

Final

Signed by:

Wim Eraly

COB517AEE494F1...

Wim Eraly

Senior General Manager KBC
Commercial Banking



KBC BANK NV



CBC BANQUE SA

Signed by:

Jean-François Gillard

D6A23A96BDEA414...

Jean-François Gillard

Director of Performance,
Monitoring & Treasury
Department CBC Banque

Signed by:

David Moucheron

CFF07E14A84243C...

David Moucheron

Executive Director

(incorporated with limited liability in Belgium)

(incorporated with limited liability in Belgium)

EACH AN ISSUER

Signiert von:

Clemens Scholzen

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Clemens Scholzen

CEO CBC Banque

SAVINGS CERTIFICATES ISSUANCE PROGRAMME

Under this savings certificates issuance programme (the "**Programme**"), each of (i) KBC Bank NV, a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of the Belgium, with registered office at Havenlaan 2, B-1080 Brussels, Belgium and registered under enterprise number 0462.920.226 ("**KBC Bank**") and (ii) CBC Banque SA, a public limited liability company (*naamloze vennootschap/société anonyme*) incorporated under the laws of the Belgium, with registered office at Avenue Albert 1er, 60, B-5000 Namur, Belgium and registered under enterprise number 0403.211.380 ("**CBC Banque**"), each, individually, an "**Issuer**" (and together the "**Issuers**"), may on a continuous basis, issue *kasbons/bons de caisse* ("**Savings Certificates**"), that rank as senior preferred obligations of the relevant Issuer.

This document is a base prospectus (the "**Base Prospectus**") for purposes of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (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 the section "Documents incorporated by Reference". The Issuers 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. Prospective investors should read this document together with all information incorporated by reference herein, any supplements to this Base Prospectus published by the Issuers, and the applicable Final Terms.

This Base Prospectus was approved by the Belgian Financial Services and Markets Authority ("**FSMA**") on 6 August 2024 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 and such approval should not be considered as an endorsement of this Base Prospectus. This approval does not entail any appraisal of the appropriateness or the merits of any issue under the Programme nor of the situation of any Issuer.

Final terms ("**Final Terms**") will document each Series (as defined below) of Savings Certificates issued under the Base Prospectus.

This Base Prospectus (as amended or supplemented from time to time and including all documents incorporated by reference therein) and the relevant Final Terms together constitute the prospectus for each Series of Savings Certificates.

Any decision to invest in the Savings Certificates should be based on a consideration of the Base Prospectus as a whole and the relevant Final Terms.

The Savings Certificates shall be debt instruments for which the relevant Issuer commits itself to redeem the principal invested at maturity. They constitute non-equity securities as referred to in the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended (herein referred to as "**Commission Delegated Regulation (EU) 2019/980**").

The Savings Certificates will be issued in dematerialised form in accordance with articles 7:35 et seq. of the Belgian Code of Companies and Associations.

Investing in the Savings Certificates issued under this Base Prospectus involves certain risks and may not be a suitable investment for all investors. Savings Certificates issued under this Base Prospectus constitute unsecured debt instruments. In case of insolvency or default by the relevant Issuer, investors may not recover all amounts they are entitled to and risk losing all or a part of their investment. Each prospective investor must carefully consider whether it is suitable for that investor to invest in the Savings Certificates in light of its knowledge and financial experience and should, if required, obtain professional advice. Prospective investors should read the Base Prospectus in its entirety and, in particular, the risk factors described under the section "Risk Factors" before making an investment decision in order to fully understand the potential risks and rewards associated with the decision to invest in the Savings Certificates.

In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Savings Certificates, the merits and risks of investing in the Savings Certificates and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Savings Certificates and the impact the Savings Certificates will have on its overall investment portfolio;

- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Savings Certificates;
- (iv) understands thoroughly the terms of the Savings Certificates and is familiar with the behaviour of any relevant financial markets; and
- (v) is 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 own legal advisers to determine whether and to what extent (i) Savings Certificates are legal investments for it, (ii) Savings Certificates can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of any Savings Certificates. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Savings Certificates under any applicable risk-based capital or similar rules.

The date of this Base Prospectus is 6 August 2024. This Base Prospectus shall be valid for 12 months from its date of approval, i.e. until 6 August 2025. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

An offer of Savings Certificates can still be made under this Base Prospectus after 6 August 2025 and the base prospectus shall remain valid for such purposes, if an exemption from the requirement to draw up a prospectus in respect of such offer applies in accordance with the Prospectus Regulation or the Belgian law of 11 July 2018 (the "**Prospectus Law**").

This Base Prospectus, any supplement to the Base Prospectus and the relevant Final Terms will be made available on KBC Bank's website in English, together with a summary in Dutch and in French (<https://www.kbc.com/en/investor-relations/debt-issuance/kbc-bank.html>) and a copy can be obtained free of charge in the offices of the relevant Issuer. The information on this website does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with the section "*Documents incorporated by Reference*" of this Base Prospectus.

Pursuant to article 8.8 of the Prospectus Regulation, a summary shall be drawn up once the Final Terms are included in this Base Prospectus or in a supplement to the Base Prospectus or are prepared separately, and that summary shall be specific to the individual issue.

No person is or has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the Savings Certificates and, if given or made, such information or representation must not be relied upon as having been authorised by any of Issuers. Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the relevant Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the relevant Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the Base Prospectus is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. If at any time during the life of the Base Prospectus the Issuers shall be required to prepare a supplement pursuant to article 23 of the Prospectus Regulation, the Issuers will prepare and make available an appropriate supplement to this Base Prospectus.

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 relevant 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 Issuers do not intend to update these forward-looking statements except as may be required by applicable securities laws. 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.

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 correspond.

The distribution of this Base Prospectus and the offer or sale of the Savings Certificates may be restricted by law in certain jurisdictions. None of the Issuers represents that this Base Prospectus may be lawfully distributed, or that the Savings Certificates may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assumes any responsibility for facilitating any such distribution or offering.

Accordingly, the Savings Certificates may not be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Indeed, this Base Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. Persons into whose possession this Base Prospectus or the Savings Certificates may come are required by the Issuers to inform themselves about, and to observe, any such restrictions on the distribution of this Base Prospectus and the offering and sale of the Savings Certificates. Any failure to comply with these restrictions may constitute a violation of the securities laws. None of the Issuers accepts any legal responsibility for any violation by any person, whether or not a prospective purchaser of Savings Certificates, of any such restrictions. For a description of certain restrictions on offers and sales of the Savings Certificates and on the distribution of this Base Prospectus, see the section "*Offer and Sale*". This Base Prospectus may not be used for the purpose of, or in connection with, any offer or solicitation by anyone except the relevant Issuer. This Prospectus may not be copied or distributed in whole or in part, nor may its contents be divulged, or the information contained herein be used by anyone other than the Issuer.

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GENERAL DESCRIPTION OF THE PROGRAMME

This section contains a general overview of the Savings Certificates which can be issued under the Programme.

This overview constitutes a general description of the Programme for the purposes of article 25(1)(b) of Commission Delegated Regulation 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended. It summarises the main terms applicable to respectively the Savings Certificates issued under the Programme pursuant to the relevant terms and conditions set out in this Base Prospectus (the "**Conditions**") and the relevant final terms based on the form set out in this Base Prospectus (the "**Final Terms**").

This overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Base Prospectus (including any documents incorporated by reference herein) and, in relation to the terms and conditions of any particular Series of Savings Certificates, the applicable Final Terms.

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in the Conditions, as the context may require.

Issuer:

Respectively:

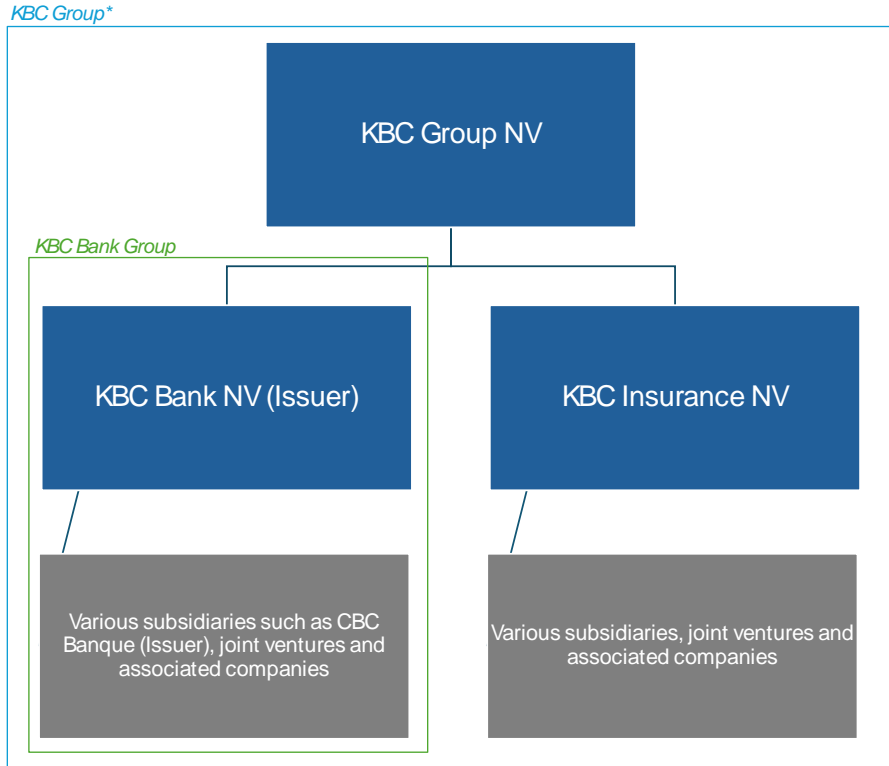
KBC Bank NV (LEI: 6B2PBRV1FCJDMR45RZ53) ("**KBC Bank**"), or

CBC Banque SA (LEI: DVCTKZJG5QM5XGM4TR05) ("**CBC Banque**").

KBC Bank is registered as a credit institution with the National Bank of Belgium (the "**NBB**"). It is a wholly-owned subsidiary of KBC Group and is part of the KBC Group. KBC Bank's strategy is fully embedded in the strategy of KBC Group, which includes offering a unique bank-insurance experience combining KBC Bank's banking activities and KBC Bank's sister company KBC Insurance NV's insurance activities.

CBC Banque is registered as a credit institution with the NBB. It is a wholly-owned subsidiary of KBC Bank and is part of the KBC Bank Group. CBC Banque's strategy is fully embedded in the strategy of KBC Group, which includes offering a unique bank-insurance experience combining CBC Banque's banking activities and CBC Assurances' insurance activities. CBC Assurances is a trade name of KBC Insurance NV.

KBC Bank together with its subsidiaries are referred to in this Base Prospectus as "**KBC Bank Group**".



* For a full overview of the group's structure, we refer to <https://www.kbc.com/en/about-us/our-structure.html>. The information on this website does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised or approved by the FSMA.

Description of the Programme: The Programme is a programme for the continuous offer of *kasbons/bons de caisse* (the "**Savings Certificates**").

Savings Certificates The Savings Certificates are debt instruments of the relevant Issuer for which such Issuer commits itself to redeem the principal at maturity.

The Savings Certificates are non-equity securities as referred to in the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004, as amended (herein referred to as "**Commission Delegated Regulation (EU) 2019/980**").

Status and ranking of the Savings Certificates and Deposit Protection The Savings Certificates constitute direct, unconditional, senior and unsecured obligations of the relevant Issuer. They rank at all times, without any preference among themselves, *pari passu* with all other unsubordinated and unsecured obligations of the relevant Issuer, present and future, which fall or be expressed to fall within the category of obligations described in Article 389/1, 1° of the Belgian law of 25 April 2014 on the status and supervision of credit institutions (the "**Banking Law**"), but, in the event of insolvency, only to the extent permitted by laws relating to creditors' right. This category can be seen as the "ordinary creditors" and may be qualified as "preferred senior creditors". Such creditors have a higher priority ranking than the so-called "non-preferred senior" creditors defined under article 389/1, 2° of the Banking Law.

The Savings Certificates represent debt obligations of the relevant Issuer and do not form part of the capital or own funds of the relevant Issuer. The holder of the Savings Certificates has a contractual claim (receivable) against the relevant Issuer for the repayment of the principal amount of the Savings Certificates at the conditions as set out in the Conditions and the relevant Final Terms.

The Savings Certificates benefit from a protection under the Belgian deposit protection scheme granted by the Belgian Guarantee Fund (*Garantiefonds/Fonds de Garantie*), subject to a limitation of EUR 100,000 (it being understood that this limitation applies to all deposits, including Savings Certificates, with a financial institution, held by a depositor).

It should be noted that the deposit protection for Savings Certificates only applies in respect of the Savings Certificates in dematerialised form, to the extent that these Savings Certificates in dematerialised form are held on a securities account in the name of an account holder eligible for deposit protection in accordance with the conditions of the Belgian deposit protection scheme.

With respect to Savings Certificates converted in Savings Certificates in registered form at the request of the holder (in accordance with Condition 2.2(c)), it should be noted that such Savings Certificates are eligible for deposit protection in accordance with the conditions of the Belgian deposit protection scheme, provided that the Savings Certificates are registered in the name of an account holder eligible for deposit protection in accordance with the conditions of the Belgian deposit protection scheme.

For amounts not protected by the deposit protection scheme, the Bail-In Power shall apply.

In accordance with and subject to the conditions set out in article 389, §2 of the Banking Law, "eligible deposits" (including Savings Certificates) held by individuals (physical persons) and small and medium enterprises benefit from a special priority lien on all assets of the relevant Issuer for the amounts in excess of the amount covered by the deposit protection scheme (such lien ranking after the lien for the benefit of the Belgian Guarantee Fund for claims in the amounts covered by the deposit protection scheme).

Cross-Acceleration None.

Cross-Default None.

Negative Pledge None.

Form of Savings Certificates The Savings Certificates are issued in dematerialised form in accordance with article 7:35 of the Belgian Code of Companies and Association.

The Savings Certificates are registered in a securities account held by the holder of the Savings Certificates.

A conversion of Savings Certificates in dematerialised form into registered form (and vice versa) can always be requested by the relevant holder.

The relevant Issuer is a recognised account holder for purposes article 7:35 of the Belgian Code of Companies and Association and acts as the head of pyramid in respect of the Savings Certificates issued by it. The relevant Issuer centralises all operations with respect to the Savings Certificates, such as the payment of interest and redemption payments, also if the relevant Savings Certificates would have been transferred by the holder to another financial institution for custody.

Savings Certificates are not cleared in the clearing system of the National Bank of Belgium.

Method of Issue The Savings Certificates will be issued in series (each a "**Series**") having the same characteristics with respect to maturity and interest rates.

Selling Restrictions General, United States, United Kingdom. See the section "*Offer and Sale*".

Issue Price Savings Certificates are issued at par.

Delivery of Savings Certificates Savings Certificates will be credited to the securities accounts held by the investor with the relevant Issuer.

Currency EUR.

Maturities As specified in the applicable Final Terms.

Redemption The maturity date ("**Maturity Date**") of each Savings Certificate is as set out in the relevant Final Terms in respect of the relevant Series of Savings Certificate.

The Savings Certificates shall be redeemed on the Maturity Date. The Savings Certificates will be redeemed at par. The Savings Certificates are repaid in euro on the cash account (current or savings account) linked to the securities account of the holder at the relevant Issuer or at the relevant financial institution for custody, as applicable.

The relevant Issuer may, subject to compliance with any applicable laws and regulations, repurchase Savings Certificates at any time prior to the Maturity Date, but is not obliged to do so. The amount at which the relevant Issuer may agree to repurchase Savings Certificates will depend on the prevailing interest rates. A transaction fee of 0.75% of the outstanding principal amount will be charged by the relevant Issuer for the repurchase. Such fees in case of repurchase may change over time and investors should inform themselves thereof. Savings Certificates purchased by the Issuer may be cancelled or held at the option of the Issuer.

Specified Denomination EUR 1. The minimum investment in a Savings Certificate is EUR 500, and increments of EUR 1 in excess thereof.

Interest Periods and Rates of Interest As set out in the applicable Final Terms.

Governing Law The Savings Certificates will be governed by, and construed in accordance with, Belgian law.

Type of Savings Certificates Savings Certificates can be issued (a) with interest distribution and (b) with interest capitalisation.

- Ratings** Savings Certificates issued under the Programme will be unrated.
- Tax Gross-up** Investors should be aware that pursuant to the Conditions there are no gross-up payments in respect of the Savings Certificates. This means that if taxes are imposed in respect of the Savings Certificates, there is no obligation for the relevant Issuer to compensate the investors for any tax charge that they would incur as a result of such taxes.
- Listing and Admission to Trading** The Savings Certificates will not be listed and will not be admitted to trading on a regulated market or a multilateral trading facility (or any other market).
- Use of Proceeds** General corporate purposes of the Issuer.

