KBC Group
Debt presentation
1Q 2024

More information: www.kbc.com
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KBC Group passport | Well-defined core markets

BELGIUM BU

61% of assets
4.0m clients
432 branches

debt to GDP ratio **105%**

GDP growth
in %, KBC Economics

2023	2024e	2025e
1.5%	1.2%	1.2%

Market share
in %, end 2023

loans and deposits	investment funds	life insurance	non-life insurance
20%	27%	12%	9%

119bn EUR loans
136bn EUR deposits

CZECH REPUBLIC BU

21% of assets
4.3m clients
198 branches

debt to GDP ratio **44%**

GDP growth
in %, KBC Economics

2023	2024e	2025e
-0.2%	1.5%	3.1%

Market share
in %, end 2023

loans and deposits	investment funds	life insurance	non-life insurance
21%	25%	7%	10%

36bn EUR loans
49bn EUR deposits

INTERNATIONAL MARKETS BU

SK
4% of assets
0.8m clients
99 branches
12bn EUR loans
9bn EUR deposits

HU
4% of assets
1.6m clients
195 branches
7bn EUR loans
10bn EUR deposits

BG
5% of assets
2.2m clients
221 branches
10bn EUR loans
13bn EUR deposits

GDP growth 2023 -2024e-2025e
in %, KBC Economics

	2023	2024e	2025e
SK	1.1%	2.0%	3.2%
HU	-0.7%	2.3%	3.6%
BG	1.9%	2.3%	3.0%

	SK	HU	BG
debt/GDP	56%	73%	23%

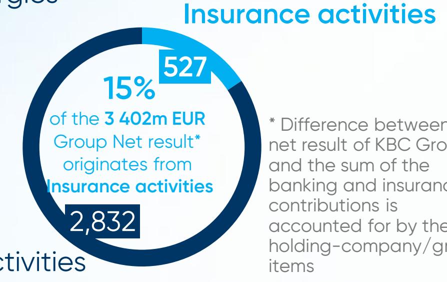
Market share
in %, end 2023

	L&D	funds	life	non-life
SK	12%	7%	2%	5%
HU	11%	11%	3%	7%
BG	19%	14%	32%	12%

What differentiates us from peers

Unique integrated bank-insurance+ model

- We offer an **integrated response** to our clients' banking and insurance needs. Our **organisation** is similarly integrated, operating as a single business and a **digital-first, lead-driven and AI-led bank-insurer**
- The benefit of a **one-stop**, relevant and personalised financial service that allows our clients to choose from a wider and **complementary range of products and services**, which go beyond pure bank-insurance
- **Benefits in terms of income and risk diversification**, additional sales potential through intensive co-operation between the bank and insurance distribution channels, significant cost-savings and synergies



As at end FY 2023

* Difference between the net result of KBC Group and the sum of the banking and insurance contributions is accounted for by the holding-company/group items

Successful digital-first approach through KATE

- Our **Digital interaction with clients** forms the basis of our business model in our strategy, not only in terms of sales and advice, but also in E2E digital process and product development
- **Artificial intelligence** and data analysis will play an important part in digital sales and advice**. Kate, our personal digital assistant**, will feature prominently in this regard
- The **independent international consulting firm Sia Partners named KBC Mobile one of the top performing mobile banking app worldwide (N°1 in 2021 and N°3 in 2022 and 2023)**: a clear recognition of a decade of innovation, development and listening closely to our clients

4.5 million users in contact with Kate

KATE autonomy

65% BE
65% CZ

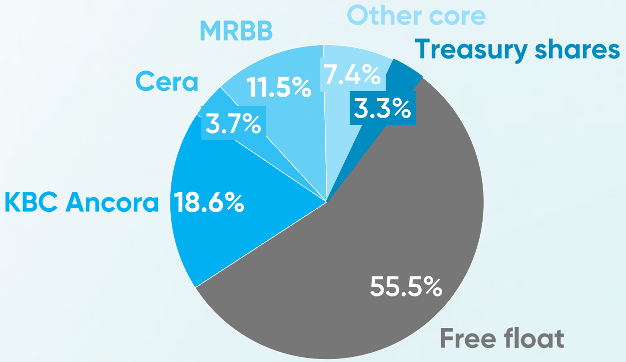
Firmly embedded sustainability strategy

- As a company that aims to support the transition to a more sustainable and climate-proof society, **we have made sustainability integral to our overall business strategy** and integrated it into our day-to-day business operations and the products and services we provide.
- Our sustainability strategy consists of three main cornerstones: (1) **maximise the positive impact of our products and services** on society and environment, (2) **minimise or completely avoid any potential negative impacts** and (3) ensure all **our employees behave responsible**

KBC received the Terra Carta Seal in 2022 in recognition of its commitment to creating a sustainable future

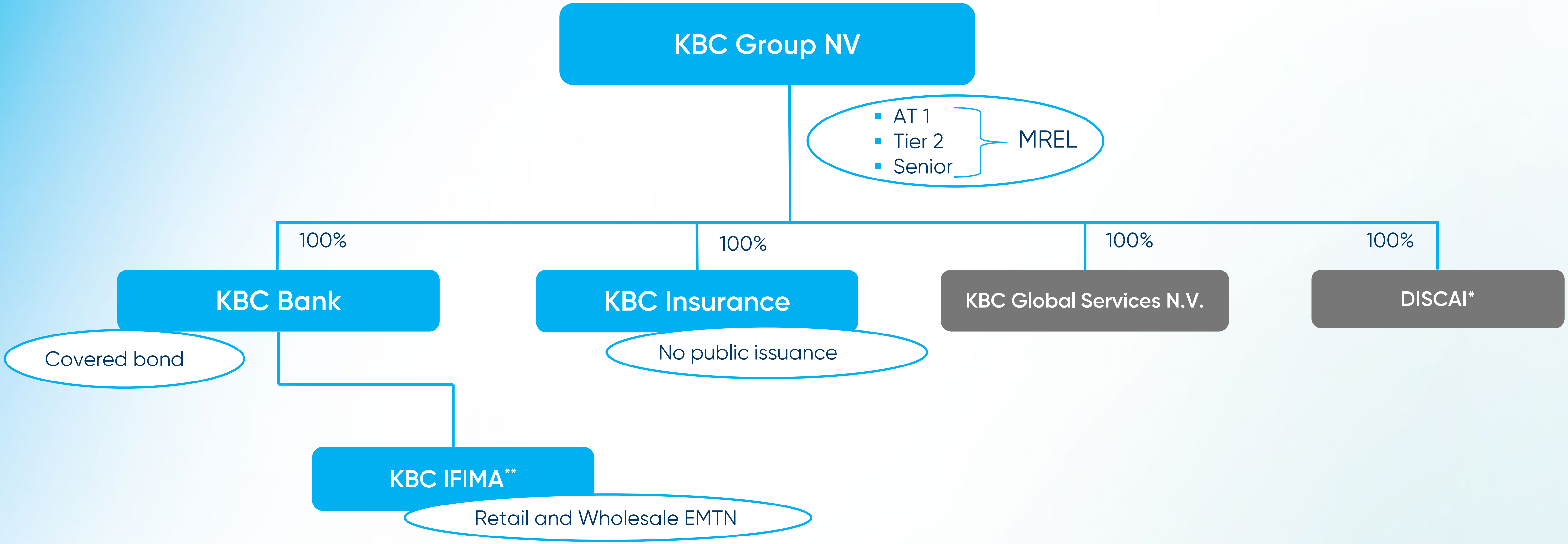
Core shareholder structure

- A special feature of our shareholder structure is the **core shareholder syndicate** consisting of Cera, KBC Ancora, MRBB and the other core shareholders, which together held **roughly 41% of our shares**
- These shareholders act in concert, thereby ensuring shareholder stability in our group
- The **free float** is held mainly by a large variety of international institutional investors



As at end 1Q 2024

KBC Group's legal structure and issuer of debt instruments



* DISCAI (Discovering AI) is a separate fully owned subsidiary, grouping the in-house developed artificial intelligence solutions for commercialisation to third parties (as of 7 March 2022)

** All debt obligations of KBC IFIMA are unconditionally and irrevocably guaranteed by KBC Bank

Last credit ratings

		Moody's	S&P	Fitch
Group	**Senior Unsecured**	**Baa1**	**A-**	**A**
	Tier II	Baa2	BBB	BBB+
	Additional Tier I	Ba1	BB+	BBB-
	Short-term	P-2	A-2	F1
	Outlook	Positive	Stable	Stable
Bank	Covered bonds	Aaa	-	AAA
	Senior Unsecured	**A1 (*)**	**A+**	**A+**
	Tier II	-	BBB	-
	Short-term	P-1	A-1	F1
	Outlook	Positive	Stable	Stable
Insurance	Financial Strength Rating	-	A	-
	Issuer Credit Rating	-	A	-
	Outlook	-	Stable	-

(*) Moody's long-term deposit rating: Aa3 (stable)

Latest update:

6 June 2023: Moody's upgraded KBC Bank's long-term issuer and deposit ratings and affirmed KBC Group's issuer rating (outlook remains positive). The upgrade of KBC Bank's deposit and long-term issuer ratings driven by the continued issuance of senior unsecured and subordinated debt in order to comply with minimum requirement for own funds and eligible liabilities (MREL) targets.

The affirmation of KBC Group's long-term issuer ratings (including positive outlook continues), reflects KBC's sound solvency, strong earnings power, sound asset quality and solid funding profile.

KBC's ESG ratings and indices are ahead of the curve

Agency	ESG rating 23rd of April 2024		Position versus industry average
CDP (DISCLOSURE INSIGHT ACTION)	D- … A	A	• Leader in addressing climate change • CDP's A list • Financial average service B-
SUSTAINALYTICS	Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk	9.8	• 2nd percentile of 311 diversified banks assessed • 3rd of 311 diversified banks
S&P Dow Jones Indices (A Division of S&P Global)	0 … 100	64	• Top 7% 93rd percentile of 794 banks assessed
MSCI	C, B, BB, BBB, A, AA, AAA	AAA	• Leader among 491 banks assessed
Corporate ESG Performance Prime (RATED BY ISS ESG)	D-, D, D+, C-, C, C+, …	C+ prime)	• 1st decile rank of 300 Commercial Banks & Capital Markets assessed
FTSE4Good	0, 1, 2, 3, 4, 5	4.7	• Top 3% (97th percentile of banks assessed)

Business profile | Our financial footprint

High profitability (IFRS 17 figures)

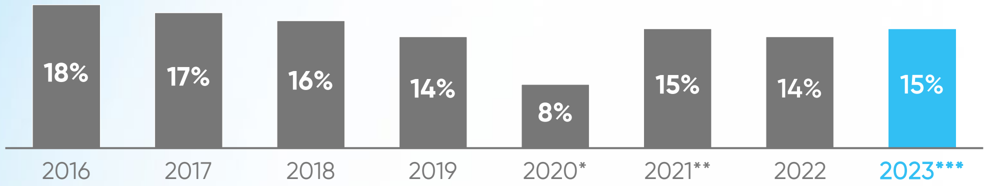
C/I ratio*
43% FY23
45% FY22

combined ratio
87% FY23
87% FY22

net result
3,402m FY23
2,818m FY22

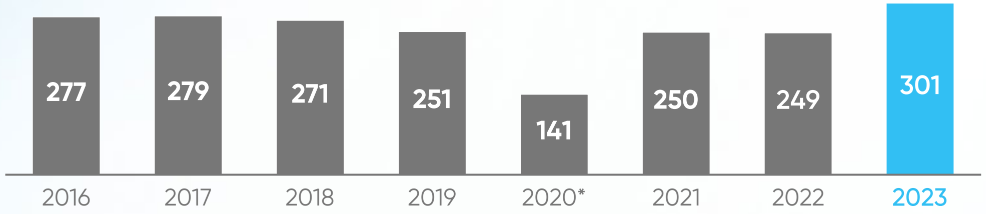
* Cost/Income ratio (without banking and insurance taxes)

Return on Equity
in %



* 11% when adjusted for the collective Covid-19 impairments
** when excluding the one-off items due to the pending sales transactions in Ireland
*** excluding one-offs

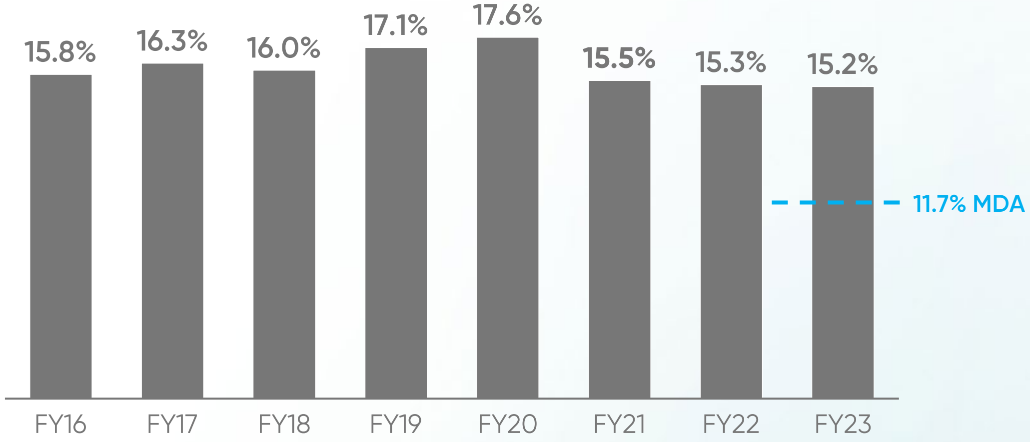
CET1 generation before any capital deployment
in bps



* 202bps when adjusted for the collective Covid-19 impairments

Solid capital position

CET 1 ratio (fully loaded, Danish compromise)
in %



Robust liquidity

NSFR
136% FY23
136% FY22

LCR
159% FY23
152% FY22

New KBC's non-financial targets (2023-2026)

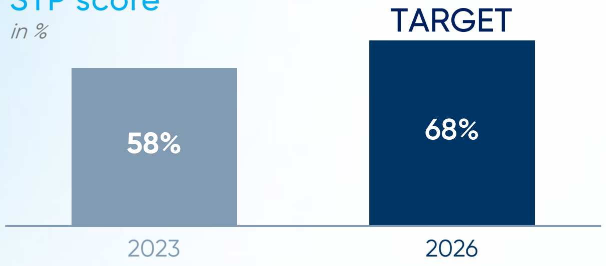
Customer ranking

- **KBC is 3rd in customer NPS (Net Promoter Score) ranking**
  based on weighted avg of ranking in five core countries
- **Target is to remain the reference**
  (i.e. Top-2 score on group level)

Straight-through processing

STP score*

in %



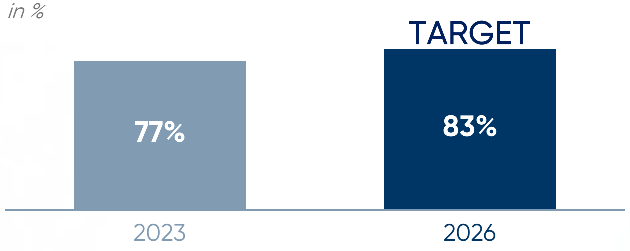
The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of all retail processes.

Bank-insurance (BI) clients

BI clients

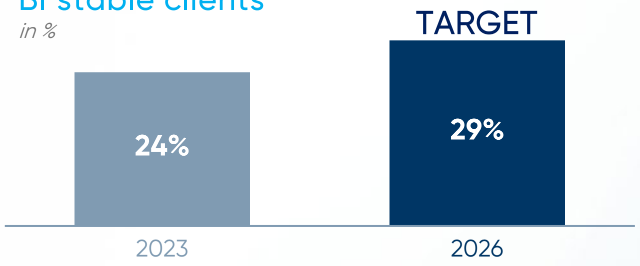
in %



BI customers have at least 1 bank + 1 insurance product of our group.

