prospectus, of a number of business units and support services and which are presented in simplified form as follows:



The management structure of both KBC Group and the KBC Bank Group essentially comprises:

- the three business units, which focus on local business and are expected to contribute to sustainable profit and growth:
    - Belgium Business Unit;
    - Czech Republic Business Unit; and
    - International Markets Business Unit: this encompasses the other core countries in Central and Eastern Europe (the Slovak Republic, Hungary and Bulgaria) and Ireland;
- the pillars 'CRO Services' and 'CFO Services' (which act as an internal regulator, and whose main role is to support the business units), 'Corporate Staff' (which is a competence centre for strategic know-how and best practices in corporate organisation and communication) and 'Innovation and digital transformation'.

Each business unit is headed by a Chief Executive Officer (CEO), and these CEOs, together with the CEO, the Chief Risk Officer (CRO), the Chief Innovation Officer (CIO) and the Chief Financial Officer (CFO) constitute the executive committee.

INFORMATION RELATING TO THE NOTES

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and as supplemented in accordance with the provisions of Part A of the relevant Final Terms, shall be applicable to the Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme. Parts in this section in italics are not part of the terms and conditions, but included for information purposes only.

The Notes are issued subject to a domiciliary, calculation and paying agency agreement (the "**Agency Agreement**") dated on or about the date of this Base Prospectus between KBC Bank NV (the "**Issuer**") and KBC Bank NV as domiciliary agent and paying agent (the "**Agent**", which expression shall include any successor domiciliary agent and paying agent). The calculation agent for the time being (if any) is referred to below as the "**Calculation Agent**".

For the purpose of these terms and conditions (the "**Conditions**"), a "**Series**" means a series of Notes comprising one or more Tranches, whether or not issued on the same date, that (except in respect of the first payment of interest and their issue price) have identical terms on issue and are expressed to have the same series number. "**Tranche**" means, in relation to a Series, those Notes of that Series that are identical in all respects.

The Final Terms of Notes in respect of which a prospectus must be published pursuant to the Prospectus Regulation (because they are admitted to trading on a regulated market or offered to the public in the European Economic Area outside of an exemption referred to in Article 1(4) of the Prospectus Regulation), will be published on the website of the Issuer on https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-programme. *This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.*

If the Notes are admitted to trading on the regulated market of Euronext Brussels, the applicable Final Terms will also be published on the website of Euronext Brussels (www.euronext.com). *This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.*

If the Notes are neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Regulation, the applicable Final Terms will be obtainable at the registered office of the Issuer and of the Agent only by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer and the Agent as to its holding of such Notes and identity.

The final terms for the Notes (or the relevant provisions thereof) are set out in Part A of the Final Terms and supplement these Conditions. References to the "**applicable Final Terms**" are to Part A of the Final Terms (or the relevant provisions thereof) and expressions defined or used in the applicable Final Terms shall have the same meanings in these Conditions, unless the context otherwise requires or unless otherwise stated.

1. FORM, DENOMINATION AND TITLE

The Notes will be issued in dematerialised form in accordance with the Belgian Companies Code (*Wetboek van Vennootschappen/Code des Sociétés*) or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen / Codes Sociétés et des Associations*). The Notes will be represented exclusively by book entry in the records of the securities settlement system operated by the National Bank of Belgium, with its registered

office at de Berlaimontlaan 14, 1000 Brussels ("**NBB**") or any successor thereto (the "**Securities Settlement System**"). The Notes are accepted for clearance through the Securities Settlement System, and are accordingly subject to the applicable Belgian clearing regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian royal decrees of 26 May 1994 and 14 June 1994 (each as amended or re-enacted or as their application is modified by other provisions from time to time) and the rules of the Securities Settlement System and its annexes, as issued or modified by the NBB from time to time (the laws, decrees and rules mentioned in this Condition being referred to herein as the "**Securities Settlement System Regulations**").Title to the Notes will pass by account transfer. The Notes cannot be physically delivered and may not be converted into bearer notes (*effecten aan toonder/ titres au porteur*).

If at any time the Notes are transferred to another clearing system, not operated or not exclusively operated by the NBB, these provisions shall apply *mutatis mutandis* to such successor clearing system and successor clearing system operator or any additional clearing system and additional clearing system operator (any such clearing system, an "**Alternative Clearing System**").

Noteholders are entitled to exercise the rights they have, including voting rights, making requests, giving consents, and other associative rights (as defined for the purposes of the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code) upon submission of an affidavit drawn up by the NBB or any of its participant duly licensed in Belgium to keep dematerialised securities accounts showing such holder's position in the Notes (or the position held by the financial institution through which such holder's Notes are held with the NBB or any of its participants, in which case an affidavit drawn up by that financial institution will also be required).

The Notes are issued in the Specified Denomination(s) specified in the applicable Final Terms and integral multiples of such Specified Denomination. The minimum Specified Denomination of the Notes shall be at least EUR 1,000 (or its equivalent in any other currency). The Notes have no maximum Specified Denomination.

The Notes may: (i) bear interest calculated by reference to a fixed rate of interest (such Note, a "**Fixed Rate Note**"), (ii) bear interest calculated by reference to a fixed rate of interest for an initial period and thereafter by reference to a fixed rate of interest recalculated on one or more dates specified in the Final Terms and by reference to a mid-market swap rate (such Note, a "**Fixed Rate Reset Note**"), (iii) bear interest by reference to one or more floating rates of interest (such Note, a "**Floating Rate Note**"), (iv) only in the case of Notes for which the "Prohibition of sales to consumers in Belgium" is specified as "Applicable" in the applicable Final Terms, not bear interest (such Note, a "**Zero Coupon Note**") or (v) have a combination of two or more of (i) to (iv) of the foregoing, as specified in the Final Terms.

In these Conditions, "**Noteholder**" and "**holder**" mean, in respect of any Note, the holder from time to time of the Notes as determined by reference to the records of the relevant clearing systems or financial intermediaries and the affidavits referred to in this Condition 1 (*Form, Denomination and Title*) and capitalised terms have the meanings given to them in the applicable Final Terms, the absence of any such meaning indicating that such term is not applicable to the Notes.

In these Conditions, any reference to any law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated or replaced from time to time.

2. STATUS OF THE NOTES

2.1. Status

The Notes are senior preferred notes and constitute direct, unconditional and unsecured obligations of the Issuer and shall at all times rank pari passu without any preference among themselves. The payment obligations of the Issuer under the Notes shall, save for such exceptions as may be provided by applicable legislation, at all times rank at least equally with all its other present and future unsecured and unsubordinated obligations.

2.2. Waiver of set-off

If the applicable Final Terms in respect of Notes for which the "Prohibition of sales to consumers in Belgium" is specified as "Applicable", also specify that this Condition 2.2 applies, then, subject to applicable law, no holder of any such Notes may exercise or claim any right of set-off (*schuldvergelijking/compensation*, i.e. the right to discharge liabilities where cross obligations exist between the holder of the Notes and the Issuer) in respect of any amount owed to it by the Issuer arising under or in connection with the Notes, and each such Noteholder shall, by virtue of its subscription, purchase or holding of any Note, be deemed to have waived all such rights of set-off.

3. INTEREST AND OTHER CALCULATIONS

3.1. Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rates per annum (expressed as a percentage) equal to the Rate of Interest(s), such interest being payable, subject as provided herein, in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with this Condition 3.

3.2. Interest on Fixed Rate Reset Notes

Each Fixed Rate Reset Note bears interest on its outstanding nominal amount, subject to Condition 3.11 (*Benchmark Replacement*):

(a) from and including the Interest Commencement Date up to but excluding the First Reset Date at the Initial Rate of Interest;

(b) in the First Reset Period, at the First Reset Rate of Interest; and

(c) for each Subsequent Reset Period thereafter (if any), at the relevant Subsequent Reset Rate of Interest,

(d) payable, subject as provided herein, in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3.7 (*Calculations*).

In this Condition 3.2:

"**First Reset Date**" means the date specified as such in the Final Terms;

"**First Reset Period**" means the period from and including the First Reset Date up to but excluding the Second Reset Date or, if no such Second Reset Date is specified in the Final Terms, the Maturity Date;

"**First Reset Rate of Interest**" means the rate of interest as determined by the Calculation Agent on the relevant Reset Determination Date corresponding to the First Reset Period as the sum of the Mid-Swap Rate plus the relevant Margin;

"**Initial Rate of Interest**" means the initial rate of interest per annum specified in the Final Terms;

"**Margin**" means the margin (expressed as a percentage) in relation to the relevant Reset Period specified as such in the Final Terms;

"**Mid-Swap Quotations**" means the arithmetic mean of the bid and offered rates:

(a) if the Specified Currency is Sterling, for a semi-annual fixed leg (calculated on an Actual/365 day count basis) of a fixed for floating interest rate swap transaction in Sterling which (a) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (b) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (c) has a floating leg based on the 6-month LIBOR rate (calculated on an Actual/365 day count basis);

(b) if the Specified Currency is Euro, for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in euro which (a) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (b) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (c) has a floating leg based on the 6-month EURIBOR rate (calculated on an Actual/360 day count basis); and

(c) if the Specified Currency is US dollars, for the semi-annual fixed leg (calculated on a 30/360 day count basis) of a fixed for floating interest rate swap transaction in US dollars which (a) has a term commencing on the relevant Reset Date which is equal to that of the relevant Swap Rate Period; (b) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the relevant swap market; and (c) has a floating leg based on the 3-month LIBOR rate (calculated on an Actual/360 day count basis).

"**Mid-Swap Rate**" means in respect of a Reset Period, (i) the applicable semi-annual or annualised (as specified in the applicable Final Terms) mid swap rate for swap transactions in the Specified Currency (with a maturity equal to that of the relevant Swap Rate Period specified in the Final Terms) as displayed on the Relevant Screen Page at 11.00 a.m. (in the principal financial centre of the Specified Currency) on the relevant Reset Determination Date (which rate, if the relevant Interest Payment Dates are other than semi annual or annual Interest Payment Dates, shall be adjusted by, and in the manner determined by, the Calculation Agent) or (ii) if such rate is not displayed on the Relevant Screen Page at such time and date, the relevant Reset Reference Bank Rate;

"**Reset Determination Date**" means, in respect of a Reset Period, (a) each date specified as such in the Final Terms or, if none is so specified, (b) (i) if the Specified Currency is Sterling or Renminbi, the first Business Day of such Reset Period, (ii) if the Specified Currency is Euro, the day falling two Business Days prior to the first day of such Reset Period, (iii) if the Specified Currency is US dollars, the day falling two U.S. Government Securities Business Days prior to the first day of such Reset Period (iv) for any other Specified Currency, the day falling two Business Days in the principal financial centre for such Specified Currency prior to the first day of such Reset Period;

"**Reset Date**" means each of the First Reset Date, the Second Reset Date and each Subsequent Reset Date (as applicable);

"**Reset Period**" means the First Reset Period or a Subsequent Reset Period, as the case may be;

"**Reset Reference Bank Rate**" means the percentage rate determined on the basis of the Mid-Swap Quotations provided by the Reset Reference Banks to the Calculation Agent at or around 11:00 a.m. in the principal financial centre of the Specified Currency on the relevant Reset Determination Date and, rounded, if necessary, to the nearest 0.001 per cent. (0.0005 per cent. being rounded upwards). If at

least four quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two or three quotations are provided, the Reset Reference Bank Rate will be the rounded arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the rounded quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be determined by the Calculation Agent in its sole discretion following consultation with the Issuer;

"**Reset Reference Banks**" means five leading swap dealers in the principal interbank market relating to the Specified Currency selected by the Calculation Agent in its discretion after consultation with the Issuer;

"**Second Reset Date**" means the date specified as such in the Final Terms;

"**Subsequent Reset Date**" means the date or dates specified in the applicable Final Terms;

"**Subsequent Reset Period**" means the period from and including the Second Reset Date to but excluding the next Reset Date, and each successive period from and including a Reset Date to but excluding the next succeeding Reset Date;

"**Subsequent Reset Rate of Interest**" means, in respect of any Subsequent Reset Period, the rate of interest determined by the Calculation Agent on the Reset Determination Date corresponding to such Subsequent Reset Period as the sum of the relevant Mid-Swap Rate plus the relevant Margin;

"**Swap Rate Period**" means the period specified as such in the Final Terms; and

"**U.S. Government Securities Business Day**" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities.

3.3. Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 3.7 (*Calculations*). Such Interest Payment Date(s) is/are either specified in the Final Terms as Specified Interest Payment Dates (as may be subject to adjustment pursuant to Condition 3.3 (b)*(Business Day Convention)*) or, if Specified Interest Payment Date(s) is/are specified in the Final Terms as not applicable, "**Interest Payment Date**" shall mean each date which falls the number of months or other period specified in the Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date as may be subject to adjustment pursuant to Condition 3.3 (b) (*Business Day Convention*).

(b) Business Day Convention

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last

Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

In the event of Notes cleared through the Securities Settlement System, and nevertheless the applicable Final Terms would include another Business Day Convention, the Following Business Day Convention will automatically apply.

(c) Rate of Interest for Floating Rate Notes

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the Final Terms.

(i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate plus or minus (as indicated in the Final Terms) the Margin (if any). For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(A) the Floating Rate Option is as specified in the Final Terms;

(B) the Designated Maturity is a period specified in the Final Terms; and

(C) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the Final Terms.

provided that, if no Rate of Interest can be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined by the Calculation Agent in its sole and absolute discretion (though applying the Margin, Maximum Rate of Interest and/or Minimum Rate of Interest, if any, relating to the Interest Accrual Period).

For the purposes of this sub-paragraph (i), "Floating Rate", "Calculation Agent", "Floating Rate Option", "Designated Maturity", "Reset Date" and "Swap Transaction" have the meanings given to those terms in the ISDA Definitions. Noteholders who should require a copy of the ISDA Definitions, can obtain such copy from the Issuer.

Unless otherwise stated in the Final Terms, the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

(A) Where Screen Rate Determination is specified in the Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(I) the offered quotation; or

(II) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question as determined by the Calculation Agent.

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

(I) 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 of such offered quotations; or

(II) the Relevant Screen Page is not available or if Condition 3.3 (c)(ii)(A)(I)above applies and no such offered quotation appears on the Relevant Screen Page or if Condition 3.3 (c)(ii)(A)(II) above applies and fewer than three such offered quotations appear on the Relevant Screen Page in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Eurozone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate at the Relevant Time on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent.