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 Issuers believe that the risk factors described in this section are risks which are specific to the Issuers, to the Savings Certificates and which are material for taking an informed investment decision with respect to the Savings Certificates. However, the inability of the relevant Issuer to pay any amount in respect of a Savings Certificates may occur for other reasons which may not be considered significant risks by the Issuers based on the information currently available to them or which they may not currently be able to anticipate.

The risk factors are grouped in the following categories:

- *Risk factors relating to the Issuers and KBC Bank Group (see page 8 and following);*
- *Risk factors relating to the Savings Certificates (see page 16 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 relevant 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 Issuers have 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 Savings Certificates?

No. This section does not contain risks:

- *that the Issuers do not consider material;*
- *that the Issuers do not consider to be specific to the relevant Issuer or the Savings Certificates;*
- *of which the Issuers are not aware; or*
- *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 Savings Certificates.

The Issuers will publish a supplement to this Base Prospectus if such risks become material or specific to any Issuer or the Savings Certificates, or when the Issuers become aware of them or when they arise.

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

The Issuers have assessed the materiality of the risks factors, taking into account the expected negative impact of such risks on the relevant Issuer (including any relevant mitigation measures) and the probability of their occurrence. For the risk factor relating to KBC Bank, CBC Banque 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 Issuers.

RISK FACTORS RELATING TO THE ISSUERS AND 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 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).

The sections below include the risk factors relating to the Issuers, the KBC Bank Group and the markets in which they operate.

Geopolitical and emerging risks - high risk

In recent years, geopolitical risks have become increasingly important, due to inter alia, the start of the Russia-Ukraine war in 2022, which sharpened geopolitical tensions and triggered a mix of complex societal, economic and financial issues, including disruption of trade, energy and commodity supplies, inflation and higher interest rates. The direct and indirect impact on financial institutions include increased and sustained market uncertainty, reduced investor confidence, higher credit risk (especially given already elevated public and private debt levels) and lower growth prospects.

In addition, the banking turmoil in the spring of 2023 caused broader market volatility and contagion risks across the financial system, leading to stricter credit conditions and fears of recession. While the turmoil has subsided, underlying weaknesses remain, in particular in the US financial sector. Events also provided a strong warning on the potential of social media to undermine trust and fuel a sudden change in customer behaviour, including by triggering and exacerbating a (digital) bank-run. Trust is the license to operate for the financial sector, and losing it is easier than gaining trust again.

Until now, the impact on KBC Bank Group of above mentioned events remained confined.

2024 is expected to be another year of extraordinary geopolitical volatility, which started in the 4th quarter of 2023 with the conflicts in the Middle East. The development of the Israeli-Palestine conflict (and further evolution of the tensions between Israel and Iran) and other issues (for example, in the Red Sea) might also escalate into a broader (regional) conflict with larger and more prolonged consequences.

Ongoing tensions between Russia and NATO, strategic competition between the US and China, anti-globalization and deglobalization trends and a busy global electoral cycle are expected to continue to fuel geopolitical tensions as well. The outcome of the US elections in November may have important repercussions in respect of, for example, US participation in NATO and US support towards Ukraine. The uncertainty we are currently experiencing may lead to further instability and disruption.

The Issuers are aware of these geopolitical risks and execute “what if” sensitivity analyses to inform senior management about possible adverse scenarios and discuss potential mitigating actions. Emerging risks are mainly related to the digital transformation (inter alia, resulting in more and more intense cyber risks), climate change and other environmental, social and governance (“ESG”) challenges that have an important impact on our banking, insurance and asset management activities. These topics have become highly regulated and supervised in the meantime (see also below “*Legal and regulatory risk - medium risk*”).

The financial industry is undergoing a major transition, with digital transformation bringing new opportunities (for example, the opportunity to embed artificial intelligence (AI), big data analysis and automation technologies in the Issuers’ operations to make their interactions with clients instant, straight-through and friction-free) and challenges (including in the areas of cyber risk, ethical AI and

new digital competitors & new emerging business models). KBC Bank Group has taken measures to deal with and mitigate these risks in a actively managed way.

At the same time the financial sector plays a crucial role in the transition to a greener and more sustainable economy: financial institutions not only need to reflect on their own activities, taking into account new regulations, but also have a crucial role in helping their clients to make the transition towards a more sustainable world and optimise their own energy consumption or carbon footprint. The Issuers prioritise ESG risk management and efforts are made to implement all related regulatory requirements and to inform their clients about newly created opportunities and to help them to make the transition. Overall, the management of climate related risks is embedded within the entire organisation and within each risk type whereby most impact is expected on credit and insurance risks.

More information and figures about events in relation to the Issuers can be found in the section entitled "*Trend Information*" in the section entitled "*Information relating to the Issuers' business*" of this Base Prospectus.

Please also refer to pages 32 to 35 of KBC Bank's 2023 Annual Report, which include the financial reporting for the financial year 2023. KBC Bank's 2023 Annual Report is incorporated by reference into this Base Prospectus as set out in the section entitled "*Documents incorporated by Reference*" of this Base Prospectus.

Performance risk - medium risk

The KBC Bank Group, and the financial markets as a whole, operate in a rapidly changing environment characterized by volatility, uncertainty, complexity and ambiguity.

Since the Russian invasion of Ukraine, a reserve for geopolitical and emerging risks has been maintained, and a selection of vulnerable portfolios and sub-portfolios have been earmarked for increased risk potential. For related figures, including the methodology and development of this reserve, we refer to note 3.9 of the 'Consolidated financial statements' section of KBC Bank's 2023 Annual Report.

The geopolitical and emerging risks that have arisen in the course of 2022 continue to limit the ability of the credit models to adequately reflect all the consequences of the resulting economic conditions. As such, post-model adjustments might need to be recognized in addition to the expected credit loss provisions produced by the models.

In addition, the industry and the Issuers continue to face major macroeconomic, financial and operational challenges and instability, whereby regulatory and supervisory pressure and uncertainty are rising to unprecedented levels:

- Although the KBC Group's net result at the end of Financial Year 2023 increased with 29% compared to 2022 (please note that IFRS 17 came into force in 2023, resulting in retroactive restatement of 2022 figures) and while its capital position and liquidity position remained strong throughout the crisis, the current geopolitical and emerging risks may continue to have an impact on the profitability and performance of the KBC Group.
- Overall the geopolitical tensions and the uncertainties surrounding the timing and extent of central banks' monetary actions lead to more volatility in the markets and in the profits and losses of dealing rooms.
- Credits granted in times of high interest rates bear a larger prepayment risk.
- The interest rate environment leads to shifts in deposit flows from current and savings accounts to more expensive funding sources such as term deposits.

- Strong regulatory pressure and uncertainty, with continued challenges in terms of level playing field requires a lot of attention and even more staff being involved in regulatory reporting activities.
- Mergers and acquisitions activities, as well as change projects in line with overall KBC Bank Group strategy could negatively impact the performance of the Issuers if such activities and projects are not managed and implemented well.

The risks described above may have an impact on the Issuers' profitability and performance and may adversely affect the ability of the Issuer to meet its financial obligations.

Credit risk - 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.

The main source of credit risk is a bank's loan portfolio. It includes all the loans and guarantees that the KBC Bank 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 the KBC Bank Group's loan portfolio amounted to EUR 203 billion on 31 December 2023. Most counterparties are private individuals (41%) and corporates (50%). Most counterparties are located in Belgium (55%) or in the Czech Republic (18%). Impaired loans (i.e., loans where it is unlikely that the full contractual principal and interest will be repaid) constitute 2% of this portfolio.

A more detailed breakdown of the KBC Bank Group's loan portfolio, including information on impairments, can be found on pages 53-57 of KBC Bank's 2023 Annual Report. More information on impairments (including impairments linked to geopolitical and emerging risks and coronavirus crisis) can be found in note 3.9 ("Impairment (income statement)") of the consolidated financial statements of KBC Bank's 2023 Annual Report.

The mortgage portfolio of the KBC Bank Group amounts to EUR 75 billion, which constitutes 41 per cent. of the KBC Bank Group's loans and advances to customers being EUR 182 billion, excluding reverse repos (i.e. the sale of securities subject to the agreement to repurchase the securities at a later date) (see note 2.3 of KBC Bank's 2023 Annual Report).

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

More information on credit risks relating to trading book securities, counterparty risk of derivatives and government securities can be found on page 57 of KBC Bank's 2023 Annual Report. KBC Bank's 2023 Annual Report is incorporated by reference into this Base Prospectus as set out in the section "*Documents incorporated by Reference*".

Operational risk & compliance risk - medium risk

The KBC Bank Group is exposed to a large array of operational risks, which are defined as risk of loss resulting from inadequate or failed internal processes, people and systems, or arising from human errors or 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 KBC Bank Group.

These events can potentially result in financial loss, liability to customers, administrative fines, penalties and/or reputational damages.

The KBC Bank Group 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 KBC Bank Group is exposed.

Since the beginning of 2022, the Issuers have been warned about an increased risk of disruptive cyber-attacks on critical infrastructure and institutions such as telecoms, energy, financial markets infrastructure, etc. Following the Russian invasion in Ukraine and the sanctions imposed on Russia, the European Union has faced an increased risk of disruptive, state sponsored cyber-attacks towards critical (financial markets) infrastructure and institutions. Also some of the cyber-attacks (e.g., distributed denial-of-service (DDoS) attack and password spraying, i.e. using a single common password to attempt to access multiple accounts) targeting KBC entities can be attributed to pro-Russian hacker groups, until now, with relatively limited impact on the targeted entities and their clients. The KBC Bank Group as well as the local entities remain vigilant, with constant monitoring procedures in place.

The main operational risks of the KBC Bank Group are as follows:

- **Conduct and compliance risk:** The risk of fines or sanctions due to failure (or the perceived failure) to comply with laws and regulations relating to integrity and with internal policies and codes of conduct reflecting the institution's own values and codes of conduct in relation to the integrity of its activities. This also includes the current or prospective risk of losses arising from the inappropriate supply of financial services, including cases of wilful 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, avoiding 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 behaviour and are linked to people, culture and mindset.
- **Information security risk:** The risks arising from the loss, misuse, unauthorised disclosure or modification, inaccessibility, inaccuracy and damage of information.
- **Information Technology ("IT") risk:** The risk associated with the use, ownership, operation, involvement and adoption of IT within an enterprise. IT risk consists of IT-related events (such as IT unavailability or software malfunctioning) that impact the company and its customers, creating challenges in meeting strategic goals and objectives.
- **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.
- **Outsourcing risk and third party risk:** The 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. In view of the digital transformation trends, a lot of attention is given to the mitigation of this increasing risk.
- **Model risk:** The risk of losses or the potential for adverse consequences arising from decisions based on incorrect or misused model outputs and model reports. A distinction is made between model errors and wrong application of the model (e.g. the use of outdated models).
- **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.

- Legal risk: Risks of losses caused by bad management of disputes, the inability to protect intellectual property (IP), failure to manage(non-)contractual obligations or failure to timely and correctly detect, assess and implement legislation and regulations.
- Business continuity risk: The risk that business activities cannot be continued at an acceptable pre-defined level resulting from the lack of a strategic and tactical capability of the organization to plan for and respond to serious (business) disruptions, crises or disasters.
- Personal and physical security risk: Risks of losses to physical assets and those arising from acts inconsistent with employment, health or safety laws or agreements, from personal injury claims, or from diversity and discrimination events.

Market risk in non-trading activities - medium risk

Market risk is generally 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 risk factor entitled "Market risk in trading activities - low risk" below) and non-trading activities. In respect of its non-trading activities (comprising the Issuer's banking activities and other business operations) the KBC Bank Group is mainly exposed to interest rate risk, credit spread risk and equity price risk. In the latest case, and for banking activities, the notion of interest rate risk is also extended to the potential negative impact on the generation of Net Interest Income ("NII").

- 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. Over the last years, the notion of interest rate risk for banking activities has been progressively extended to the impact of interest rate movements on the NII generation, which is an important driver supporting the sustainability of banking activities. The KBC Bank Group estimates that, as at 31 December 2023, an increase of market interest rates by 10 basis points would lead to a decrease of the value of the KBC Bank Group's total portfolio by EUR 45 million. The sensitivity of NII is measured according to EBA guidelines regarding outlier Stress tests (SOT), where the worst-case among two scenarios (parallel up and parallel down) on NII is also set off against tier-1 capital. According to this measure, the interest rate sensitivity of KBC is limited: it came to -1.27% at year-end 2023, compared to the 5% outlier threshold used by the supervisory authority. The SOT "NII" complements the SOT EVE, (for Economic Value of Equity). There, six different scenarios are applied to the banking books. These scenarios comprise material parallel shifts up and down, steepening or flattening of the swap curves or shifts in the short-term rates only. The worst-case scenario impact (the most negative impact on the economic value of equity) is set off against tier-1 capital. For the banking book at KBC group level, the SOT EVE came to -3.91% of tier-1 capital at year-end 2023. This is well below the -15% threshold, which is monitored by the European Central Bank.
- Credit spread risk is the risk due to changes in the level or in the volatility of credit spreads (i.e. the difference in yield between different debt instruments of the same maturity). The value of the KBC Bank Group's positions will decrease when credit spread increases, and vice versa. This is mainly relevant for KBC Bank Group's portfolio of sovereign and non-sovereign bonds. As at 31 December 2023, the total carrying value (i.e. the amount at which an asset or liability is recognised in the Issuer's accounts) of the KBC Bank Group's sovereign and non-sovereign bond portfolio combined was EUR 56 billion. The KBC Bank Group estimates that an increase in credit spread of 100 basis points across the entire curve would lead to a theoretical negative economic impact of EUR 2.3 billion 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 the KBC Bank Group's equity portfolio as at 31 December 2023 was EUR 0.23 billion.

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 to 63 of the KBC Bank's 2023 annual report.

Legal and regulatory risk - medium risk

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

Recent regulatory and legislative developments applicable to credit institutions, such as the KBC Bank Group may adversely impact the Issuers and/or its subsidiaries, its business, financial condition or results of operation which in turn may impact the Issuers or the Issuers' ability to meet their financial obligations. 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 the section entitled "*Banking supervision and regulation*" in the section "*Information relating to the Issuers' business*" of this Base Prospectus.

Moreover, there seems to have been an increase in the level of scrutiny and short implementation timelines applied by governments and regulators to enforce applicable regulations and calls to impose further charges on the financial services industry in recent years (e.g., additional levy of taxes). Such increased scrutiny or charges may require the Issuers to take additional measures which, in turn, may have adverse effects on their business, financial condition and results of operations. Implementation of related regulation and supervisory guidance can result in a crowding-out effect on the KBC Bank Group's business and strategic transformation and might drive up the capital and liquidity requirements. Not complying with increasingly complex regulation is met with heavy fines and supervisory measures. Regulatory complexity is further increased by the fact that regulatory frameworks are not aligned (banking vs insurance, ECB vs SRB, national vs European regulation).

ESG risks are increasingly high on the agenda of the legislators and regulators, leading to a number of directives, guidelines and disclosure requirements. These have to be gradually implemented in the coming years with the main focus on strategy, governance, risk management and internal and external reporting. The Issuers are taking the necessary actions to implement and to be compliant with all new regulation. The requirements of such disclosure for market participants, investors and society in general will further increase (substantially) in the coming years. For example, based upon the disclosure, financial institutions, and the Issuers in particular, will be judged on how well they adapt to climate change and other ESG related aspects. To deliver the required data quality on ESG is an important challenge not only for the Issuers but for the entire financial sector.

As operational resilience is a focus point of regulators, this will have a significant impact in the years ahead, the Digital Operational Resilience Act (DORA) is an example in this respect. The ECB is engaging with institutions to ensure that operational disruptions are properly planned for, managed and mitigated. Within the KBC Bank Group, key building blocks (such as business continuity management, cyber security and outsourcing risk management) are in place but further improvements are needed to fully comply with the regulation.

Liquidity risk - low risk

Please also refer to the section entitled "Liquidity risk" on pages 70 to 72 of KBC Bank's 2023 Annual Report. KBC Bank's 2023 Annual Report is incorporated by reference into this Base Prospectus as set out in the section "*Documents incorporated by Reference*".

Liquidity risk can be sub-divided in contingency liquidity risk, structural liquidity risk and day-to-day liquidity risk:

- Contingency liquidity risk is the risk occurring when the KBC Bank Group 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 a bank under extreme stressed scenarios.
- Structural liquidity risk is the risk occurring when the KBC Bank Group's long-term assets and liabilities might not be refinanced or 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 Group would be unable to renew maturing short-term funding.
- Day-to-day liquidity risk is the risk occurring when the KBC Bank Group'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.

Notwithstanding the changes in central bank policies and increased market volatility, the KBC Bank Group continues to operate with a strong funding and liquidity position thanks to its loyal customer base. However, in view of rapidly changing market circumstances and increased mobility of funding sources (because of digitalisation and social media), the liquidity positions can rapidly deteriorate.