BI stable clients

in %

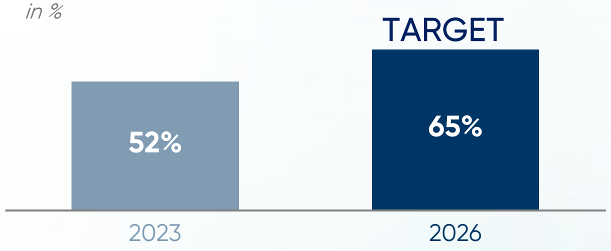


Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

Digital sales

Digital sales banking products*

in %

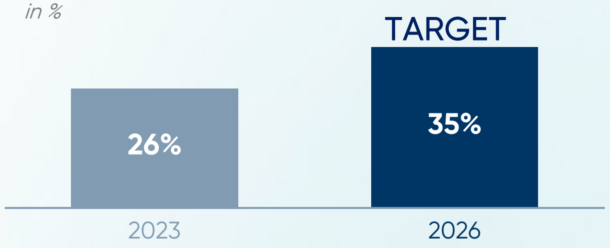


Target: Digital sales 65% of **banking sales**

* Based on weighted average of selected core products.

Digital sales insurance products

in %



Target: Digital sales 35% of **insurance sales**

Sustainability highlights

Commitment to environmental action

Second progress report published on the 2030 and 2050 climate targets for the most material carbon-intensive industrial sectors and product lines in our lending business

Set of **Climate targets published for our own corporate investments of KBC Insurance** for the first time

Calculated for the first time the GHG emissions of part of **KBC's insurance underwriting portfolio**

Continued to expand our focus to include the themes of biodiversity, circularity, pollution and water, and report on them. **By extension, we also became an adapter of the TNFD recommendations**

Sustainable business

44bn EUR Responsible Investing funds in 1Q24
or 41% of total assets under distribution (direct client money)

7.4bn EUR
Financing contributing to social objectives

19.3bn EUR
Financing contributing to environmental objectives

We are reporting our contribution to environmental objectives according to the **EU taxonomy for the first time, including but not limited to voluntary EU taxonomy reporting and our mandatory reporting** (more details see further in the presentation)

Social responsibility and governance

Social bond
Issued a second social bond for investments in healthcare and education in 2Q23

75% of employees took part in the **new webinar on responsible behaviour** during last quarter 2023

Focus on **improving the gender balance within our leadership**

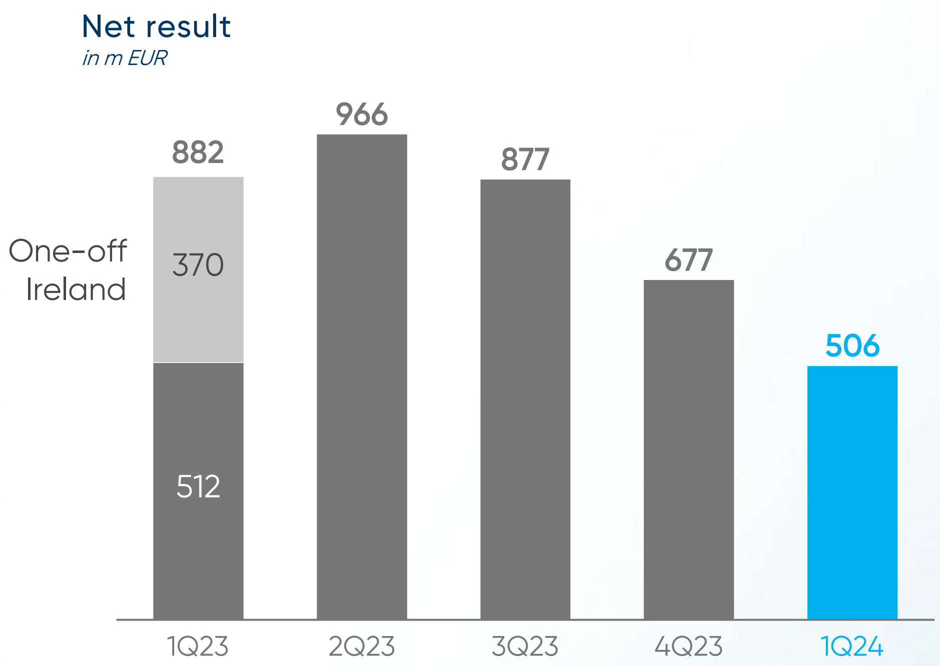
Collective variable remuneration
At least 30% of the collective, variable results-related remuneration component that is awarded to the members of the Executive Committee is related to sustainability

Sustainability highlights in 2023, unless otherwise indicated

Excellent net result of 506m EUR over 1Q24

Highlights

- Commercial bank-insurance franchises performed **excellently**
- As policy rates have peaked, KBC Group is **well-positioned** being an integrated bank-insurer with tailored AM business
- **Customer loans** and **customer deposits** increased q-o-q in almost all our core countries (on a comparable basis)
- Higher **net interest income q-o-q**
- Higher **net fee and commission income** q-o-q
- Q-o-q lower **net result from financial instruments at fair value** and **net other income** slightly above normal run rate
- Higher sales of **non-life insurance** y-o-y, strong sales of **life insurance** (up both q-o-q and y-o-y)
- Costs in 1Q include bulk of full-year bank & insurance taxes; (518m EUR bank & insurance taxes in 1Q24)
  Costs excl. bank & insurance taxes down q-o-q
- Limited **net loan loss impairment charges**
- Solid **solvency** and **liquidity**
- **An extraordinary interim dividend of 0.70 EUR per share in May 2024**



YTD ratios

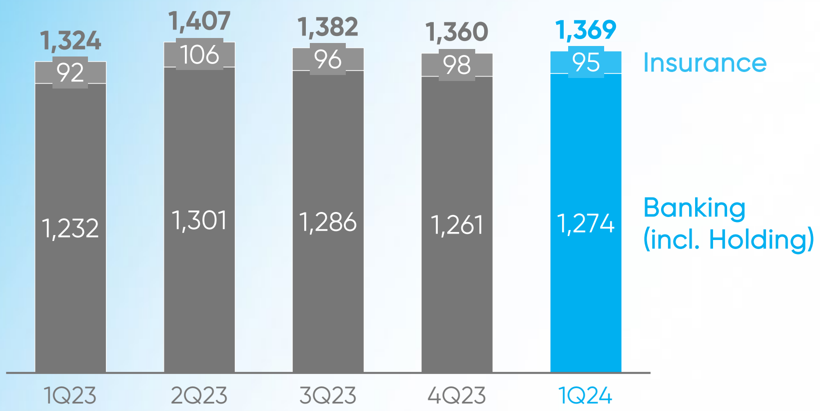
- Return on Equity 14%*
- Cost-income ratio 46%**
- Combined ratio 85%
- Credit cost ratio 0.04%
- CET1 ratio 14.9% (B3, DC, fully loaded) after deduction of the extraordinary interim dividend of roughly 280m EUR (CET1 ratio 15.2% without this deduction)
- Leverage ratio 5.4% (fully loaded)
- NSFR 139% & LCR 162%

* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs
** When excluding certain non-operating items. See glossary for the exact definition

Higher net interest income

Net interest income

in m EUR

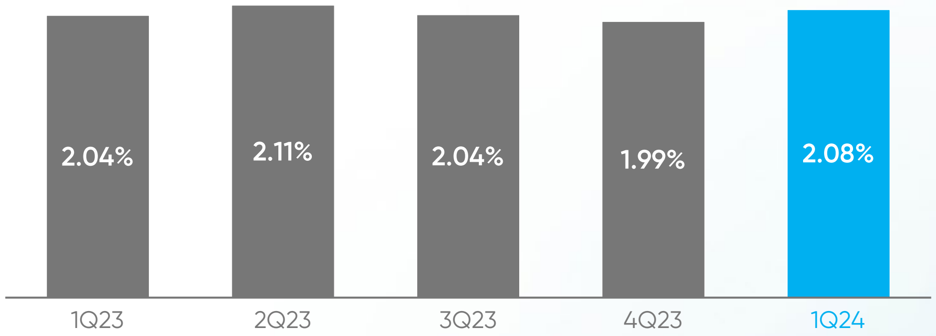


- **NII increased by 1% q-o-q and by 3% y-o-y**
- Q-o-q increase was driven primarily by:
  - Continued increasing reinvestment yields (which has a positive impact on commercial transformation result)
  - Loan volume growth
  - Slightly lower costs on the minimum required reserves held with the central banks (-52m EUR in 1Q24 versus -55m EUR in 4Q23)

  partly offset by:
  - Further shifts from current & savings accounts to term deposits, at lower margins
  - Lower loan margins in some core markets
  - Lower NII on inflation-linked bonds (-26m EUR q-o-q, from +14m EUR in 4Q23 to -12m EUR in 1Q24)
  - Lower dealing room NII (-14m EUR q-o-q)
  - Negative FX effect (-11m EUR q-o-q)
  - Lower number of days (-8m EUR q-o-q)
- Y-o-y increase was driven primarily by sharply increasing commercial transformation result, higher ALM result and increased term deposits at better margins, partly offset by lower lending income, lower NII in Ireland, lower NII on inflation-linked bonds, lower dealing room NII, higher funding cost of participations & MREL, higher costs on the minimum required reserves and negative FX effect

Net interest margin*

in %, calculated excluding dealing room, ALM FX swaps & repos



- Rose by 9 bps q-o-q and by 4 bps y-o-y for the reasons mentioned on net interest income

Organic volume trend

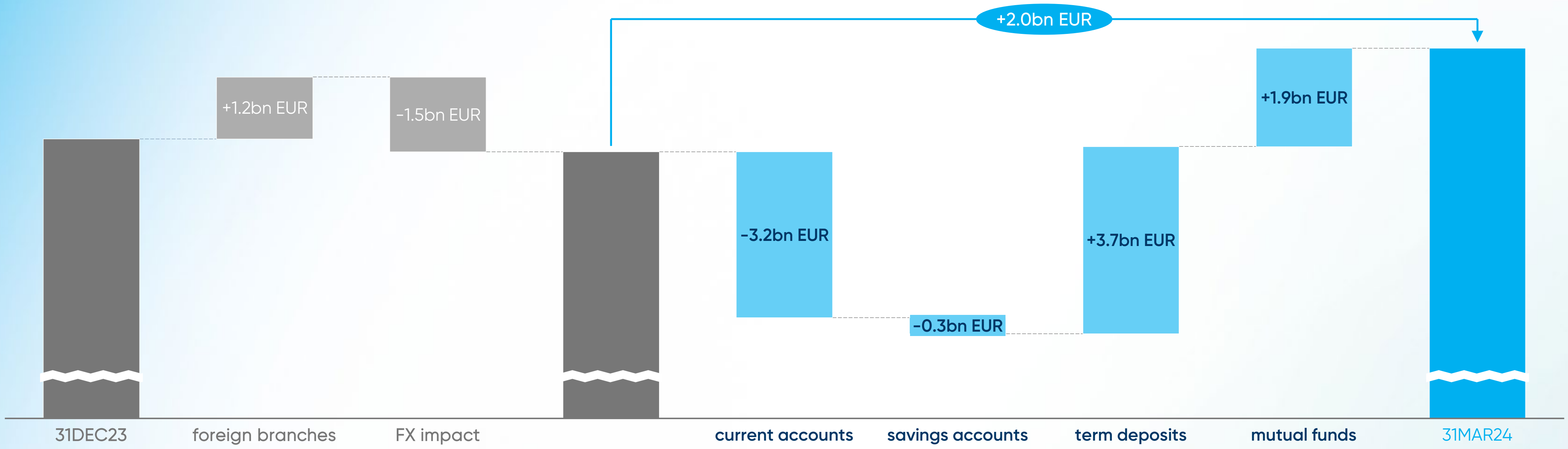
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	184bn	75bn	216bn
Growth q-o-q*	+1%	0%	+1%
Growth y-o-y	+4%	+3%	+1%

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds). Growth figures are excluding FX, consolidation adjustments and reclassifications.
*** Customer deposits, excluding debt certificates and repos. **Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), core customer deposits stabilised q-o-q and fell by 2% y-o-y**

Inflow of core customer money

Customer money dynamic over 1Q24

in m EUR

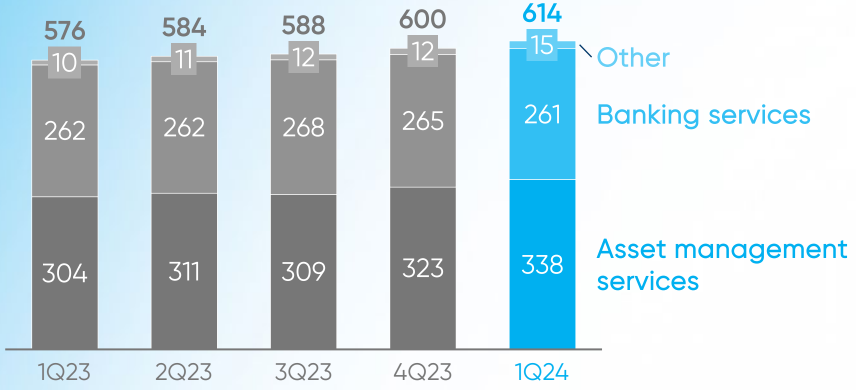


- **1Q24** saw an inflow of core customer money of **+2.0bn EUR** (+0.6bn EUR incl. FX impact)

Higher net fee and commission income

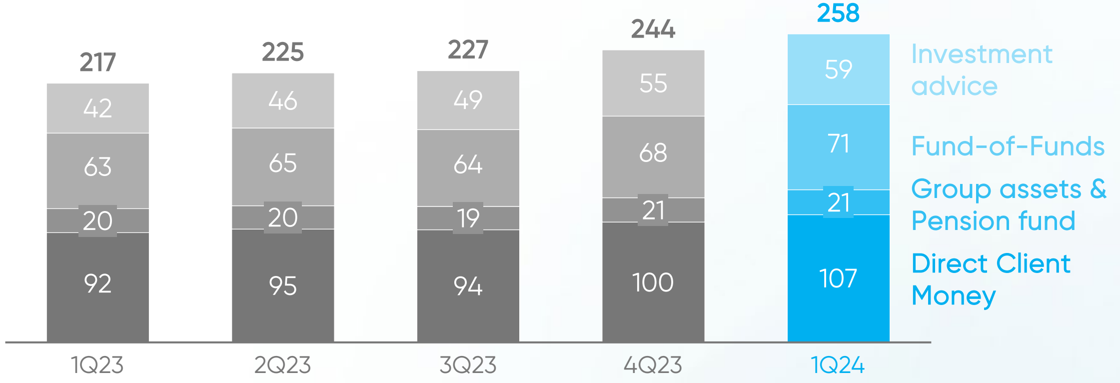
Net fee & commission income

in m EUR



Assets under management

in bn EUR



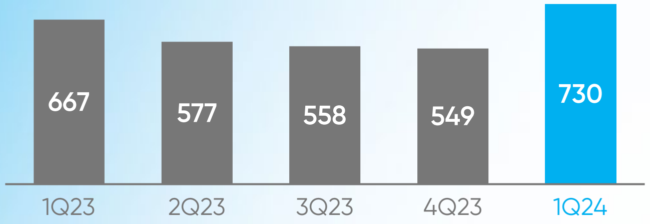
- **Up by 2% q-o-q and by 7% y-o-y**
- Q-o-q increase was mainly the result of:
  - Net F&C income from Asset Management Services increased by 5% q-o-q due to higher management & entry fees
  - Net F&C income from banking services fell by 2% q-o-q. Higher securities-related fees, lower distribution commissions paid for banking products and seasonally lower client incentives in Retail (in the Czech Republic) were more than offset by lower fees from payment services (partly seasonal) and lower fees from credit files & bank guarantees
  - Seasonally higher distribution fees linked to non-life insurance
- Y-o-y increase was mainly the result of:
  - Net F&C income from Asset Management Services rose by 11% y-o-y due entirely to higher management fees
  - Net F&C income from banking services fell by 1% y-o-y due mainly to higher client incentives, largely offset by higher securities-related fees, higher fees from payment services and higher network income
  - Higher distribution fees linked to non-life insurance