(III) If paragraph (b) above applies, the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered at the Relevant Time on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, 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 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 the Relevant Time on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Bank suitable for such purpose) informs the Calculation

Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Eurozone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum Rate of Interest or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum Rate of Interest or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(C) If the Reference Rate is Constant Maturity Swap ("**CMS**") and no quotation appears on the Relevant Screen Page at the Relevant Time on the relevant Interest Determination Date, then the Rate of Interest will be determined on the basis of the mid-market annual swap rate quotations provided by five leading swap dealers in the European inter-bank market at approximately the Relevant Time on the relevant Interest Determination Date. The Calculation Agent will select the five swap dealers in its sole discretion and will request each of those dealers to provide a quotation of its rate in accordance with market practice. If at least three quotations are provided, the Rate of Interest for the relevant Interest Period will be the arithmetic mean of the quotations, eliminating the highest and lowest quotations or, in the event, of equality, one of the highest and one of the lowest quotations. If fewer than three quotations are provided, the Calculation Agent will determine the Rate of Interest in its sole discretion.

3.4. Zero Coupon Notes

In relation to Notes for which the "Prohibition of sales to consumers in Belgium" is specified as "Applicable" in the applicable Final Terms, the Issuer may specify in the Final Terms that the Interest Basis is Zero Coupon. In case a Zero Coupon Note is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Zero Coupon Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 4.5(a)).

3.5. Accrual of Interest

Interest (if any) shall cease to accrue on each Note (or in the case of the redemption of part only of a Note, that part only of such Note) on the due date for redemption thereof unless payment of principal is improperly withheld or refused or unless default is otherwise made in respect of payment, in which event, interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 3 to (but excluding) the Relevant Date (as defined in Condition 4.11 (*Definitions*)).

3.6. Margin, Maximum Rate of Interest, Minimum Rates of Interest, Callable Amounts and Rounding

(a) If any Margin is specified in the Final Terms (either (A) generally, (B) in relation to one or more Interest Accrual Periods or (C) in relation to one or more Reset Periods), an adjustment shall, unless the relevant Margin has already been taken into account in determining such Rate of Interest, be made to all Rates of Interest, in the case of (A), or the Rates of Interest for the specified Interest Accrual Periods or Reset Periods, in the case of (B) or (C), calculated, in each

case, in accordance with Condition 3.2 (*Interest on Fixed Rate Reset Notes*) above by adding (if a positive number) or subtracting (if a negative number) the absolute value of such Margin subject always (in the case of Floating Rate Notes only) to the next paragraph.

(b) If any Maximum Rate of Interest or Minimum Rate of Interest or Callable Amount is specified in the Final Terms in relation to one or more Interest Accrual Periods, then any Rate of Interest or Callable Amount shall be subject to such maximum or minimum, as the case may be.

(c) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (A) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (B) all figures shall be rounded to seven significant figures (with halves being rounded up) and (C) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), without prejudice to the Securities Settlement System Regulations, and save in the case of Yen, which shall be rounded down to the nearest Yen. For these purposes "**unit**" means the lowest amount of such currency that is available as legal tender in the country of such currency.

3.7. Calculations

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the Final Terms and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be applied to the period for which interest is required to be calculated.

3.8. Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts and Optional Redemption Amounts

The Calculation Agent shall as soon as practicable on each Interest Determination Date, Reset Determination Date or such other time on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period (or, if determining the First Reset Rate of Interest or a Subsequent Reset Rate of Interest in respect of Fixed Rate Reset Notes, the Interest Amount for each Interest Accrual Period falling within the relevant Reset Period), calculate the Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount to be notified to the Agent, the Issuer, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period End Date is subject to adjustment pursuant to Condition 3.3(c)(ii) the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the

event of an extension or shortening of the Interest Period. If the Notes become due and repayable under Condition 8 (*Events of default and enforcement*), the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding on all parties.

3.9. Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(a) in the case of a currency other than euro, a day (other than a Saturday or Sunday) on which banks are open for general business in Belgium and on which commercial banks settle payments in the principal financial centre for such currency; and

(b) in the case of euro, a day (a) other than a Saturday or Sunday on which the NBB security settlement system (NBB-SSS) is operating and (b) on which banks are open for general business in Belgium and (c) (if a payment in euro is to be made on that day), which is a business day for the TARGET2 System (a "**TARGET Business Day**"); and

(c) in the case of a currency other than euro and one or more business centres (the "**Business Centre(s)**"), as specified in the applicable Final Terms, a day (other than a Saturday or a Sunday) on which banks are open for general business in Belgium and on which commercial banks settle payments in such currency in each of the Business Centres.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**"):

(a) if "**Actual/365**" or "**Actual/Actual**" or "**Actual/Actual – ISDA**" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(b) if "**Actual/365 (Fixed)**" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 365;

(c) if "**Actual/360**" is specified in the Final Terms, the actual number of days in the Calculation Period divided by 360;

(d) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D1 is greater than 29, in which case D2 will be 30;

(e) if "**30E/360**" or "**Eurobond Basis**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

(f) if "**30E/360 (ISDA)**" is specified in the Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$Day\ Count\ Fraction = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D2 will be 30; and

(g) if "**Actual/Actual ICMA**" is specified in the Final Terms:

(i) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in such Calculation Period divided by the product of:

(A) the number of days in such Determination Period; and

(B) the number of Determination Periods normally ending in any year; or

(ii) if the Calculation Period is longer than one Determination Period, the sum of:

(A) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Periods normally ending in any year; and

(B) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (i) the number of days in such Determination Period and (ii) the number of Determination Periods normally ending in any year;

where:

"**Determination Period**" means the period from and including a Determination Date (as specified in the Final Terms) in any year to but excluding the next Determination Date; and

"**Determination Date**" means the date specified as such in the Final Terms or, if specified as not applicable in the Final Terms, the Interest Payment Date.

"**Euro**" 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.

"**Eurozone**" means the region comprised of member states of the European Union that adopt or have adopted the single currency in accordance with the Treaty establishing the European Community, as amended.

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period End Date and each successive period beginning on (and including) an Interest Period End Date and ending on (but excluding) the next succeeding Interest Period End Date.

"**Interest Amount**" means:

(a) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the Final Terms, shall mean the Fixed Coupon Amount or Broken Amount (i.e. the amount of interest payable for any Interest Accrual Period that is longer or shorter than the regular Interest Accrual Periods of the relevant Fixed Rate Notes) specified in the Final Terms

as being payable on the Interest Payment Date on which the Interest Period of which such Interest Accrual Period forms part ends; and

(b) in respect of any other period, the amount of interest payable per Calculation Amount for that period.

"**Interest Basis**" means the interest basis specified in the Final Terms.

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the Final Terms.

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the Final Terms or, if none is so specified, (i) 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 such Interest Accrual Period; (ii) if the specified Relevant Screen Page is a Sterling LIBOR rate, the first day of such Interest Accrual Period; (iii) 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 such Interest Accrual Period; and (iv) 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 such Interest Accrual Period.

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date unless otherwise specified in the Final Terms and as may be subject to adjustment pursuant to Condition 3.3(b) (*Business Day Convention*).

"**Interest Period End Date**" means each Interest Payment Date unless otherwise specified in the Final Terms and as may be subject to adjustment pursuant to Condition 3.3(b) (*Business Day Convention*).

"**ISDA Definitions**" means the 2006 ISDA Definitions, as amended and supplemented and published by the International Swaps and Derivatives Association, Inc., as available on www.isda.org (or as otherwise specified in the Final Terms).

"**Rate of Interest**" means the rate of interest payable from time to time in respect of the Notes and that is either specified or calculated in accordance with the provisions in the Final Terms.

"**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 and, in the case of a determination of EURIBOR, the principal Eurozone office of four major banks in the Eurozone inter-bank market, in each case selected by the Calculation Agent.

"**Reference Rate**" means the rate specified as such in the Final Terms.

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the Final Terms (or any successor or replacement page, section, caption, column or other part of a particular information service).

"**Relevant Time**" means, if the Reference Rate is LIBOR, approximately 11.00 a.m. (London time), if the Reference Rate is EURIBOR, 11.00 a.m. (Brussels time), if the Reference Rate is CMS, 11.00 a.m. (Frankfurt time) or as otherwise specified in the Final Terms.

"**Specified Currency**" means the currency specified in the Final Terms or, if none is specified, the currency in which the Notes are denominated.

"**TARGET2 System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

3.10. Calculation Agent

The Issuer shall procure that there shall at all times be one or more Calculation Agents appointed if provision is made for them in the Final Terms and for so long as any Note is outstanding. Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or Reset Period or to calculate any Interest Amount, Final Redemption Amount(s), Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money or swap market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

3.11. Benchmark replacement

Without prejudice to the other provisions in this Condition 3 (*Interest and other calculations*), if the Issuer determines that a Benchmark Event occurs in relation to the relevant Reference Rate or Mid-Swap Rate (as applicable) specified in the applicable Final Terms when any Rate of Interest (or the relevant component part thereof) remains to be determined by reference to such Reference Rate or Mid-Swap Rate (as applicable), then the following provisions shall apply to the relevant Notes:

(a) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint and consult with an Independent Adviser with a view to the Issuer determining (without any requirement for the consent or approval of the Noteholders) (A) a Successor Rate or, failing which, an Alternative Reference Rate, for purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Notes and (B) in either case, an Adjustment Spread;

(b) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 3.11 (*Benchmark replacement*);

(c) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (a) or (b) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the Reference Rate or Mid-Swap Rate (as applicable) for each of the future Interest Periods or Reset Periods (as applicable) (subject to the subsequent operation of, and to adjustment as provided in, this Condition 3.11 (*Benchmark replacement*).

(d) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and determines the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Reference Rate (as applicable). If the Issuer is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

(e) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the Noteholders) also specify changes to these Conditions and/or the Agency Agreement in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate or any Adjustment Spread (as applicable), including, but not limited to, (A) the Day Count Fraction, Relevant Screen Page, Business Day Convention, Business Days, Interest Determination Date, Reset Determination Date and/or the definition of Reference Rate or Mid-Swap Rate applicable to the Notes and (B) the method for determining the fall-back rate in relation to the Notes. For the avoidance of doubt, the Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments (the "**Benchmark Consequential Amendments**") to the Agency Agreement and these Conditions as may be required in order to give effect to the application of this Condition 3.11 (*Benchmark replacement*). No consent shall be required from the Noteholders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable) or such Benchmark Consequential Amendments, including for the execution of any documents or other steps to be taken by the Agent and any other agents party to the Agency Agreement (if required or useful); and

(f) the Issuer shall promptly, following the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable), give notice thereof to the Agent, the Calculation Agent and, in accordance with Condition 10 (*Notices*), the Noteholders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and these Conditions (if any),

provided that the determination of any Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) and any other related changes to the Notes, shall be made in accordance with the relevant Applicable Banking Regulations (if applicable).

An Independent Adviser appointed pursuant to this Condition 3.11 (*Benchmark replacement*) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Agent, the Calculation Agent or the Noteholders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3.11 (*Benchmark replacement*).

Notwithstanding any other provision in this Condition 3.11 (*Benchmark replacement*) no Successor Rate, Alternative Reference Rate or Adjustment Spread (as applicable) will be adopted, and no other amendments to the Conditions will be made pursuant to this Condition 3.11 (*Benchmark replacement*), if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Notes giving rise to a Loss Absorption Disqualification Event, and always provided that the "Prohibition of sales to consumers in Belgium" is specified as "Applicable" in the Final Terms of the relevant Notes.

Without prejudice to the obligations of the Issuer under this Condition 3.11 (*Benchmark replacement*)the Reference Rate or Mid-Swap Rate (as applicable) and the other provisions in this Condition 3 (*Interest and other calculations*) will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), the Adjustment Spread (if any) and any consequential changes made to the Agency Agreement and the Conditions (if any).

For the purposes of this Condition 3.11 (*Benchmark replacement*):

"**Adjustment Spread**" means a spread (which may be positive or negative) or formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative

Reference Rate (as applicable) in order to reduce or eliminate, to the extent reasonably practicable in the relevant circumstances, any economic prejudice or benefit (as applicable) to the Noteholders as a result of the replacement of the Reference Rate or Mid-Swap Rate (as applicable) with the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Reference Rate or Mid-Swap Rate (as applicable) with the Successor Rate by any Relevant Nominating Body; or

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being in customary market usage in international debt capital markets transactions which reference the Reference Rate or Mid-Swap Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(c) if no such customary market usage is recognised or acknowledged, the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions (i.e. transactions which are done directly between the parties involved instead of on or through a market) which reference the Reference Rate or Mid-Swap Rate (as applicable), where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable); or

(d) if no such industry standard is recognised or acknowledged, the Issuer, in its discretion, following consultation with the Independent Adviser (if any) and acting in good faith, determines to be appropriate.

"**Alternative Reference Rate**" means the rate that the Issuer determines has replaced the relevant Reference Rate or Mid-Swap Rate (as applicable) in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in the Specified Currency of the Notes and of a comparable duration to the relevant Interest Period or Reset Period (as applicable), or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the relevant Reference Rate or Mid-Swap Rate (as applicable).

"**Benchmark Event**" means:

(a) the relevant Reference Rate or Mid-Swap Rate (as applicable) ceasing to be published for a period of at least five Business Days or ceasing to exist; or

(b) a public statement by the administrator of the relevant Reference Rate or Mid-Swap Rate (as applicable) stating that it will, by a specified date within the following six months, cease to publish the relevant Reference Rate or Mid-Swap Rate (as applicable), permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the relevant Reference Rate or Mid-Swap Rate (as applicable)); or

(c) a public statement by the supervisor of the administrator of the relevant Reference Rate or Mid-Swap Rate (as applicable) stating that the relevant Reference Rate or Mid-Swap Rate (as applicable) has been or will be, by a specified date within the following six months, permanently or indefinitely discontinued; or

(d) a public statement by the supervisor or the administrator of the relevant Reference Rate or Mid-Swap Rate (as applicable) that means that the relevant Reference Rate or Mid-Swap Rate (as

applicable) will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in each case within the following six months; or

(e) a public statement by the administrator of the relevant Reference Rate or Mid-Swap Rate (as applicable) stating that, in the view of such administrator, the methodology to calculate such Reference Rate or Mid-Swap Rate (as applicable) has materially changed; or

(f) it has become unlawful for the Agent, the Calculation Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any Noteholders using the relevant Reference Rate or Mid-Swap Rate (as applicable).

"**Financial Stability Board**" refers to the Financial Stability Board, an association under Swiss law with its domicile in Basel, Switzerland, with the objective to coordinate at the international level the work of national financial authorities and international standard setting bodies (SSBs) in order to develop and promote the implementation of effective regulatory, supervisory and other financial sector policies (as further laid down in its charter and articles of association).

"**IA Determination Cut-Off Date**" means no later than five Business Days prior to the relevant Interest Determination Date or Reset Determination Date (as applicable) relating to the next succeeding Interest Period or Reset Period (as applicable).