Market risk in trading activities - low risk

The KBC Bank Group is exposed to market risks via the trading activities of its dealing rooms in Belgium, the Czech Republic, Slovakia, Bulgaria and Hungary, as well as via a minor presence in the United Kingdom and Asia. Wherever possible and practical, the residual trading positions of the KBC Bank Group's foreign entities are systematically transferred to KBC Bank, reflecting that the KBC Bank Group's trading activity is managed centrally both from a business and a risk management perspective. Consequently, KBC Bank holds about 98% of the trading-book-related regulatory capital of the KBC Bank Group.

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 KBC Bank Group uses the historical simulation method, based on patterns of experience over the previous two years. The KBC Bank Group's HVaR estimate, calculated on the basis of a one-day holding period, was EUR 8 million as at 31 December 2023, and varied between EUR 4 million and EUR 10 million during the financial year of 2023. The HVaR model is used to calculate the vast majority of the total market risk RWA of KBC, which, as reflected in KBC Bank's 2023 Annual Report amounts to around 3% of KBC Group's total RWA underlining the low risk appetite for this activity.

Credit ratings - low risk

The credit ratings of the KBC Bank Group are important to maintain access to key markets and trading counterparties. Please also refer to the section entitled "*Credit ratings*" in the section "*Information relating to KBC Bank*" of this Base Prospectus for an overview of the KBC Bank Group's current credit ratings.

Any failure by the KBC Bank Group to maintain its credit ratings could adversely impact the competitive position of the KBC Bank Group, make entering into hedging transactions more difficult and increase borrowing costs or limit access to the capital markets or the ability of the KBC Bank Group to engage in funding transactions. In connection with certain trading agreements, the KBC Bank Group might also be required, if its current ratings are not maintained, to provide additional collateral.

Capital adequacy - low risk

The requirements of 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, as last amended by Directive (EU) 2021/1338 of 16 February 2021 and as may be further amended or replaced from time to time (**CRD**) 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 have an impact on the Issuers and their operations, as it imposes higher capital requirements. In addition, capital requirements will increase if economic conditions or trends in the financial markets worsen and, as such, further capital increases may be difficult to achieve or only be raised at high costs in the context of adverse market circumstances. The Basel III post-crisis reforms (commonly referred to as Basel IV) will apply when these are transposed into the Capital Requirements Regulation (**CRR**). The Basel IV impact on risk weighted assets (**RWA**) will be phased-in.

Banks are also subject to the Bank Recovery & Resolution Directive (**BRRD**) which imposes, inter alia, Minimum Requirement for Own Funds and Eligible Liabilities (**MREL**) requirements: Banks need to hold a certain amount of MREL instruments vs. their RWA (MREL in % of RWA) and vs. the size of their balance sheet (MREL in % of Leverage Ratio Exposure). The nominal amount of required MREL instruments therefore fluctuates with changes in RWA or Leverage Ratio Exposure, or because resolution authorities impose different MREL targets on institutions. Finally, MREL instruments have a maturity date. This all implies that banks have a continuous need to issue MREL instruments in order to maintain compliance with regulatory requirements in this respect.

Any failure of the Issuers to meet the regulatory capital ratios could result in administrative actions or sanctions or it ultimately being subject to any resolution action, which may impact the Issuers or the Issuers' ability to meet their financial obligations.

Please refer to the section entitled "*Banking supervision and regulation*" in the section "*Information relating to the Issuers' business*" of this Base Prospectus in which a broader overview of the capital adequacy requirements is provided.

RISK FACTORS RELATING TO THE SAVINGS CERTIFICATES

RISKS RELATING TO THE NATURE OF THE SAVINGS CERTIFICATES

Risks related to the trading market and liquidity of the Savings Certificates

The Savings Certificates are not listed on a regulated market or a multilateral trading facility (or any other market).

If a holder wants to sell a Savings Certificate prior to the maturity date of the Savings Certificate, it can offer such Savings Certificate to the relevant Issuer, however the relevant Issuer does not have any obligation to repurchase the Savings Certificates and the relevant Issuer does not undertake to repurchase the Savings Certificates. Even if the relevant Issuer may in practice repurchase the Savings Certificates, there is no guarantee or legal obligation that the relevant Issuer will continue to repurchase the Savings Certificates. The amount at which the Savings Certificates will be repurchased will depend on the prevailing interest rates and the costs and fees charged by the relevant Issuer and the repurchase price in the secondary market (if any) may therefore be lower than the par value. Such costs of early repurchase may change over time and investors should inform themselves about the prevailing conditions at the time they request a repurchase. If the relevant Issuer were to repurchase the Savings Certificates, a repurchase price will be proposed to the investor and subject to its acceptance. If there would be a capital gain for the client, this capital gain will be submitted to withholding tax. The investors may be able to sell the Savings Certificates to other investors (other than the relevant Issuer), but there is no guarantee that the investors will at any given time be able to find other investors willing to purchase the Savings Certificates.

Risks related to the exercise of the bail-in resolution tool in respect of the Savings Certificates (for amounts not protected by the deposit protection scheme)

The Banking Recovery and Resolution Directive ("**BRRD**") aims to provide supervisory and resolution authorities with common tools and powers to address banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

This means that the holders of the Savings Certificates may lose some or all of their investment (including outstanding principal and accrued but unpaid interest) as a result of the exercise by the Relevant Resolution Authority of the "bail-in" resolution tool, for those amounts that are not protected by the deposit protection regime. This tool may be exercised in respect of Savings Certificates.

The "bail-in" resolution tool is exercised by the Relevant Resolution Authority that has the power to bail-in (i.e., write down or convert) liabilities more subordinated than the Savings Certificates, if any (such as the claims of non-preferred creditors of the relevant Issuer) and preferred senior debt (such as the Savings Certificates), after having written down or converted Tier 1 capital instruments and Tier 2 capital instruments. The bail-in power enables the Relevant Resolution Authority to recapitalise a failing institution by allocating losses to its shareholders and unsecured creditors (including the holders of Savings Certificates) in a manner which is consistent with the hierarchy of claims in an insolvency of a relevant financial institution. The bail-in power includes the power to cancel a liability or modify the terms of contracts for the purposes of deferring the liabilities of the relevant financial institution and the power to convert a liability from one form to another.

In summary (and subject to the implementing rules), the Relevant Resolution Authority is able to exercise its bail-in powers if the following (cumulative) conditions are met:

- (a) the determination that the relevant Issuer is failing or is likely to fail has been made by the relevant regulator or the Relevant Resolution Authority (in each case, after consulting each other), which means that one or more of the following circumstances are present:
 - (i) the relevant Issuer infringes or there are objective elements to support a determination that the relevant Issuer will, in the near future, infringe the requirements for continuing authorisation in a way that would justify the withdrawal of the authorisation by the competent authority, including but not limited to because the relevant Issuer has incurred or is likely to incur losses that will deplete all or a significant amount of its own funds;
 - (ii) the assets of the relevant Issuer are or there are objective elements to support a determination that the assets of the relevant Issuer will, in the near future, be less than its liabilities;
 - (iii) the relevant Issuer is or there are objective elements to support a determination that the relevant Issuer will, in the near future, be unable to pay its debts or other liabilities as they fall due;
 - (iv) the relevant Issuer requests extraordinary public financial support;
- (b) having regard to timing and other relevant circumstances, there is no reasonable prospect that any alternative private sector measures or supervisory action taken in respect of the relevant Issuer would prevent the failure of the relevant Issuer within a reasonable timeframe; and
- (c) a resolution action is necessary in the public interest.

The BRRD specifies that governments will only be entitled to use public money to rescue credit institutions if a minimum of 8% of the own funds and total liabilities have been written down, converted or bailed in or, by way of derogation, if the contribution to loss absorption and recapitalisation is equal to an amount not less than 20% of risk-weighted assets and certain additional conditions are met.

The exercise by the Relevant Resolution Authority of its resolution powers (including the statutory loss absorption powers) in relation to the Savings Certificates, or the (perceived) prospect of such exercise, could have a material adverse effect on the value of such Savings Certificates and could lead to the holders of such Savings Certificates losing some or all of their investment in their Savings Certificates (subject to the application of the deposit protection regime).

Furthermore, it should be noted that, on 18 April 2023, the European Commission adopted a proposal to adjust and further strengthen the EU's existing bank crisis management and deposit insurance (the "**CMDI Proposal**") framework, with a focus on medium-sized and smaller banks. The proposal would enable authorities to organise the orderly market exit for a failing bank of any size and business model, with a broad range of tools. In particular, it would facilitate the use of industry-funded safety nets to shield depositors in banking crises, such as by transferring them from an ailing bank to a healthy one. Such use of safety nets must only be a complement to the banks' internal loss absorption capacity, which remains the first line of defence. If implemented as proposed, this may have an impact on the current supervisory and resolution powers applicable to credit institutions (such as the Issuers). The current CMDI Proposal proposes (i) to abolish the 'super-preference' of deposit guarantee schemes in order to extend the privilege of depositors to a broader group of depositors that currently benefit from the privilege (this would mean that the privilege no longer only applies to depositors for deposits protected by the deposit protection regime); (ii) to create a single-tier ranking for all deposits (covered deposits and deposit guarantee schemes' claims, non-covered deposits of households and small and medium enterprises, other non-covered deposits); and (iii) all deposits relative to ordinary unsecured claims would be preferred. Nevertheless, even though such legislative reform is aimed at improving the situation of depositors and holders of Savings Certificates, it is uncertain what the final legislative texts will provide and what their impact will be.

With respect to the Savings Certificates, it should be noted that savings certificates issued by Belgian credit institutions, such as the Savings Certificates to be issued under this Base Prospectus, are to be considered as a "deposit" for purposes of the application of the Belgian deposit protection regime. As a result, the Savings Certificates are, subject to certain conditions, protected by the Belgian deposit protection regime. More information in this respect can be found on the website www.garantiefonds.belgium.be (the information on this website does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised or approved by the FSMA). The capital invested via the Savings Certificate (the principal amount) should be repaid by the relevant Issuer on the Maturity Date of the relevant Savings Certificate. If the relevant Issuer defaults on this payment obligation (e.g. as a result of a bankruptcy of the Issuer) and once an additional payment term has expired (currently 20 business days), the Savings Certificate is protected by the Savings Certificate for an amount of up to EUR 100,000 per person. The amount protected by the deposit protection regime is not subject to the "bail-in" resolution tool. However, it should be stressed that the maximum amount of EUR 100,000 protected under the Belgian deposit protection regime is calculated per person and per credit institution for the aggregate amount of all eligible deposits held by the relevant person with the relevant credit institution. This means that the aggregate amount of the Savings Certificates and other eligible deposits held by the relevant person with the relevant credit institution should be calculated. Legal persons holding the Savings Certificates should assess whether they are eligible for the Belgian deposit protection regime, as this eligibility is subject to certain conditions.

A holder's return on the Savings Certificates may be affected by inflation

The real return which an investor will receive on its Savings Certificates may be affected by inflation. Inflation risk is the risk that the future real value of an investment will be reduced by inflation over time, which could be caused by an increase in prices or a decrease in the value of money. Where inflation is high, as is the case in the current economic climate, it is possible that the real return which an investor will receive on its Savings Certificates will be reduced or will even be negative.

The market value of an issue of Savings Certificates can be affected by various factors

The market value of an issue of Savings Certificates will be affected by a number of factors, including, but not limited to, market interest and yield rates, volatility in the market, the creditworthiness of the relevant Issuer, the time remaining to any redemption date or maturity date, and economic, financial and political events in one or more jurisdictions. The price at which a holder will be able to sell any Savings Certificates prior to maturity may be at a discount, which could be substantial, to the market value of such Savings Certificates on the issue date. Potential investors should consider reinvestment risk in light of other investments available at that time.

A holder's actual yield on the Savings Certificates may be reduced from the stated yield by transaction costs

When Savings Certificates are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Savings Certificates. Certain fees and costs are set out in this Base Prospectus (such as transaction fees or transfer fees, see section "*Terms and Conditions of the Offer*"), but there may be other fees and costs which may impact the holders' actual yield. In addition to such fees directly related to the purchase or transfer of securities (direct costs), holders of Savings Certificates must also take into account any other costs (such as custody fees). Investors should inform themselves about any additional costs which they may incur in connection with the purchase, transfer, custody or sale of the Savings Certificates before investing in the Savings Certificates.

Risks related to reinvesting risk

Holders are exposed to the reinvestment risk in several situations. For example, reinvestment risk arises in a declining interest rate environment because holders of Savings Certificates will only be able to reinvest the principal and/or interest paid to them at lower interest rates compared to the interest rates prevailing at the time they subscribed the Savings Certificates.

Risks related to tax position of the investors and change of tax law

Investors should note that the tax legislation of the investor's Member State and of the Issuers' country of incorporation (Belgium) may have an impact on the income received from the securities. In case of doubt in respect of the risks associated with the Savings Certificates and in order to assess their adequacy with their personal risk profile, investors should consult their own tax experts about the risks associated with an investment in these Savings Certificates.

The Conditions of the Savings Certificates are, save to the extent referred to therein, based on legislation in effect as at the date of issue of the Savings Certificates. No assurance can be given as to the impact of any possible judicial decision or changes to the laws in Belgium, other jurisdictions (such as FATCA under US law) or on a supranational level (e.g. the EU Financial Transaction Tax) or in the administrative practice after the date of issue of the Savings Certificates. Investors should note that the provisions of the Conditions contain certain provisions dealing with a change of law. Such provisions will be applied in accordance with the law in force at the relevant time.

In addition, any relevant tax law or practice applicable as at the date of this Base Prospectus and/or the date of purchase or subscription of the Savings Certificates may change at any time (including during any subscription period or the term of the Savings Certificates). Any such change may have an adverse effect on a holder, including that the Savings Certificates may be redeemed before their due date, their liquidity may decrease and/or the tax treatment of amounts payable or receivable by or to an affected holder may be less than otherwise expected by such holder of Savings Certificates.

Risks related to the terms of the Savings Certificates

There is no limitation on the entry into, issuing or guaranteeing of debt ranking *pari passu* with the Savings Certificates, which may be required because of regulatory requirements, and any future debt may be on better terms than the Savings Certificates

There is no restriction in the Conditions on the amount of debt which the relevant Issuer may enter into, issue or guarantee. The relevant Issuer may incur additional indebtedness or grant guarantees in respect of indebtedness or guarantees of third parties, including indebtedness and guarantees that rank *pari passu* with the Savings Certificates, which may have better terms than the Savings Certificates (e.g. in relation to events of default and covenants). The issue of any such securities or the incurrence of any such other liabilities may reduce the amount (if any) recoverable by holders in case of default or insolvency. If the relevant Issuer's financial condition were to deteriorate, the holders could suffer direct and materially adverse consequences, including reduction of interest and principal and, if the relevant Issuer were to be liquidated (whether voluntarily or involuntarily), the holders could suffer loss of their entire investment.

The incurrence of additional indebtedness may be required based on regulatory requirements. In order to make the bail-in power under the BRRD effective, credit institutions (including the Issuers) must at all times meet a MREL so that there is sufficient capital and liabilities available to stabilise and recapitalise failing credit institutions.

The Conditions of the Savings Certificates do not contain covenants

The Conditions of the Savings Certificates place no restrictions on the amount of debt that the relevant Issuer may issue. The issue of any such debt or securities may impact the amount recoverable by

holders upon liquidation or resolution of the relevant Issuer. In this respect, please also refer to the risk factor entitled "*There is no limitation on the entry into, issuing or guaranteeing of debt ranking pari passu with the Savings Certificates, which may be required because of regulatory requirements, and any future debt may be on better terms than the Savings Certificates*".

In addition, the Savings Certificates do not require the relevant Issuer to comply with financial ratios or otherwise limit its ability or that of its respective subsidiaries to incur additional debt, nor do they limit the Issuer's ability or that of its respective subsidiaries to use cash to make investments or acquisitions, or the ability of the Issuer or its respective subsidiaries to pay dividends, repurchase shares or otherwise distribute cash to shareholders. Such actions could potentially affect the relevant Issuer's ability to service its respective debt obligations, including those of the Savings Certificates.

No tax gross-up obligation

Investors should be aware that pursuant to the Conditions of the Savings Certificates there are no gross-up payments in respect of the Savings Certificates. This means that if additional taxes are imposed in respect of the Savings Certificates, there is no obligation for the relevant Issuer to compensate the investors for any additional tax charge that they would incur as a result of such additional taxes.

No holder of Savings Certificates may exercise or claim any right of set-off, netting, compensation or retention in respect of any amount owed to it by the relevant Issuer arising under or in connection with the Savings Certificates

Subject to applicable law, no holder may exercise or claim any right of set-off, netting, compensation or retention in respect of any amount owed to it by the relevant Issuer arising under or in connection with the Savings Certificates and each holder of Savings Certificates shall, by virtue of its subscription, purchase or holding of a Savings Certificate, be deemed to have waived all such rights of set-off, netting, compensation and retention.