- **Increased by 5% q-o-q** due to **net inflows (+1%)** and positive market performance (+4%)
- **Increased by 19% y-o-y** due to net inflows (+8%) and positive market performance (+11%)
- The mutual fund business has seen strong net inflows this quarter both in higher-margin direct client money (1.9bn EUR in 1Q24 versus 0.9bn EUR in 4Q23 and 1.8bn EUR in 1Q23) as well as in lower-margin assets

Non-life sales up y-o-y, life sales significantly up q-o-q and y-o-y

Non-life sales

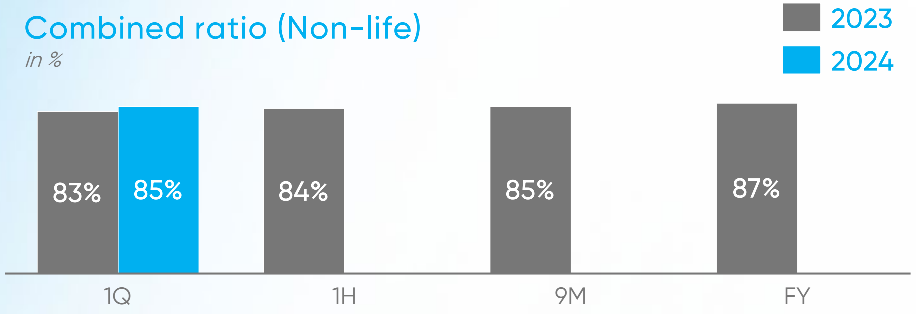
in m EUR



- **Up by 9% y-o-y**, with growth in all countries and all classes, due to a combination of volume and tariff increases

Combined ratio (Non-life)

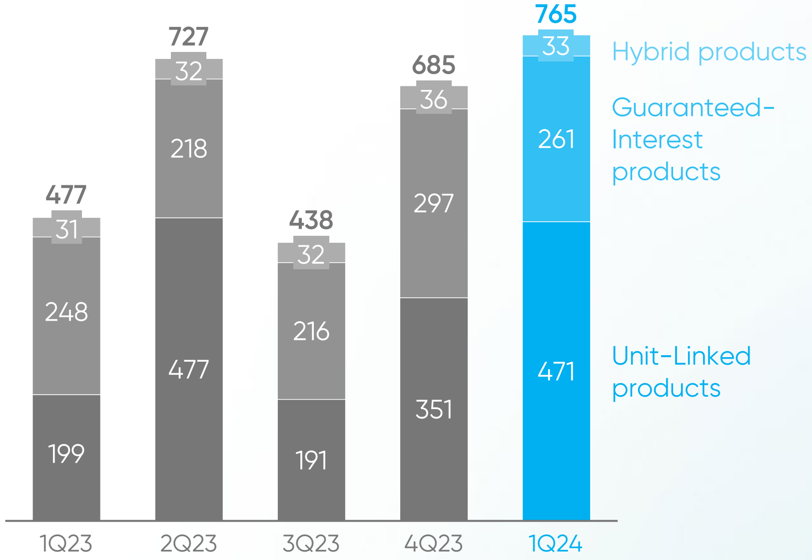
in %



- **Non-life combined ratio for 1Q24 amounted to an excellent 85%** (83% in 1Q23). This is mainly the result of:
  - 10% y-o-y higher insurance revenues before reinsurance
  - 17% y-o-y higher insurance service expenses before reinsurance due to the very low level of claims in 1Q23
  - Higher net result from reinsurance contracts held (up by 14m EUR y-o-y)

Life sales

in m EUR



- Increased by 12% q-o-q due entirely to higher sales of unit-linked products (excellent sales in 1Q24 as the result of a successful launch of a new structured fund and a commercial action within Private Banking in Belgium), partly offset by lower sales of guaranteed-interest products (due partly to traditionally higher volumes in tax-incentivised pension savings products in Belgium in 4Q23) as well as lower sales of hybrid products
- Increased by 60% y-o-y due mainly to sharply higher sales of unit-linked products, besides also higher sales of guaranteed-interest products as well as higher sales of hybrid products
- Sales of guaranteed-interest products and unit-linked products accounted for 34% and 62% of total life insurance sales in 1Q24 respectively, with hybrid products (mainly in the Czech Republic) accounting for the remainder

FIFV & IFIE result down q-o-q and net other income slightly above normal run rate

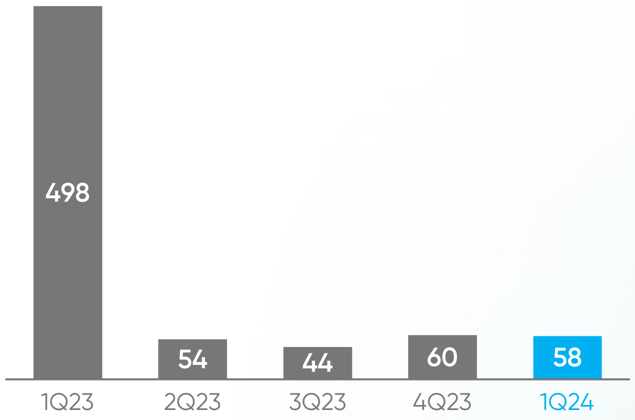
FIFV & IFIE

in m EUR

	1Q23	2Q23	3Q23	4Q23	1Q24
Dealing room	94	69	47	78	102
MVA/CVA/FVA	4	5	17	-41	5
IFIE – interest accretion	-50	-53	-56	-59	-60
M2M ALM derivatives and other	-24	13	-17	-18	-102
FIFV & IFIE	**24**	**33**	**-8**	**-40**	**-55**

Net other income

in m EUR



- **FIFV & IFIE result down q-o-q**, attributable mainly to:
  - Increased negative result from ALM derivatives and other

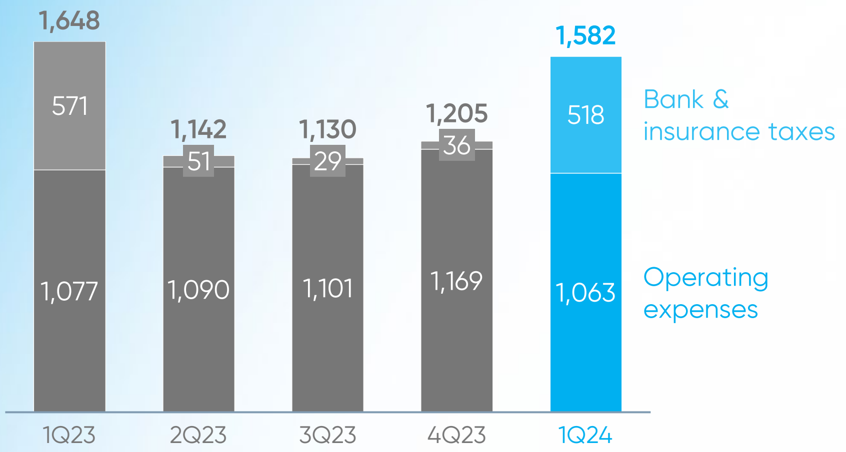
  partly offset by:
  - Higher dealing room result
  - Positive credit, funding and market value adjustments, mainly the result of an increase in EUR yield curves and an increase of the equity markets

- **Slightly above the normal run rate of around 50m EUR per quarter in 1Q24**
  - Note that net other income in 1Q23 was sharply higher due mainly to:
    - a +405m EUR one-off gain related to the Irish sales transactions
    - a 48m EUR recuperation of Belgian bank & insurance taxes paid in the past (2016), and the linked moratorium interests

Costs excluding bank & insurance taxes decreased q-o-q

Operating expenses (including costs directly attributable to insurance)

in m EUR



Bank and insurance tax spread 2024 (preliminary)

in m EUR

	Total	Upfront	Spread out over the year			
	1Q24	1Q24	1Q24	2Q24	3Q24	4Q24
BE BU	317	317	0	0	0	0
CZ BU	35	35	0	0	0	0
Hungary	137	107	30	30	30	31
Slovakia	9	1	8	8	8	8
Bulgaria	21	21	0	0	0	0
Group Centre	-1	-1	0	0	0	0
Total	518	480	38	39	39	40

- **Operating expenses excluding bank & insurance taxes fell by 9% q-o-q and by 1% y-o-y (-8% q-o-q and roughly stable y-o-y excluding FX effect)**
  - The q-o-q decrease is due mainly to lower ICT costs, seasonally lower marketing and professional fee expenses, lower facility costs and lower depreciations
  - The y-o-y decrease is due to, among other things, lower costs in Ireland (related to the sale transaction), lower depreciations and lower facility costs (mainly energy costs), partly offset by higher staff costs (mainly the impact of inflation/wage indexation), higher ICT costs and higher marketing and professional fee expenses
- **1Q24 cost/income ratio**
  - 46% when excluding certain non-operating items* (49% in FY23)
  - 43% excluding all bank & insurance taxes (43% in FY23)

- **1Q includes the bulk of the bank & insurance taxes for the full year (518m EUR), a 9% decrease y-o-y** driven mainly by:
  - 121m EUR lower contribution to the European Single Resolution Fund in 2024 (still 27m EUR contribution from non-eurozone countries in 1Q24 versus 148m EUR total contribution in 1Q23)

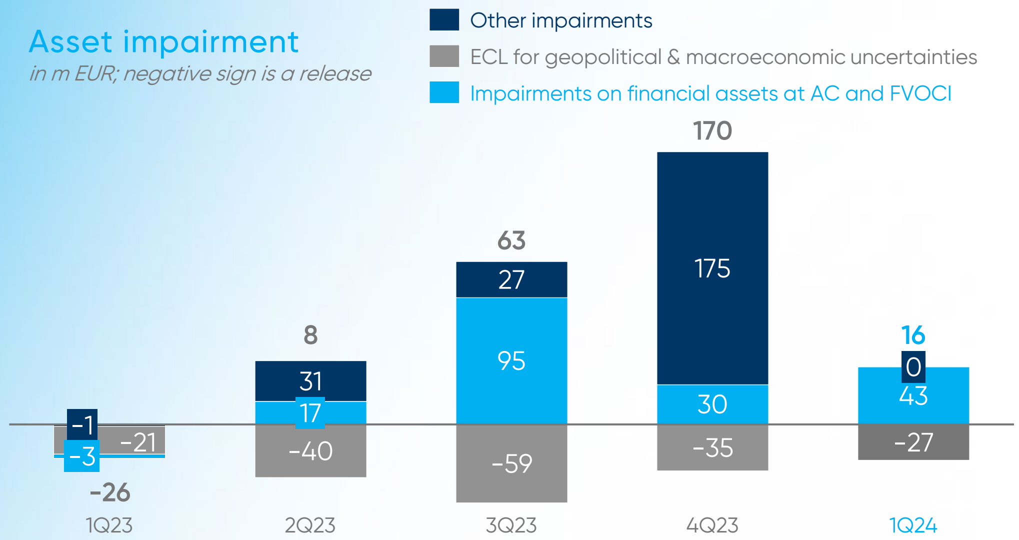
  partly offset by:
  - 28m EUR additional national bank taxes in Belgium, as the Belgian government decided to increase the bank taxes for deposits on the balance sheet above 50bn EUR
  - 34m EUR increase of the contribution to the Deposit Guarantee Scheme (+28m EUR in BE, +8m EUR in HU, +1m EUR in BG and -2m EUR in IRL)
  - 8m EUR additional national bank taxes in Slovakia
- Total bank & insurance taxes (including ESRF contribution) are expected to decrease by 8% y-o-y to 638m EUR in 2024 (687m EUR in 2023)

* See glossary for the exact definition

Limited net loan loss impairment charges & excellent credit cost ratio

Asset impairment

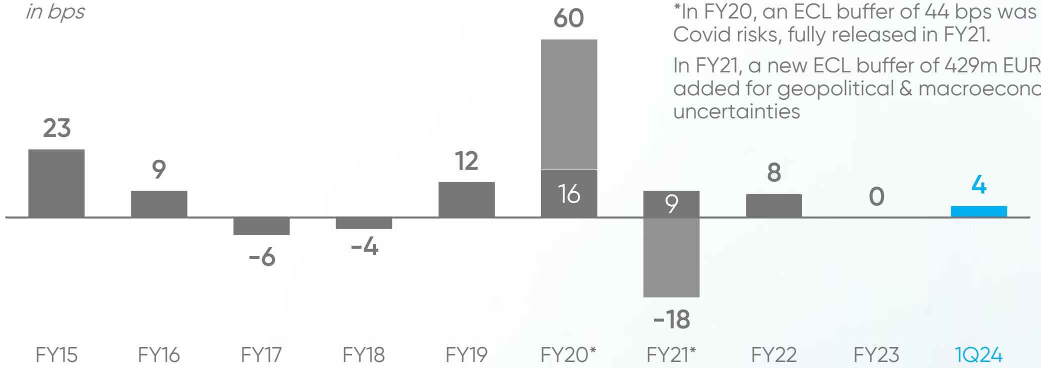
in m EUR; negative sign is a release



- Net loan loss impairment charges on lending book, partly offset by net impairment ECL buffer reversals for geopolitical & macroeconomic uncertainties
  - **Net loan loss impairment charges of 16m EUR in 1Q24** (compared with net loan loss impairment releases of 5m EUR in 4Q23) due to:
    - 43m EUR net loan loss impairment charges on lending book
    - A decrease of 27m EUR of the ECL buffer, driven mainly by micro- and macroeconomic indicators
    - Total outstanding ECL for geopolitical & macroeconomic uncertainties now stands at 223m EUR

Credit cost ratio

in bps



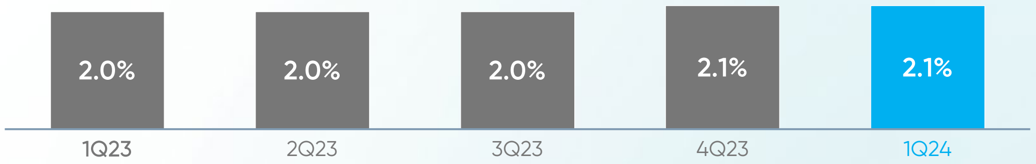
*In FY20, an ECL buffer of 44 bps was added re Covid risks, fully released in FY21.