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.

"**Relevant Nominating Body**" means, in respect of a Reference Rate or Mid-Swap Rate:

(a) the central bank for the currency to which the Reference Rate or Mid-Swap Rate relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate or Mid-Swap Rate; or

(b) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for the currency to which the Reference Rate or Mid-Swap Rate relates, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the Reference Rate or Mid-Swap Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

"**Successor Rate**" means the rate that the Issuer determines is a successor to, or replacement of, the Reference Rate or Mid-Swap Rate (as applicable) which is formally recommended by any Relevant Nominating Body.

4. REDEMPTION, PURCHASE AND OPTIONS

4.1. Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed on the Maturity Date specified in the Final Terms at its Final Redemption Amount (which is its nominal amount), unless otherwise provided in the Final Terms in relation to Notes for which the "Prohibition of sales to consumers in Belgium" is specified as "Applicable" in the applicable Final Terms.

4.2. Redemption upon the occurrence of a Tax Event

If the "Prohibition of sales to consumers in Belgium" is specified as "Applicable" in the applicable Final Terms, the Issuer may, at its option, having given not less than 30 nor more than 60 days' notice

to the holders in accordance with Condition 10 *(Notices)*, redeem all, but not some only, of the Notes outstanding on (if the Notes are Floating Rate Notes) the next Interest Payment Date or (if the Notes are not Floating Rate Notes) at any time, at the Early Redemption Amount, together with any accrued but unpaid interest up to (but excluding) the date fixed for redemption and any additional amounts payable in accordance with Condition 6 (*Taxation*) if, at any time, a Tax Event has occurred, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which (i) the Issuer would be obliged to pay any additional amounts in case of a Tax Gross-up Event, and (ii) a payment in respect of the Notes would not be deductible by the Issuer for Belgian corporate income tax purposes or such deduction would be reduced in case of a Tax Deductibility Event, in each case, were a payment in respect of the Notes then due.

The Issuer shall deliver to the Agent an opinion of an independent legal advisers of recognised standing to the effect that a Tax Event exists.

A "**Tax Event**" shall be deemed to have occurred if as a result of a Tax Law Change:

(a) in making payments under the Notes, the Issuer has or will on or before the next Interest Payment Date or the Maturity Date (as applicable) become obliged to pay additional amounts on interests from the Notes (but not principal or any other amount) as provided or referred to in Condition 6 (*Taxation*) (and such obligation cannot be avoided by the Issuer taking reasonable measures available to it) (a "**Tax Gross-up Event**"); or

(b) on the next Interest Payment Date or the Maturity Date any payments by the Issuer in respect of the Notes ceases (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is reduced (a "**Tax Deductibility Event**").

In these Conditions, a "**Tax Law Change**" means any change or proposed change in, or amendment or proposed amendment to, the laws or regulations of Belgium, including any treaty to which Belgium is a party, or any change in the application or official interpretation of such laws or regulations, including a decision of any court, or any interpretation or pronouncement by any relevant tax authority, which change or amendment (x) (subject to (y)) becomes, or would become, effective on or after the Issue Date, or (y) in the case of a change or proposed change in law, if such change is enacted (or, in the case of a proposed change, is expected to be enacted) on or after the Issue Date.

4.3. Redemption at the Option of the Issuer

If the "Prohibition of sales to consumers in Belgium" is specified as "Applicable" in the applicable Final Terms, the Issuer may at its option, on giving not less than 30 nor more than 60 days' irrevocable notice to the holders (or such other notice period as may be specified in the Final Terms), redeem all or, if so provided, some only of the Notes on any Optional Redemption Date. Any such redemption of Notes shall be at their Optional Redemption Amount specified in the Final Terms (which may be the Early Redemption Amount (as described in Condition 4.5 (*Early Redemption Amounts*) below)), together with interest accrued to the date fixed for redemption. In the case of a redemption of Notes in part, any such redemption must, if so specified in the Final Terms, relate to Notes of a nominal amount at least equal to the Minimum Callable Amount to be redeemed specified in the Final Terms and no greater than the Maximum Callable Amount to be redeemed specified in the Final Terms.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition 4.3

4.4. Redemption of the Notes following the occurrence of a Loss Absorption Disqualification Event

If the "Prohibition of sales to consumers in Belgium" is specified as "Applicable" in the applicable Final Terms, the Issuer has the option to specify in the Final Terms that a Loss Absorption

Disqualification Event is applicable. Where such Loss Absorption Disqualification Event is specified in the Final Terms as being applicable, then any Series of Notes may on or after the date specified in the applicable Final Terms be redeemed at the option of the Issuer in whole, but not in part, on (if the Notes are Floating Rate Notes) the next Interest Payment Date or (if the Notes are not Floating Rate Notes) at any time, on giving not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the holders in accordance with Condition 10 (*Notices*) (which notice shall be irrevocable), if the Issuer determines that a Loss Absorption Disqualification Event has occurred and is continuing.

Upon the expiration of such notice, the Issuer shall be bound to redeem such Notes at their Early Redemption Amount (as determined in accordance with Condition 4.5 (*Early Redemption Amounts*) below) together (if applicable) with any accrued but unpaid interest up to (but excluding) the date fixed for redemption.

As used in this Condition 4.4, a "**Loss Absorption Disqualification Event**" shall be deemed to have occurred if:

(a) at the time that any Loss Absorption Regulation becomes effective, and as a result of such Loss Absorption Regulation becoming so effective, in each case with respect to the Issuer and/or the Group, the Notes do not or (in the opinion of the Issuer or the Relevant Regulator) are likely not to qualify in full towards the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments; or

(b) as a result of any amendment to, or change in, any Loss Absorption Regulation, or any change in the application or official interpretation of any Loss Absorption Regulation, in any such case becoming effective on or after the Issue Date of the first Tranche of the Notes, the Notes are or (in the opinion of the Issuer or the Relevant Regulator) are likely to be fully or partially excluded from the Issuer's and/or the Group's minimum requirements for (A) own funds and eligible liabilities and/or (B) loss absorbing capacity instruments,

in each case as such minimum requirements are applicable to the Issuer and/or the Group and determined in accordance with, and pursuant to, the relevant Loss Absorption Regulations; provided that in the case of (i) and (ii) above, a Loss Absorption Disqualification Event shall not occur where the exclusion of the Notes from the relevant minimum requirement(s) is due to the remaining maturity of the Notes being less than any period prescribed by any applicable eligibility criteria for such minimum requirements under the relevant Loss Absorption Regulations effective with respect to the Issuer and/or the Group as at the Issue Date.

"**Group**" means KBC Bank NV and its subsidiaries from time to time.

"**Loss Absorption Regulations**" means, at any time, the laws, regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the Kingdom of Belgium, the Relevant Regulator, the Resolution Authority, the Financial Stability Board and/or of the European Parliament or of the Council of the European Union then in effect in the Kingdom of Belgium including, without limitation to the generality of the foregoing, any delegated or implementing acts (such as regulatory technical standards) adopted by the European Commission and any regulations, requirements, guidelines, rules, standards and policies relating to minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments adopted by the Relevant Regulator and/or the Resolution Authority from time to time (whether or not such regulations, requirements, guidelines, rules, standards or policies are applied generally or specifically to the Issuer or to the Group).

"**Relevant Regulator**" means the National Bank of Belgium, the European Central Bank or any successor or replacement entity having primary responsibility for the prudential oversight and supervision of the Issuer.

"**Resolution Authority**" means the Single Resolution Board (SRB) (established pursuant to the Regulation 806/2014 of the European Parliament and the Council of 15 July 2014 relating to the Single Resolution Mechanism) and, where relevant, the resolution college of the National Bank of Belgium (within the meaning of Article 21ter of the Act of 22 February 1998 establishing the organic statute of the National Bank of Belgium) or any successor or replacement entity having responsibility for the recovery and resolution of the Issuer.

4.5. Early Redemption Amounts

(a) Zero Coupon Notes:

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, upon redemption of such Zero Coupon Note pursuant to Condition 4.2 *(Redemption upon the occurrence of a Tax Event*) Condition 4.3 (*Redemption at the Option of the Issuer*) or Condition 4.4 (*Redemption of the Notes following the occurrence of a Loss Absorption Disqualification Event*) or upon it becoming due and payable as provided in Condition 8 (*Events of Default and Enforcement*) shall be the Amortised Face Amount (calculated as provided below) of such Zero Coupon Note unless otherwise specified in the Final Terms.

(ii) Subject to the provisions of sub-paragraph 4.5(a)(iii) below, the Amortised Face Amount of any such Zero Coupon Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the applicable Final Terms, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Zero Coupon Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Zero Coupon Note upon its redemption pursuant to Condition 4.2, Condition 4.3 or Condition 4.4 or upon it becoming due and payable as provided in Condition 8 (*Events of Default and Enforcement*) is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Zero Coupon Note as defined in sub-paragraph 4.5(a)(ii) above, except that such sub-paragraph shall have effect as though the date on which the Zero Coupon Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such Zero Coupon Note on the Maturity Date together with any interest that may accrue in accordance with Condition 3.4 (*Zero Coupon Notes*).

(iv) Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction specified in the applicable Final Terms.

(b) Other Notes

The Early Redemption Amount or Optional Redemption Amount payable in respect of any Note, upon redemption of such Note pursuant to Condition 4.2, Condition 4.3 or Condition 4.4 shall be the Final Redemption Amount(s) unless otherwise specified in the Final Terms.

4.6. Directors' Certificate

Prior to the publication of any notice of redemption pursuant to this Condition 4 (other than redemption at the option of the Issuer pursuant to Condition 4.3), the Issuer shall deliver to the Agent a certificate

signed by two Directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred, including (in the case of a Tax Event or a Loss Absorption Disqualification Event (as applicable)) that a Tax Event (as defined in Condition 4.2 above) or a Loss Absorption Disqualification Event (as defined in Condition 4.4 above) exists.

4.7. Purchases

The Issuer or any of its subsidiaries may at any time, but is not obliged to, purchase Notes in the open market or otherwise at any price. Any Notes so purchased or otherwise acquired may, at the Issuer's discretion, be held or resold or, at the option of the Issuer, surrendered to the Agent for cancellation.

4.8. Cancellation

All Notes which are redeemed or purchased or otherwise acquired as aforesaid and surrendered to the Agent for cancellation will forthwith be cancelled. All Notes so cancelled cannot be reissued or resold.

4.9. Additional conditions to redemption or purchase of Notes prior to their Maturity Date

Any optional redemption of Notes pursuant to Condition 4.2, 4.3 or 4.4 or and any purchase of Notes pursuant to Condition 4.7 (*Purchases*) will, if and to the extent required at such date, be subject to the prior approval of the Relevant Regulator and/or the Resolution Authority.

4.10. Notices Final

Upon the expiry of any notice period as is referred to in Conditions 4.2, 4.3 and 4.4 the Issuer shall be bound to redeem the Notes to which the notice refers in accordance with the terms of such Condition.

4.11. Definitions

As used in these Conditions, the "**Relevant Date**" in respect of any payment means the date on which such payment first becomes due or (if the full amount of the moneys payable has not been duly received by the Agent on or prior to such date) the date on which notice is given to the Noteholders that such moneys have been so received.

References in these Conditions to (i) "**principal**" shall be deemed to include any premium payable in respect of the Notes, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to this Condition 4 or any amendment or supplement to it, (ii) "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 3 (Interest *and other calculations*) or any amendment or supplement to it and (iii) "**principal**" and/or "**interest**" shall be deemed to include any additional amounts on interests from the Notes (but not principal or any other amount) that may be payable under Condition 6 *(Taxation).*

5. PAYMENTS

5.1. Payment in euro

Without prejudice to the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code, payments in euro of principal in respect of the Notes, payments in euro of accrued interest payable on a redemption of the Notes and payments in euro of any interest due on an Interest Payment Date in respect of the Notes will be made through the Securities Settlement System in accordance with the Securities Settlement System Regulations. The payment obligations of the Issuer under the Notes will be discharged by payment to the NBB in respect of each amount so paid.

5.2. Payment in other currencies

Without prejudice to the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code, payments in any currency other than euro of principal in respect of the Notes, payments in any currency other than euro of accrued interest payable on a redemption of the Notes and payments in any currency other than euro of any interest due on an Interest Payment Date in respect of the Notes will be made through the Agent or the Securities Settlement System in accordance with the Securities Settlement System Regulations (if applicable).

5.3. Method of payment

Each payment referred to in Condition 5.1 (*Payment in euro*) will be made in euro by transfer to a euro account (or any other account to which euro may be credited or transferred) maintained by the payee with a bank in a city in which banks have access to the TARGET2 System. Each payment referred to in Condition 5.2 (*Payment in other currencies*) will be made in a Specified Currency other than euro by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency.

5.4. Payments subject to fiscal laws

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment or other laws or agreements to which the Issuer or the Agent agrees to be subject and the Issuer will not be liable for any taxes or duties of whatever nature imposed or levied by such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 6 (*Taxation*). No commission or expenses shall be charged to the Noteholders in respect of such payments. The Issuer reserves the right to require a Noteholder to provide the Agent with such certification or information as may be required to enable the Issuer to comply with the requirements of the United States federal income tax laws or any agreement between the Issuer and any taxing authority.

5.5. Appointment of Agents

The Agent and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed in the applicable Final Terms. The Agent and the Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Agent or the Calculation Agent provided that the Issuer shall at all times maintain (i) an Agent, (ii) a Calculation Agent where the Conditions so require, and (iii) such other agents as may be required by any other stock exchange on which the Notes may be listed. Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

5.6. Non-Business Days

If any date for payment in respect of any Note is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment.

6. TAXATION

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, or on account of, any taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by or within the Kingdom of Belgium or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts on the interests from the Notes (but not principal or any other amount) as shall result in receipt by the Noteholders of such amounts as would have been received by them had no such

withholding or deduction been required, except that no such additional amounts shall be payable with respect to any Note:

(a) to, or to a third party on behalf of, a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the Kingdom of Belgium other than the mere holding of the Note; or

(b) where such withholding or deduction is imposed because the holder of the Note is not an Eligible Investor (unless that person was an Eligible Investor at the time of its acquisition of the Note but has since ceased (as such term is defined from time to time under Belgian law) being an Eligible Investor by reason of a change in the Belgian tax laws or regulations or in the interpretation or application thereof or by reason of another change which was outside that person's control), or is an Eligible Investor but is not holding the Note in an exempt securities account with a qualifying clearing system in accordance with the Belgian law of 6 August 1993 relating to transactions in certain securities and its implementation decrees; or

(c) to a Noteholder who is liable to such Taxes because the Notes were upon its request converted into registered Notes and could no longer be cleared through the Securities Settlement System; or

(d) to a holder who is entitled to avoid such deduction or withholding by making a declaration of non- residence or other similar claim for exemption.