Issuer substitution

Pursuant to Condition 17 (*Substitution*), in case of dissolution, liquidation, reconstruction, merger, amalgamation or any other kind of legal reorganisation, the relevant Issuer may, without any further consent or cooperation from the holders of the Savings Certificates, at any time, procure that any affiliated or associated corporation of the relevant Issuer is substituted for the relevant Issuer as the debtor under the Conditions to be offered by assigning all its rights and obligations to such other corporation, provided that certain preconditions are fulfilled (including the requirement the substituted Issuer must have a long-term debt rating of at least the same level as the one of the relevant Issuer at the time of substitution). Notwithstanding each of these preconditions being satisfied prior to any such substitution, there can be no guarantee that any such substitution will not have an adverse effect on the price of the Savings Certificates and subsequently lead to losses for the holders of the Savings Certificates if they sell the Savings Certificates.

DOCUMENTS INCORPORATED BY REFERENCE

This section incorporates by reference selected publicly available information regarding the Issuers that should be read in conjunction with this Base Prospectus.

The following documents, which have previously been published or are published simultaneously with this Base Prospectus, shall be incorporated by reference in, and form part of, this Base Prospectus:

KBC Bank's annual report for the financial year ended 31 December 2022 (FY 2022)¹ and the Issuer's annual report for the financial year ended 31 December 2023 (FY 2023)², which includes the following information (without limitation):

	FY 2022	FY 2023
<i>Report of the Board of Directors</i>		
Group profile	p. 6 – 32	p. 6 – 31
Review of the consolidated financial statements	p. 33 – 36	p. 32 – 35
Review of the business units	p. 37 – 42	p. 36 – 41
Risk management	p. 43 – 79	p. 42 – 72
Capital adequacy	p. 80 – 83	p. 73 – 76
Corporate governance statement	p. 84 – 91	p. 77 – 84
<i>Consolidated financial statements (IFRS)</i>		
Consolidated income statement	p. 93	p. 86
Consolidated statement of comprehensive income	p. 94 – 95	p. 87 – 88
Consolidated balance sheet	p. 96	p. 89
Consolidated statement of changes in equity	p. 97 – 98	p. 90 – 91
Consolidated cashflow statement	p. 99 – 100	p. 92 – 93
Explanatory notes on the accounting policies, segment reporting, income statement, financial assets and liabilities on the balance sheet, other balance sheet items, and other notes	p. 101 – 179	p. 94 – 168
<i>Statutory auditor's report on the consolidated accounts</i>		
	p. 180 – 186	p. 169 – 175
<i>Non-consolidated statutory annual accounts (Belgian GAAP)</i>		
Balance sheet after profit appropriation	p. 191 – 193	p. 180 – 182
Income statement	p. 194 – 195	p. 183 – 184
Appropriation account	p. 196	p. 185
Explanatory notes	p. 197 – 264	p. 186 – 254
Social balance sheet	p. 265 – 268	p. 255 – 257
<i>Statutory auditor's report on the non-consolidated statutory annual accounts</i>		
	p. 281 – 288	p. 270 – 276
<i>Ratios used</i>		
	p. 293 – 295	p. 287 – 289

Page references are to the English language PDF version of the relevant documents incorporated by reference.

¹ <https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2022/jvs-2022-bnk-en.pdf>

² <https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2023/jvs-2023-bnk-en.pdf>

CBC Banque's annual report for the financial year ended 31 December 2022 (FY 2022)³ and CBC Banque's annual report for the financial year ended 31 December 2023 (FY 2023)⁴, which includes the following information (without limitation):

	FY 2022	FY 2023
CBC, en bref (<i>CBC in brief</i>)	p. 7 – 11	p. 7 – 11
CBC, côté clients	p. 12 – 17	p. 12 – 17
CBC, côté valeurs	p. 18 – 26	p. 18 – 28
CBC, côté collaborateurs	p. 27 – 33	p. 29 – 37
Rapport de Gestion (<i>Management Report</i>)	p. 34 – 42	p. 38 – 46
La gestion des risques et les structures de contrôle (<i>Risk management and control structure</i>)	p. 42 – 57	p. 47 – 63
Renseignements concernant l'administration, la direction et la surveillance de CBC Banque (<i>Information concerning administration, management and supervision</i>)	p. 58 – 67	p. 64 – 73
Données complémentaires (<i>Additional data</i>)	p. 67 – 70	p. 74 – 76
Comptes annuels (<i>Annual Accounts</i>)	p. 71 – 121	p. 77 – 127
Bilan social (<i>Social Report</i>)	p. 122 – 125	p. 128 – 131
Résumé des règles d'évaluation (<i>Summary of the valuation rules</i>)	p. 126 – 129	p. 132 – 135
Rapports du Commissaire Agréé (<i>Independent Auditor's Report</i>)	p. 130 – 137	p. 136 – 143
Annexes (<i>Appendices</i>)	p. 138 – 144	p. 144 – 149

Page references are to the French language PDF version of the relevant document incorporated by reference.

Copies of documents incorporated by reference in this Base Prospectus can also be obtained from the registered office of the relevant Issuer.

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. In case there is only reference to certain parts of a document in the above mentioned documents, the non-incorporated parts, to the extent they are not explained elsewhere in the Base Prospectus, are not relevant for investors.

³ <https://multimediafiles.kbcgroup.eu/ng/published/CBC/PDF/cbc-rapport-annuel-AA-fr-2022.pdf>

⁴ <https://multimediafiles.kbcgroup.eu/ng/published/CBC/PDF/cbc-rapport-annuel-AA-fr-2023.pdf>

TERMS AND CONDITIONS OF THE SAVINGS CERTIFICATES

This section sets out the contractual terms and conditions of the Savings Certificates.

KBC Bank NV and CBC Banque SA (each, individually, an "**Issuer**") have each established a savings certificates issuance programme (hereinafter the "**Programme**") for the issuance of savings certificates (*kasbons/bons de caisse*) in dematerialised form governed by Belgian law (hereinafter the "**Savings Certificates**").

The terms and conditions of the Savings Certificates of each Issuer (the "**Conditions**", each chapter or subchapter individually referred to as "**Condition**") will be governed by the conditions set out below, as supplemented or varied in accordance with the provisions of the relevant Final Terms (in the form annexed to these Conditions).

The Savings Certificates will be issued in series (each a "**Series**"). The Savings Certificates of a particular Series will have the same characteristics with respect to maturity and interest rates.

In the event of any inconsistency between the provisions of the relevant Final Terms of a Series and the other provisions of this Base Prospectus and the Programme of the relevant Issuer, the Final Terms will prevail. All capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Final Terms.

Where these Conditions refer to any computation of a term or period of time, article 1.7 of the Belgian Civil Code shall not apply.

Any Condition may derogate either expressly or implicitly from applicable legal provisions. Even if there is no express derogation from a specific legal provision, the relevant Condition may still implicitly derogate from legal provisions (for instance by providing for a different contractual regime).

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

In these Conditions, the following expressions have the following meanings:

"Bail-in Power" means any write-down, conversion, transfer, modification or suspension power existing from time to time under, and exercised in compliance with, any laws, regulations (including delegated or implementing measures such as regulatory technical standards), requirements, guidelines, rules, standards and policies relating to the resolution of credit institutions, investment firms and their parent undertakings, and minimum requirements for own funds and eligible liabilities and/or loss absorbing capacity instruments of the Kingdom of Belgium, the NBB (or any successor or replacement entity having primary responsibility for the prudential oversight and supervision of the relevant Issuer), the Relevant 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, pursuant to which obligations of the relevant Issuer can be reduced (in part or in whole), cancelled, suspended, transferred, varied or otherwise varied in any way, or securities of the relevant Issuer can be written down and/or converted into shares, other securities or other obligations of the relevant Issuer or any other person, whether in connection with the implementation of a bail-in power following placement in resolution or otherwise.

"Banking Law" means the Belgian law of 25 April 2014 on the status and supervision of credit institutions.

"Belgian Civil Code" means the Belgian Civil Code (*Burgerlijk Wetboek/Code Civil*) of 13 April 2019.

"**Business Day**" means a day (other than a Saturday or Sunday) on which (i) commercial banks are open for general business in Belgium and (ii) the real-time gross settlement system owned and operated by the Eurosystem, or any successor or replacement thereto, is open.

"**Calculation Period**" means, in respect of any calculation of interest, the period from (and including) the most recent Interest Payment Date (or, if none, the Issue Date) to (but excluding) the relevant payment date.

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Savings Certificate for the Calculation Period, such day count fraction as may be specified in the Terms and Conditions or the applicable Final Terms:

- (a) if **Actual/Actual** or **Actual/Actual (ISDA)** is specified in the applicable 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 (i) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (ii) 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 applicable Final Terms, the actual number of days in the Calculation Period divided by 365;
- (c) if **Actual/360** is specified in the applicable 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 applicable Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

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

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

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

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

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

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 of 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 of the Calculation Period falls;

"D₁" is the first calendar day, expressed as a number, of the Calculation Period, unless that day is the last day of February or 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 that day is the last day of February but not the Maturity Date or such number would be 31, in which case D₂ will be 30; and

- (g) if **1/1** is specified in the applicable Final Terms, 1.

"Euro" or "euro" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended, supplemented and/or replaced from time to time.

"Event of Default" has the meaning given in Condition 12 (*Events of Default*).

"Fixed Coupon Amount" has the meaning given in the relevant Final Terms.

"Interest Payment Date" means, in respect of each Series of Savings Certificates, the date as set out in the relevant Final Terms with respect to that Series of Savings Certificates.

"ISDA" means the International Swaps and Derivatives Association, or any successor organisation.

"Issue Date" means, in respect of a Series of Savings Certificates, the issue date as set out in the relevant Final Terms with respect to that Series of Savings Certificates.

"Maturity Date" means, in respect of a Series of Savings Certificates, the maturity date as set out in the relevant Final Terms with respect to that Series of Savings Certificates.

"Preceding Business Day Convention" means that the relevant date shall be brought forward to the immediately preceding Business Day.

"Rate of Interest" means, in respect of a Series of Savings Certificate, the rate of interest payable from time to time as set out in the relevant Final Terms with respect to that Series of Savings Certificates.

"Relevant Amounts" means the principal amount of, and/or interest on, the Savings Certificates. These amounts include amounts that have become due and payable but which have prior to the exercise of the Bail-in Power by the Relevant Resolution Authority not yet been paid.

"Relevant Resolution Authority" means the Single Resolution Board established by Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 and/or any other authority entitled to exercise or participate in the exercise of the bail-in power from time to time (including the Council of the European Union and the European Commission when acting pursuant to article 18 of the Single Resolution Mechanism Regulation).

1.2 Interpretation

In these Conditions, any reference to any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, 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. TYPE, FORM, DENOMINATION AND TITLE

2.1 Savings Certificates

- (a) The Savings Certificates under the Programme are issued as Belgian savings certificates (*kasbons/bons de caisse*). The Savings Certificates are a type of debt instrument.
- (b) The holder purchasing the Savings Certificates makes an investment that represents a loan made to the relevant Issuer, whereby the relevant Issuer undertakes to pay an interest on such loan and to repay the principal amount in its entirety on the Maturity Date (as defined below).
- (c) The Savings Certificates are transferable securities that can be transferred by the Savings Certificates' holder to a third party.

2.2 Form

- (a) The Savings Certificates are issued in dematerialised form in accordance with article 7:35 of the Belgian Code of Companies and Association.
- (b) The Savings Certificates are issued in dematerialised form and are registered in a securities account held by the holder of the Savings Certificates.
- (c) A conversion of Savings Certificates in dematerialised form into registered form can always be requested by the relevant holder.
- (d) The relevant Issuer is a recognised account holder for purposes article 7:35 Belgian Code of Companies and Association and acts as the head of pyramid in respect of the Savings Certificates issued by it. The relevant Issuer centralises all operations with respect to the Savings Certificates, such as the payment of interest and redemption payments, also if the

relevant Savings Certificates would have been transferred by the holder to another financial institution for custody. With respect to the securities registered in book-entry form (the Savings Certificates in dematerialised form), the relevant Issuer is the entity in charge of keeping the records (name and address: respectively KBC Bank NV, Havenlaan 2, 1080 Brussels and CBC Banque SA, Avenue Albert 1ER, 60, 5000 Namur).

2.3 Denomination

Savings Certificates will have a denomination of EUR 1 (the "**Specified Denomination**") with a minimum investment per holder of EUR 500, and increments of EUR 1 in excess thereof.

2.4 Security identifier

The Savings Certificates of a particular Series will be allocated an international security identification number ("**ISIN Code**").

3. CURRENCY OF THE SAVINGS CERTIFICATES

The Savings Certificates are issued in euro.

4. STATUS OF THE SAVINGS CERTIFICATES

4.1 Status of the Savings Certificates as senior preferred liabilities

- (a) The Savings Certificates represent debt obligations of the relevant Issuer and do not form part of the capital or own funds of the relevant Issuer. The holder of the Savings Certificates has a contractual claim (receivable) against the relevant Issuer for the repayment of the principal amount of the Savings Certificates at the conditions as set out in these Conditions and the relevant Final Terms.
- (b) On 31 July 2017, Belgium adopted a legislation establishing a new category of debt securities available to credit institutions. The law provides for a new article 389/1 into the Banking Law. In particular, article 389/1 aims at increasing the effectiveness of the bail-in tool and introduces a new category of claims in the statutory creditor hierarchy in the case of a liquidation procedure (*liquidatieprocedure/procédure de liquidation*) of a credit institution. Article 389/1 of the Banking Law now divides senior notes into: (i) senior preferred liabilities, retaining the same ranking as the previous senior notes; and (ii) senior non-preferred notes. Senior non-preferred notes are direct, unconditional, senior, and unsecured (*chirografair/chirographaire*) obligations. In the case of liquidation, they will rank senior to subordinated notes but junior to both ordinary senior preferred notes and to claims benefiting from legal or statutory preferences. Furthermore, senior non-preferred notes must have the following characteristics: they may not contain embedded derivatives or be derivatives themselves; their maturity may not be less than one year; and their terms must expressly provide that the claim is unsecured (*chirografair/chirographaire*) and that their ranking is as set forth in article 389/1, 2° of the Banking Law.
- (c) The Savings Certificates rank as senior preferred notes and the payments of principal and interest relating to them are direct, unconditional and unsecured obligations of the relevant Issuer and rank at all times pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer as referred under article 389/1, 1° of the Banking Law (senior preferred obligations), present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights. Senior preferred obligations have a higher priority ranking than the above-mentioned senior non-preferred obligations that are defined under article 389/1, 2° of the Banking Law.

4.2 Deposit protection, bail-in and special priority lien in accordance with article 389, §2 of the Banking Law

- (a) The Savings Certificates benefit from a protection under the Belgian deposit protection scheme granted by the Belgian Guarantee Fund (*Garantiefonds/Fonds de Garantie*), subject to a limitation of EUR 100,000 (it being understood that this limitation applies to all deposits, including Savings Certificates, with a financial institution, held by a depositor).
- (b) It should be noted that the deposit protection for Savings Certificates only applies in respect of the Savings Certificates in dematerialised form, to the extent that these Savings Certificates in dematerialised form are held on a securities account in the name of an account holder eligible for deposit protection in accordance with the conditions of the Belgian deposit protection scheme.
- (c) With respect to Savings Certificates converted in Savings Certificates in registered form at the request of the holder (in accordance with Condition 2.2(c)), it should be noted that such Savings Certificates are eligible for deposit protection in accordance with the conditions of the Belgian deposit protection scheme, provided that the Savings Certificates are registered in the name of an account holder eligible for deposit protection in accordance with the conditions of the Belgian deposit protection scheme.
- (d) For amounts not protected by the deposit protection scheme, the Bail-In Power shall apply.
- (e) In accordance with and subject to the conditions set out in article 389, §2 of the Banking Law, "eligible deposits" held by individuals (physical persons) and small and medium enterprises including Savings Certificates benefit from a special priority lien on all assets of the relevant Issuer for the amounts in excess of the amount covered by the deposit protection scheme (such lien ranking after the lien for the benefit of the Belgian Guarantee Fund for claims in the amounts covered by the deposit protection scheme).

5. WAIVER OF SET-OFF

Subject to applicable law, no Savings Certificates' holder may exercise or claim any right of set-off, netting, compensation, or retention in respect of any amount owed to it by the relevant Issuer arising under or in connection with the Savings Certificates and each holder shall, by virtue of its subscription, purchase or holding of a Savings Certificate, be deemed to have waived all such rights of set-off, netting, compensation or retention. Notwithstanding the preceding sentence, if any amounts owing to any holder by the relevant Issuer is discharged by set-off, netting, compensation or retention, such holder shall, unless payment is prohibited by law, immediately pay an amount equal to the amount of such discharge to the relevant Issuer or, in the event of its winding-up or administration, the liquidator or administrator, as appropriate, of the relevant Issuer for the payment to creditors of the relevant Issuer in respect of amounts owing to them by the relevant Issuer and accordingly any such discharge shall be deemed not to have taken place.