In FY21, a new ECL buffer of 429m EUR was added for geopolitical & macroeconomic uncertainties

- The credit cost ratio in 1Q24 amounted to:
  - 10 bps (7 bps in FY23) without ECL for geopolitical & macroeconomic uncertainties
  - 4 bps (0 bps in FY23) with ECL for geopolitical & macroeconomic uncertainties

Impaired loans ratio

in %



- **The impaired loans ratio amounted to 2.1%** (1.0% of which over 90 days past due)

Loan loss experience at KBC

Credit cost ratio*

in %; Credit cost ratio: amount of losses incurred on troubled loans as a % of total average outstanding loan portfolio

	1Q24	FY23	FY22	FY21	FY20	FY19	FY18	AVERAGE '99 –'23
Belgium BU	0.11%	0.06%	0.03%	-0.26%	0.57%	0.22%	0.09%	n/a
Czech Republic BU	0.04%	-0.18%	0.13%	-0.42%	0.67%	0.04%	0.03%	n/a
International Markets BU*	-0.25%	-0.06%	0.31%	0.36%	0.78%	-0.07%	-0.46%	n/a
Group Centre BU*	0.20%	0.07%	-0.04%	0.28%	-0.23%	-0.88%	-0.83%	n/a
Total	**0.04%**	**0.00%**	**0.08%**	**-0.18%**	**0.60%**	**0.12%**	**-0.04%**	**0.37%**

* As of 1Q 2022, KBC Ireland has been shifted from International Markets BU to Group Centre BU. No restatements have been made

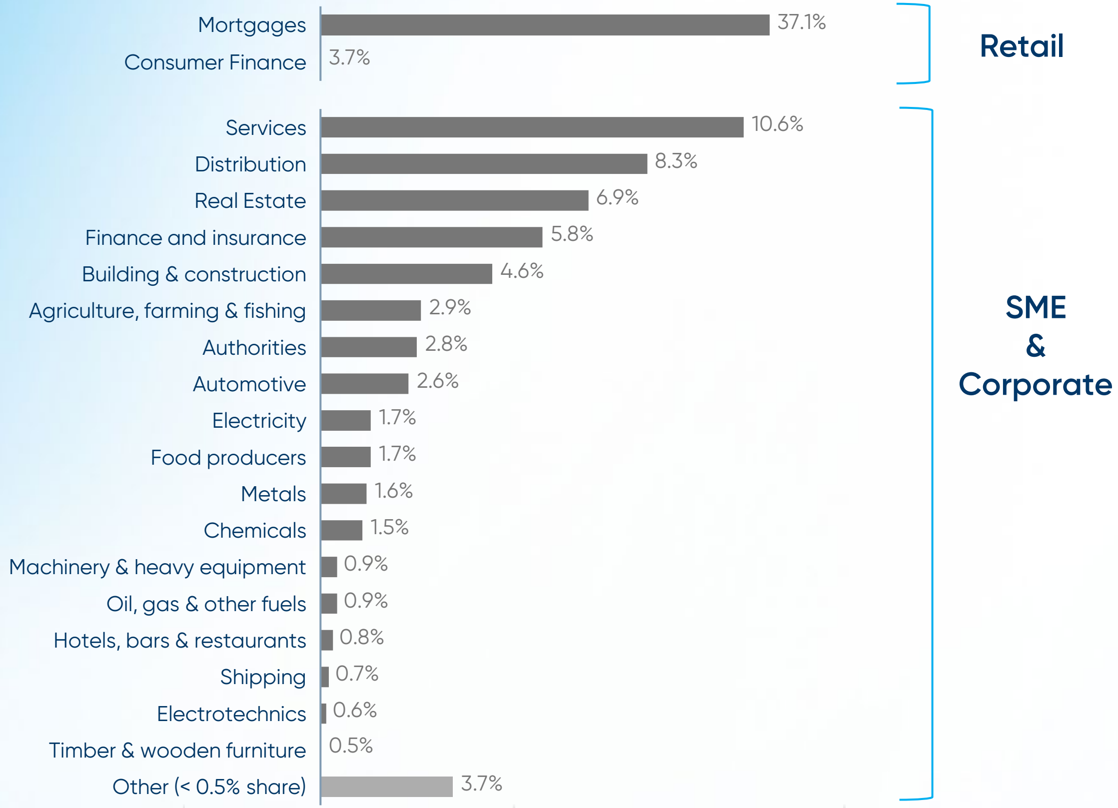
Diversified loan portfolio

Total loan portfolio outstanding

Total loan portfolio outstanding
202bn EUR*
Group level

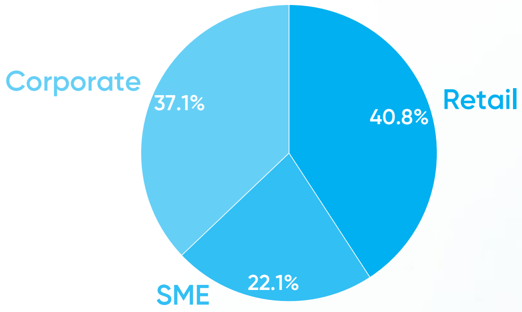
Total loan portfolio outstanding | by sector

*as % of total Group loan portfolio outstanding**



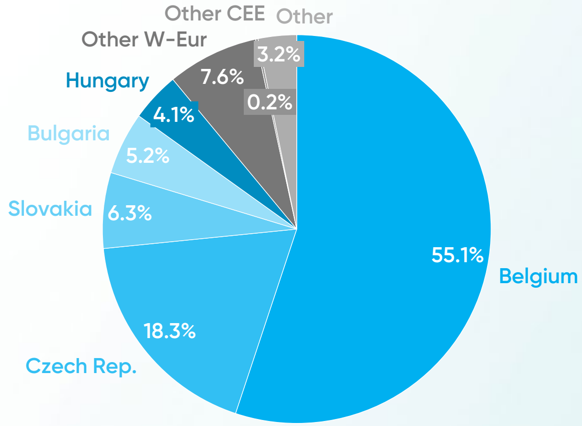
Total loan portfolio outstanding | by segment

*as % of total Group loan portfolio outstanding**



Total loan portfolio outstanding | by geography

*as % of total Group loan portfolio outstanding**

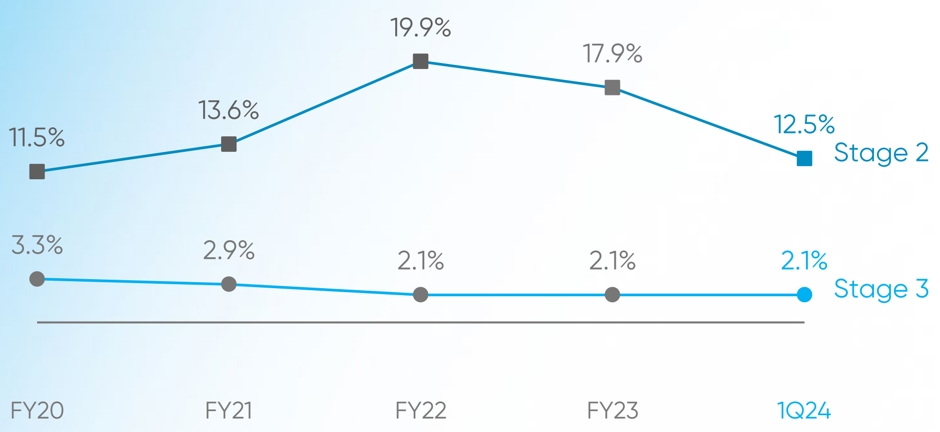


- Aligned with the credit risk view of our loan portfolio outstanding as reported in the quarterly financial statements.

Loan portfolio breakdown by IFRS 9 ECL stage

Total loan portfolio outstanding | by IFRS9 ECL Stage*

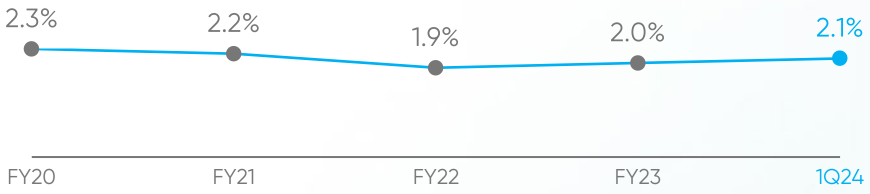
as % of total Group loan portfolio outstanding



- Drop of **Stage 3 ratio over the years** is driven mainly by the sale of the Irish loan portfolio
- The **increase of Stage 2 portfolio in 2022** resulted mainly from collective transfer to Stage 2 of Stage 1 portfolios, linked to the geopolitical and macroeconomic uncertainties (in line with strict application of the general ECB guidance on staging). In 2023, the declining trend of Stage 2 exposures was driven mainly by the partial release of the collective transfer back to Stage 1
- The **q-o-q decrease of the Stage 2 ratio** resulted mainly from a revised staging methodology (change from indicator based on 12 months probability of default to lifetime). Furthermore, KBC Commercial Finance exposure shifted from stage 2 to stage 1 as the relative change in credit risk has been revisited based on the very low historical credit losses in this portfolio and the very short maturities. Both movements were introduced to better reflect the underlying credit risk since origination

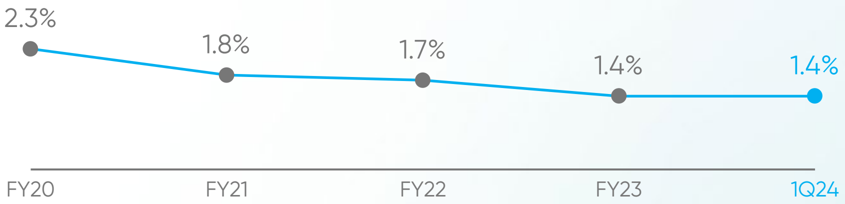
Stage 3 ratio | Belgium BU

in %



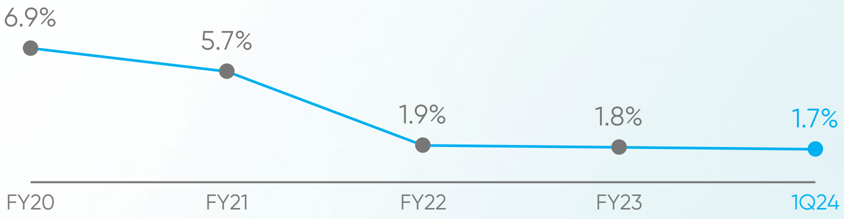
Stage 3 ratio | Czech Republic BU

in %



Stage 3 ratio | International Markets BU

in %

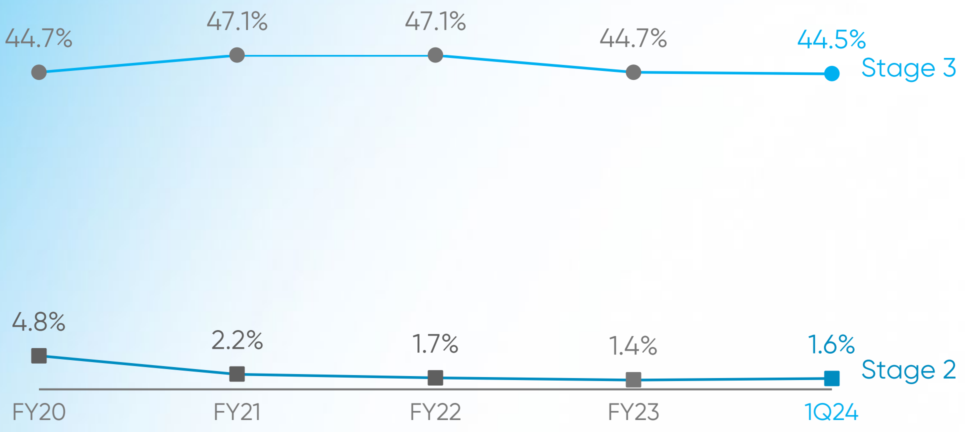


* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

Cover ratios

Cover ratio | by IFRS9 ECL Stage*

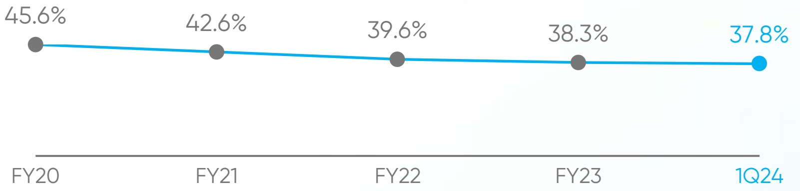
in %



- The decreasing trend of the **Stage 3 cover ratio is** driven mainly by a lower stage 3 cover ratio in business unit Belgium and Czech Republic
- The decline of the **Stage 2 cover ratio** as of 2021 resulted mainly from collective shifts to Stage 2 (linked to Covid and the geopolitical & macroeconomic uncertainties)

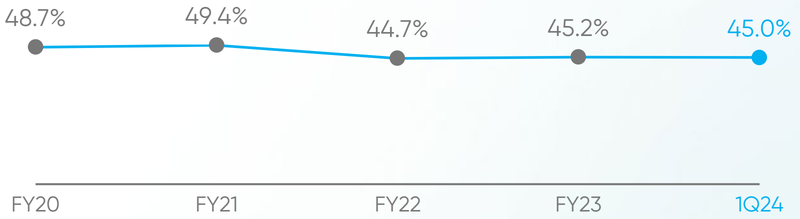
Stage 3 cover ratio | Belgium BU

in %



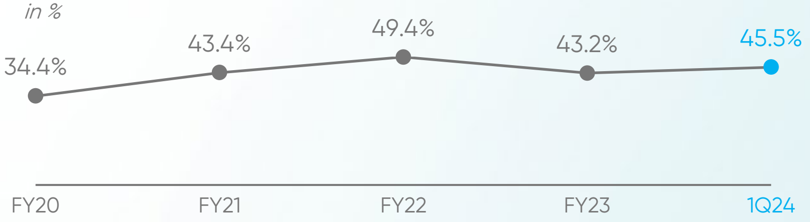
Stage 3 cover ratio | Czech Republic BU

in %



Stage 3 cover ratio | International Markets BU

in %

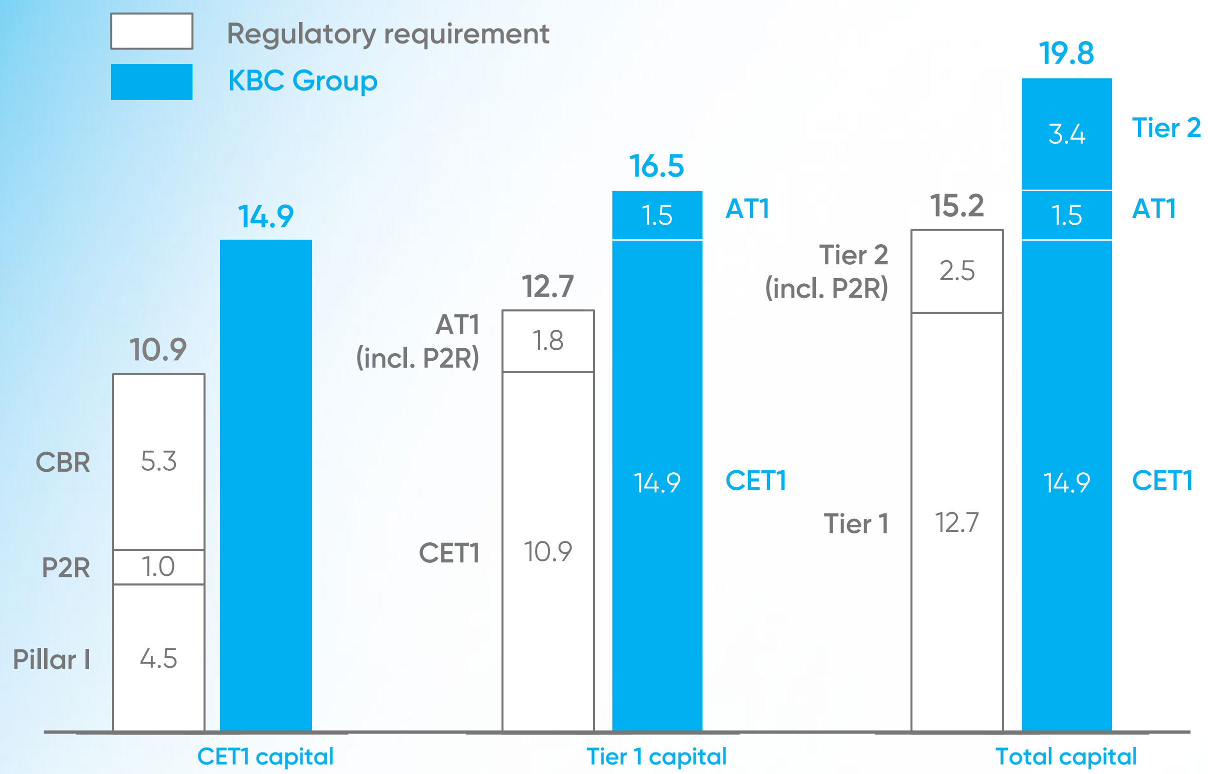


* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

Solvency, liquidity & funding I Strong capital position with substantial buffer to MDA