Notwithstanding any other provision of the Terms and Conditions, any amounts to be paid on the Notes by or on behalf of the Issuer will be paid net of any deduction or withholding imposed or required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"), or otherwise imposed pursuant to Sections 1471 through 1474 of the Code or any regulations thereunder, or official interpretations thereof or an intergovernmental agreement between the United States and another jurisdiction facilitating the implementation thereof (or any fiscal or regulatory legislation, rules or practices implementing such an intergovernmental agreement) (any such withholding or deduction, a "**FATCA Withholding**"). Neither the Issuer nor any other person will be required to pay any additional amounts in respect of FATCA Withholding.

7. PRESCRIPTION

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate Relevant Date (as defined in Condition 4.11 (*Definitions*)) in respect of them.

8. EVENTS OF DEFAULT AND ENFORCEMENT

If any of the following events (each, an "**Event of Default**") occurs and is continuing:

(a) the Issuer fails to pay any principal or interest due in respect of the Notes when due and such failure continues for a period of 30 Business Days; or

(b) the Issuer does not perform or comply with any one or more of its other obligations under these Conditions and the Notes or the Agency Agreement which default is incapable of remedy, or, if capable of remedy is not remedied within 90 Business Days after notice of such Event of Default shall have been given by any Noteholder to the Issuer or the Agent at its specified office; or

(c) a) proceedings are commenced against the Issuer, or the Issuer commences proceedings itself for bankruptcy or other insolvency proceedings of the Issuer falling under the applicable Belgian or foreign bankruptcy, insolvency or other similar law now or hereafter in effect (including Book XX of the Belgian Code of Economic Law), unless the Issuer defends itself in

good faith against such proceedings and such a defence is successful, and a judgment in first instance (*eerste aanleg/première instance*) has rejected the petition within the framework of the proceedings within three months following the commencement of such proceedings, or (b) the Issuer is unable to pay its debts as they fall due (*staking van betaling/cessation de paiements*) under applicable law, or (c) the Issuer is announced bankrupt by an authorised court; or

(d) an order is made or an effective resolution passed for the winding-up or dissolution or administration of the Issuer, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation, following which the surviving entity assumes all rights and obligations of the Issuer (including the Issuer's rights and obligations under the Notes); or

(e) an enforceable judgment (*uitvoerend beslag/saisie exécutoire*), attachment or similar proceeding is enforced against all or a substantial part of the assets of the Issuer and is not discharged, stayed or paid within 60 Business Days, unless the Issuer defends itself in good faith against such proceedings,

then any Note may, by notice in writing given to the Issuer at its address of correspondence by the holder with a copy to the Agent at its specified office, be declared immediately due and payable whereupon it shall become immediately due and payable at its principal amount together with accrued interest (if any) without further formality unless such Event of Default shall have been remedied prior to the receipt of such notice by the Agent.

9. MEETINGS OF NOTEHOLDERS AND MODIFICATIONS

9.1. Meetings of Noteholders

Meetings of Noteholders may be convened to consider matters relating to the Notes, including the modification or waiver of any provision of these Conditions. Any such modification or waiver may be made if sanctioned by an Extraordinary Resolution. For the avoidance of doubt, any such modification or waiver shall always be subject to the consent of the Issuer. An "**Extraordinary Resolution**" means a resolution passed at a meeting of Noteholders duly convened and held in accordance with these Conditions and the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code, by a majority of at least 75 per cent. of the votes cast.

All meetings of Noteholders will be held in accordance with the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code, with respect to Noteholders' meetings. Such a meeting may be convened by the board of directors of the Issuer or its auditors and shall be convened by the Issuer upon the request in writing of Noteholders holding not less than one-fifth of the aggregate principal amount of the outstanding Notes. A meeting of Noteholders will be entitled (subject to the consent of the Issuer) to exercise the powers set out in the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code, and generally to modify or waive any provision of these Conditions in accordance with the quorum and majority requirements set out in the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code, and if required thereunder subject to validation by the court of appeal, provided however that any proposal (i) to modify the maturity of the Notes or the dates on which interest is payable in respect of the Notes, (ii) to reduce or cancel the principal amount of, or interest on, the Notes, (iii) to change the currency of payment of the Notes, or (iv) to modify the provisions concerning the quorum required at any meeting of Noteholders may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Resolutions duly passed in accordance with these provisions shall be binding on all Noteholders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of Noteholders shall be made in accordance with the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code, which currently requires an announcement to be published not less than fifteen days prior to the meeting in the Belgian Official Gazette (*Moniteur belge/Belgisch Staatsblad*) and in a newspaper of national distribution in Belgium. Convening notices shall also be made in accordance with Condition 10 (*Notices*).

If authorised by the Issuer, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Noteholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

Resolutions of Noteholders will only be effective if such resolutions have been approved by the Issuer and, if so required, by the Relevant Regulator.

9.2. Modification and Waiver

(a) Subject to obtaining the approval therefor from the Relevant Regulator if so required pursuant to applicable regulations, the Agent and the Issuer may together agree, without the consent of the holders, to:

(i) any modification (except such modifications in respect of which an increased quorum is required, as mentioned above) of the Agency Agreement which is not prejudicial to the interests of the holders; or

(ii) any modification of these Conditions, the Agency Agreement or of any agreement supplemental to the Agency Agreement, which is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of law.

(b) Any such modification shall be binding on the holders and any such modification shall be notified to the holders in accordance with Condition 10 (*Notices*) as soon as practicable thereafter.

(c) In relation to Notes in respect of which the "Prohibition of sales to consumers in Belgium" is specified as "Non Applicable" in the applicable Final Terms, any modification pursuant to this Condition 9.2 (*Modification and waiver*) cannot relate to an essential feature of the Notes and may not create an obvious imbalance between the rights and obligation of the parties to the detriment of the Noteholders. Moreover such unilateral modifications must be made in response to the occurrence of force majeure or any other event that significantly changes the economy of the contract as originally agreed between the parties and which is not attributable to the issuer and finally, such amendment may not result in any costs being due by the relevant Noteholders.

10. NOTICES

Notices to the holders shall be valid if (i) delivered by or on behalf of the Issuer to the NBB (in its capacity as operator of the Securities Settlement System), for onward communication by it to the participants of the Securities Settlement System, (ii) in the case of Notes held in a securities account, through a direct notification through the applicable clearing system, (iii) in the case of Notes which are not listed or if otherwise required by applicable law, any notice sent pursuant to Condition 4.2, 4.3 or 4.4 shall be published in a leading daily newspaper of general circulation in Belgium (which is expected to be *L'Echo* and *De Tijd*) or otherwise if (iv) in compliance with all applicable legal requirements. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above or, in the case of

delivery to the NBB or direct notification through the applicable clearing system, any such notice shall be deemed to have been given on the date immediately following the date of delivery/notification.

In addition to any of the methods of delivery mentioned above, the Issuer shall ensure that all notices are duly published in a manner which complies with the rules and regulations of any other stock exchange or other relevant authority on which the Notes are for the time being listed and, in the case of a convening notice for a meeting of Noteholders, in accordance with the Belgian Companies Code or, as from its entry into force with respect to the Issuer, the Belgian Companies and Associations Code. If publication as provided above is not practicable, notice will be given in such other manner, and shall be deemed to have been given on such date, as the Agent may approve.

11. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further notes shall be consolidated and form a single Series with the Notes. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 11 (*Further issues*) and forming a single Series with the Notes.

12. GOVERNING LAW AND JURISDICTION

12.1. Governing Law

The Agency Agreement and the Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with Belgian law.

12.2. Jurisdiction

The Issuer agrees, for the exclusive benefit of the Noteholders that the courts of Brussels, Belgium are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement and/or the Notes and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Agency Agreement and/or the Notes may be brought in such courts.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

13. ACKNOWLEDGEMENT OF THE BAIL-IN POWER

Notwithstanding and to the exclusion of any other term of the Notes or any other agreements, arrangements or understanding between the Issuer and any Noteholder (which, for the purposes of this Condition 13, includes each holder of a beneficial interest in the Notes), by its acquisition of the Notes, each Noteholder acknowledges and accepts that any liability arising under the Notes may be subject to the exercise of the Bail-in Power by the Resolution Authority and acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of the exercise of any Bail-in Power by the Resolution Authority, which exercise may (without limitation) include and result in any of the following, or a combination thereof:

(b) the reduction of all, or a portion, of the Relevant Amounts in respect of the Notes;

(c) the conversion of all, or a portion, of the Relevant Amounts in respect of the Notes into shares, other securities or other obligations of the Issuer or another person, and the issue to or conferral

on the Noteholder of such shares, securities or obligations, including by means of an amendment, modification or variation of the terms of the Notes;

(d) the cancellation of the Notes or the Relevant Amounts in respect of the Notes; and

(e) the amendment or alteration of the maturity of the Notes or amendment of the amount of interest payable on the Notes, or the date on which interest becomes payable, including by suspending payment for a temporary period; and

(f) the variation of the terms of the Notes, as deemed necessary by the Resolution Authority, to give effect to the exercise of any Bail-in Power by the Resolution Authority.

For the purpose of this Condition,

"**Bail-in Power**" means any power existing from time to time under applicable Loss Absorption Regulations or under applicable laws, regulations, requirements, guidelines, rules, standards and policies relating to the transposition of the BRRD pursuant to which the obligations of the Issuer (or an affiliate of the Issuer) can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise modified in any way, or converted into shares, other securities or other obligations of the Issuer or any other person, whether in connection with the implementation of a bail-in tool following placement in resolution or otherwise;

"**Relevant Amounts**" means the outstanding principal amount of the Notes, together with any accrued but unpaid interest. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of any Bail-in Power by the Resolution Authority.

FORM OF FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme. Text in this section appearing in italics does not form part of the Final Terms but provides directions for completing the Final Terms.

Final terms dated [_____]

KBC Bank NV

Issue of
[Aggregate Nominal Amount of Tranche] [Title of Notes]

under the
EUR 5,000,000,000 Euro Medium Term Note Programme

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECP) ONLY TARGET MARKET - Solely for the purposes of [the/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 MiFID II; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [*Consider any negative target market*]. The manufacturers (i.e. [*insert relevant Dealers*]) are solely responsible for this target market assessment, and this target market assessment is subject to change. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

OR

[**MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES (ECP) TARGET MARKET** – Solely for the purposes of [the/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, professional clients and retail clients, each as defined in MiFID II; ***EITHER*** [and (ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services]] ***OR*** [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Notes to retail clients are appropriate - investment advice[,/ and] portfolio management[,/ and][non-advised sales][and pure execution services][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]]. [*Consider any negative target market*]. The manufacturers (i.e. [*insert relevant Dealers*]) are solely responsible for this target market assessment, and this target market assessment is subject to change. Any person subsequently offering, selling or recommending the [Notes] (a "distributor") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].]]

[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 MiFID II; (ii) a customer within the meaning of Directive (EU) 2016/97 (the "**Insurance Distribution**

Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by 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 – The Notes 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 economique*).]

Any person making or intending to make an offer of the Notes may only do so[:

(a) in the Non-exempt Offer Jurisdiction mentioned in paragraph 8(viii) of Part B below, provided such person is a Dealer or an Authorised Offeror (as such term is defined in the Base Prospectus) and that such offer is made during the Offer Period specified for such purpose therein and that any conditions relevant to the use of the Base Prospectus are complied with; or

(b) otherwise] in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation, in each case, in relation to such offer.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

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 22 October 2019 [and the supplement(s) to it dated [*date*]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Base Prospectus in order to obtain all the relevant information. [A summary of the issue of the Notes is annexed to these Final Terms.][3] The Base Prospectus has been published on the Issuer's website [https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-programme][4].

The following alternative language applies if the first tranche of an issue which is being increased was issued under a base prospectus with an earlier date:

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [*original date*] [and the supplement(s) to it dated ●] which are incorporated by reference in the Base Prospectus dated 22 October 2019. This document constitutes the Final Terms of the Notes described herein for the purposes of the Prospectus Regulation and must be read in conjunction with the Prospectus dated 22 October 2019 [and the supplement(s) to it dated ●], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Regulation (the "**Base Prospectus**") in order to obtain all the relevant information, save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] [and the supplement(s) to it dated ●]. A summary of the issue of the Notes is annexed to these Final Terms. The Base Prospectus (together with the Conditions extracted from the Base Prospectus dated [*original date*]

---

3 *An issue-specific summary should only be included in case of a Non-Exempt Offer.*

4 *This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.*

[and the supplement(s) to it dated ●]) has been published on the Issuer's website [https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-programme].[5]

Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted).