6. RIGHTS ATTACHED TO THE SAVINGS CERTIFICATES

The Savings Certificates give right to:

- (a) the payment of interest (either paid on a periodical basis or capitalised and paid at Maturity Date); and
- (b) the payment of the redemption amount on the Maturity Date.

7. INTEREST

7.1 Interest Payment Date

The interest can be paid as follows:

- (a) on a periodic basis (annually, or with another frequency), as set out in the relevant Final Terms with respect to the relevant Series of Savings Certificates; and
- (b) capitalised and paid out at the Maturity Date of the relevant Savings Certificates, as set out in the relevant Final Terms with respect to the relevant Series of Savings Certificates.

7.2 **Accrual of Interest**

Each Series of Savings Certificate bears interest from the relevant Issue Date (including) until the Maturity Date (not inclusive) at the rate per annum (expressed as a percentage) equal to the applicable Rate of Interest.

7.3 **Amount of Interest**

The amount of interest payable in respect of any Savings Certificate for any period for which a Fixed Coupon Amount is not specified or not applicable shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount of such Saving Certificate by the Day Count Fraction and rounding, if necessary, the resultant figure to the nearest minimum unit of the Specified Currency (half of such unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Saving Certificate divided by the Calculation Amount.

8. **MATURITY DATE**

- 8.1 The Savings Certificates shall be redeemed on the Maturity Date. The Savings Certificates are repaid at 100 per cent. of their nominal amount. The Savings Certificates are repaid in euro on the cash account (current or savings account) linked to the securities account of the holder of Savings Certificates at the relevant Issuer or at the relevant financial institution for custody, as applicable.
- 8.2 The relevant Issuer may, subject to compliance with any applicable laws and regulations, repurchase Savings Certificates at any time and at any price, but is not obliged to do so. The amount at which the relevant Issuer may agree to repurchase Savings Certificates will depend on the prevailing interest rates. A transaction fee of 0.75% of the outstanding principal amount will be charged by the relevant Issuer for the repurchase. Such fees in case of repurchase may change over time and investors should inform themselves thereof. Savings Certificates purchased by the relevant Issuer may be cancelled or held at the option of the relevant Issuer.

9. **PAYMENTS**

9.1 **Payments subject to fiscal laws**

All payments in respect of the Savings Certificates are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 10 (*Taxation*).

9.2 **Payments**

If the date for payment of any amount in respect of any Savings Certificate is not a Business Day, the payment shall be made in accordance with the Preceding Business Day Convention.

10. **TAXATION**

- 10.1 All payments in respect of the Savings Certificates will be made without withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever

nature, unless the relevant Issuer, or any other person is required by applicable law to make any payment in respect of the Savings Certificates subject to any withholding or deduction for, or on account of, any present or future taxes, duties or charges of whatsoever nature. In that event, the relevant Issuer, or such other person (as the case may be) shall make such payment after such withholding or deduction has been made and shall account to the relevant authorities for the amount so required to be withheld or deducted. Neither the relevant Issuer, nor any other person will be obliged to gross up the payments in respect of the Savings Certificates or to make any additional payments to any Savings Certificates' holders in respect of any such withholding or deduction.

10.2 The relevant Issuer, or any other person being required to make a tax deduction shall not constitute an Event of Default.

11. YIELD AND METHOD OF CALCULATION

The gross actuarial yield is the interest rate "i" (determined based on a numerical procedure) that must be utilised in order to ensure that the sum of the discounted future cash-flows consisting of capital and gross interest payments (or the discounted cash flow after t years = $CF_t / (1+i)^t$) is equal to the issue price if calculated at the value date (issue date). The indication of yield for each Series of Savings Certificates is set out in the relevant Final Terms.

12. EVENTS OF DEFAULT

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

- (a) default by the relevant Issuer in the payment of principal or interest in respect of the Savings Certificates of the relevant Series and such default shall have continued for a period of 30 days;
- (b) default by the relevant Issuer in the due performance or observance of any other obligation or provision under or in relation to the Savings Certificates of the relevant Series, if such default is not cured within 45 days after written notice thereof, addressed to the relevant Issuer by any Savings Certificates' holder of the relevant Series, has been delivered to the Issuer.
- (c) default by the Issuer in the payment of any amount in respect of any other loan indebtedness of or assumed or guaranteed by the relevant Issuer (which indebtedness has an aggregate principal amount of at least EUR 50,000,000 or its equivalent in any other currency), when and as the same shall become due and payable, if such default shall continue for more than the period of grace, if any, originally applicable thereto and the time for payment has not been extended, or in the event that any such loan indebtedness shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of an event of default thereunder;
- (d) the relevant Issuer is dissolved or wound up or otherwise ceases to exist prior to the redemption of all outstanding Savings Certificates;
- (e) a court having jurisdiction in the premises enters a decree or order for relief in respect of the relevant Issuer in an involuntary case or other proceeding under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or appointing a trustee, receiver, liquidator, custodian, assignee, sequestrator or other similar official of the relevant Issuer or of any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order continues unstayed in effect for a period of 30 consecutive days;
- (f) it becomes unlawful for the relevant Issuer to perform any of its obligations under the Savings Certificates of the relevant Series or any of its obligations under the Savings Certificates relevant Series ceases to be valid, binding or enforceable,

then any holder of Savings Certificates may by written notice to the relevant Issuer at its specified office declare its Savings Certificate(s) immediately due and payable (unless, such Event of Default shall have been remedied prior to the receipt of such notice). Upon any declaration of acceleration properly given in accordance with this Condition 12 (*Events of Default*), the Savings Certificates will become immediately due and payable without any further action or formality at their principal amount together with accrued interest (if any) on the date that written notice of acceleration is received by the relevant Issuer, unless the Event of Default has been remedied or waived prior to the receipt of the notice by the Issuer.

13. **MEETINGS OF SAVINGS CERTIFICATES' HOLDERS, WRITTEN RESOLUTIONS, MODIFICATIONS AND WAIVERS**

13.1 **General**

The following are selected provisions for convening meetings of Savings Certificates' holders to consider matters relating to any Series of Savings Certificates with an original stated maturity of more than one year, including modifications to the Conditions.

- (a) **"Cross-series modification"** means a modification involving (i) a Series of Savings Certificates and (ii) the Savings Certificates of one or more other Series;
- (b) **"Outstanding"** in relation to any Savings Certificate means a Savings Certificate that is outstanding for the purposes of Condition 13.10, and in relation to the Savings Certificates of any other Series will be determined in accordance with the applicable Conditions of that debt security;
- (c) **"Reserved matter"** in relation to a Series of Savings Certificates means the Conditions of such Series of Savings Certificates (including the Final Terms relating to such Series of Savings Certificates) the modification of which would:
 - (i) change the date on which any amount is payable on the Savings Certificates;
 - (ii) reduce any amount, including any overdue amount, payable on the Savings Certificates;
 - (iii) change the method used to calculate any amount payable on the Savings Certificates;
 - (iv) reduce the redemption price for the Savings Certificates or change any date on which the Savings Certificates may be redeemed;
 - (v) change the currency or place of payment of any amount payable on the Savings Certificates;
 - (vi) impose any condition on or otherwise modify the Issuer's obligation to make payments on the Savings Certificates;
 - (vii) change any payment-related circumstance under which the Savings Certificates may be declared due and payable prior to their stated maturity;
 - (viii) change the seniority or ranking of the Savings Certificates;
 - (ix) change any court to whose jurisdiction the Issuer has submitted or any immunity waived by the relevant Issuer in relation to legal proceedings arising out of or in connection with the Savings Certificate;
 - (x) change the principal amount of outstanding Savings Certificates or, in the case of a cross-series modification, the principal amount of Savings Certificates of any other

Series required to approve a proposed modification in relation to the Savings Certificates, the principal amount of outstanding Savings Certificates for a quorum to be present, or the rules for determining whether a Savings Certificate is outstanding for these purposes; or

- (xi) change the definition of a reserved matter,

and has the same meaning in relation to the Savings Certificates of any other Series save that any of the foregoing references to the Savings Certificates shall be read as references to such other Savings Certificates.

- (d) "**Non-reserved matter**" in relation to a Series of Savings Certificates means any matter other than a reserved matter.

13.2 Convening meetings of Savings Certificates' holders

A meeting of Savings Certificates' holders:

- (a) may be convened by the relevant Issuer at any time;
- (b) will be convened by the Issuer if an Event of Default in relation to the Savings Certificates has occurred and is continuing and a meeting is requested in writing by the holders of not less than 10% of the aggregate principal amount of the Savings Certificates then outstanding.

13.3 Quorum

- (a) The quorum at any meeting at which Savings Certificates' holders will vote on a proposed modification of:
 - (i) a reserved matter will be one or more persons present and holding not less than 66% of the aggregate principal amount of the Savings Certificates then outstanding; and
 - (ii) a non-reserved matter will be one or more persons present and holding not less than 50% of the aggregate principal amount of the Savings Certificates then outstanding.
- (b) The quorum for any adjourned meeting will be one or more Savings Certificates' holders present and holding:
 - (i) not less than 66% of the aggregate principal amount of the Savings Certificates then outstanding in the case of a proposed reserved matter modification; and
 - (ii) not less than 25% of the aggregate principal amount of the Savings Certificates then outstanding in the case of a non-reserved matter modification.

13.4 Written Resolutions

A written resolution signed by or on behalf of the holders of the requisite majority of the Savings Certificates will be valid for all purposes as if it was a resolution passed at a quorate meeting of Savings Certificates' holders duly convened and held in accordance with these provisions. A written resolution may be set out in one or more documents in any form each signed by or on behalf of one or more Savings Certificates' holders.

13.5 Non-Reserved Matters

The Conditions of a Series of Savings Certificates (including the Final Terms relating to such Series of Savings Certificates) may be modified in relation to a non-reserved matter with the consent of the relevant Issuer and:

- (a) the affirmative vote of a holder or holders of more than 50% of the aggregate principal amount of the outstanding Savings Certificates in such Series represented at a duly called and quorate meeting of Savings Certificates' holders; or
- (b) a written resolution signed by or on behalf of a holder or holders of more than 50% of the aggregate principal amount of the outstanding amount of the outstanding Savings Certificates in such Series.

13.6 **Reserved Matters**

Except as provided by Condition 13.7 below, the Conditions of a Series of Savings Certificates (including the Final Terms relating to such Savings Certificates) may be modified in relation to a reserved matter with the consent of the Issuer and:

- (a) the affirmative vote of a holder or holders of not less than 75% of the aggregate principal amount of the outstanding Savings Certificates in such Series represented at a duly called and quorate meeting of Savings Certificates; or
- (b) a written resolution signed by or on behalf of a holder or holders of not less than 66% of the aggregate principal amount of the Savings Certificates then outstanding in such Series.

13.7 **Cross-Series Modifications**

In the case of a cross-series modification, the Conditions of a Series of Savings Certificates and Savings Certificates of any other Series including, where applicable, any relevant Final Terms, may be modified in relation to a reserved matter with the consent of the relevant Issuer and:

- (a) the affirmative vote of not less than 75% of the aggregate principal amount of the outstanding Savings Certificates represented at duly called and quorate meetings of the Savings Certificates' holders of all Series (taken in aggregate) that would be affected by the proposed modification; or
- (b) a written resolution signed by or on behalf of the holder(s) of not less than 66% of the aggregate principal amount of the outstanding Savings Certificates of all the Series (taken in aggregate) that would be affected by the proposed modification;

and

- (i) the affirmative vote of more than 66% of the aggregate principal amount of the outstanding Savings Certificates represented at separate duly called and quorate meetings of the holders of each Series of Savings Certificates (taken individually) that would be affected by the proposed modification; or
- (ii) a written resolution signed by or on behalf of the holder(s) of more than 50% of the aggregate principal amount of the then outstanding Savings Certificates of each Series (taken individually) that would be affected by the proposed modification.

13.8 **Binding effect**

A resolution passed at a quorate meeting of Savings Certificates' holders duly convened with the consent of the relevant Issuer and held in accordance with these provisions, and a written resolution duly signed by the requisite majority of holder(s) of Savings Certificates, will be binding on all holders, whether or not the holder was present at the meeting, voted for or against the resolution or signed the written resolution.

13.9 **Manifest error, technical amendments**

Notwithstanding anything to the contrary herein, the Conditions of a Series of Savings Certificates (including the Final Terms relating to such Series of Savings Certificates) may be modified by the relevant Issuer without the consent of the Savings Certificates' holders of such Series:

- (a) to correct a manifest error or cure an ambiguity; or
- (b) if the modification is of a formal or technical nature or for the benefit of the Savings Certificates' holders of such Series.

The relevant Issuer will publish the details of any modification of the Savings Certificates made pursuant to this Condition 13.9 within ten days of the modification becoming legally effective.

13.10 Outstanding Savings Certificates; Savings Certificates controlled by the relevant Issuer

In determining whether holders of the requisite principal amount of outstanding Savings Certificates have voted in favour of a proposed modification or whether a quorum is present at any meeting of Savings Certificates' holders called to vote on a proposed modification, a Savings Certificate will be deemed to be not outstanding, and may not be voted for or against a proposed modification or counted in determining whether a quorum is present, if on the record date for the proposed modification:

- (a) the Savings Certificate has previously been cancelled or delivered for cancellation or held for reissuance but not reissued;
- (b) the Savings Certificate has previously been called for redemption in accordance with its terms or previously become due and payable at maturity or otherwise and the Issuer has previously satisfied its obligation to make all payments due in respect of the Savings Certificate in accordance with its terms; or
- (c) the Savings Certificate is held by the relevant Issuer, by a department or agency of such Issuer, or by a corporation, trust or other legal entity that is controlled by the such Issuer or a department or agency of the such Issuer, and in the case of a Savings Certificate held by any such abovementioned corporation, trust or other legal entity, the Savings Certificates' holder does not have autonomy of decision, where:
 - (i) the Savings Certificate's holder for these purposes is the entity legally entitled to vote the Savings Certificate for or against a proposed modification or, if different, the entity whose consent or instruction is by contract required, directly or indirectly, for the legally entitled holder to vote the Savings Certificate for or against a proposed modification;
 - (ii) a corporation, trust or other legal entity is controlled by the relevant Issuer or by a department or agency of such Issuer if such Issuer or any department or agency of such Issuer has the power, directly or indirectly, through the ownership of voting securities or other ownership interests, by contract or otherwise, to direct the management of or elect or appoint a majority of the board of directors or other persons performing similar functions in lieu of, or in addition to, the board of directors of that legal entity; and
 - (iii) the Savings Certificate's holder has autonomy of decision if, under applicable law, rules or regulations and independent of any direct or indirect obligation the holder may have in relation to the relevant Issuer: (x) the holder may not, directly or indirectly, take instruction from the Issuer on how to vote on a proposed modification; or (y) the holder, in determining how to vote on a proposed modification, is required to act in accordance with an objective prudential standard, in the interest of all of its stakeholders or in the holder's own interest; or (z) the holder owes a fiduciary or similar duty to vote on a proposed modification in the interest of one or more persons other than a person whose

holdings of Savings Certificates (if that person then held any Savings Certificate) would be deemed to be not outstanding under this Condition 13.

14. **PRESCRIPTION**

Claims against the relevant Issuer for payment of principal and interest in respect of the Savings Certificates will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after their due date, unless application to a court of law for such payment has been initiated on or before such respective time.

15. **NO HARDSHIP**

The relevant Issuer hereby acknowledges that the provisions of article 5.74 of the Belgian Civil Code shall not apply to it with respect to its obligations under these Conditions and that it shall not be entitled to make any claim under article 5.74 of the Belgian Civil Code.

16. **REMEDIES**

- (a) To the fullest extent permitted by law, each holder of a Savings Certificate expressly and irrevocably waives (for itself and on behalf of any of its affiliates) any extra-contractual claim and right it may have against any Auxiliaries of the relevant Issuer pursuant to article 6.3, §2 of the Belgian Civil Code in connection with these Conditions.

For the purposes of this Condition, "**Auxiliary**" means any person or entity who performs (in whole or in part) any obligation of the relevant Issuer, is engaged in relation to the performance of any obligation under these Conditions, or represents the relevant Issuer in connection with these Conditions and the Savings Certificates (whether in its own name and/or for its own account, or in the name and/or for the account of the relevant Issuer), including auxiliaries (*hulppersonen/auxiliaires*) of the Issuer as referred to in article 6.3, §2 of the Belgian Civil Code. This includes any affiliate, director, officer, board member, manager, employee, founder, member, partner, shareholder, associate, volunteer, agent, attorney, advisor or contractor of the Issuer. For the avoidance of doubt, this definition also includes any subsequent tiers of such auxiliaries, including any secondary, tertiary, or further removed auxiliaries, irrespective of their level or order in the chain of appointment.