Capital requirements and distance to Maximum Distributable Amount (MDA) restrictions as at 31 March 2024 (fully loaded, B3)

in %



Fully loaded B3 common equity ratio amounted to 14.9% based on the Danish Compromise and which includes the extraordinary interim dividend of roughly 280m EUR (CET1 ratio of 15.2% without this deduction)

- **P2R 1.86% (= Pillar II requirement)**
  1.05% to be met with CET1, 35bps eligible for AT1 and 47bps for Tier 2
- **CBR 5.34% (= Combined buffer requirement)**
  2.50% Capital conservation buffer
  1.50% O-SII buffer
  1.20% Countercyclical buffer
  0.14% Systemic risk buffer
- **MDA 11.2%**
  i.e. the net of the CET1 ratio of 14.9% and the **MDA buffer of 3.7%**

Total distributable items (under Belgian Gaap) KBC Group 8.3bn EUR at 1Q24, of which:
- Available reserves: 207m EUR
- Accumulated profits: 7 856m EUR

Leverage ratio, Solvency II ratio and liquidity ratios

Leverage ratio | KBC Group

fully loaded, Basel 3

Leverage ratio
5.4% 1Q24
5.7% FY23

Q-o-q lower leverage ratio (from 5.7% to 5.4%) due mainly to:

- Lower Tier-1 capital (driven mainly by the approximately 280m EUR extraordinary interim dividend)
- Higher leverage ratio exposure chiefly as a result of higher cash and cash balances with central banks (in the denominator)

Note that as of 1Q22, interim profit is recognised (based on 50% profit accrual)

Liquidity ratios | KBC Group

in %

LCR
162% 1Q24
159% FY23

NSFR
139% 1Q24
136% FY23

Both LCR* and NSFR** were well above the regulatory requirement of 100%

Solvency II ratio | KBC Group

in %

Solvency II ratio
202% 1Q24
206% FY23

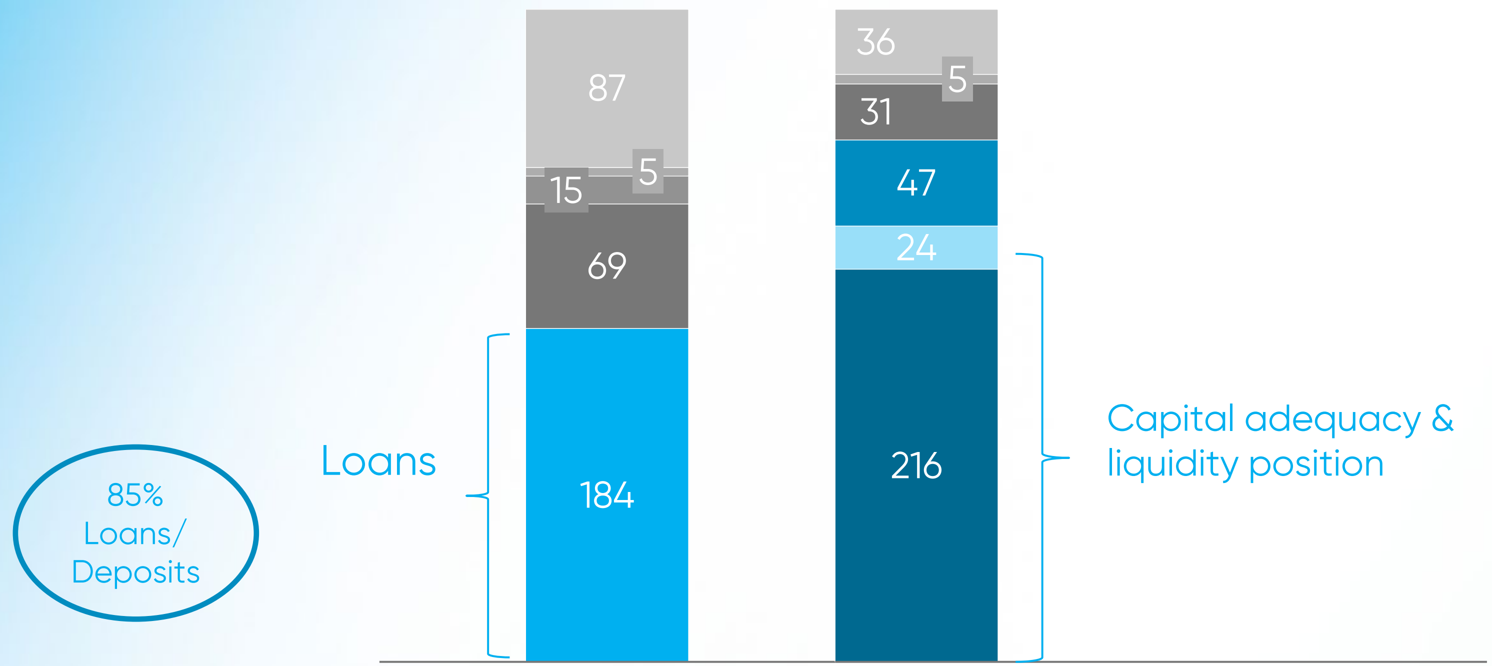
Q-o-q lower Solvency II ratio due mainly to an increase in the EUR interest rate curve and higher global equity markets

* Net Stable Funding Ratio (NSFR) is based on KBC Bank's interpretation of the proposal of CRR amendment.
** Liquidity Coverage ratio (LCR) is based on the Delegated Act requirements. From EOY2017 onwards, KBC Bank discloses 12 months average LCR in accordance with EBA guidelines on LCR disclosure.

KBC Group consolidated balance sheet

359bn EUR Total balance sheet

1Q 2024



Total assets

- Other (incl. non-current assets HFS and discontinued operations, interbank loans, reverse repos, property & equipment etc…)
- Trading assets
- Insurance investment contracts
- Investment portfolio (equity and debt securities)
- Loan book (loans and advances to customers)

Total liabilities and equity

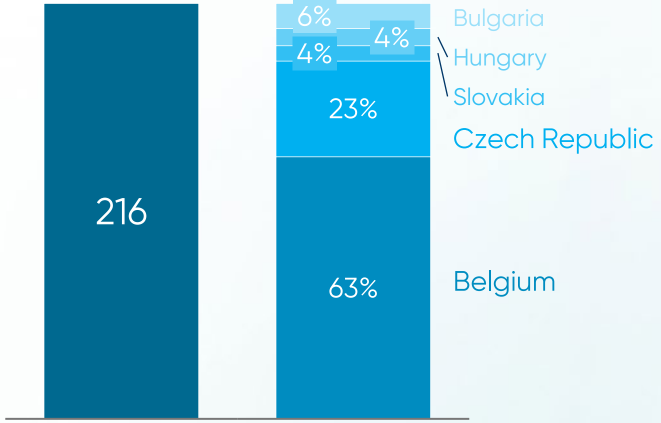
- Other (incl. liabilities associated with disposal groups, interbank deposits, etc…)
- Trading liabilities
- Insurance related liabilities
- Other MREL instruments and debt certificates
- Equity (including AT1)
- Deposits from customers

Deposits from customers

1Q 2024

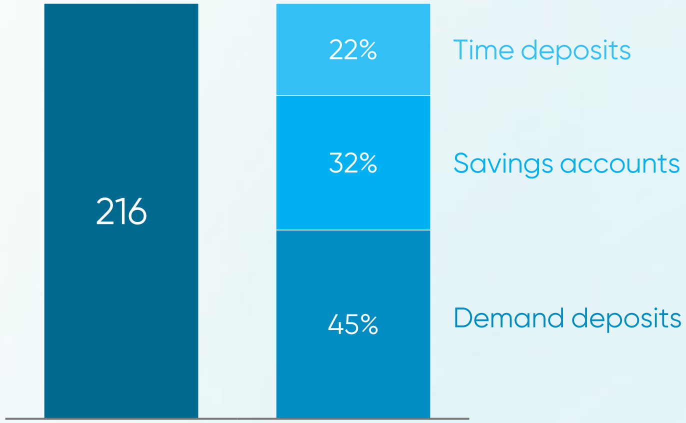
by core countries

as % of total deposits from customers



by product type

as % of total deposits from customers

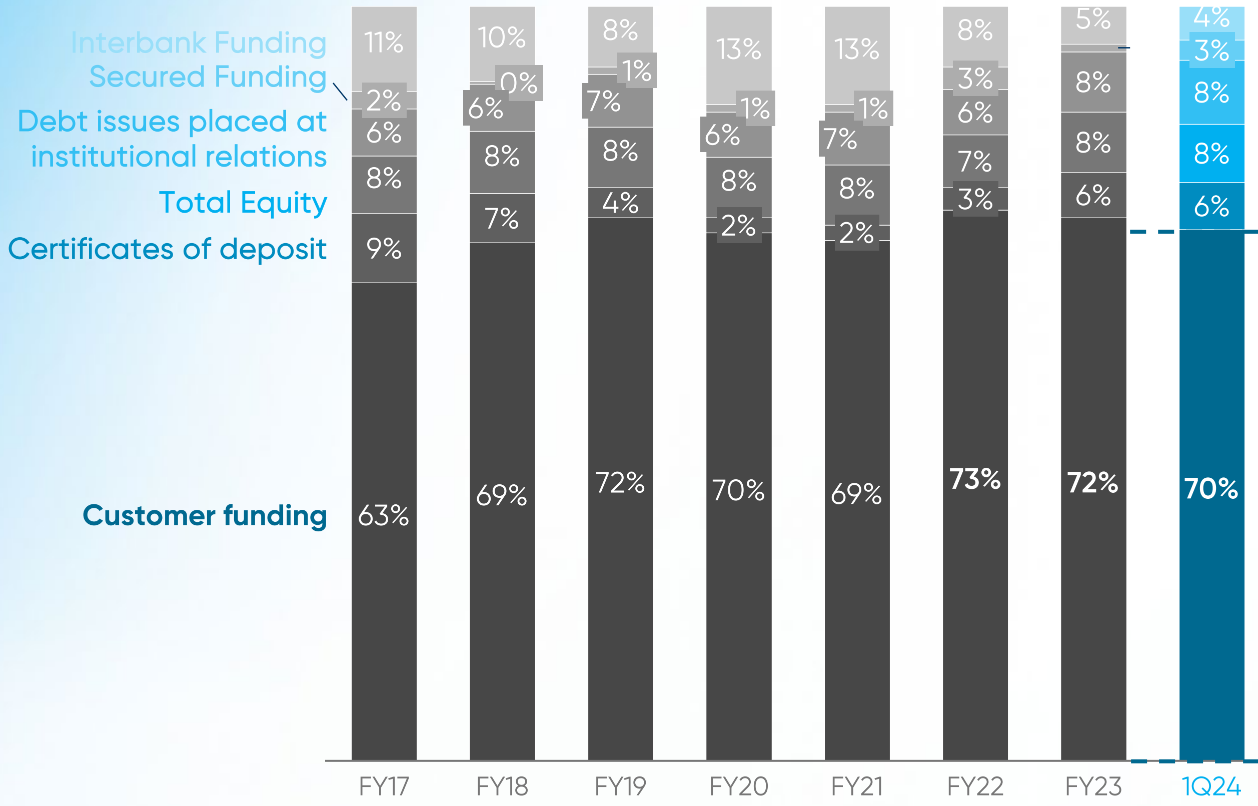


Strong customer funding base

- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments and markets
- **Stable % in customer funding** compared to balance sheet total
- KBC **Bank participated to the TLTRO III** for a remaining exposure of 0.4bn EUR which is reflected in the 'Interbank Funding' item below

Funding base

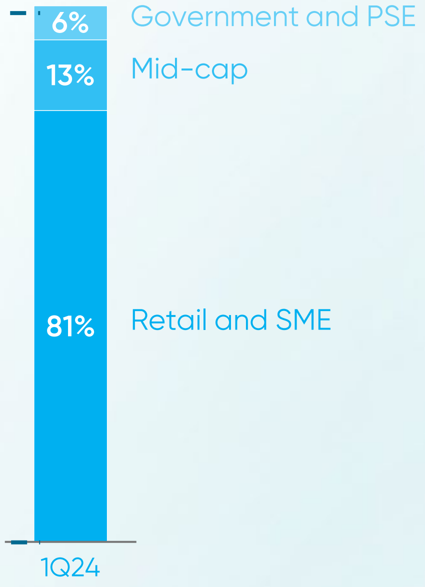
in %



Roughly 56% of total customer deposits are covered by the Deposit Guarantee Fund

Customer funding

in %

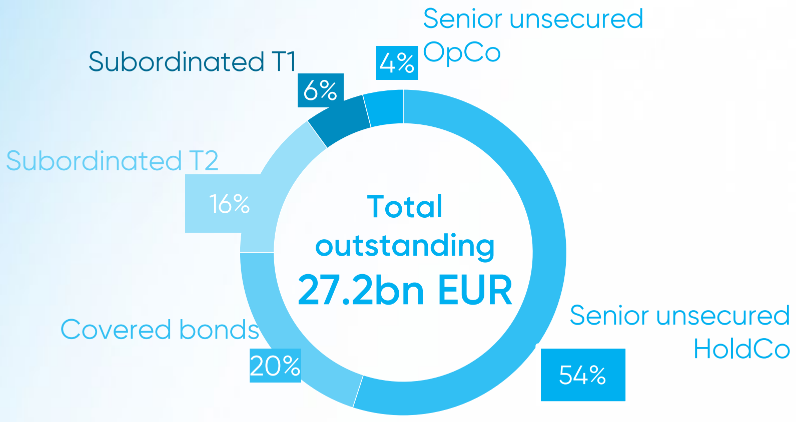


Upcoming mid-term funding maturities

Total outstanding | 1Q24

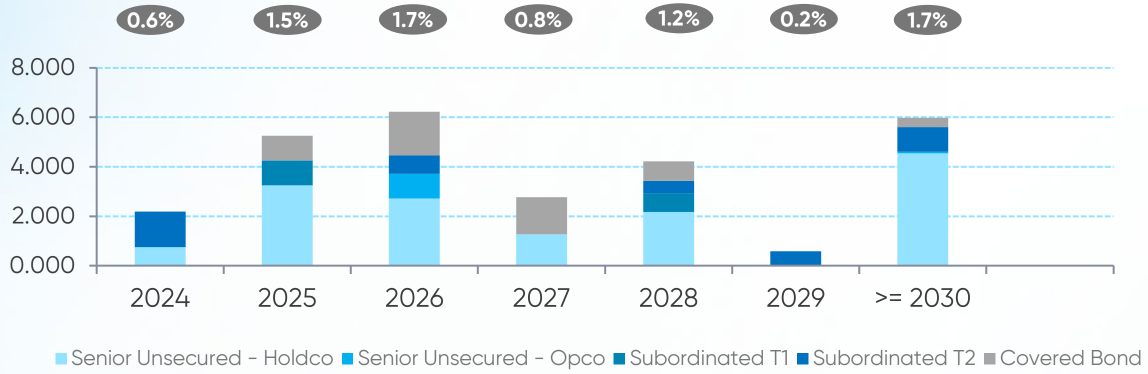
in %

KBC Bank has **6 solid sources of long-term funding**: (i) Retail term deposits, (ii) Retail EMTN, (iii) Public benchmark transactions, (iv) Covered bonds, (v) Structured notes and covered bonds using the private placement format, and (vi) Senior unsecured, T1 and T2 capital instruments issued at KBC Group level and down-streamed to KBC Bank