1.	(i)	Series Number:	[•]
	(ii)	Tranche Number:	[•]
	(iii)	[Date on which Notes will be consolidated and form a single Series]	[Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [*insert date*/the Issue Date/].]
2.	Specified Currency:		[•]
3.	Aggregate Nominal Amount:		[•]
	(i)	[Series:]	
	(ii)	[Tranche:]	
4.	Issue Price:		[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [*insert date*]]
5.	(i)	Specified Denominations:	[•]
	(ii)	Calculation Amount:	[•]
6.	(i)	[Issue Date:]	[•]
	(ii)	[Interest Commencement Date:]	[Issue Date/[•]/Not Applicable]
7.	Maturity Date:		[[•]/Interest Payment Date falling in [or nearest to] [*specify month and year*]]
8.	Interest Basis:		[Fixed Rate/ Fixed Rate Reset / Floating Rate/Zero Coupon] (*zero coupon can only be applicable if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable"*)
9.	Redemption Basis:		Subject to any purchase and cancellation [or early redemption], the Notes will be redeemed on the Maturity Date at [•] per cent. of their nominal amount.
10.	Change of Interest Basis:		[[•]/Not Applicable]

[5] *This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.*

11.	Issuer Call Option:		(*only possible if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable")* [Applicable/Not Applicable] [(*further particulars specified below*)]
12.	(i)	Status of the Notes:	Senior Preferred (in the sense of Article 389/1, 1° of the Banking Law)
	(ii)	Waiver of set-off:	(*can only be applicable if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable")* Condition 2.2: [Applicable/Not Applicable]
	(iii)	[Date [Board] approval for issuance of Notes obtained:	[ ]] *(N.B. Only relevant where Board (or similar) authorisation is required for the particular Tranche)*

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	**Fixed Rate Note Provisions**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate(s) of Interest:	[[•] per cent. per annum payable in arrear [on each Interest Payment Date]]
	(ii)	Interest Payment Date(s):	[[•] [and [•]] in each year [from and including [•]][until and excluding [•]]]
	(iii)	Fixed Coupon Amount[(s)]:	[[•] per Calculation Amount] [Not Applicable]
	(iv)	Broken Amount(s):	[[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]
	(v)	Day Count Fraction:	[Actual/365] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
	(vi)	Determination Dates:	[[•] in each year/Not Applicable]
14.	**Fixed Rate Reset Note Provisions**		[Applicable/Not Applicable]
	(i)	Initial Rate of Interest:	[•] per cent. per annum payable in arrear [on each Interest Payment Date]

(ii)	Interest Payment Date(s):	[•] [and [•]] in each year [from and including [•]][until and excluding [•]]
(iii)	First Reset Date:	[•]
(iv)	Second Reset Date:	[•]/[Not Applicable]
(v)	Subsequent Reset Date(s):	[[•] [and[•]]/Not Applicable]
(vi)	Reset Determination Dates:	[•]
(vii)	Mid-Swap Rate:	[semi-annual] [annualised]
(viii)	Swap Rate Period:	[[•]]
(ix)	Relevant Screen Page:	[•] Not Applicable]
(x)	Margin(s):	[[+/–][•] per cent. per annum] [[+/–][•] per cent. per annum in respect of [the First Reset Period][each Subsequent Reset Period][*specify relevant Reset Periods*]] (*if a different margin applies for one or more Reset Periods, specify the margin for each such Reset Period*)
(xi)	Fixed Coupon Amount[(s)] in respect of the period from (and including) the Interest Commencement Date up to (but excluding) the First Reset Date:	[[•] per Calculation Amount]
(xii)	Broken Amount(s):	[[•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]/Not Applicable]
(xiii)	Day Count Fraction:	[Actual/365] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
(xiv)	Determination Dates:	[[•] in each year/Not Applicable]
15.	**Floating Rate Note Provisions**	[Applicable/Not Applicable]
(i)	Interest Period(s):	[[•][, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]]
(ii)	Specified Interest Payment Dates:	[•][from and including [•]][up to and including/excluding] [•]][, subject to

		adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
(iii)	Interest Period End Date:	[Not Applicable]/ [•] in each year [up to and [including/excluding] [•]] [, subject to adjustment in accordance with the Business Day Convention set out in (v) below/, not subject to any adjustment[, as the Business Day Convention in (v) below is specified to be Not Applicable]]
(iv)	First Interest Payment Date:	[•]
(v)	Business Day Convention:	
	• Interest Period(s) and Specified Interest Payment Dates:	[Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
	• Interest Period End Date:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention] [Not Applicable]
(vi)	Additional Business Centre(s):	[●] (*please specify other financial centres required for the Business Day definition*)
(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Agent):	[•]
(ix)	Screen Rate Determination:	[Applicable/Not Applicable]
	• Reference Rate:	[LIBOR][EURIBOR][CMS]
	• Interest Determination Date(s):	[•] [TARGET/[•]] Business Days [in [•]] prior to the [•] day in each Interest Accrual Period/each Interest Payment Date
	• Relevant Screen Page:	[•] [Reuters Page <ISDAFIX2>, under the heading "EURIBOR Basis-EUR"] (*if CMS*)
	• Relevant Time:	[•]
(x)	ISDA Determination:	[Applicable/Not Applicable]
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]

		• Reset Date:	[•]
	(xi)	Margin(s):	[[+/–][•] per cent. per annum [in respect of each Interest Accrual Period ending on [●]]] [[+/–][•] per cent. per annum in respect of [*specify relevant Interest Accrual Period*]] (*if a different margin applies for one or more Interest Accrual Periods, specify the margin for each such Interest Accrual Period*)
	(xii)	Minimum Rate of Interest:	[[•] per cent. per annum][Not Applicable]
	(xiii)	Maximum Rate of Interest:	[[•] per cent. per annum][Not Applicable]
	(xiv)	Day Count Fraction:	[Actual/365] [Actual/Actual] [Actual/Actual (ISDA)] [Actual/365 (fixed)] [Actual/360] [30/360] [360/360] [Bond Basis] [30E/360] [Eurobond Basis] [30E/360 (ISDA)] [Actual/Actual ICMA]
16.	**Zero Coupon Note Provisions**		(*can only be applicable if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable")* [Applicable/Not Applicable] (*If not applicable, delete the remaining subparagraphs of this paragraph*)
	(i)	Amortisation Yield:	[●] per cent. per annum
	(ii)	Amortisation Yield Compounding Basis:	[Annually/Semi-annually]
	(iii)	Day Count Fraction in relation to Early Redemption Amounts:	[[30/360][Actual/360][Actual/365]]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

17.	Form of Notes:	Dematerialised form

PROVISIONS RELATING TO REDEMPTION

18.	**Tax Event**	(*only if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable"*)
	Notice periods for Condition 4 (b):	Minimum period: [30] [•] days Maximum period: [60] [•] days
19.	**Issuer Call Option**	(*only if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable"*) [Applicable/Not Applicable]

	(i)	Optional Redemption Date(s):	[•]
	(ii)	Optional Redemption Amount(s):	[[•] per Calculation Amount/Early Redemption Amount/Final Redemption Amount]
	(iii)	If redeemable in part:	[Applicable/Not Applicable]
		(A) Minimum Callable Amount:	[•]/[Not Applicable]
		(B) Maximum Callable Amount:	[•]/[Not Applicable]
	(iv)	Notice period:	Minimum period: [30] [•] days Maximum period: [60] [•] days
20.	**Loss absorption Disqualification Event:**		(*only if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable")* Condition 4 (d): [Applicable from [●]/Not Applicable]
	Notice periods for Condition 4 (d)		[Minimum period: [●] days Maximum period: [●] days]
21.	**Final Redemption Amount**		[[•] per Calculation Amount/[•]]
22.	**Early Redemption Amount**		(*only if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable"*)
	Early Redemption Amount(s) payable on redemption following a Tax Event, following a Loss Absorption Disqualification Event or other early redemption:		[[•] per Calculation Amount /[•]/[Final Redemption Amount]]

THIRD PARTY INFORMATION

The Issuer accepts responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. 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 [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

By: [●]	By: [●]
Duly authorised	Duly authorised

PART B – OTHER INFORMATION

1.	**LISTING AND ADMISSION TO TRADING**	[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market, third country market, SME Growth Market or MTF*] with effect from [ ].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market, third country market, SME Growth Market or MTF*] with effect from [ ].] [Not Applicable.]
2.	**RATINGS**	[The Notes to be issued [are not]/[have been]/[are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]: [*Need to include here a brief explanation of the meaning of the ratings if this has previously been published by the rating provider*] [name of rating agency]: [•] [[•] is established in the EU and registered under Regulation (EC) No 1060/2009 (the "**CRA Regulation**"). 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, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

[Reasons for the offer:	[•]/(if the "Prohibition of sales to consumers in Belgium" is specified as "Applicable") [the Notes qualify towards the [Issuer's and/or the Group's] minimum requirement for own funds and eligible liabilities ("**MREL**")]
	(*See "Use of Proceeds" in the Base Prospectus – if reasons for the offer are different from general corporate purposes, include those reasons here, including if the Issuer intends to allocate the net proceeds in such manner that the notes qualify as*

	Green Bonds. In case net proceeds are to be allocated for the Notes to qualify as Green Bonds, specify herein the relevant criteria (e.g. definition of Eligible Green Projects, Eligibility Criteria (or equivalent terms) and whether a Compliance Opinion has been obtained)
[Estimated net proceeds:	[•]]
[Estimated total expenses:	[•]]

5. YIELD

[Indication of yield:		(*Include for Fixed Rate Notes only*)
(i)	Gross yield:	[●] [Calculated as [*include details of method of calculation in summary form*] on the Issue Date.] [Not Applicable]
(ii)	Net yield:	[●] [Calculated as [*include details of method of calculation in summary form*] on the Issue Date.] [Not Applicable]
Maximum yield:		[●][Include for Floating Rate Notes only where a maximum rate of interest applies] [Calculated as [*include details of method of calculation in summary form*] on the Issue Date.] [Not Applicable]
Minimum yield:		[●][Include for Floating Rate Notes only where a minimum rate of interest applies] [Calculated as [*include details of method of calculation in summary form*] on the Issue Date.] [Not Applicable]

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

[Details of historic [LIBOR/EURIBOR/CMS] rates, their past and further performance and their volatility can be obtained from [Reuters].][Not Applicable]

7. OPERATIONAL INFORMATION

(i)	ISIN:	[•]
(ii)	Common Code:	[•]
(iii)	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/[•]]
(iv)	Delivery:	Delivery against payment

(v)	Names and addresses of additional Agent(s) (if any):	[●]/[Not Applicable]
(vi)	Name and address of the Calculation Agent when the Calculation Agent is not KBC Bank NV:	[●]/[Not Applicable]
(vii)	Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes, provided that Eurosystem eligibility criteria have been met.] [No]
(viii)	[Relevant Benchmark[s]:	[Not Applicable]/[[*specify benchmark*] is provided by [*administrator legal name*]. As at the date hereof, [*administrator legal name*][appears]/[does not appear] in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 (Register of administrators and benchmarks) of the Benchmark Regulation.]/[As far as the Issuer is aware, as at the date hereof, [specify benchmark] does not fall within the scope of the Benchmark Regulation.]

8. DISTRIBUTION

(i)	Method of distribution		[Syndicated/Non-syndicated]
(ii)	If syndicated:		
	(A)	Names and addresses of Dealers and underwriting commitments/quotas:	[Not Applicable/give names, addresses and underwriting commitments]
	(B)	Date of [Subscription] Agreement:	[Not Applicable]/[•]
	(C)	Stabilising manager(s) (if any):	[Not Applicable/[•]]
(iii)	If non-syndicated, name and address of Dealers:		[Not Applicable/[•]]
(iv)	Indication of the overall amount of the underwriting commission and of the placing commission:		[[•] per cent. of the Aggregate Nominal Amount] [•]
(v)	US Selling Restrictions:		Reg. S Category 2; TEFRA not applicable
(vi)	Additional selling restrictions:		[Not Applicable/[•]]
(vii)	Prohibition of Sales to consumers in Belgium		[Applicable/Not Applicable]

(viii) [Non-exempt Offer:

(A)	Non-exempt Offer:	[Not Applicable][An offer of the Notes may be made by the Dealers [and [•]] (together [with the Dealers], the "**Initial Authorised Offerors**") [and any other Authorised Offerors in accordance with paragraph [•] below] in Belgium and any other EEA Member State where this Base Prospectus has been notified in accordance with Article 25 of the Prospectus Regulation (the "**Non-exempt Offer Jurisdiction**") during the period from [•] until [•] (the "**Offer Period**"). See further paragraph [•] below.
(B)	General Consent:	[Applicable][Not Applicable]]

(ix) Prohibition of Sales to EEA Retail Investors [Applicable/Not Applicable]

9. [TERMS AND CONDITIONS OF THE OFFER]

(i)	Offer Price:	[Issue Price][*specify*]
(ii)	Conditions to which the offer is subject:	[Not Applicable/*give details*]
(iii)	Description of the application process:	[Not Applicable/*give details*]
(iv)	Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/*give details*]
(v)	Details of the minimum and/or maximum amount of application:	[Not Applicable/*give details*]
(vi)	Details of the method and time limits for paying up and delivering the Notes:	[Not Applicable/*give details*]
(vii)	Manner in and date on which results of the offer are to be made public:	[Not Applicable/*give details*]
(viii)	Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:	[Not Applicable/*give details*]
(ix)	Categories of potential investors to which the Notes are offered and whether tranche(s) have	[Not Applicable/*give details*]

	been reserved for certain countries:	
(x)	Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:	[Not Applicable/*give details*]
(xi)	Amount of any expenses and taxes specifically charged to the subscriber or purchaser:	[Not Applicable/*give details*]
(xii)	Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.	[None/*give details*] [The Initial Authorised Offerors identified in paragraph [•] above [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Base Prospectus in connection with the Non-exempt Offer and who are identified on the website of [•] as an Authorised Offeror]

[ANNEX – ISSUE SPECIFIC SUMMARY]

(*Issuer to annex issue specific summary to the Final Terms*)

AMOUNTS PAYABLE BY REFERENCE TO REFERENCE RATES

Amounts payable under the Notes may be calculated by reference to certain reference rates such as EURIBOR or LIBOR.

Benchmark Regulation

Any such reference rate may constitute a benchmark for the purposes of Regulation (EU) 2016/1011 (the **Benchmark Regulation**). Not every reference rate will fall within the scope of the Benchmark Regulation.

The Benchmarks Regulation was published in the Official Journal of the EU on 29 June 2016 and applied from 1 January 2018. The Benchmarks Regulation applies to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark, within the EU. Among other things it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed).

If amounts payable under the Notes are calculated by reference to a benchmark, the applicable Final Terms will indicate whether or not the benchmark is provided by an administrator included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority (**ESMA**) pursuant to article 36 of the Benchmark Regulation. The register can be consulted on the website https://registers.esma.europa.eu/publication/searchRegister?core=esma_registers_bench_entities. This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

Transitional provisions in the Benchmark Regulation may have the result that the administrator of a particular benchmark is not required to appear in the register of administrators and benchmarks at the date of the relevant Final Terms (or, if located outside the European Union, recognition, endorsement or equivalence).

The registration status of any administrator under the Benchmark Regulation is a matter of public record and, save where required by applicable law, the Issuer does not intend to update the Final Terms or supplement this Base Prospectus to reflect any change in the registration status of the relevant administrator.

Benchmark replacement

The Terms and Conditions of the Notes contain fall-back provisions in case the relevant reference rate ceases to be published for a certain period or another Benchmark Event (as defined therein) occurs. See Condition 3.11 (*Benchmark replacement*) on page 62. Below is a brief summary of these fallback provisions, but investors should note that only the Conditions are binding.

The Issuer may, after appointing and consulting with an Independent Adviser, determine a Successor Rate or Alternative Reference Rate to be used in place of the relevant Benchmark where that relevant Benchmark has been selected as the Reference Rate or Mid-Swap Rate (as applicable) to determine the Rate of Interest. The use of any such Successor Rate or Alternative Reference Rate to determine the Rate of Interest may result in Notes linked to or referencing the relevant Benchmark performing differently (including paying a lower Rate of Interest) than they would do if the relevant Benchmark were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Reference Rate for the relevant Benchmark is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions, as necessary, to ensure the proper operation of such Successor Rate or Alternative Reference Rate, without any requirement for consent or approval of the Noteholders.