- (b) To the fullest extent permitted by law, each holder of a Savings Certificate expressly and irrevocably waives (for itself and on behalf of any of its affiliates) any extra-contractual claim or right it may have against the relevant Issuer pursuant to article 6.3, §1 of the Belgian Civil Code in respect of any breach by the relevant Issuer of any of its obligations under these Conditions.

17. **ISSUER SUBSTITUTION**

- (a) In case of dissolution, liquidation, reconstruction, merger, amalgamation or any other kind of legal reorganisation, the relevant Issuer may, without any further consent or cooperation from the holders of the Savings Certificates, at any time, procure that any affiliated or associated corporation of the relevant Issuer is substituted for the relevant Issuer as the debtor under the Conditions to be offered by assigning all its rights and obligations to such other corporation (the "**Substituted Issuer**"), whether by way of transfer of contract (on the basis of article 5.193 of the Belgian Civil Code) or novation (on the basis of article 5.245 and following of the Belgian Civil Code). The Substituted Issuer must have a long-term debt rating of at least the same level as the one of KBC Bank at the time of substitution, if any, and provided that:

- (i) no payment of any principal amount or of interest on any Savings Certificate is overdue and no other circumstances exist capable of causing the acceleration or redemption of the Savings Certificates; and

- (ii) the Substituted Issuer shall agree to indemnify the holders of each Savings Certificate against all tax, duty, fee or governmental charge which is imposed on such holder by the jurisdiction of the country of the Substituted Issuer's residence for tax purposes and, if different, of its incorporation or any political subdivision or taxing authority thereof or therein with respect to such Savings Certificate and which would not have been so imposed had such substitution not been made; and any reasonable costs or expenses incurred in connection with any such substitution; and
- (b) The relevant Issuer hereby irrevocably and unconditionally guarantees that the Substituted Issuer shall pay all amounts of principal amounts of and interest on the Savings Certificates when due. In the event of substitution, this guarantee ceasing to be the valid and binding obligation of the relevant Issuer, enforceable against the relevant Issuer in accordance with its terms, shall constitute an Event of Default in the event of substitution all references in these Conditions to the relevant Issuer shall from then on be deemed to refer to the Substituted Issuer.
- (c) The Substituted Issuer obtains all necessary governmental and regulatory approvals and consents.
- (d) Any potential compensation due by the relevant Issuer shall be limited to the net incremental tax cost borne by the investor. For example, if a withholding tax would become due further to the Substitution, but this withholding tax comes in lieu of a taxation (at the same tax rate) otherwise due further to an obligation to report (part of) the income in the personal income tax return, then no additional compensation is due (on this part). Similarly, no compensation is due if i) the investor is entitled to a tax credit for this withholding tax through the tax return or ii) for (the part of) the withholding tax for which the investor is entitled to claim a reduction or exemption based on the applicable income tax treaty.
- (e) Notice of any substitution shall be given to the holders of Savings Certificates in accordance with Condition 18 (*Notices*).
- (f) Notwithstanding each of these preconditions being satisfied prior to any such substitution, there can be no guarantee that any such substitution will not have an adverse effect on the price of the Savings Certificates and subsequently lead to losses for the Savings Certificates' holders if they sell the Savings Certificates.

18. NOTICES

The Savings Certificates being held in a securities account, all notices to the holders shall be validly given by a direct notification from the relevant Issuer to the holders, as the relevant Issuer in his discretionary opinion shall deem necessary to give fair and reasonable notice to the holders. Any such notice shall be deemed to have been given on the date immediately following the date of notification from the Issuer.

19. FURTHER ISSUES

The relevant Issuer may from time to time without the consent of the Savings Certificates' holders create and issue further Savings Certificates having the same Conditions as the Savings Certificates (so that, for the avoidance of doubt, references in the conditions of such Savings Certificates to Issue Date shall be to the first issue date of the Savings Certificates) and so that the same shall be consolidated and form part of a single Series with such Savings Certificates, and references in these Conditions to Savings Certificates shall be construed accordingly.

20. GOVERNING LAW AND SUBMISSION TO JURISDICTION

20.1 Governing law

The Savings Certificates and all non-contractual obligations arising from or connected with the Savings Certificates are governed by, and shall be governed by and construed in accordance with, Belgian law.

20.2 **Jurisdiction**

The courts of Brussels, Belgium, are to have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Savings Certificates.

21. **BAIL-IN**

Each holder (which includes any current or future holder of a beneficial interest in the Savings Certificates) acknowledges and accepts that any liability arising under the Savings Certificates may be subject to the Bail-in Power by the Relevant Resolution Authority and acknowledges and accepts to be bound by (i) the variation of the Conditions of the Savings Certificates, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Bail-in Power by the Relevant Resolution Authority and (ii) the effect of the exercise of the Bail-in Power by the Relevant Resolution Authority. Such exercise may, among others, include and result in any of the following, or a combination thereof:

- (a) all, or part of the Relevant Amounts in respect of the Savings Certificates being reduced or cancelled;
- (b) all or part of the Relevant Amounts in respect of the Savings Certificates being converted into shares, other securities or other obligations of the Issuer or another person and such shares, securities or obligations being issued to or conferred on the holder of the Savings Certificates, including by means of a variation, modification or amendment of the Conditions of the Savings Certificates;
- (c) the Savings Certificates or the Relevant Amount in respect of the Savings Certificates being cancelled; and
- (d) the maturity of the Savings Certificates being amended or altered, or the amount of interest payable on the Savings Certificates, or date on which interest becomes payable; including by suspending payment for a temporary period being amended.

FORM OF FINAL TERMS

This section sets out a template for the Final Terms to be used for each specific Series of Savings Certificates issuance.

The relevant Issuer accepts responsibility for this unsigned document in PDF format dated on the date mentioned below that is the final version of the Final Terms relating to the issuance(s) described herein and that the information contained in these Final Terms, which, when read together with the Base Prospectus and the Conditions referred to below, contains all information that is material in the context of the issue of the Savings Certificates.

Final terms dated [●]

[Issuer]

Issue of [Title of the Series of Savings Certificates] under the [KBC Bank]/[CBC Banque] Savings Certificate Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall have the same meaning as defined for such purposes in the terms and conditions (the "**Conditions**") set forth in this Base Prospectus dated [●] 2024, which constitutes a base prospectus for purposes of the Prospectus Regulation (Regulation (EU) 2017/1129) (the "**Prospectus Regulation**"). This document constitutes the Final Terms of the Series of Savings Certificates described herein for purposes of article 8 of the Prospectus Regulation and must be read in conjunction with such Base Prospectus and any supplement thereto dated [*current date*], save in respect of the Conditions which are extracted from the Base Prospectus dated [*original date*] and are attached hereto]. A summary of the offer of the relevant Series of Savings Certificates is provided in annex to the Final Terms.

These Final Terms do not constitute, and may not be used for the purposes of, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation, and no action is being taken to permit an offering of the Savings Certificates or the distribution of these Final Terms in any jurisdiction where such action is required. Full information on the Issuer and the offer of Savings Certificates is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for inspection at the office of the Issuer and on the website <https://www.kbc.com/en/investor-relations/debt-issuance/kbc-bank.html>. The information on this website does not form part of, and is not incorporated by reference into, the Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with the section "*Documents incorporated by Reference*" of the Base Prospectus.

Nothing has happened as of the date hereof or is expected to happen in relation to the Issuer or the Savings Certificates which would require the Conditions to be supplemented or updated.

Except as disclosed in this document, there has been no significant change affecting any matter contained in the Base Prospectus (including the Conditions and including, for the avoidance of doubt, any documents incorporated by reference) whose inclusion would reasonably be required by investors and their professional advisors, and would reasonably be expected to be found by them in the Base Prospectus, for the purpose of making an informed assessment of the assets and liabilities financial position and prospects of the Issuer, and the rights attaching to the Savings Certificates, since 6 August 2024.

[Include whichever of the following apply or specify as "Not applicable". Note that the numbering should remain as set out below, even if "Not applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance of completing the Final Terms].

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under article 23 of the Prospectus Regulation.]

Series identification (incl. term, type and ISIN Code*)	Issue Date	Maturity Date	Payment of Issue Price	Rate of Interest	Day Count Fraction	Interest Payment Date(s)	Offer period
[specify reference to the Savings Certificates: term and whether interest distribution or capitalisation] (e.g. "2 years capitalisation") [also specify ISIN code]	[specify date]	[specify date]	[Issue Date] / [the date of subscription by the investor] / [Issue Date or subscription date, as instructed by the investor]	[●] per cent. per annum	Day Count Fraction: [specify Day Count Fraction]	[Interest will be paid on [specify frequency of interest payment] on the principal amount of each Savings Certificate.] / [Accrued interest will be capitalised and paid on the Maturity Date.] [adjusted in accordance with Preceding Business Day Convention]/[not adjusted]	[specify offer period]

* The maximum amount of Savings Certificates offered [per ISIN Code will be EUR [●]] / [for ISIN Code [●] will be EUR [●] and for ISIN Code [●] will be EUR [●]]. The Issuer has the option to issue up to [●]% of this amount.

PART B – OTHER INFORMATION

Interests of natural and legal persons involved in the issue/offer:	<i>(Include a description of any interest, including any conflicting interest, that is material to the issue/offer, detailing the persons involved and the nature of the interest. This requirement may be satisfied by the inclusion of the following statement:)</i> [Save as discussed in [the section "Offer and Sale" of the Base Prospectus], so far as the Issuer is aware, no person involved in the offer of the Savings Certificates has an interest material to the offer.] <i>(Amend as appropriate if there are other interests.)</i>
Reasons for the offer:	[See section "Use of Proceeds" of the Base Prospectus] / [●] <i>(If reasons for offer are different from what is disclosed in the Base Prospectus, give details)</i>
Estimated total expenses of the issue/offer:	[●]
Estimated net proceeds:	[●]
Indication of yield:	[●] <i>(The yield is calculated based on (i) the issue price of the Savings Certificates, (ii) the Rate of Interest applicable from and including the Issue Date until and excluding the Maturity Date, and (iii) the final redemption amount (equal to the principal amount of the Savings Certificates). It is not an indication of future yield.)</i>

[END OF FINAL TERMS]

TERMS AND CONDITIONS OF THE OFFER

This section sets out the contractual terms and conditions of the offer of Savings Certificates

General considerations

The offer of the Savings Certificates is an offer in the context of a continuous offer and is hence unlimited in time, it being understood that no offers of Savings Certificates shall be made under this Base Prospectus after 6 August 2025, unless an exemption from the requirement to draw up a prospectus applies in accordance with the Prospectus Regulation or the Prospectus Law.

The Savings Certificates are offered to all interested investors via the relevant Issuer.

The cash account (current or savings account) of the investor will be debited on the date of the subscription or the Issue Date (as set out in the Final Terms for the Series of Savings Certificates subscribed to). The value date of the debit of the investor's cash account will be the Issue Date. The Savings Certificates will be transferred on the securities account of the investor. The delivery is without costs for the investor. At purchase Savings Certificates can only be deposited at a securities account with the relevant Issuer. Afterwards, the investor can transfer the Savings Certificates to a securities account with another financial institution.

Minimum/maximum subscription amount

The minimum investment in a Savings Certificate is EUR 500, and increments of EUR 1 in excess thereof. An investor can at each moment in time (as long as the offer is open) subscribe to an amount freely chosen by the investor, as long as this amount is equal or higher than the minimum investment referred to above and it being understood that the amounts will be rounded in euro, without divisions of euro (eurocents or lower).

The maximum amount offered for each Series of Savings Certificates will also be mentioned in the relevant Final Terms. The relevant Issuer has the option to issue up to a percentage of this amount, as set out in the relevant Final Terms. The amount to be issued will be determined depending on the funding needs from the relevant Issuer and on the demand from the investors.

The relevant Issuer will publish a notice on the website <https://www.kbc.com/en/investor-relations/debt-issuance/kbc-bank.html> at the end of each offer period to announce the nominal amount that will be issued. The information on these websites does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised or approved by the FSMA.

Suspension/termination, withdrawal and revocation of the offer

The relevant Issuer will offer a Series of Savings Certificates during the offer period as set out in the relevant Final Terms. The relevant Issuer reserves itself the right to withdraw or suspend the offer of the Savings Certificates at any time.

The relevant Issuer reserves the right to publish a notice to amend the Final Terms if the amendment of information is not a significant new factor, material mistake or material inaccuracy.

Plan for the marketing of the Savings Certificates

The relevant Issuer will ensure the financial service with respect to the Savings Certificates.

Determination of the issue price and subscription price of the Savings Certificates

The Savings Certificates are issued at par. The nominal interest will be determined by the relevant Issuer for the entire duration of the Savings Certificates. The applicable interest rates and the available maturities for the Savings Certificates are as set out in the relevant Final Terms published by the

relevant Issuer on the following website <https://www.kbc.com/en/investor-relations/debt-issuance/kbc-bank.html>. The information on these websites does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised or approved by the FSMA.

Overview of costs to be borne by the investors

Currently no costs are to be borne by the investors in relation to the subscription to the Savings Certificates. In case of resale by the investor before maturity, the relevant Issuer will determine the price of the relevant Savings Certificates by calculating a market conform fair value. A transaction fee of 0.75% of the outstanding principal amount will be charged by the relevant Issuer for the repurchase. In case of a transfer to another financial institution for custody, a fixed transfer fee will be charged by the relevant Issuer per Series of Savings Certificates for the transfer. Such fees may change over time and investors should inform themselves about the prevailing conditions at the time they request a repurchase on the following webpage: <https://multimediafiles.kbcgroup.eu/ng/published/KBC/PDF/TARIEVEN/kbc-tarieven-beleggen.pdf>. 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. All costs related to taxes, reference is made to the section "*Taxation*".

OFFER AND SALE

This section set outs the restrictions to the distribution of this Base Prospectus and the offering or sale of Savings Certificates

The distribution of this Base Prospectus and the offering or sale of Savings Certificates in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuers to inform themselves about and to observe any such restriction. The Savings Certificates have not been offered or sold and will not be offered or sold directly or indirectly and this Base Prospectus has not been distributed and will not be distributed, except in such circumstances that will result in compliance with all applicable laws and regulations.

There are no restrictions to the distribution of this Base Prospectus and the offering and sale of Savings Certificates in Belgium.

The Savings Certificates have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and are subject to U.S. tax law requirements and, except in certain transactions exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws, the Savings Certificates may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Savings Certificates have not been offered, sold or delivered and will not be offered, sold or delivered, as part of their distribution at any time, or otherwise until 40 days after the commencement of the offering within the United States or to, or for the account or the benefit of, U.S. persons and a dealer to which the Savings Certificates are sold during the restricted period will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Savings Certificates within the U.S. or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering, an offer or sale of the Savings Certificates within the U.S. by any dealer (whether or not participating in the offering) may violate the registration requirements imposed by the U.S. Securities Act of 1933, as amended.

Any document connected with the issue of the Savings Certificates has only been issued or passed on and will only be issued and passed on in the United Kingdom to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "**UK FSMA**")) in connection with the issue or sale of any Savings Certificates, has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which Section 21(1) of the UK FSMA does not apply to the Issuer and all applicable provisions of the UK FSMA with respect to anything done in relation to such Savings Certificates in, from or otherwise involving the United Kingdom have been complied with and will be complied with.

TAXATION

This section sets out an overview of certain taxation considerations relating to the Savings Certificates.

Transactions involving the Savings Certificates may have tax consequences for prospective investors which may depend, among other things, upon the status of the prospective investor and laws relating to transfer and registration taxes. Prospective investors who are in any doubt about the tax position of any aspect of transactions involving Savings Certificates should consult their own tax advisers.

The following is a general description of certain Belgian tax considerations relating to the Savings Certificates. It does not purport to be a complete analysis of all tax considerations relating to the Savings Certificates. Prospective purchasers of Savings Certificates should consult their tax advisers as to the consequences under the tax laws of Belgium of acquiring, holding and disposing of Savings Certificates and receiving payments of interest, principal and/or other amounts under the Savings Certificates. This summary is based upon the Belgian law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date (or even before with retroactive effect). The information contained within this section is limited to Belgian taxation issues, and prospective investors should not apply any information set out below to other areas, including but not limited to, the legality of transactions involving the Savings Certificates.

Each prospective holder of Savings Certificates should consult a professional adviser with respect to the tax consequences of an investment in the Savings Certificates, taking into account the influence of each regional, local or national law.

Tax treatment applicable to Savings Certificates

The following summary describes the principal Belgian tax considerations with respect to Savings Certificates.