Funding maturity buckets

in m EUR

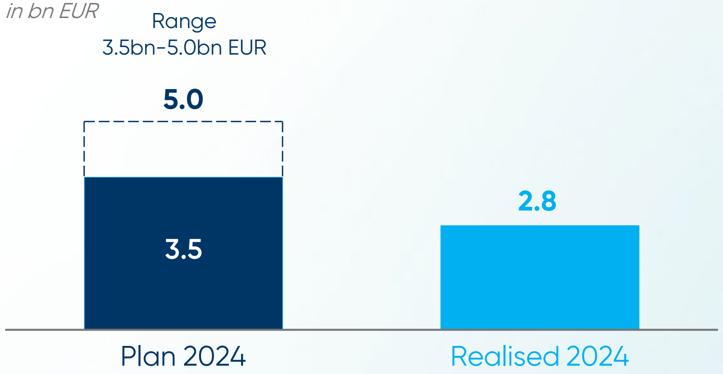


Recent deals

- In **Nov 2023**, KBC Group issued a Senior Holdco benchmark for an amount of 500m EUR with a 6-year maturity callable after 5 years
- In **Jan 2024**, KBC Group issued a Tier 2 benchmark for an amount of 1bn EUR with a 11.25-year maturity callable after 6.25 years
- In **March 2024**, KBC IFIMA issued a Senior Opco benchmark for an amount of 1bn EUR with a 2-year maturity (non-MREL)
- In **March 2024**, KBC Group issued a Tier 2 benchmark for an amount of 500m GBP with a 10-year maturity callable after 5 years
- In **March 2024**, KBC Group issued a Green HoldCo Senior benchmark for an amount of 750m EUR with a 8-year maturity

Funding program for 2024 | Expected MREL funding (incl. capital instruments)

in bn EUR



We aim to issue 1 green/social bond per year

Note: any change in regulatory requirements, RWA evolutions, MREL targets or market circumstances can change the current disclosed range

Above resolution requirements in terms of MREL

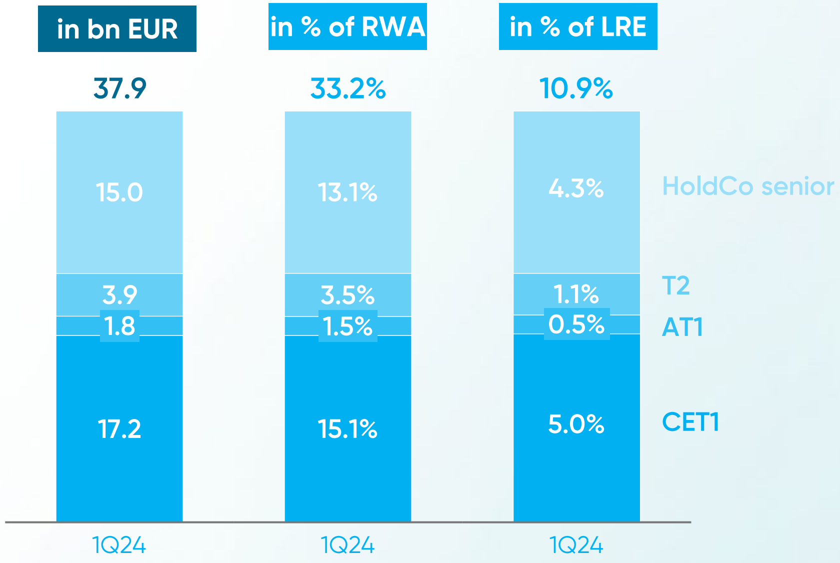
MREL targets

- The resolution plan for KBC is based on a **Single Point of Entry (SPE)** approach at KBC Group level, with **bail-in** as the preferred resolution tool
- **In April 2023, the SRB communicated binding MREL targets** (under BRRD2) for 01-01-2024, expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE)
- The **binding MREL targets (incl. CBR on top of the MREL target in % of RWA)** are:
  - **27.83% of RWA** as from 01-01-2024 (including transitional CBR* of 4.91% as from 1Q24)
  - **7.38% of LRE** as from 01-01-2024

- Combined Buffer Requirement as of 01-01-2024 = Conservation Buffer (2.50%) + O-SII buffer (1.50%) + Countercyclical Buffer (0.71%) + Systemic Risk Buffer (0.21%)

MREL actuals

- The **MREL ratio in % of RWA** increased from 30.7% in FY23 to 33.2% in 1Q24, driven mainly by the increased CET1 capital due to recognition of retained earnings in 1Q24 and increased Tier 2 capital), only partly offset by an increase of RWA
- **The MREL ratio in % of LRE** increased from 10.4% in FY23 to 10.9% in 1Q24 as the growth in available MREL more than offset the increased leverage exposure



MREL instruments issued at the level of KBC Group and down-streamed to KBC Bank and KBC Insurance

KBC Group

Holdco Senior
14 955

Tier 2[(2)]
4 255

Additional Tier 1
1 750

Equity[(3)]
16 127

KBC Bank

Subordinated loans[(1)]
14 955

Tier 2[(2)]
3 257

Additional Tier 1
1 750

Participation KBC Group
13 432

in m EUR

KBC Insurance

Tier 2
500

Participation KBC Group
2 469

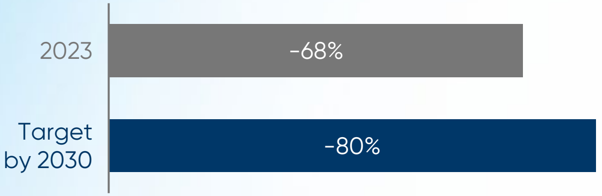
(1) The amount includes the part of the subordinated loans of KBC Bank down-streamed from KBC Group based on the MREL eligible part of the HoldCo Senior debt
(2) This is the amount of the Tier 2 instruments of KBC Group NV, resp. KBC Bank NV; while the available MREL of KBC Group includes the amount of the Tier 2 capital as calculated from prudential point of view
(3) This is the amount of the Equity of KBC Group NV; while the available MREL of KBC Group includes the amount of the CET1 capital as calculated from prudential point of view

ESG I Direct environmental impact
Our progress in brief

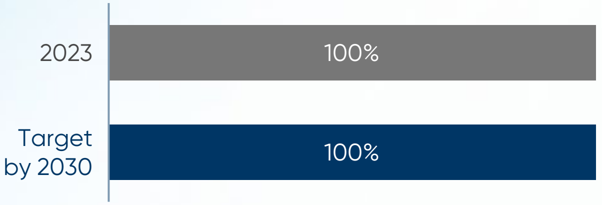
DIRECT environmental footprint (FY 2023)

- Since 2015, we have been calculating the **GHG emissions arising from our own operations** at group level, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard
- We set group-wide GHG reduction targets in 2016, and we have tightened them over the years
- **In 2020 the most resent targets were set**, with a long-term ambition of achieving an 80% reduction in our direct emissions by 2030 (as compared to 2015). For the third consecutive year, we reached **net-climate neutrality** by offsetting our residual direct emissions
- Additionally, we committed to increasing **our own green electricity consumption to 100% by 2030**. The goal was already reached in 2021

Reduction in our direct GHG emissions
reduction compared to 2015



Renewable electricity
in % of own electricity consumption



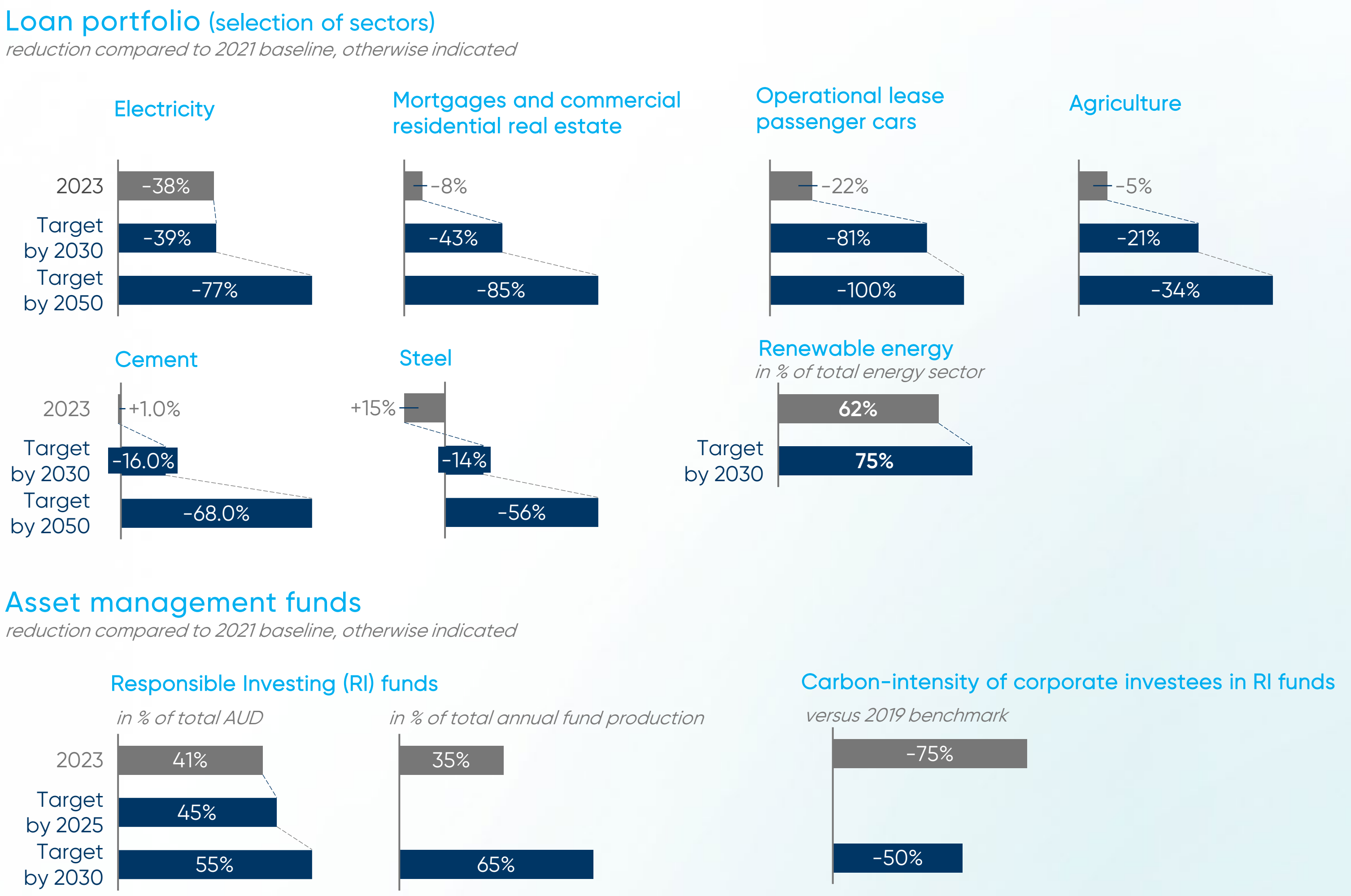
More details in our 2023 Sustainability Report

More details in our 2022 Climate Report

Indirect environmental impact: our progress in brief

INDIRECT environmental footprint (FY 2023)

- We refer to our Collective Commitment to Climate Action (CCCA) and the subsequent publication of our Climate Report at the end of September 2022
- Containing stringent decarbonisation targets for the white papers sectors which represent the majority of our lending portfolio emissions. Targets cover 55% of the lending portfolio related GHG emissions
- Clear targets for KBC Asset Management's Responsible Investing (RI) funds
- The baseline of the various targets and the actuals have been externally limited assured



KBC Green Bond framework and issuances

Aligned with best practices and market developments

- **The KBC Green Bond Framework** is in line with the ICMA Green Bond Principles (2021)
- Second party opinion provided by Sustainalytics and Pre-issuance-certification by the Climate Bonds Initiative
- KBC intends to align its Green Bond Framework with emerging good practices, such as environmentally sustainable criteria for economic activities in the EU Taxonomy Climate Delegated Act or European Green Bond Standard
- For details of the updated KBC green bond framework published in January 2024, we refer to kbc.com: *https://www.kbc.com/en/investor-relations/debt-issuance/kbc-green-bond.html*

- **In the context of the Green Bond**, KBC allocated the proceeds to three green asset categories: **renewable energy, energy efficient buildings and clean transportation.**
- Eligible Green Assets aim to align with the Do Not Significant Harm criteria and Minimum Social Safeguards when practically possible.
- For future transactions, in cooperation with the relevant business teams, KBC aims to capture more green assets from other categories and expand the green eligibility to more business lines and clients.

Certification

- The Climate Bonds Standard Board approved the certification of the KBC Green Bonds

Verification

- One year after issuance and until maturity, a limited assurance report on the allocation of the Green Bond proceeds to Eligible Assets to be provided by an external auditor
- See latest impact report as of EOY 2023 available on kbc.com:

KBC GREEN BOND 2020 – ASSETS & IMPACT	Renewable energy	Green buildings
Allocated amount	247.4m EUR	252.6m EUR
Electricity produced/energy saved	508,072 mWh	25,389 mWh
Avoided CO_2 emissions	101,213 tonnes	4,768 tonnes
KBC GREEN BOND 2021 – ASSETS & IMPACT	**Renewable energy**	**Green buildings**
Allocated amount	401.2m EUR	348,8m EUR
Electricity produced/energy saved	785,101 mWh	35,052 mWh
Avoided CO_2 emissions	139,723 tonnes	6,582 tonnes

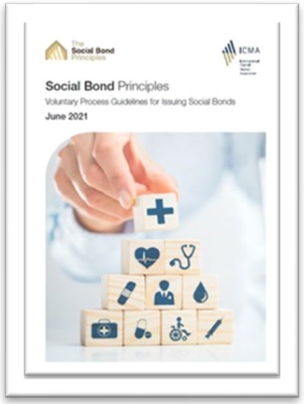
- In November 2023, KBC has amended its Green Bond Framework with updated eligibility criteria, aligned with the ICMA Green Bond Principles 2021 and further aligning it with EU Taxonomy Climate Delegated Act (June 2021)

KBC GREEN BOND 2024 - ASSETS	Renewable energy	Green buildings	Clean Transportation
Allocated amount	175.7m EUR	400m EUR	174.3m EUR

KBC Social Bond framework and issuances

Aligned with best practices and market developments

- By adding the social aspect to its funding mix, KBC Bank can further enhance its ability to finance social projects and increase its positive social impact on society
- **The KBC Social Bond Framework** is aligned with ICMA's Social Bond Principles (2021).
- Second party opinion provided by Sustainalytics (May 2022)
- Information pertaining to the Social Bond Framework can be found on kbc.com: *https://www.kbc.com/en/investor-relations/debt-issuance/kbc-social-bond.html*



First financial institution in Belgium

- **KBC Group was the first financial institution in Belgium to issue a Social Bond** (18th of August 2022)
- The first issuance has been 100% allocated to the hospital sector
- The second issuance (June 2023) has been allocated to schools (ca 62%) and hospitals (ca 38%)

Clear Social Bond governance

Use of proceeds

Social Bond Eligible Assets include financing in Belgium in the following categories:

- **Access to Essential Services – Education**
- **Access to Essential Services - Health**
- **Affordable Housing**
- **Employment Generation**

Process for evaluation & selection

KBC's Green and Social Bond Committee is an important part of the selection process for Social Bond Eligible Assets . The Committee's responsibilities include approval of asset inclusion in the Social Bond Portfolio, approval of annual reporting and updating the Framework if required