If a Successor Rate or Alternative Reference Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread may be determined by the Issuer to be applied to such Successor Rate or Alternative Reference Rate. The aim of the Adjustment Spread is to reduce or eliminate, as far as is practicable, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the relevant Benchmark with the Successor Rate or the Alternative Reference Rate. However, there is no guarantee that such an Adjustment Spread will be determined or applied, or that the application of an Adjustment Spread will either reduce or eliminate economic prejudice to Noteholders. If no Adjustment Spread is determined, a Successor Rate or Alternative Reference Rate may nonetheless be used to determine the Rate of Interest.

In addition, if the relevant Benchmark is discontinued permanently and the Issuer, for any reason, is unable to determine the Successor Rate or Alternative Reference Rate, the Rate of Interest may revert to the Rate of Interest applicable as at the last preceding Interest Determination Date before the relevant Benchmark was discontinued and such Rate of Interest will continue to apply until maturity.

STABILISATION

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the **Stabilising Manager(s)**) (or any person acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or any person acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

USE OF PROCEEDS

The net proceeds from the Notes to be issued under the Programme will be used for general corporate purposes of the Group.

If in respect of any particular issue there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

In particular, the applicable Final Terms in relation to Notes in which the "Prohibition of sales to consumers in Belgium" is specified as "Applicable" in the applicable Final Terms may specify that the relevant Notes qualify towards the Issuer's or the KBC Group's minimum requirement for own funds and eligible liabilities ("**MREL**") under applicable regulation.

Additionally, for Notes for which "Prohibition of sales to consumers in Belgium" or "Prohibition of sales to EEA Retail Investors" is specified as "Applicable", the Issuer may issue such Notes where the applicable Final Terms specify that an amount equivalent to the net proceeds from the offer of Notes will specifically be applied for loans, assets, projects and activities of the Group that promote climate-friendly and other environmental or sustainable purposes ("**Green Bond Eligible Assets**").

GREEN BONDS

The Issuer may issue Notes under the Programme where the use of proceeds is specified in such Final Terms to be for the financing and/or refinancing of specified "green" or "sustainability" projects of the Group, in accordance with certain prescribed eligibility criteria (see "*Use of Proceeds*" on page 93) (any Notes which have such a specified use of proceeds are referred to as **Green Bonds**). This Base Prospectus cannot be used to offer Green Bonds in respect of which the Final Terms specify the "Prohibition of sales to consumers in Belgium" or the "Prohibition of sales to EEA Retail Investors" as "Not Applicable", and the remainder of this section "Green Bonds" does not apply to Notes in respect of which the Final Terms specify the "Prohibition of sales to consumers in Belgium" or the "Prohibition of sales to EEA Retail Investors" as "Not Applicable".

The Issuer has established a green bond framework (the **Green Bonds Framework**) under which it can issue Green Bonds and that is available on the Issuer's website (https://www.kbc.com/nl/kbc-green-bond)[6]. The Green Bonds Framework is currently in line with the International Capital Market Association (**ICMA**) Green Bond Principles (2017). The Issuer intends to align its Green Bonds Framework with emerging good practices such as a potential European Green Bond Standard ("EU GBS") or other forthcoming regulatory requirements and guidelines.

The ICMA Green Bond Principles are a set of voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the green bond market. There is currently no market consensus on what precise attributes are required for a particular project to be defined as "green" or "sustainable", and therefore no assurance can be provided to potential investors that the green or sustainable projects to be specified in the relevant Final Terms will meet all investors' expectations regarding sustainability performance or continue to meet the relevant eligibility criteria. Although applicable green projects are expected to be selected in accordance with the categories recognised by the ICMA Green Bond Principles, and are expected to be developed in accordance with applicable legislation and standards, there can be no guarantee that adverse environmental and/or social impacts will not occur during the design, construction, commissioning and/or operation of any such green or sustainable projects. Where any negative impacts are insufficiently mitigated, green or sustainable projects may become controversial, and/or may be criticised by activist groups or other stakeholders.

In connection with an issue of Green Bonds, the Issuer has the ambition to provide investors with information on both the allocation of proceeds and the non-financial impact of the underlying eligible assets of the Green Bonds, which shall be made available on its website. The Issuer also intends to request a sustainability rating agency or sustainability consulting firm to issue an independent opinion (a **Compliance Opinion**) confirming that any Green Bonds are in compliance with the ICMA Green Bond Principles. At the date of this Base Prospectus, the Issuer had commissioned Sustainalytics to deliver such Compliance Opinion. Potential investors should be aware that any Compliance Opinion will not be incorporated into, and will not form part of, this Base Prospectus or the relevant Final Terms. Any such Compliance Opinion may not reflect the potential impact of all risks related to the structure of the relevant Series of Green Bonds, their marketability, trading price or liquidity or any other factors that may affect the price or value of the Green Bonds. Any such Compliance Opinion is not a recommendation to buy, sell or hold securities and is only current as of its date of issue.

[6] This website is not incorporated by reference and does not form part of this Base Prospectus, and has not been scrutinised or approved by the FSMA.

TAXATION OF THE NOTES IN BELGIUM

The following summary describes the principal Belgian tax considerations of acquiring, holding and selling the Notes. This information is of a general nature based on the Issuer's understanding of current law and practice and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. In some cases, different rules can be applicable. The summary is based on laws, treaties and regulatory interpretations in effect in Belgium on the date of this Base Prospectus, all of which can be amended in the future, possibly implemented with retroactive effect. Furthermore, the interpretation of the tax rules may change. Investors should appreciate that, as a result of evolutions in law or practice, the eventual tax consequences may be different from what is stated below.

Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account their own particular circumstances and the influence of each regional, local or national law.

For purposes of this summary, a Belgian resident is an individual subject to Belgian personal income tax (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (that is, a corporate entity that has its main establishment, its administrative seat or seat of management in Belgium taking into account that a company having its statutory seat in Belgium is presumed, subject to evidence to the contrary, to have its main establishment, its administrative seat or seat of management in Belgium and counterproof is only accepted if it is also demonstrated that the company has its tax residence in other state according to the legislation of that other state), an Organisation for Financing Pensions subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions), or a legal entity subject to Belgian income tax on legal entities (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment, its administrative seat or seat of management in Belgium). A Belgian non-resident is any person that is not a Belgian resident. Investors should note that the Belgian state adopted tax reform legislation on 25 December 2017. This tax reform legislation has been further amended by the law of 30 July 2018.

This summary does not address the tax regime applicable to Notes held by Belgian tax residents through a fixed basis or a permanent establishment situated outside Belgium.

Belgian withholding tax

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer), and (iii) in case of a realisation of the Notes between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the holding period.

Payments of interest on the Notes made by or on behalf of the Issuer are as a rule subject to Belgian withholding tax, currently at a rate of 30%. on the gross amount.

However, the holding of the Notes in the securities settlement system of the NBB (the "**Securities Settlement System**") permits investors to collect interest on their Notes free of Belgian withholding tax if and as long as at the moment of payment or attribution of interest the Notes are held by certain investors (the "**Eligible Investors**", see below) in an exempt securities account ("**X-account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the Securities Settlement System.

Holding the Notes through the Securities Settlement System enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Participants to the Securities Settlement System must keep the Notes which they hold on behalf of Eligible Investors on an X-account, and those which they hold on behalf of non-Eligible Investors in a non-exempt securities account ("**N-account**"). Payments of interest made through X-accounts are free of withholding tax; payments of interest made through N-accounts are subject to withholding tax, currently at a rate of 30%, which is withheld from the interest payment and paid by the NBB to the tax authorities.

Eligible Investors are those entities referred to in article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*koninklijk besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/arrêté royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*), which includes *inter alia*:

(a) Belgian resident companies referred to in article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*wetboek van inkomstenbelastingen 1992/code des impôts sur les revenus 1992*) ("**BITC**");

(b) Without prejudice to article 262, 1° and 5° of the BITC, the institutions, associations or companies referred to in article 2, §3 of the law of 9 July 1975 with respect to the control of insurance companies other than those referred to in 1° and 3°;

(c) Semi-governmental institutions (*parastatalen/institutions parastatales*) for social security or institutions equated therewith referred to in article 105, 2° of the Royal Decree of 27 August 1993 implementing the BITC *(Koninklijk besluit tot uitvoering van het wetboek inkomstenbelastingen 1992/arrêté royal d'exécution du code des impôts sur les revenus 1992)* ("**RD/BITC**");

(d) Non-resident investors referred to in article 105, 5° of the RD/BITC whose holding of the Notes is not connected to a professional activity in Belgium;

(e) Investment funds referred to in article 115 of the RD/BITC;

(f) Investors referred to in article 227, 2° of the BITC, subject to non-resident income tax (*belasting van niet inwoners/impôt des non-résidents*) in accordance with article 233 of the BITC and which have used the income generating capital for the exercise of their professional activities in Belgium;

(g) The Belgian State, in respect of investments which are exempt from withholding tax in accordance with article 265 of the BITC;

(h) Investment funds governed by foreign law (such as *beleggingsfondsen/fonds de placement*) that are an undivided estate managed by a management company for the account of the participants, provided the funds units are not publicly issued in Belgium or traded in Belgium; and

(i) Belgian resident companies not referred to under (i), whose activity exclusively or principally exists of granting credits and loans.

Eligible Investors do not include, *inter alia*, Belgian resident individuals and Belgian non-profit organisations, other than those mentioned under (b) and (c) above.

Transfers of Notes between an X-account and an N-account give rise to certain adjustment payments on account of withholding tax:

- A transfer from an N-account (to an X-account or N-account) gives rise to the payment by the transferor non-Eligible Investor to the NBB of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

- A transfer to an N-account (from an X-account or an N-account) gives rise to the refund by the NBB to the transferee non-Eligible Investor of withholding tax on the accrued fraction of interest calculated from the last interest payment date up to the transfer date.

- Transfers of Notes between two X-accounts do not give rise to any adjustment on account of withholding tax.

When opening an X-account for the holding of Notes, an Eligible Investor will be required to certify its eligible status on a standard form claimed by the Belgian Minister of Finance and send it to the participant to the Securities Settlement System where this account is kept. This statement needs not be periodically reissued (although Eligible Investors must update their certification should their eligible status change). Participants to the Securities Settlement System are however required to annually make declarations to the NBB as to the eligible status of each investor for whom they hold Notes in an X-account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Notes that the Intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided that each Beneficial Owner is an Eligible Investor. In such case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to central securities depositaries, as defined by Article 2, §1, 1) of Regulation (EU) n° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012,acting as Participants to the Securities Settlement System, provided that (i) they only hold X-accounts, (ii) they are able to identify the Holders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by these central securities depositaries acting as Participants include the contractual undertaking that their clients and account owners are all Eligible Investors.

Hence, these identification requirements do not apply to Notes held in Euroclear, Clearstream Luxembourg, SIX SIS, Switzerland, Monte Titoli, Italy or InterBolsa, Portugal or any other central securities depository as Participants to the Securities Settlement System, provided that (i) Euroclear and Clearstream Luxembourg only hold X Accounts, (ii) they are able to identify the holders for whom they hold Notes in such account and (iii) the contractual rules agreed upon by these central securities depositaries include the contractual undertaking that their clients and account owners are all Eligible Investors.

Belgian income tax and capital gains

Belgian resident individuals

For natural persons who are Belgian residents for tax purposes, i.e. who are subject to the Belgian personal income tax (*Personenbelasting/Impôt des personnes physiques*) and who hold the Notes as a private investment, payment of the 30 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (*bevrijdende roerende voorheffing/précompte mobilier libératoire*). This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided that the Belgian withholding tax of 30% was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare the interest payment (as defined above in the Section "*Belgian withholding tax*") in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at the interest withholding tax rate of 30%. or

at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is lower. No local taxes will be due. If the interest payment is declared, the Belgian withholding tax retained is creditable in accordance with the applicable legal provisions.

Capital gains realised on the transfer of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate (in which case the capital gain will be taxed at 33% plus local taxes) or unless the capital gains qualify as interest (as defined above in the Section "*Belgian withholding tax*"). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

Belgian resident companies

Corporations Noteholders who are Belgian residents for tax purposes, i.e., who are subject to Belgian Corporate Income Tax (*Vennootschapsbelasting/Impôt des sociétés*) are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes are taxable at the ordinary corporate income tax rate of 29.58% (including the 2% crisis tax) and 25% as of 2020 (i.e. for financial years starting on or after 1 January 2020). Subject to certain conditions, a reduced corporate income tax rate of 20.4% (including the 2% crisis tax) and 20% as of 2020 (i.e., for financial years starting on or after 1 January 2020) applies for small and medium sized enterprises (as defined by Article 15, §1 to §6 of the Belgian Companies Code, replaced as of 1 May 2019 by Article 1:24, §1 to §6 of the Belgian Companies and Associations Code) on the first EUR 100,000 of taxable profits.

Capital losses are in principle deductible.

Any Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions and the excess amount will in principle be refundable.

Other tax rules apply to investment companies within the meaning of Article 185bis of the Belgian Income Tax Code.

Belgian legal entities

For legal entities subject to Belgian legal entities tax (*Rechtspersonenbelasting/Impôts des personnes morales*) which have been subject to the 30%. Belgian withholding tax on interest payments, such withholding tax constitutes the final taxation.

Belgian legal entities which have received interest income on Notes without deduction for or on account of Belgian withholding tax are required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities themselves.

Capital gains realised on the transfer of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined above in the Section "*Belgian withholding tax*"). Capital losses are in principle not tax deductible.

Organisation for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible. Subject to certain conditions, any Belgian withholding tax that has been levied can be credited against any corporate income tax due and any excess amount is in principle refundable.

Belgian non-residents

Holders of Notes who are non-residents of Belgium for Belgian tax purposes and are not holding the Notes through a Belgian establishment, do not invest the Notes in the course of their Belgian professional activity and do not carry out any other activities in Belgium that exceed the normal management of one's private estate will not incur or become liable for any Belgian tax on income or capital gains by reason only of the acquisition, ownership or disposal of the Notes, provided that they qualify as Eligible Investors and hold their Notes in an X-account.

If the Notes are not entered into an X-account by the Eligible Investor, withholding tax on the interest is in principle applicable at the current rate of 30%, possibly reduced pursuant to a tax treaty, on the gross amount of the interest.

Pursuant to the Law regarding Exchange of Information implementing into Belgian national law the provisions of the Directive 2014/107/EU on administrative cooperation in direct taxation (see the sections "*Common Reporting Standard*" and "*Exchange of Information*"), Belgian financial institutions are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities with fiscal residence in another EU Member State.

In addition to the aforementioned Belgian withholding tax of 30%, profits derived from the Notes may therefore be subject to a system of automatic exchange of information between the relevant tax authorities.