For Belgian tax purposes, periodic interest income and amounts paid by the relevant Issuer in excess of the Issue Price (whether or not on the Maturity Date) are qualified and taxable as "interest". However, the relevant Issuer will not propose a price higher than the Issue Price in case of repurchase of Savings Certificates (see Condition 8.2). In addition, insofar the Savings Certificates qualify as fixed income securities within the meaning of article 2, §1, 8° of the Belgian Income Tax Code of 1992, in case of a realisation of the Savings Certificates to a third party between two interest payment dates, an income equal to the pro rata of accrued interest corresponding to the period during which the investor held the Savings Certificates in the period between the two interest payment dates is also taxable as interest. For the purposes of the following paragraphs, any such accrued interest is therefore referred to as interest.

Belgian resident individuals

Belgian resident individuals, i.e. individuals who are subject to Belgian personal income tax (*personenbelasting/impôt des personnes physiques*), and who hold the Savings Certificates as a private investment, are in Belgium subject to the following tax treatment with respect to the Savings Certificates.

Interest payments on Savings Certificates will be subject to a 30 per cent. withholding tax in Belgium. The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Savings Certificates in their personal income tax return, provided Belgian withholding tax was levied on these interest payments. However, they may elect to declare interest in their personal income tax return, if that is more advantageous from an income tax perspective. In case of a realisation of the Savings Certificates to a third party between

two interest payment dates, the relevant Issuer will not levy any withholding tax on the pro rata of accrued interest at the time of the realisation.

Capital gains realised on the sale of the Savings Certificates to third parties other than the relevant Issuer are in principle tax exempt, unless the capital gains are realised outside the scope of the normal management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

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

Belgian resident companies

Belgian resident companies, i.e. companies that are subject to Belgian corporate income tax (*vennootschapsbelasting/impôt des sociétés*), are in Belgium subject to the following tax treatment with respect to the Savings Certificates. Different rules apply to companies subject to a special tax regime, such as investment companies within the meaning of article 185bis of the Belgian Income Tax Code of 1992.

Interest derived by Belgian resident companies on the Savings Certificates and capital gains realised on the Savings Certificates will be subject to Belgian corporate income tax at the current corporate income tax rate of 25 per cent. (with, subject to certain conditions, a reduced rate of 20 per cent. applying to the first tranche of EUR 100,000 of taxable income of qualifying small companies (as defined by Article 1:24, §1 to §6 of the BCCA)). Capital losses are in principle tax deductible.

Interest payments on the Savings Certificates will in principle be subject to a 30 per cent. withholding tax in Belgium. The withholding tax that has been levied is creditable in accordance with the applicable legal provisions and any excess is refundable.

Other Belgian resident legal entities

Belgian non-profit legal entities, i.e. legal entities that are subject to Belgian income tax on legal entities (*rechtspersonenbelasting/impôt des personnes morales*), are subject to the following tax treatment with respect to the Savings Certificates in Belgium.

Interest payments on Savings Certificates will be subject to a 30 per cent. withholding tax in Belgium. If Belgian withholding tax was levied, no further Belgian income tax on legal entities will be due on the interest.

Capital gains realised on the sale of the Savings Certificates are in principle tax exempt, unless the capital gain qualifies as interest (as defined above). Capital losses are in principle not tax deductible.

Belgian non-residents

Investors who are not considered Belgian residents for tax purposes can be subject to Belgian non-resident income tax (*belasting van niet-inwoners/impôt des non-résidents*), in which case they are subject to the following tax treatment with respect to the Savings Certificates in Belgium.

Interest income on Savings Certificates paid to non-residents of Belgium will, in principle, be subject to a 30 per cent. withholding tax. Lower rates may apply if the Savings Certificates' holder is resident in a country with which Belgium has concluded a double taxation agreement which is in effect.

Investors should verify with their respective personal tax advisors whether and how they may benefit from these lower rates on the basis of such double taxation agreements.

Non-resident individuals who do not use the Savings Certificates for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which

Belgium has concluded a tax treaty that confers the authority to tax interest on the Savings Certificates to Belgium, will be subject to tax in Belgium if interest is obtained or received in Belgium.

Non-resident individuals who do not use the Savings Certificates for professional purposes and who have their fiscal residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Savings Certificates to Belgium, will be subject to tax in Belgium if the capital gains are obtained or received in Belgium and are deemed to be realised outside the scope of the normal management of the individual's private estate. Capital losses are generally not deductible.

Non-resident investors who have allocated the Savings Certificates to the exercise of a professional activity in Belgium through a permanent establishment are subject to the same income tax treatment as Belgian resident companies or Belgian resident individuals holding the Savings Certificates for professional purposes (see above).

Belgian tax on stock exchange transactions

A tax on stock exchange transactions (*taks op de beursverrichtingen/taxe sur les operations de bourse*) will be levied on the sale and acquisition of the Savings Certificates on the secondary market if (i) executed in Belgium through a professional intermediary or (ii) deemed to be executed in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by private individuals having their habitual residence in Belgium, or legal entities for their seat or establishment in Belgium. Transactions on the primary market are not subject to this tax.

The rate applicable for secondary sales and purchases of Savings Certificates in Belgium through a professional intermediary is 0.12 per cent. with a maximum amount of EUR 1,300 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.

However, if the intermediary is established outside of Belgium, the tax will in principle be due by the ordering private individual or legal entity, unless that individual or entity can demonstrate that the tax has already been paid. Professional intermediaries established outside of Belgium can, subject to certain conditions and formalities, appoint a Belgian responsible representative for tax purposes, which will be liable for the tax on stock exchange transactions in respect of the transactions executed through the professional intermediary.

The tax on stock exchange transactions will not be 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 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 (*wetboek diverse rechten en taksen/code des droits et taxes divers*).

Tax on securities accounts

Following the Law of 17 February 2021, an annual tax on securities accounts was introduced (the "**Annual Tax on Securities Accounts**") (*jaarlijkse taks op de effectenrekeningen/taxe annuelle sur les comptes-titres*). The Annual Tax on Securities Accounts is levied on securities accounts of which the average value during the reference period (i.e a period of twelve consecutive months beginning on 1 October and ending, in principle, on 30 September of the next year), exceeds EUR 1,000,000. The Annual Tax on Securities Accounts is applicable to securities accounts that are held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held with a financial intermediary in Belgium or abroad. The Annual Tax on Securities Accounts also applies to securities accounts held by non-residents individuals, companies and legal entities with a financial intermediary in Belgium. However, the Annual Tax on Securities Accounts is not levied on securities

accounts held by specific types of regulated entities in the context of their own professional activity and for their own account.

The applicable tax rate is equal to the lowest amount of either 0.15 per cent. of the average value of the financial instruments and funds held on the account or 10 per cent. of the difference between the average value of the financial instruments and funds held on the account and EUR 1,000,000. The tax base is the sum of the values of the taxable financial instruments at the different reference points in time, i.e. 31 December, 31 March, 30 June and 30 September, divided by the number of those points in time.

The Annual Tax on Securities Accounts needs to be withheld, declared and paid by the Belgian intermediary. Intermediaries not established or set up in Belgium have the possibility, when managing a securities account subject to the tax, to appoint a representative in Belgium approved by or on behalf of the Minister of Finance (the "**Annual Tax on Securities Accounts Representative**"). The Annual Tax on Securities Accounts Representative is jointly and severally liable vis-à-vis the Belgian State to declare and pay the tax and to fulfil all other obligations for intermediaries related to the Annual Tax on Securities Accounts, such as compliance with certain reporting obligations. In cases where no intermediary has withheld, declared and paid the Annual Tax on Securities Accounts, the holder of the securities account needs to declare and pay the tax himself, unless he can prove that the tax has already been withheld, declared and paid by either a Belgian intermediary or an Annual Tax on Securities Accounts Representative of a foreign intermediary.

Two specific, irrebuttable anti-abuse provisions were also introduced, retroactively applying as from 30 October 2020, targeting (i) the splitting of a securities account into multiple accounts held with the same financial intermediary and (ii) the conversion of taxable financial instruments into registered financial instruments (*financiële instrumenten op naam/instruments financiers nominatifs*). Furthermore, a general, rebuttable anti-abuse provision was introduced which also retroactively applied as from 30 October 2020.

However, on 27 October 2022, the Constitutional Court annulled (i) the two irrebuttable specific anti-abuse provisions and (ii) the retroactive effect of the rebuttable general anti-abuse provision, meaning that the latter provision can only apply as from 26 February 2021. The other provisions of the Law of 17 February 2021 were not considered to be unconstitutional.

Investors should consult their own tax advisers in relation to this new annual tax on securities accounts.

USE OF PROCEEDS

This section explains what the net proceeds from the sale of the Savings Certificates issued under each Programme will be used for.

The net proceeds from each issue of Savings Certificates, i.e., the principal amount less any expenses and fees, will be applied by the relevant Issuer for such Issuer's general corporate purposes. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

DESCRIPTION OF THE ISSUERS

This section provides a description of the Issuers' business activities as well as certain financial information in respect of the Issuers

1. INFORMATION RELATING TO KBC BANK

In this section, the term "**Issuer**" refers to KBC Bank.

1.1 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 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. 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 the section "*Documents incorporated by Reference*" of this Base Prospectus). The Issuer is registered as a credit institution with the National Bank of Belgium.

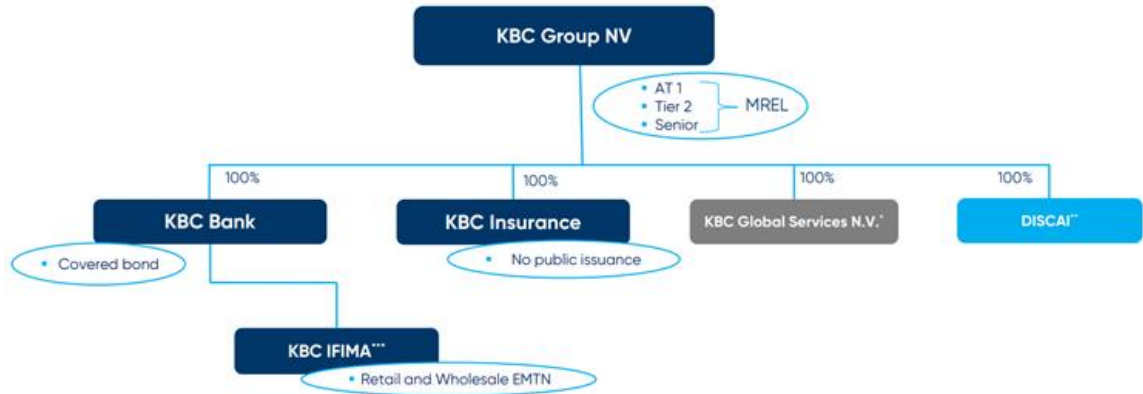
The Issuer is a wholly-owned subsidiary of KBC Group NV and is part of the KBC Group, on which it depends for certain group functions and because of the integrated regulatory and solvency supervision. A simplified schematic of KBC Group's legal structure is provided below.

In compliance with the MREL subordination requirement (as determined by the Single Resolution Board), KBC Group NV was converted to a clean holding company, whose main operations involve financing activities and group-wide control activities and functions. The clean holding company facilitates the Single Point of Entry strategy in the event of settlement of KBC Group NV. As a result of this project, only a number of control functions, the financial holding activities and the issue of equity and MREL instruments remained at the level of the financial holding company KBC Group NV. All other activities of KBC Group NV (other group functions, Shared Services & IT) were transferred to KBC Global Services NV, a new wholly-owned subsidiary of KBC Group NV, from 1 June 2022.

For more information, see the 4Q 2023 Debt Presentation, available on <https://www.kbc.com/en/investor-relations/presentaties/presentaties-2024.html?zone=>.⁵

⁵ This document is not incorporated by reference and does not form part of this Base Prospectus and has hence not been scrutinised or approved by the FSMA.

Simplified scheme:



* To ensure that KBC's HoldCo senior debt is eligible for the subordinated MREL target (i.e., to make sure that no excluded liabilities ranking pari passu or junior with HoldCo senior debt are present in KBC Group NV), the KBC Group ExCo decided on to make KBC Group NV a Clean HoldCo for the purpose of resolution. All the activities of KBC Group NV have been transferred (as of 1/6/2022) to a new subsidiary of KBC Group NV (with exception of the group controlling functions), the financial holding activities and issuing own funds and MREL instruments that remain at KBC Group NV

** 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

The other major subsidiary of KBC Group NV is KBC Insurance NV. The Issuer co-operates closely with KBC Insurance NV, amongst others, in relation to the 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 Belgium and in Central and Eastern Europe. The Issuer also acts as funding provider for a number of its subsidiaries.

A list of the subsidiaries of the Issuer can be found on pages 199 and following of the Issuer's 2023 Annual Report. A complete list of group companies (included in or excluded from the scope of consolidation) is provided at www.kbc.com > About us > Our structure.

Share capital and shareholder

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, which are all 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 KBC Group NV website at www.kbc.com. The core shareholders of KBC Group NV are KBC Ancora, CERA, MRBB and a group of legal entities and individuals referred to as 'Other core shareholders'. The overview of shareholding is not incorporated in and does not form part of this Base Prospectus and it has not been and will not be scrutinised or approved by the FSMA.

Credit ratings

As at the date of this Base Prospectus, the following long term credit ratings have been assigned to the Issuer with the cooperation of the Issuer in the rating process:

Fitch Ratings Ireland Limited ("**Fitch**") – A+

According to Fitch's Rating Definitions, an "A" rating indicates 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 France SAS ("**Moody's**") – A1

According to Moody's Rating Symbols and Definitions, obligations rated A are considered upper-medium grade and are subject to low credit risk. The modifier 2 indicates that the obligation ranks in the mid-range of its generic rating category.

S&P Global Ratings Europe Limited ("**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 Savings Certificates or any Series thereof.

Each credit rating agency referred to above is established in the EEA and is listed on the "List of Registered and Certified CRAs" as published by ESMA on its website (at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>) 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 the applicable 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. None of the credit rating agencies referred to above is established in the UK in accordance with Regulation (EC) No. 1060/2009 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK CRA Regulation**"). Accordingly, the Issuer rating issued by (i) Fitch has been endorsed by Fitch Ratings Ltd, (ii) Moody's has been endorsed by Moody's Investors Service Limited and (iii) Standard and Poor's has been in endorsed by S&P Global Ratings UK Limited, each in accordance with the UK CRA Regulation and have not been withdrawn. As such, the ratings issued by each credit rating agency referred to above may be used for regulatory purposes in the United Kingdom in accordance with the UK CRA Regulation.

1.2 **Administrative, Management and Supervisory Bodies**

Board of Directors and Executive Committee

The Issuer is administered by a Board of Directors and an Executive Committee in accordance with the relevant legal requirements.

The Issuer's Board of Directors is empowered to determine the company's general policy and strategy and to perform all acts which, by law, are reserved specifically for it. The Board of Directors is responsible for supervising the Executive Committee.

The Issuer's Executive Committee is empowered to perform all acts that are necessary or useful in achieving the company's object, apart from those that the General Meeting of Shareholders is empowered to perform by law and those reserved for the Board of Directors by law.