Management of proceeds

- KBC intends to exclusively **allocate** an amount equivalent to the net social bond **proceeds to a social bond portfolio of Eligible Assets**
- Allocated Eligible Assets to be individually identified in KBC's internal information systems and monitored on a quarterly basis

Reporting

Social Report will be published annually and will include:

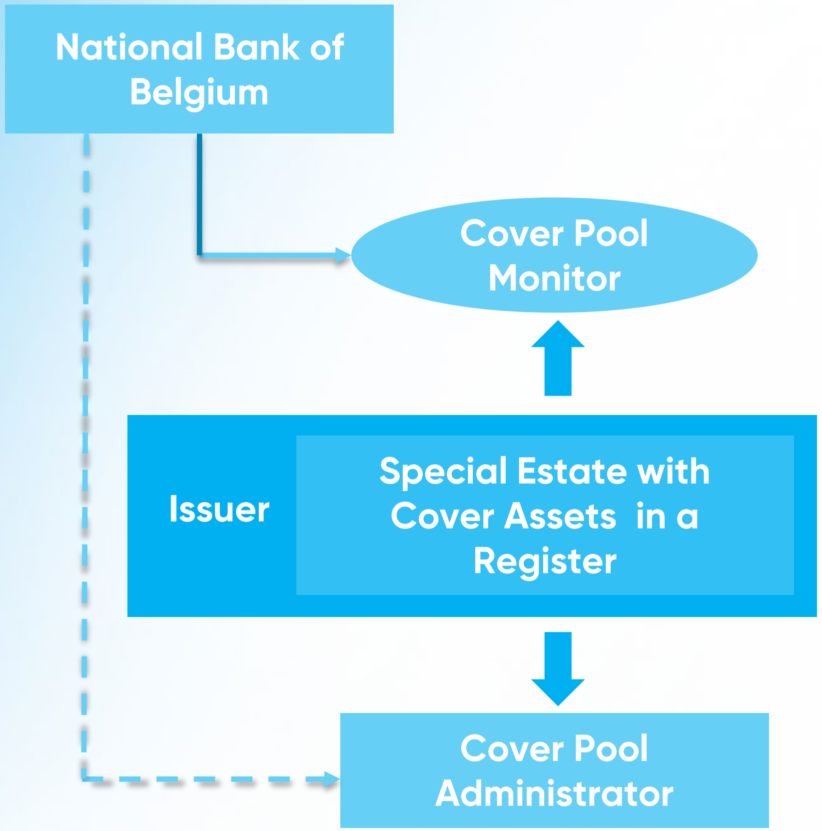
- **Allocation of Proceeds,** including a limited assurance report
- various **output indicators** of the allocated Eligible Assets
- See latest Social report as of EOY 2023 available on kbc.com

Covered bond programme | Overview

The covered bond programme is considered as an important funding tool for the treasury department.
KBC's intentions are to be a frequent benchmark issuer if markets and funding plan permit.

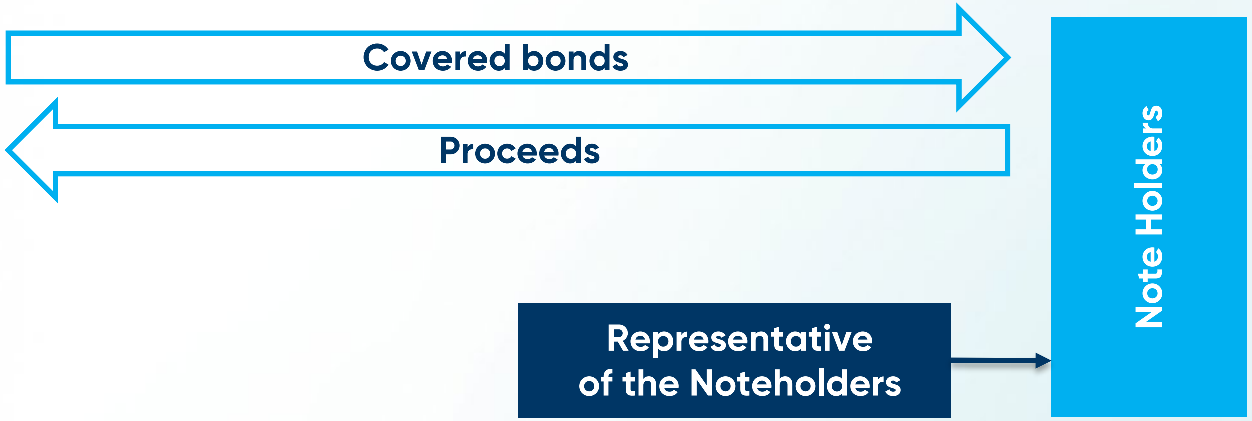
Issuer	KBC Bank NV
Main asset category	Minimum 105% of covered bond outstanding is covered exclusively by residential mortgage loans and collections thereon • Branch originated prime residential mortgages predominantly out of Flanders • Selected cover assets have low average LTV (61.58%) and high seasoning (60 months) • Disciplined origination policy
Programme size	**17.5bn EUR | Outstanding amount of 14.92 bn EUR**
Interest rate	Fixed rate, floating rate or zero coupon
Maturity	• Soft bullet: payment of the principal amount may be deferred past the final maturity date until the **extended final maturity date** if the issuer fails to pay • Extension period is 12 months for all series
Events of default	• Failure to pay any amount of principal on the extended final maturity date • A default in the payment of an amount of interest on any interest payment date
Rating agencies	• Moody's Aaa 10.5% over-collateralisation • Fitch AAA 4% over-collateralisation

Covered bond programme | Belgian legal framework



Belgian legal framework

- Direct covered bond issuance from a bank's balance sheet
- Dual recourse, including recourse to a special estate with cover assets included in a register
- The special estate is not affected by a bank's insolvency
- Requires licenses from the **National Bank of Belgium (NBB)**
- Ongoing supervision by the NBB
- The **cover pool monitor** verifies the register and the portfolio tests and reports to the NBB
- The NBB can appoint a cover pool administrator to manage the special estate



Covered bond programme | Strong legal protection mechanisms

Several legal protection mechanisms are in place:

1	Collateral type	**The value of one asset category must be at least 85% of the nominal amount of covered bonds** ✓ KBC Bank exclusively selects residential mortgage loans and commits that their value (including collections) will be at least 105%
2	Over-collateralisation test	**The value of the cover assets must at least be 105% of the covered bonds** The value of residential mortgage loans: 1) Is limited to 80% LTV 2) Must be fully covered by a mortgage inscription (min 60%) plus a mortgage mandate (max 40%) 3) 30-days overdue loans get a 50% haircut and 90-days overdue (or defaulted) get zero value
3	Amortisation test	**The sum of interest, principal and other revenues of the cover assets must at least be the interest, principal and costs relating to the covered bond**
4	Liquidity test	**Cover assets must generate sufficient liquidity or include enough liquid assets to pay all unconditional payments on the covered bonds falling due the next 6 months**
5	Stress testing	**Quarterly stress testing on all Cover tests and Liquidity test** 1) Interest rate shifts of +200bps/-200bps combined with stressed prepayments rates 2) Decreases in credit quality of the borrowers
6	No cap on issuance	**Currently no issuance limit for KBC Bank NV.** Supervisor monitors the TLOF ratio (min 8%) and the encumbrance ratio and has the possibility to limit the issuance volume in order to protect KBC's other creditors.

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2023 figures

	2024
Net interest income*	**5.3-5.5bn EUR**
Organic loan volume growth	*approx. +3%*
Insurance revenues (before reinsurance)	**at least +6% y-o-y**
Operating expenses and insurance commissions paid (excl. bank/insurance tax)	**below +1.7% y-o-y** *substantially below inflation*
Cost/income ratio (excl. bank/insurance tax)	**below 45%**
Combined ratio	**below 91%**
Credit cost ratio (excl. any changes in the ECL buffer for geopolitical risk that is still in place at year-end 2023)	**well below TTC of 25-30bps**

*Still based on conservative assumptions, including (i) market forward rates of mid-January, (ii) increase of MRR to 2% as of 1 April 2024, (iii) no deposit inflows when State Note(s) matures, (iv) further shifts from CA/SA to TD and (v) conservative pass-through rates on savings accounts

FY24 financial guidance | NII sensitivities for 2024 (as provided with FY23 results)

Full guidance range accounts for following conservative assumptions:

- Market forward rates of mid-January
- Increase of MRR to 2% as of 1 April 2024
- No deposit inflows when SEP23 State Note matures
- Further shifts from current/savings accounts to term deposits
- Conservative pass-through rates on savings accounts

5.5bn EUR

5.3bn EUR

NII guidance FY24

Within this range, we see following sensitivities assuming full impact/shock as of 1/1/2024:

- Every 25bps rate deviation from the market forward rates (across all currencies) generates 70m EUR NII variance to the 2024 NII (roughly half of this impact coming from implied 25bps parallel impact on long-term rates)
- Additional State Note in Belgium would lead to -25m EUR NII in 2024 per 1bn EUR subscriptions

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2023 figures

	2026
Net interest income*	CAGR23-26 at least +1.8%
Insurance revenues (before reinsurance)	CAGR23-26 at least +6%
Operating expenses and insurance commissions paid (excl. bank/insurance tax)	CAGR23-26 below +1.7% *substantially below inflation*
Cost/income ratio (excl. bank/insurance tax)	below 42%
Combined ratio	below 91%
Credit cost ratio (excl. any changes in the ECL buffer for geopolitical risk that is still in place at year-end 2023)	well below TTC of 25-30bps

*Still based on conservative assumptions, including (i) market forward rates of mid-January, (ii) increase of MRR to 2% as of 1 April 2024, (iii) no deposit inflows when State Note(s) matures, (iv) further shifts from CA/SA to TD and (v) conservative pass-through rates on savings accounts

Looking forward | Dividend policy, capital deployment plan and Basel IV guidance

Dividend policy and capital deployment plan

- **In line with our announced capital deployment plan for FY23**, the Board of Directors decided to distribute the surplus capital above the fully loaded CET1 ratio of 15% (roughly 280m EUR) in the form of **an extraordinary interim dividend of 0.70 EUR per share on 29 May 2024***
- We aim to be **amongst the better capitalised** financial institutions in Europe. As a consequence, the Board of Directors decided:
  - The **dividend policy for 2024 to remain unchanged:**
    - **Payout ratio policy** (i.e. dividend + AT1 coupon) **of at least 50% of consolidated profit** of the accounting year
    - **Interim dividend of 1 EUR per share** in November of each accounting year as an advance on the total dividend
  - The **capital deployment policy for 2024 to remain unchanged:**
    - On top of the payout ratio of at least 50% of consolidated profit, **each year** (when announcing the full year results), the Board of Directors will take a **decision, at its discretion**, on the distribution of the **capital above 15.0% fully loaded CET1 ratio, so-called surplus capital**. The distribution of this surplus capital can be **in the form of a cash dividend, a share buy-back or a combination of both**
- Considering the introduction of Basel 4 as of 1 Jan 2025 onwards, the dividend policy as well as the surplus capital threshold will be reviewed in 1H25

* Ex-coupon date 27 May 2024; record date 28 May 2024 and payment date 29 May 2024

Basel IV guidance (as provided with FY23 results)

- **Indicative view on transitional risk-weighted assets (RWA) evolution under Basel IV** (based on current EU consensus – updated based on the political agreement of the trilogue in December 2023 -, a static balance sheet and all other parameters ceteris paribus, without any mitigating actions):
  - on 1 January 2025, we expect no first-time application impact
  - by 1 January 2033, we expect a further fully loaded impact of approximately +8bn EUR

Annex 1 | Summary of the different business units' performance

1Q 2024	KBC Group	Belgium BU	Czech Republic BU	Slovakia	Hungary	Bulgaria	Group Centre BU
				International Markets BU			
Net result (YTD, in euros)	506m	243m	197m	34m	50m	63m	-80m
ROAC (YTD)	15%	11%	38%	15%	25%	25%	
Allocated capital (in %)		64%	15%	7%	6%	8%	1%
Cost/Income ratio(1) (YTD)	43%	41%	42%	54%	25%	40%	
Combined ratio(2) (YTD)	85%	86%	79%	107%	124%(3)	79%	
Loans(4) (in euros) (y-o-y organic growth loans)	184bn (+4%)	119bn (+2%)	36bn (+7%)	12bn (+4%)	7bn (+9%)	10bn (+13%)	
Deposits(5) (in euros) (y-o-y organic growth deposits)	216bn (+1%)	136bn (-2%)	49bn (+2%)	9bn (+8%)	10bn (+9%)	13bn (+10%)	

(1) Cost/Income ratio (without banking and insurance taxes) incl. insurance commissions
(2) Combined ratio, Non-life insurance
(3) Combined ratio excluding windfall tax amounted to 89%
(4) Loans to customers, excluding reverse repos and bonds (growth figures are excluding FX, consolidation adjustments and reclassifications)
(5) Customer deposits, excluding debt certificates and repos (growth figures are excluding FX, consolidation adjustments and reclassifications)

Annex 2 | Outstanding benchmarks as at end of April 2024

Additional tier I securities

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Call date	Maturity	Trigger	Level
KBC Group	EUR	BE0002592708	1,000	4.250%	M/S+359.4bps	24/04/2018	24/10/2025	Perpetual	Temporary write-down	0.05125
KBC Group	EUR	BE0002638196	500	4.750%	M/S+468.9bps	5/03/2019	5/03/2024	Perpetual	Temporary write-down	0.05125
KBC Group	EUR	BE0002961424	750	8.000%	M/S+492.8bps	5/09/2023	5/09/2029	Perpetual	Temporary write-down	0.05125

AT1 Call

Tier II securities

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Call date	Maturity date	Tenor	Trigger
KBC Group	EUR	BE0002290592	500	1.625%	M/S +125bps	18/09/2017	18/09/2024	18/09/2029	12YNC7	regulatory + tax call
KBC Group	EUR	BE0002664457	750	0.500%	M/S+110bps	3/09/2019	3/12/2024	3/12/2029	10.25NC5.25	regulatory + tax call
KBC Group	EUR	BE0002819002	750	0.625%	M/S+95bps	7/09/2021	7/12/2026	7/12/2031	10.25NC5.25	regulatory + tax call
KBC Group	EUR	BE0002914951	500	4.875%	M/S+225bps	24/01/2023	25/04/2028	25/04/2033	10.25NC5.25	regulatory + tax call
KBC Group	EUR	BE0002990712	1,000	4.750%	M/S+225bps	17/01/2024	17/01/2030	17/04/2035	11.25NC6.25	regulatory + tax call
KBC Group	GBP	BE0390118819	500	6.151%	M/S+199bps	19/03/2024	19/03/2029	19/03/2034	10NC5	regulatory + tax call