Exchange of information

The Notes are subject to the provisions of Directive 2014/107/EU on administrative cooperation in direct taxation of 9 December 2014 ("**DAC2**"). The Belgian government has implemented DAC2 per the Law regarding Exchange of Information.

Under the Law regarding Exchange of Information, Belgian financial institutions holding these Notes for tax residents in another CRS contracting state, shall report financial information regarding the Notes (income, gross proceeds, …) to the Belgian competent authority, who shall communicate the information to the competent authority of the CRS state where the beneficial owner is tax resident.

As a result of the Law regarding Exchange of Information, the mandatory automatic exchange of information applies in Belgium (i) as of income year of 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective of the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of income year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU Member States which have signed the MCAA, as of a date to be further determined by Royal Decree. In a Royal Decree of 14 June 2017, as amended, it was determined that the automatic provision of information has to be provided as from 2017 (for the 2016 financial year) for a first list of 18 jurisdictions, as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions and as from 2019 (for the 2018 financial year) for another jurisdiction.

Investors who are in any doubt as to their position should consult their professional advisors.

Tax on stock exchange transactions

A tax on stock exchange transactions (*beurstaks*/*taxe sur les opérations de bourse*) is due on the purchase and sale (and any other transaction for consideration) with respect to existing Notes on a secondary market if such transaction is either entered into or carried out in Belgium through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a

professional intermediary is 0.12% with a maximum amount of EUR1,300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. No tax will be due on the issuance of the Notes (primary market).

Following the Law of 25 December 2016, the scope of application of the tax on stock exchange transactions has been extended as of 1 January 2017 to secondary market transactions of which the order is directly or indirectly made to a professional intermediary established outside Belgium by (i) a private individual with habitual residence in Belgium or (ii) a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"). In such a scenario, the tax on stock exchange transactions is due by the Belgian Investor, unless the Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with an qualifying order statement (*bordereau/borderel*), at the latest on the business day after the day the transaction concerned was realised. The qualifying order statements must be numbered in series and a duplicate must be retained by the financial intermediary. The duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium could appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities ("**Stock Exchange Tax Representative**"). Such Stock Exchange Tax Representative will then be liable toward the Belgian Treasury for the tax on stock exchange transactions due and for complying with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative would have paid the tax on stock exchange transactions due, the Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

A tax on repurchase transactions (*taks op de reporten/taxe sur les reports*) at the rate of 0.085% will be due from each party to any such transaction in which a stockbroker acts for either party (subject to a maximum of EUR 1,300 per party and per transaction).

However, the taxes referred to above are not payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the Code of miscellaneous taxes and duties (*Code des droits et taxes divers/Wetboek diverse rechten en taksen*) for the tax on stock exchange transactions and Article 139, second paragraph of the same code for the tax on repurchase transactions..

As stated below, the EU Commission adopted on 14 February 2013 the Draft Directive on a FTT. The Draft Directive currently stipulates that once the FTT enters into force, the Participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The Draft Directive is still subject to negotiation between the Participating Member States and therefore may be changed at any time. The Draft Directive is further described below (see the section entitled "*Financial Transactions Tax*").

Tax on securities accounts

Pursuant to the law of 7 February 2018 introducing a tax on securities accounts, a tax of 0.15% is levied on Belgian resident and non-resident individuals on their share in the average value of the qualifying financial instruments (including but not limited to shares, notes and units of undertakings for collective investment) held on one or more securities accounts during a reference period of twelve consecutive months starting on 1 October and ending on 30 September of the subsequent year (the "Tax on Securities Accounts").

No Tax on Securities Accounts is due provided the holder's share in the average value of the qualifying financial instruments on those accounts amounts to less than EUR 500,000. If, however, the holder's share in the average value of the qualifying financial instruments on those accounts amounts to EUR 500,000 or more, the Tax on Securities Accounts is due on the entire share of the holder in the average value of the qualifying financial instruments on those accounts (and, hence, not only on the part which exceeds the EUR 500,000 threshold).

Qualifying financial instruments held by non-resident individuals only fall within the scope of the Tax on Securities Accounts provided they are held on securities accounts with a financial intermediary established or located in Belgium. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the Tax on Securities Accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed.

A financial intermediary is defined as (i) a credit institution or a stockbroking firm as defined by Article 1, §2 and §3 of the Law of 25 April 2014 on the status and supervision of credit institutions and investment companies and (ii) the investment companies as defined by Article 3, §1 of the Law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The Tax on Securities Accounts is in principle due by the financial intermediary established or located in Belgium if (i) the holder's share in the average value of the qualifying financial instruments held on one or more securities accounts with said intermediary amounts to EUR 500,000 or more or (ii) the holder instructed the financial intermediary to levy the Tax on Securities Accounts due (e.g. in case such holder holds qualifying financial instruments on several securities accounts held with multiple intermediaries of which the average value does not amount to EUR 500,000 or more, but of which the holder's share in the total average value of these accounts amounts to at least EUR 500,000). Otherwise, the Tax on Securities Accounts would have to be declared and would be due by the holder itself unless the holder provides evidence that the Tax on Securities Accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint a Tax on the Securities Accounts representative in Belgium, subject to certain conditions and formalities ("**Tax on the Securities Accounts Representative**"). Such a Tax on the Securities Accounts Representative will then be liable towards the Belgian Treasury for the Tax on the Securities Accounts due and for complying with certain reporting obligations in that respect.

Belgian resident individuals will have to report in their annual income tax return various securities accounts held with one or more financial intermediaries of which they are considered as a holder within the meaning of the Tax on Securities Accounts. Non-resident individuals have to report in their annual Belgian non-resident income tax return various securities accounts held with one or more financial intermediaries established or located in Belgium of which they are considered as a holder within the meaning of the Tax on Securities Accounts.

Prospective investors are strongly advised to seek their own professional advice in relation to the Tax on Securities Accounts.

Financial Transaction Tax

On 14 February 2013, the EU Commission adopted a proposal for a Council Directive (the "**Draft Directive**") on a common financial transaction tax ("**FTT**"). Pursuant to the Draft Directive, the FTT shall be implemented and enter into effect in eleven EU Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovak Republic, Slovenia and Spain; the "**Participating Member States**"). In December 2015, Estonia withdrew from the Participating Member States.

The Commission's Proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax).

The Commission's Proposal has a very broad scope and could, if introduced, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. According to the Draft Directive, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established (or deemed established) in a Participating Member State and that there is a financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, or is acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT shall, however, not apply to among others primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction, which is acting in the name of a party to the transaction or where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT due.

However, the FTT proposal remains subject to negotiation between the Participating Member States, and the scope of any such tax is uncertain. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw.

Prospective Holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with the subscription, purchase, holding or disposal of the Notes.

Common reporting standard

The exchange of information is governed by the Common Reporting Standard ("**CRS**"). On 25 June 2019, 106 jurisdictions signed the multilateral competent authority agreement (MCAA), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications.

More than 50 jurisdictions, including Belgium, have committed to a specific and ambitious timetable leading to the first automatic information exchanges in 2017, relating to income year 2016 ("early adopters"). About 100 jurisdictions have committed to exchange information as from 2018.

Under CRS, financial institutions resident in a CRS country will be required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds

from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information between EU Member States as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The mandatory automatic exchange of financial information by EU Member States as foreseen in DAC2 will at the latest take place as of 30 September 2017, except with regard to Austria. The mandatory automatic exchange of financial information by Austria will at the latest take place as of 30 September 2018.

The Belgian government has implemented DAC2, respectively the CRS, per the Law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the "**Law regarding Exchange of Information**").

As a result of the Law regarding Exchange of Information, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States (including Austria, irrespective the fact that the automatic exchange of information by Austria towards other EU Member States is only foreseen as of income year 2017), (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii), with respect to any other non-EU States that have signed the MCAA, as of a date to be further determined by Royal Decree. In a Royal Decree of 14 June 2017, as amended, it was determined that the automatic provision of information has to be provided as from 2017 (for the 2016 financial year) for a first list of eighteen jurisdictions, and as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions and as from 2019 (for the 2018 financial year) for another jurisdiction.

Investors who are in any doubt as to their position should consult their professional advisers

INFORMATION RELATING TO THE SUBSCRIPTION AND SALE OF THE NOTES

SUBSCRIPTION AND SALE

Summary of Programme Agreement

Subject to the terms and on the conditions contained in a programme agreement dated on or about the date of this Base Prospectus (the "**Programme Agreement**") between the Issuer, the Dealer and the Arranger, the Notes will be offered on a continuous basis by the Issuer to the Dealer. However, the Issuer has reserved the right to sell Notes directly on its own behalf to other dealers. The Notes may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The Notes may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Programme Agreement also provides for Notes to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

As set out in the Programme Agreement, the Issuer may from time to time terminate the appointment of any Dealer under the Programme or appoint additional Dealers either in respect of one or more Tranches or in respect of the whole Programme.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of Notes subscribed by it. The Issuer has agreed to reimburse the Arranger for certain of its expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) or a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Programme Agreement entitles the Dealers to terminate any agreement that they make to subscribe Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Selling Restrictions

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Neither the Issuer nor any Dealer represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall, to the best of its knowledge and belief, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Base Prospectus, any other offering material or any Final Terms and, that it will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws, regulations and directives in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries, and neither the Issuer nor any Dealer shall have any responsibility therefor.

Prohibition of Sales to EEA Retail Investors – Applicable

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

(a) the expression "retail investor" means a person who is one (or more) of the following:

  (i) a retail client as defined in point (11) of Article 4(1) of MiFID II;

  (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

  (iii) not a qualified investor as defined in the Prospectus Regulation; and

(b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to EEA Retail Investors – Not Applicable

If the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the final terms in relation thereto to the public in that Member State except that it may make an offer of such Notes to the public in that Member State:

(a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Member State (a "**Non-exempt Offer**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Member State or, where appropriate, approved in another Member State and notified to the competent authority in that Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Non-exempt Offer;

(b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(d) at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation, or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes.

Prohibition of Sales to Consumers in Belgium

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold and it will not offer or sell the Notes to, any consumer (*consument/consommateur*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) in Belgium, if the Final Terms of such Notes specify the "Prohibition of sales to consumers in Belgium" as "Applicable".

United States

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S. "**Regulation S**" means Regulation S promulgated by the U.S. Securities and Exchange Commission (SEC) under the U.S. Securities Act.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer or sell Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer (whether or not participating in the offering of such tranche of Notes) may violate the registration requirements of the Securities Act.

This Base Prospectus has been prepared by the Issuer for use in connection with the offer and sale of the Notes outside the United States. The Issuer and the Dealers reserve the right to reject any offer to purchase the Notes, in whole or in part, for any reason. This Base Prospectus does not constitute an offer to any person in the United States. Distribution of this Base Prospectus by any non-U.S. person outside the United States to any U.S. person or to any other person within the United States, is unauthorised and any disclosure without the prior written consent of the Issuer of any of its contents to any such U.S. person or other person within the United States, is prohibited.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as

principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or 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 Notes would otherwise constitute a contravention of Section 19 of the UK Financial Services and Markets Act by the Issuer;

(b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the UK Financial Services and Markets Act) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the UK Financial Services and Markets Act does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the UK Financial Services and Markets Act with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **Financial Instruments and Exchange Act**) and each Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and any other relevant laws and regulations of Japan.

CONSENT TO USE THIS BASE PROSPECTUS

This Base Prospectus has been prepared on a basis that permits offers that are not made within an exemption from the requirement to publish a prospectus under Article 1.4 of the Prospectus Regulation (**Non-exempt Offers**) in Belgium and any other EEA Member State where this Base Prospectus has been notified in accordance with Article 25 of the Prospectus Regulation (the **Non-exempt Offer Jurisdictions**). Any person making or intending to make a Non-exempt Offer of Notes on the basis of this Base Prospectus must do so only with the Issuer's consent.

In the context of any Non-exempt Offer of Notes, the Issuer accepts responsibility, in each of the Non-exempt Offer Jurisdictions, for the content of this Base Prospectus in relation to any person (an **Investor**) who purchases any Notes in a Non-exempt Offer made by a Dealer or an Authorised Offeror (as defined below), where that offer is made during the Offer Period as specified in the applicable Final Terms.

Except in the circumstances described below, the Issuer has not authorised the making of any offer by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any offer of the Notes in any jurisdiction. Any offer made without the consent of the Issuer is unauthorised and neither the Issuer nor, for the avoidance of doubt, any of the Dealers accepts any responsibility or liability in relation to such offer or for the actions of the persons making any such unauthorised offer.

If, in the context of a Non-exempt Offer, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purpose of the relevant Non-exempt Offer and, if so, who that person is. If an Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents, the Investor should take legal advice.

Consent

The Issuer consents and (in connection with paragraph (d) below) offers to grant its consent, to the use of this Base Prospectus (as supplemented at the relevant time, if applicable) in connection with any Non-exempt Offer of a Tranche of Notes in the Non-exempt Offer Jurisdictions specified in the relevant Final Terms during the Offer Period specified in the relevant Final Terms by:

(a) the Dealer(s) specified in the relevant Final Terms;

(b) any financial intermediaries specified in the relevant Final Terms;

(c) any other financial intermediary appointed after the date of the relevant Final Terms and whose name is published on the website of the Issuer (see "Where more information can be found" on page 116) and identified as an Authorised Offeror in respect of the relevant Non-exempt Offer; and

(d) if General Consent is specified in the relevant Final Terms as applicable, any other financial intermediary which (a) is authorised to make such offers under MiFID II, including under any applicable implementing measure in each relevant jurisdiction; and (b) accepts such offer by publishing on its website the following statement (with the information in square brackets duly completed with the relevant information) (the **Acceptance Statement**):

"We, [*specify name of financial intermediary*], refer to the offer of [*specify title of Notes*] (the "**Notes**") described in the Final Terms dated [*specify date*] (the **Final Terms**) published by KBC Bank NV (the **Issuer**). In consideration of the Issuer offering to grant its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in [*specify Member State(s)*] during the Offer Period in accordance with the Authorised Offeror Terms (as specified in the Base Prospectus), we accept the offer by the Issuer. We

confirm that we are authorised under MiFID II (as defined in the Base Prospectus), including under any applicable implementing measure in each relevant jurisdiction, to make, and are using the Base Prospectus in connection with, the Non-exempt Offer accordingly. Terms used herein and otherwise not defined shall have the same meaning as given to such terms in the Base Prospectus."

The **Authorised Offeror Terms** are that the relevant financial intermediary:

(iv) acts in accordance with all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the **Rules**) from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by an Investor and disclosure to any potential Investor;

(v) complies with the restrictions set out under "Subscription and Sale" in this Base Prospectus which would apply as if it were a relevant Dealer;

(vi) considers the relevant manufacturer's target market assessment and distribution channels identified under the "MiFID II product governance" legend set out in the Final Terms;

(vii) ensures that any fee, commission, benefits of any kind, rebate received or paid by that financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and is fully and clearly disclosed to Investors or potential Investors;

(viii) holds all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules;

(ix) complies with, and takes appropriate steps in relation to, applicable anti-money laundering, anti-bribery, prevention of corruption and "know your client" Rules, and does not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;

(x) retains investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested and to the extent permitted by the Rules, make such records available to the relevant Dealer and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer and/or the relevant Dealer;

(xi) does not, directly or indirectly, cause the Issuer or the relevant Dealer to breach any Rule or subject the Issuer or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;

(xii) immediately gives notice to the Issuer and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules or the terms of this sub-paragraph, and takes all appropriate steps to remedy such violation and comply with such Rules and this sub-paragraph in all respects;

(xiii) does not give any information other than that contained in this Base Prospectus (as may be amended or supplemented by the Issuer from time to time) or make any representation in connection with the offering or sale of, or the solicitation of interest in, the Notes;

(xiv) agrees that any communication in which it attaches or otherwise includes any announcement published by the Issuer at the end of the Offer Period will be consistent

with the Base Prospectus, and (in any case) must be fair, clear and not misleading and in compliance with the Rules and must state that such Authorised Offeror has provided it independently from the Issuer and must expressly confirm that the Issuer has not accepted any responsibility for the content of any such communication;

(xv) does not use the legal or publicity names of the relevant Dealer, the Issuer or any other name, brand or logo registered by any entity within their respective groups or any material over which any such entity retains a proprietary interest or in any statements (oral or written), marketing material or documentation in relation to the Notes;

(xvi) agrees to any other conditions set out in paragraph [8(vi)] of Part B of the relevant Final Terms;

(xvii) agrees and accepts that the Dealers will be entitled to enforce those provisions of the contract between the Issuer and the financial intermediary, formed upon acceptance by the financial intermediary of the Issuer's offer to use of the Base Prospectus with its consent in connection with the relevant Non-exempt Offer, which are, or are expressed to be, for their benefit, including the agreements, representations, warranties, undertakings and indemnity given by the financial intermediary pursuant to the Authorised Offeror Terms;

(xviii) agrees and undertakes to indemnify each of the Issuer and the relevant Dealers (in each case on behalf of such entity and its respective directors, officers, employees, agents, affiliates and controlling persons) against any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) which any of them may incur or which may be made against any of them arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by such financial intermediary, including (without limitation) any unauthorised action by such financial intermediary or failure by such financial intermediary to observe any of the above restrictions or requirements or the making by such financial intermediary of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealers; and

(xix) agrees and accepts that:

the contract between the Issuer and the financial intermediary formed upon acceptance by the financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Non-exempt Offer (the **Authorised Offeror Contract**), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, Belgian law,

the courts of Brussels, Belgium are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Authorised Offeror Contract (including a dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (**Disputes**),

it waives any objection to the courts of Brussels, Belgium on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute,

this paragraph (xix) is for the benefit of the Issuer and each relevant Dealer. To the extent allowed by law, the Issuer and each relevant Dealer may, in respect

of any Dispute or Disputes, take proceedings in any other court with jurisdiction and concurrent proceedings in any number of jurisdictions;

The financial intermediaries referred to in paragraphs (b), (c) and (d) above are together referred to herein as the **Authorised Offerors**.

Any Authorised Offeror falling within paragraph (d) above who wishes to use this Base Prospectus in connection with a Non-exempt Offer as set out above is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement.

The consent referred to above relates to Offer Periods occurring within 12 months from the date of this Base Prospectus.

Arrangements between an Investor and the Authorised Offeror who will distribute the Notes

Neither the Issuer nor, for the avoidance of doubt, any of the Dealers has any responsibility for any of the actions of any Authorised Offeror, including compliance by an Authorised Offeror with applicable conduct of business rules or other local regulatory requirements or other securities law requirements in relation to such offer.

An Investor intending to acquire or acquiring any Notes from an Authorised Offeror will do so, and offers and sales of the Notes to such Investor by an Authorised Offeror will be made, in accordance with any terms and other arrangements in place between that Authorised Offeror and such Investor including as to price, allocations and settlement arrangements (the **Terms and Conditions of the Non-exempt Offer**). The Issuer will not be a party to any such arrangements with such Investor and, accordingly, this Base Prospectus does not, and any Final Terms] will not, contain such information. The Terms and Conditions of the Non-exempt Offer shall be provided to such Investor by that Authorised Offeror at the time the offer is made. None of the Issuer or, for the avoidance of doubt, any of the Dealers or other Authorised Offerors has any responsibility or liability for such information.

INFORMATION RELATING TO THIS BASE PROSPECTUS

DOCUMENTS INCORPORATED BY REFERENCE

The following documents are incorporated by reference and form part of this Base Prospectus:

The Issuer's annual report for the financial year ended 31 December 2017 (FY 2017)[7] and the Issuer's annual report for the financial year ended 31 December 2018 (FY 2018)[8], which includes the following information (without limitation):

	FY 2017	FY 2018
Report of the Board of Directors		
Group profile	p. 6 – 27	p. 6 – 29
Review of the consolidated financial statements	p. 28 – 31	p. 30 – 34
Review of the business units	p. 32 – 38	p. 35 – 41
Risk management	p. 39 – 61	p. 42 – 70
Capital adequacy	p. 62 – 65	p. 71 – 74
Corporate governance statement	p. 66 – 73	p. 75 – 83
Consolidated financial statements (IFRS)		
Consolidated income statement	p. 75	p. 85
Consolidated statement of comprehensive income	p. 76	p. 86 – 87
Consolidated balance sheet	p. 77	p. 88 – 89
Consolidated statement of changes in equity	p. 78	p. 90 – 92
Consolidated cashflow statement	p. 80 – 81	p. 93 – 95
Notes on the accounting policies, segment reporting, income statement, financial assets and liabiliites on the balance sheet, other balance sheet items, and other notes	p. 82 – 146	p. 95 – 172
Statutory auditor's report on the consolidated accounts	p. 147 – 154	p. 173 – 180
Non-consolidated statutory annual accounts (Belgian GAAP)		
Balance sheet after appropriation	p. 159 – 161	p. 185 – 187
Income statement	p. 162 – 163	p. 188 – 189
Appropriation account	p. 164	p. 190
Notes	p. 165 – 234 and p. 239 - 245	p. 191 – 265
Social balance sheet	p. 235 – 238	p. 267 – 270
Statutory auditor's report on the non-consolidated statutory annual accounts	p. 247 – 253	p. 271 – 277
Ratios used	p. 255 – 257	p. 279 – 281

[7] Available at: https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS_2017/JVS_2017_BNK_en.pdf.

[8] Available at: https://www.kbc.com/en/system/files/doc/investor-relations/Results/JVS_2018/JVS_2018_BNK_en.pdf.

The Issuer's half-year report for the first six months ended on 30 June 2019[9], which includes the following information (without limitation):

Report for the first six months of 2019	
Summary	p. 5
Analysis of the results and balance sheet	p. 6 – 8
Risk statement, economic view and guidance	p. 9
Consolidated financial statements (IFRS)	
Consolidated income statement	p. 11
Condensed consolidated statement of comprehensive income	p. 12
Consolidated balance sheet	p. 13
Consolidated statement of changes in equity	p. 14 – 15
Condensed consolidated cash flow statement	p. 16
Notes on statement of compliance and changes in accounting policies	p. 17
Notes on segment reporting	p. 18
Other notes	p. 19
Report of the statutory auditor	p. 30 – 31
Other information	
Overview of the loan portfolio	p. 33
Solvency	p. 34
Details of ratios and terms	p. 35 – 37

Page references are to the English language PDF version of the relevant documents incorporated by reference.

The terms and conditions that apply to previously issued Series of Notes as included in the previous base prospectuses relating to the Programme:

- Page 55-77 of the Issuer's base prospectus relating to the Programme dated 18 October 2016[10].
- Page 56-78 of the Issuer's base prospectus relating to the Programme dated 24 October 2017[11].
- Page 61-86 of the Issuer's base prospectus relating to the Programme dated 23 October 2018[12].

For the avoidance of doubt, no other part of the Issuer's base prospectuses relating to the Programme dated 18 October 2016, 24 October 2017 and 23 October 2018 is incorporated by reference into this Base Prospectus. The terms and conditions of such previous base prospectuses are solely incorporated for purposes of allowing the Issuer to issue further Tranches of Series of Notes that have been previously issued, and that will be fungible with such previously issued Tranches, as set out in the "Form of Final Terms" on page 76.

[9] Available at: https://www.kbc.com/en/system/files/doc/investor-relations/9-Bank-info/2019_1H_Bank_en.pdf.

[10] Available at: https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-programme.

[11] Available at: https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-programme.

[12] Available at: https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-programme.

See “Where more information can be found” on page 116 below for information on where copies of the documents containing the information incorporated by reference can be obtained.

The documents incorporated by reference into this Base Prospectus may contain further references or hyperlinks to other documents or websites. Such further references or hyperlinks are not incorporated by reference and do not form part of this Base Prospectus, and have not been scrutinised or approved by the FSMA.

SUPPLEMENTS TO THIS BASE PROSPECTUS

Obligation to publish a supplement

Every significant new factor, material mistake or material inaccuracy relating to the information included in this Base Prospectus which may affect the assessment of the Notes and which arises or is noted between the time when this Base Prospectus is approved and the closing of the offer period or the time when trading on a regulated market begins, whichever occurs later, shall be mentioned in a supplement to this Base Prospectus without undue delay, in accordance with Article 23 of the Prospectus Regulation.

The obligation to supplement this Base Prospectus shall no longer apply after the expiry of the validity period of this Base Prospectus as specified on the front cover of this Base Prospectus.

Investors' right of withdrawal

In case of an offer of Notes to the public, investors who have already agreed to purchase or subscribe for the Notes before the supplement is published shall have the right, exercisable within two working days after the publication of the supplement, to withdraw their acceptances, provided that the significant new factor, material mistake or material inaccuracy referred above arose or was noted before the closing of the offer period or the delivery of the Notes, whichever occurs first. That period may be extended by the Issuer.

Where the Issuer prepares a supplement concerning information in the Base Prospectus that relates to only one or several individual issues of Notes, the right of investors to withdraw their acceptances shall only apply to the relevant issue(s) and not to any other issue of Notes under the Base Prospectus.

The supplement shall specify to which issue(s) of Notes the right to withdraw applies (if any) and the final date on which investors can exercise their right of withdrawal.

Where the supplement will be published

Following approval by the FSMA, the supplement shall be published in accordance with at least the same arrangements as were applied when this Base Prospectus was published. See "Where more information can be found" on page 116 below for information on where copies of any supplements can be obtained.

WHERE MORE INFORMATION CAN BE FOUND

The website of the Issuer

The following documents and information can be obtained from the website https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-programme for a period of ten years after their publication on that website:

1. This Base Prospectus.

2. All documents containing information incorporated by reference into this Base Prospectus as set out in "Documents incorporated by reference" on page 112 above.

3. Any supplements to this Base Prospectus published from time to time by the Issuer after approval by the FSMA, as set out in "Supplements to this Base Prospectus" on page 115 above (including any documents containing information that may be incorporated by reference into those supplements).

4. The Final Terms for each Tranche of Notes that is offered to the public in the European Economic Area and/or admitted to trading on a regulated market in the European Economic Area.

5. A separate copy of the issue-specific summary for each Tranche of Notes that is offered to the public in the European Economic Area.

6. The up to date articles of association of the Issuer.

7. A list of financial intermediaries that are designated as Authorised Offerors in accordance with paragraph (c) of Section "Consent to use this Base Prospectus" on page 108 (if any).

Any other information on or linked to by the website https://www.kbc.com/en/kbc-bank-nv-eur-5000000000-emtn-programme does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

The website of Euronext Brussels

The information referred to in paragraphs 1 to 5 above (as applicable) will also be published on the website of Euronext Brussels (www.euronext.com) in relation to Notes that are admitted to trading on the regulated market of Euronext Brussels. The information contained on the website of Euronext Brussels (www.euronext.com) does not form part of this Base Prospectus and has not been scrutinised or approved by the FSMA.

Copies of the Base Prospectus on a durable medium on request

Any potential investor in Notes offered to the public in the European Economic Area and/or admitted to trading on a regulated market in the European Economic Area, can request a copy of the Base Prospectus on a durable medium (including an electronic copy by e-mail or a copy printed on paper) to be delivered free of charge to that potential investor. Delivery shall be limited to jurisdictions in which the offer of the Notes to the public is made or where admission to trading on a regulated market is taking place. Such requests can be made by e-mail to IR4U@kbc.be.

Post-issuance information

Subject to any periodic or *ad hoc* reporting obligations under applicable laws or under the "*Moratorium op de commercialisering van bijzonder ingewikkelde gestructureerde producten"/"Moratoire sur la commercialization de produits structurés particulièrement complexes*" (as published by the FSMA on

20 June 2011), if applicable, the Issuer does not intend to provide any post-issuance information in relation to any issues of Notes.

Other information

No person is or has been authorised to give any information or to make any representation other than those contained in the documents referred to in paragraphs 1 to 6 above in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers or the Arranger.

RESPONSIBILITY STATEMENT

The Issuer

The Issuer is responsible for the information in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the Issuer's knowledge, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

The Dealers and the Arranger

To the fullest extent permitted by law, none of the Dealers or the Arranger accept any responsibility for the contents of this Base Prospectus or for any other statement made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaim all and any liability whether arising in tort or contract or otherwise (save as referred to above) which they might otherwise have in respect of this Base Prospectus or any such statement. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger or the Dealers that any recipient of this Base Prospectus or any other financial statements should purchase Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers or the Arranger undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

KBC Group NV

KBC Group NV nor any other member of the KBC Group (other than the Issuer) has approved or authorised this Base Prospectus, or accepts any responsibility in connection with this Base Prospectus. The Issuer is solely responsible for the information in this Base Prospectus relating to KBC Group NV as set out above.

THE ISSUER

KBC Bank NV
Havenlaan 2
B-1080 Brussels

THE DEALER AND ARRANGER

KBC Bank NV
Havenlaan 2
B-1080 Brussels

THE AGENT

KBC Bank NV
Havenlaan 2
B-1080 Brussels

LEGAL ADVISER

as to Belgian law

Stibbe
Rue de Loxum 25
B-1000 Brussels

AUDITORS

PricewaterhouseCoopers Bedrijfsrevisoren BCVBA
Woluwedal 18
B-1932 Sint-Stevens-Woluwe (Brussels)