Senior HoldCo

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Maturity date	Tenor
KBC Group	EUR	BE0002645266	500	0.625%	M/S +60bps	10/04/2019	10/04/2025	6y
KBC Group	EUR	BE0002681626	500	0.750%	M/S +65bps	24/01/2020	24/01/2030	10y
KBC Group	EUR	BE0974365976	500	0.500%	M/S +72bps	16/06/2020	16/06/2027	7NC6
KBC Group	EUR	BE0002728096	750	0.125%	M/S +60bps	3/09/2020	3/09/2026	6NC5
KBC Group	EUR	BE0002766476	750	0.125%	M/S+60bps	14/01/2021	14/01/2029	8NC7
KBC Group	EUR	BE0002799808	500 + 200	0.750%	M/S+65bps	31/05/2021	31/05/2031	10y
KBC Group	GBP	BE0002820018	400	1.250%	M/S+52bps	21/09/2021	21/09/2027	6y
KBC Group	EUR	BE0002832138	750	0.250%	M/S+47bps	1/12/2021	1/03/2027	5.25NC4.25
KBC Group	EUR	BE0002839208	750	0.750%	M/S+70bps	21/01/2022	21/01/2028	6NC5
KBC Group	EUR	BE0002846278	750	1.500%	M/S+90bps	29/03/2022	29/03/2026	4NC3
KBC Group	EUR	BE0974423569	750	2.875%	M/S+125bps	29/06/2022	29/06/2025	3NC2
KBC Group	EUR	BE0002875566	750	3.000%	M/S+125bps	25/08/2022	25/08/2030	8y
KBC Group	GBP	BE0002879600	425	5.500%	M/S+158bps	20/09/2022	20/09/2028	6NC5
KBC Group	EUR	BE0002900810	1,000	4.375%	M/S+170bps	23/11/2022	23/11/2027	5NC4
KBC Group	USD	USB5341FAB79/ US48241FAB04	1,000	5.796%	T+210bps	19/01/2023	19/01/2029	6NC5
KBC Group	EUR	BE0002935162	1,000	4.375%	M/S+138bps	19/04/2023	19/04/2030	7NC6
KBC Group	EUR	BE0002951326	750	4.375%	M/S+145bps	6/06/2023	6/12/2031	8.5y
KBC Group	EUR	BE0002950310	1,250	4.500%	M/S+95bps	6/06/2023	6/06/2026	3NC2
KBC Group	USD	USB5341FAC52/ US48241FAC86	1,000	6.324%	T+205bps	21/09/2023	21/09/2034	11NC10
KBC Group	EUR	BE0002987684	500	4.250%	M/S+130bps	28/11/2023	28/11/2029	6NC5

KBC Green Bond

KBC Social Bond

KBC IFIMA

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Maturity date	Tenor
KBC IFIMA	EUR	XS2775174340	1,000	Floating	+35bps (3m Euribor)	4/03/2024	4/03/2026	2Y

Annex 3 | KBC's covered bond programme characteristics

Portfolio data as of 31 March 2024

in EUR

Total Outstanding Principal Balance	20 462 945 410
Total value of the assets for the over-collateralisation test	18 830 157 249
No. of Loans	236 515
Average Current Loan Balance per Borrower	125 869
Maximum Loan Balance	1 053 336
Minimum Loan Balance upon selection	1 000
Number of Borrowers	162 573
Longest Maturity	312 months
Shortest Maturity	0 months
Weighted Average Seasoning	60 months
Weighted Average Remaining Maturity	194 months
Weighted Average Current Interest Rate	1.94%
Weighted Average Current LTV	62%
No. of Loans in Arrears (+30days)	245
Direct Debit Paying	99%

Interest rate type

in %

Fixed	87%
1 y / 1y	4%
3y / 3y	6%
5y / 5y	3%
10y / 5y	<1%
15y / 5y	<1%
20y / 5y	<1%

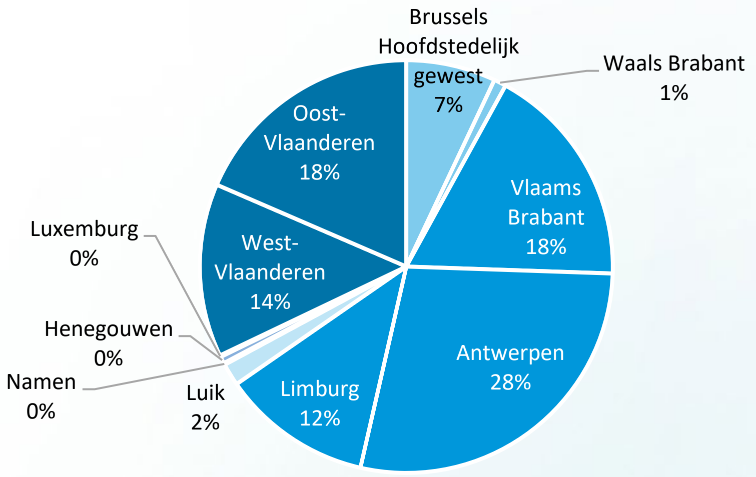
Repayment type

in %

Annuity	>99%
Linear	<1%

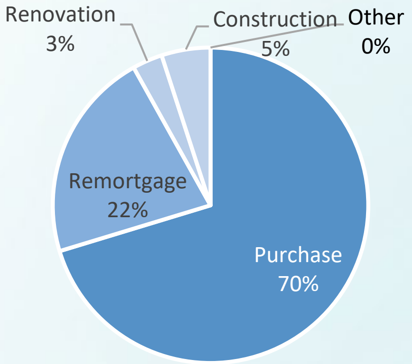
Geographical allocation

in %



Loan purpose

in %

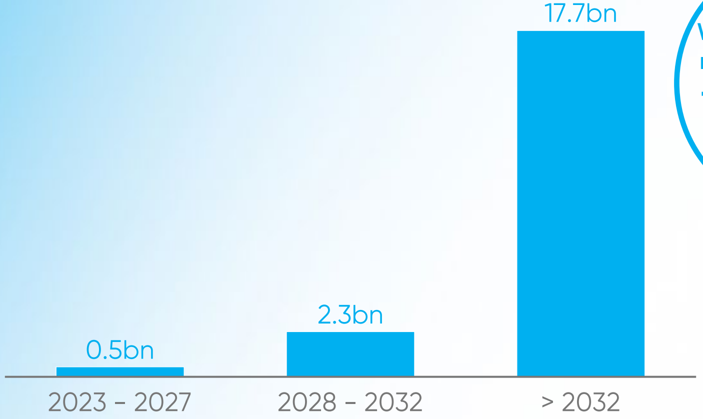


Investor reports, final terms and prospectus are available on www.kbc.com/covered bonds

Annex 3 | Key cover pool characteristics

Final maturity date

in bn EUR

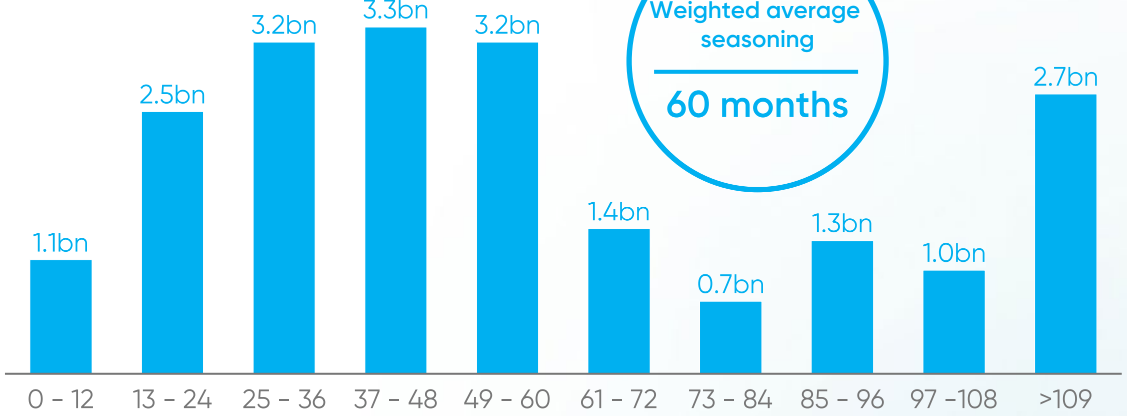


Weighted average remaining maturity

194 months

Seasoning (in months)

in bn EUR

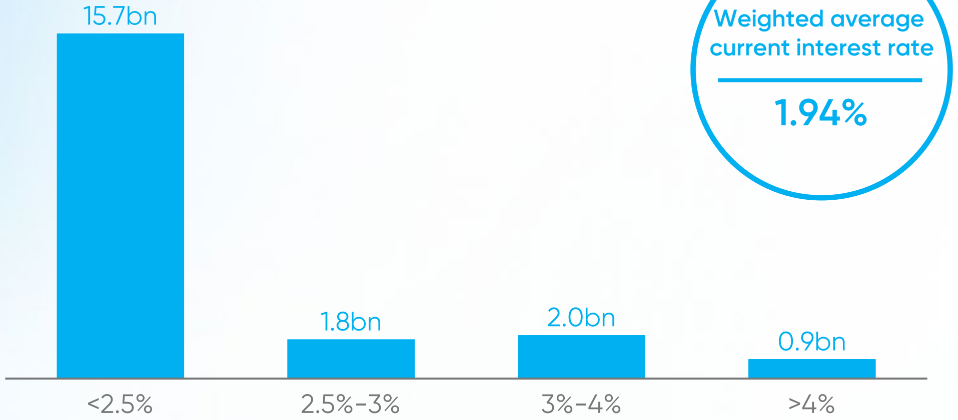


Weighted average seasoning

60 months

Interest rate

in bn EUR

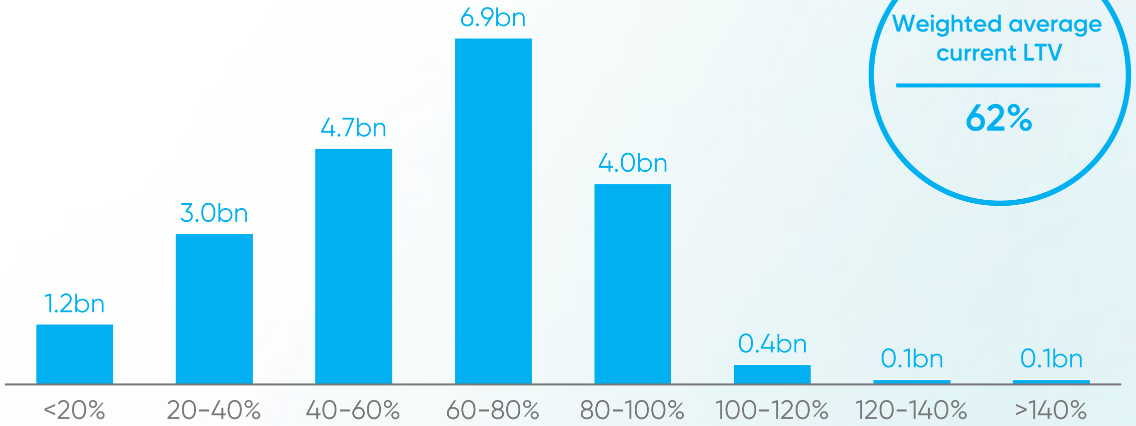


Weighted average current interest rate

1.94%

Current LTV

in bn EUR



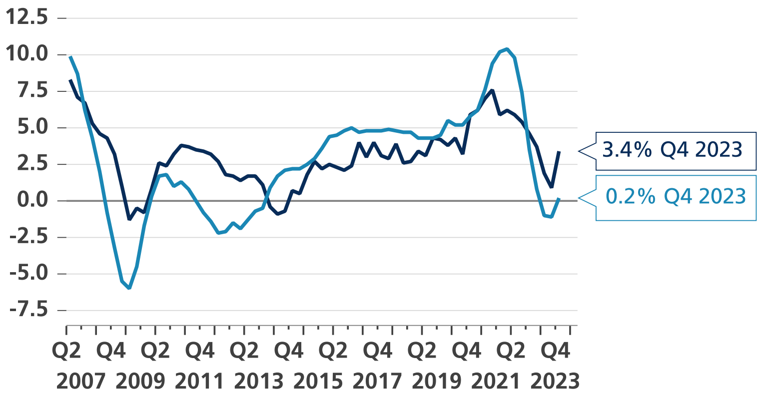
Weighted average current LTV

62%

Annex 4 | Belgian real estate market – House price dynamics

Belgian house price rose by 2.5% for FY23, as against a price drop of 1.1% in the EU

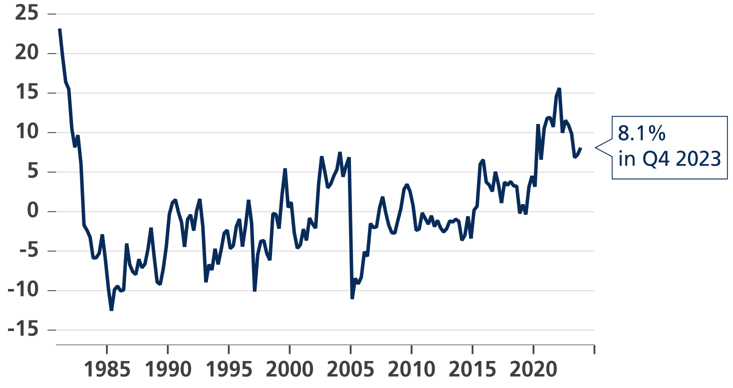
Eurostat house price index
(total dwellings, year-on-year change, in %)



Source: KBC Economics based on Eurostat

The overvaluation of Belgian real estate is estimated at some 8% in Q4 2023

Belgium - Under-/overvaluation housing market
(in %, KBC econometric model) (*)



Source: own calculation KBC Economics
(*) Deviation from the 'fundamental price' as determined by household disposable income, mortgage interest rate, number of families and real estate taxation.

Glossary

B3 / B4	Basel III / Basel IV
Combined ratio (non-life insurance)	Short-term non-life insurance contracts: [claims and claim related costs net of reinsurance + costs other than claims and commissions] / [earned expected premiums received, net of reinsurance]
Common equity ratio	[common equity tier-1 capital] / [total weighted risks]
Cost/income ratio without banking and insurance tax (group)	[operating expenses of the group without banking and insurance tax + Insurance commissions paid] / [total income of the group]
Cost/income ratio adjusted for specific items or C/I ratio when excluding certain non-operating items	The numerator and denominator are adjusted for (exceptional) items which distort the P&L during a particular period in order to provide a better insight into the underlying business trends. Adjustments include (i) MtM ALM derivatives (fully excluded), (ii) bank & insurance taxes (including contributions to European Single Resolution Fund) are included pro rata and hence spread over all quarters of the year instead of being recognised for the most part upfront (as required by IFRIC21) and (iii) one-off items
Credit cost ratio (CCR)	[annualised net changes in individual and portfolio-based impairment for credit risks] / [average outstanding loan portfolio]. Note that, inter alia, government bonds are not included in this formula.
EBA	European Banking Authority
ESMA	European Securities and Markets Authority
ESFR	European Single Resolution Fund
FICOD	Financial Conglomerates Directive
Impaired loans cover ratio	[total stage 3 impairments on the impaired loan portfolio] / [part of the loan portfolio that is impaired (PD 10-11-12)]
Impaired loans ratio	[part of the loan portfolio that is impaired (PD 10-11-12)] / [total outstanding loan portfolio]
Leverage ratio	[regulatory available tier-1 capital] / [total exposure measures]. The exposure measure is the total of non-risk-weighted on and off-balance sheet items, based on accounting data. The risk reducing effect of collateral, guarantees or netting is not taken into account, except for repos and derivatives. This ratio supplements the risk-based requirements (CAD) with a simple, non-risk-based backstop measure
Liquidity coverage ratio (LCR)	[stock of high-quality liquid assets] / [total net cash outflow over the next 30 calendar days]
MREL	Minimum requirement for own funds and eligible liabilities
Net interest margin (NIM) of the group	[banking group net interest income excluding dealing room] / [banking group average interest-bearing assets excluding dealing room]
Net stable funding ratio (NSFR)	[available amount of stable funding] / [required amount of stable funding]
PD	Probability of default
Return on allocated capital (ROAC) for a particular business unit	[result after tax, including minority interests, of a business unit, adjusted for income on allocated capital instead of real capital] / [average capital allocated to the business unit]. The capital allocated to a business unit is based on risk-weighted assets for banking and risk-weighted asset equivalents for insurance
Return on equity	[result after tax, attributable to equity holders of the parent] / [average parent shareholders' equity]
TLAC	Total loss-absorbing capacity

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• Quarterly presentation • Debt presentation	Presentations

Upcoming events

30 May 2024	Virtual ESG credit update
...	
24 July 2024	2Q24 black out period
8 August 2024	2Q24 Publication of Results

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