The Issuer's object 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. 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
<p>DEBACKERE Koenraad</p> <p>Havenlaan 2</p> <p>1080 Brussel</p>	<p>Non-executive director, Chairman of the Board of Directors</p>	<p>2024</p>	<p>KBC Verzekeringen NV, non-executive director</p> <p>KBC Group NV, non-executive director</p> <p>KBC Global Services NV, non-executive director</p> <p>Thor Park NV, non-executive director</p> <p>M-Thor, non-executive director</p> <p>Umicore NV, non-executive director</p>
<p>ANDRONOV Peter</p> <p>KBC Bank NV</p> <p>Havenlaan 2</p> <p>1080 Brussel</p>	<p>Executive director</p>	<p>2025</p>	<p>KBC Insurance NV, executive director</p> <p>KBC Group NV, member of the executive committee</p> <p>KBC Global Services NV, member of the management board</p> <p>KBC Asset Management NV, Chairman of the board of Directors</p> <p>Ceskoslovenska Obchodna Banka a.s. (SR), non-executive director, Chairman of the Supervisory Board</p> <p>DZI General Insurance EAD, non-executive director, Chairman of the Supervisory Board</p> <p>DZI Life Insurance JSC, non-executive director, Chairman of the Supervisory Board</p> <p>K&H Bank Zrt, non-executive director, Chairman of the Board of Directors</p> <p>K&H Biztosító Zrt., Chairman of the Supervisory Board</p> <p>UNITED BULGARIAN BANK AD, non-executive director, Chairman of the Supervisory Board</p> <p>KBC BANK IRELAND PLC, Chairman of the Board of Directors</p>
<p>BLAZEK Alés</p> <p>KBC Bank NV</p> <p>Havenlaan 2</p> <p>1080 Brussels</p>	<p>Executive director</p>	<p>2026</p>	<p>KBC Insurance NV, executive director</p> <p>KBC Group NV, member of the executive committee</p> <p>Ceskoslovenska obchodni banka, CEO</p> <p>CSOB Pojistovna, Chairman of the Supervisory Board</p>
<p>LUTS Erik</p>	<p>Executive director</p>	<p>2025</p>	<p>De Bremberg VZW, non-executive director</p>

<p>KBC Bank NV Havenlaan 2 1080 Brussels</p>			<p>KC Focus Fund NV, non-executive director KBC Verzekeringen NV, executive director KBC Group NV, member of the executive committee KBC Global Services NV member of the management board Discai NV, non-executive director EPI INTERIM COMPANY SE, executive director Bancontact Payconiq Company NV, non-executive director</p>
<p>MOUCHERON David KBC Bank NV Havenlaan 2 1080 Brussels</p>	<p>Executive director</p>	<p>2025</p>	<p>KBC Insurance NV, executive director KBC Group NV, member of the executive committee KBC Global Services NV member of the management board CBC Banque SA, non-executive director, Chairman of the Board of Directors BVB, non-executive director Febelfin VZW, executive director</p>
<p>POPELIER Luc KBC Bank NV Havenlaan 2 1080 Brussel</p>	<p>Executive director</p>	<p>2025</p>	<p>KBC Insurance NV, executive director KBC Group NV, executive director KBC Securities NV, chairman of the board of directors KBC Focus Fund NV, chairman of the board of directors KBC Global Services NV member of the management board</p>
<p>THIJS Johan KBC Bank NV Havenlaan 2 1080 Brussel</p>	<p>Executive director/CEO</p>	<p>2025</p>	<p>KBC Insurance NV, executive director/CEO Febelfin VZW, non-executive director KBC Group NV, executive director/CEO KBC Global Services NV member of the management board VOKA VZW, non-executive director BVB, non-executive director DISCAI NV, non-executive director Museum Nicolaas Rockox VZW, non-executive director</p>
<p>VAN RIJSSEGHEM Christine KBC Bank NV Havenlaan 2 1080 Brussel</p>	<p>Executive director</p>	<p>2026</p>	<p>KBC Group NV, executive director KBC Insurance NV, executive director K&H Bank Zrt, non-executive director KBC Bank Ireland plc, non-executive director</p>

			<p>Ceskoslovenska Obchodni Banka a.s. (CR), non-executive director</p> <p>United Bulgarian Bank AD, non-executive director</p> <p>KBC Global Services NV member of the management board</p> <p>Women in Finance Belgium vzw, Chairman of the Board of Directors</p> <p>De Warande vzw, non-executive director</p>
<p>RADL ROGEROVA Diana</p>	<p>Non-executive director</p>	<p>2028</p>	<p>KBC Group NV, executive director</p> <p>KBC Bank NV, executive director</p> <p>KBC Global Services, executive director</p> <p>Behind Inventions a.s., executive director</p>
<p>DEPICKERE Franky</p> <p>Cera-KBC Ancora</p> <p>Muntstraat 1</p> <p>3000 Leuven</p>	<p>Non-executive director</p>	<p>2023</p>	<p>Cera CV, executive director</p> <p>Cera Beheersmaatschappij NV, executive director</p> <p>BRS Microfinance Coop CV, non-executive director</p> <p>Euro Pool System International BV, non-executive director</p> <p>KBC Group NV, non-executive director</p> <p>KBC Insurance NV, non-executive director</p> <p>Almancora Beheersmaatschappij NV, executive director</p> <p>Ceskoslovenska Obchodni Banka a.s. (CR), member of the Supervisory Board</p> <p>CBC Banque SA, non-executive director</p> <p>United Bulgarian Bank AD, non-executive director</p> <p>KBC Global Services NV member of the supervisory board</p>
<p>DE BECKER Sonja</p> <p>M.R.B.B. CVBA</p> <p>Diestsevest 40</p> <p>3000 Leuven</p>	<p>Non-executive director</p>	<p>2024</p>	<p>M.R.B.B. BV – Maatschappij voor Roerend Bezit van de Boerenbond, Chair of the Board of Directors</p> <p>SBB gecertificeerde accountants en adviseurs BV, Chair of the Board of Directors</p> <p>SBB Bedrijfsdiensten BV, Chair of the Board of Directors</p> <p>Acerta BV, non-executive director</p> <p>Aktiefinvest CVBA, Chair of the Board of Directors</p> <p>Agri Investment Fund CVBA, Chair of the Board of Directors</p> <p>Arvesta BV, Chair of the Board of Directors</p> <p>Acerta Consult BV, non-executive director</p> <p>Acerta Services BV, non-executive director</p>

			<p>Acerta Verzekeringen BV, non-executive director</p> <p>Shéhérazade Developpement BV, non-executive director</p> <p>KBC Group NV, non-executive director</p> <p>KBC Insurance NV, non-executive director</p> <p>KBC Global Services NV, member of the supervisory board</p> <p>K&H Bank Zrt, non-executive director</p>
<p>DE CEUSTER Marc</p> <p>KBC Bank NV</p> <p>Havenlaan 2</p> <p>1080 Brussel</p>	<p>Non-executive director</p>	<p>2026</p>	<p>KBC Group NV, non-executive director</p> <p>KBC Insurance NV, non-executive director</p> <p>KBC Global Services NV, member of the supervisory board</p> <p>Cera Beheersmaatschappij NV, executive director</p> <p>Almancora Beheersmaatschappij NV, executive director</p> <p>KBC Ancora NV, executive director</p> <p>Cera CV, executive director</p> <p>CBC Banque SA, non-executive director</p>
<p>MAGNUSSON Bo</p> <p>KBC Bank NV</p> <p>Havenlaan 2</p> <p>1080 Brussels</p>	<p>Independent director</p>	<p>2024</p>	<p>FCG Group AB, Chairman of the Board of Directors</p>
<p>OKKERSE Liesbet</p> <p>KBC Bank NV, Havenlaan 2 1080 Brussel</p>	<p>Independent director</p>		<p>KBC Groep NV, non-executive director</p> <p>KBC Insurance NV, non-executive director</p> <p>KBC Global Services NV, non-executive director</p> <p>Cera Beheersmaatschappij NV, non-executive director</p> <p>Almancora Beheersmaatschappij NV, non-executive director</p>
<p>REYES REVUELTA ALICIA</p> <p>KBC Group NV</p> <p>Havenlaan 2</p> <p>1080 Brussels</p>	<p>Independent director</p>	<p>2026</p>	<p>KBC Group NV, non-executive director</p> <p>KBC Global Services NV, member of the supervisory board</p> <p>Banco Sabadell, non-executive director</p> <p>Ferrovial SA, non-executive director</p>
<p>RADL ROGEROVA Diana</p>	<p>Independent director</p>		<p>Behind Inventions, managing partner</p>

Audit Committee

The Audit Committee has been set up by the Board of Directors and has – with some limited exceptions – an advisory role. The Audit Committee, among other things, monitors the financial reporting process and submits recommendations or proposals to ensure its integrity, and monitors the effectiveness of the internal control and the risk management in place.

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 <https://www.kbc.com/en/corporate-governance/corporate-governance-charter.html>. 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 De Ceuster (chairman); 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 appetite and risk strategy.

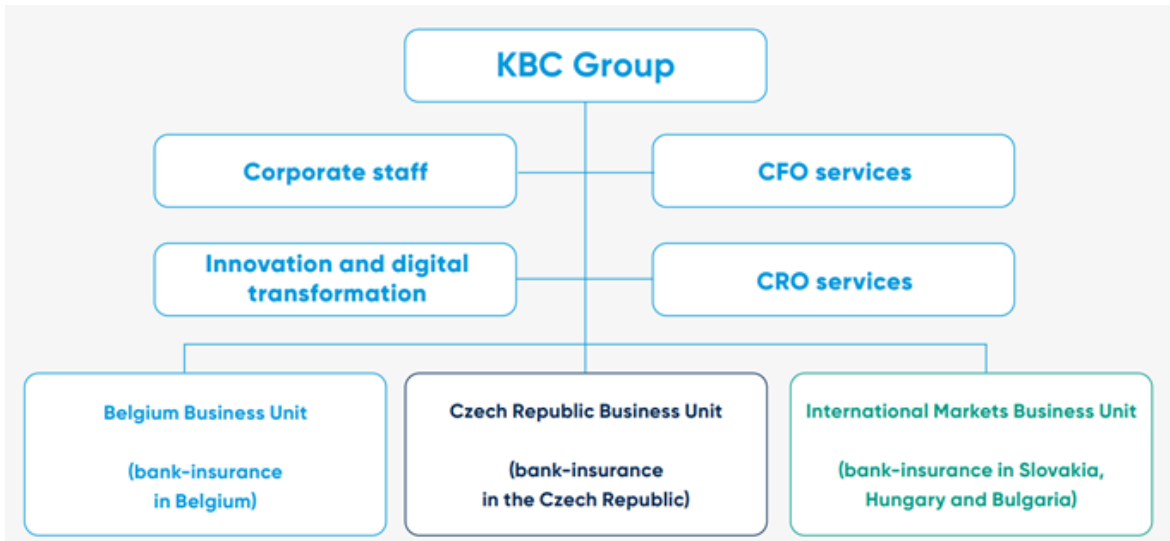
The powers and composition of the Risk and Compliance Committee, as well as its way of functioning, are extensively dealt with in the Issuer's Corporate Governance Charter, which is available on <https://www.kbc.com/en/corporate-governance/corporate-governance-charter.html>. The Corporate Governance 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); and
- Bo Magnusson (independent director).

Management structure

KBC Group NV'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 the KBC Group NV and the Issuer 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). Since 2022, Ireland does not belong to this business unit anymore since sale agreements have been signed for the Irish loan and deposit books, see section on "*KBC Bank Ireland*" below;
- 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.

Conflicts of interest

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 and the Executive Committee detailed above and their private interests or other duties.

1.3 Financial information

Financial statements

The Issuer's 2023 Annual Report and the Issuer's 2022 Annual Report contain:

- the Issuer's audited consolidated financial statements drawn up in accordance with International Financial Reporting Standards ("**IFRS**") for the last two financial years (2023 and 2022); 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 (2023 and 2022).

These annual reports of the Issuer are incorporated by reference into this Base Prospectus as set out in the section entitled "*Documents incorporated by Reference*" on page 21 and following of this Base Prospectus.

Audit and review by the Issuer's statutory auditors

PricewaterhouseCoopers Bedrijfsrevisoren BV (*erkend revisor/réviseur agréé*), represented by Damien Walgrave and Jeroen Bockaert, with offices at Culliganlaan 5, 1831 Diegem, 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 2019-2024. 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 2023 and 31 December 2022 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 2023 and 31 December 2022 and (ii) the audited non-consolidated annual financial statements of the Issuer for the financial years ended 31 December 2023 and 31 December 2022 are incorporated by reference in this Base Prospectus (as set out in the section entitled "*Documents incorporated by Reference*" on pages 21 and following of this Base Prospectus), with the consent of the auditor.

Changes since the most recent published financial statements

Save as disclosed in the section entitled "*Recent events*" on pages 77 and following of the Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2023, 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 solvency of the Issuer since 31 December 2023, i.e. the end of the last financial period for which financial information has been published.

Expected financing and material changes in the Issuer's borrowing and funding structure

Please refer to Note 2.3 (Balance-sheet information by segment) on page 118 of the Issuer's 2023 Annual Report for a description of the expected financing of the Issuer's activities. The Issuer's 2023 Annual Report is incorporated by reference into this Base Prospectus as set out in the section entitled "*Documents incorporated by Reference*" on page 21.

There are no material changes in the Issuer's borrowing or funding structure since 31 December 2023.

2. INFORMATION RELATING TO CBC BANQUE

In this section, the term "**Issuer**" refers to CBC Banque SA. The Issuer is a wholly-owned subsidiary of KBC Bank.

2.1 Corporate structure and share capital

General information

The Issuer was established in Belgium in 1958 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 0403.211.380 and its LEI code is

DVCTKZJG5QM5XGM4TR05. The Issuer is registered in the register of legal persons (*rechtspersonenregister (RPR) / registre des personnes morales (RPM)*) of the Enterprise Court of Liège, Namur division. The Issuer's registered office is at Avenue Albert 1er, 60, B-5000 Namur, Belgium, its telephone number is (+32) (0) 81 80 18 80 and its website is www.cbc.be. 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 21 of this Base Prospectus). The Issuer is registered as a credit institution with the NBB.

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

The Issuer is a wholly-owned subsidiary of KBC Bank 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 above.

CBC Banque is the French-language arm of the KBC Group. As a fully-fledged company, CBC Banque is active in all banking and insurance sectors in Wallonia.

Share capital and shareholder

As at the date of this Base Prospectus, the Issuer's share capital was EUR 145.7 million and consisted of 2,989,625 ordinary shares, which all are held by KBC Bank. The share capital is fully paid up.

The sole shareholder of the parent company, KBC Bank, is KBC Group. The overview of shareholding is not incorporated in and does not form part of this Base Prospectus and it has not been and will not be scrutinised or approved by the FSMA.

2.2 Administrative, management and supervisory bodies

Board of Directors and Executive Committee

The Issuer is administered by a Board of Directors and an Executive Committee in accordance with the relevant legal requirements.

The Issuer's Board of Directors is empowered to determine the company's general policy and strategy and to perform all acts which, by law, are reserved specifically for it. The Board of Directors is responsible for supervising the Executive Committee.

The Issuer's Executive Committee is empowered to perform all acts that are necessary or useful in achieving the company's object, apart from those that the General Meeting of Shareholders is empowered to perform by law and those reserved for the Board of Directors by law.

The Issuer's corporate purpose is set out in Article 3 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. 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
SCHOLZEN Clemens Avenue Albert 1er, 60 5000 Namur	Executive director/CEO	2025	Nihil

Name and business address	Position	Expiry date of current term of office	External offices
VERBIEST Annelies Avenue Albert 1er, 60 5000 Namur	Executive director/CRO	2026	Nihil
KNAEPEN Denis Avenue Albert 1er, 60 5000 Namur	Executive director	2027	Nihil
MOUCHERON David KBC Bank NV Havenlaan 2 1080 Brussels	Non-executive director	2025	KBC Insurance NV, executive director KBC Group NV, member of the executive committee KBC Bank NV, executive director KBC Global Services NV, non-executive director BVB, non-executive director Febelfin VZW, non-executive director
DE CEUSTER Marc Cera Beheersmaatschappij Muntstraat 1 3000 Leuven	Non-executive director	2027	KBC Group NV, non-executive director KBC Bank NV, non-executive director KBC Insurance NV, non-executive director KBC Global Services NV, non-executive director KBC Ancora NV, non-executive director FINTRAC BV, executive director Professor of Finance University of Antwerpen
DEBAILLIE Marc Avenue Albert 1er, 60 5000 Namur	Non-executive director	2026	Fimadero SA, non-executive director Herelixka SA, non-executive director Vectura SA, non-executive director
DEPICKERE Franky Havenlaan 2 1080 Brussels	Non-executive director	2026	Cera CV, executive director Cera Beheersmaatschappij NV, executive director BRS Microfinance Coop CV, non-executive director KBC Group NV, non-executive director KBC Insurance NV, non-executive director Almancora Beheersmaatschappij NV, executive director International Raiffeisen Union e.V., non-executive director Ceskoslovenska Obchodni Banka a.s. (CR), member of the Supervisory Board KBC Ancora NV, executive director United Bulgarian Bank AD, non-executive director Euro Pool System International BV, non-executive director KBC Global Services NV, non-executive director
KAKÉ Aminata Avenue Albert 1er, 60 5000 Namur	Independent Director (non-executive)	2028	Belgische VER VZW, non-executive director
LEMA Johan Avenue Albert 1er, 60	Non-executive director	2026	KBC Asset Management, Executive director (CEO)

Name and business address	Position	Expiry date of current term of office	External offices
5000 Namur			Beama, Chairman of the Board of Directors, President Everyoneinvested BV, non-executive director
MERTENS DE WILMARS Sybille Avenue Albert 1er, 60 5000 Namur	Independent director	2027	
ROGGEN Martine Avenue Albert 1er, 60 5000 Namur	Non-executive director	2027	Assuralia, non-executive director Fonds voor DR VZW, non-executive director
VLERICK Michael Avenue Albert 1er, 60 5000 Namur	Non-executive director	2028	Midelco SA, non-executive director

Audit Committee

The Audit Committee has been set up by the Board of Directors and has – with some limited exceptions – an advisory role. The Audit Committee, among other things, monitors the financial reporting process and submits recommendations or proposals to ensure its integrity, and monitors the effectiveness of the internal control and the risk management in place.

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.cbc.be. 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:

- Aminata Kaké (independent director);
- Sybille Mertens de Wilmars (independent director); and
- Johan Lema (non-executive 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 appetite 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.cbc.be. 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:

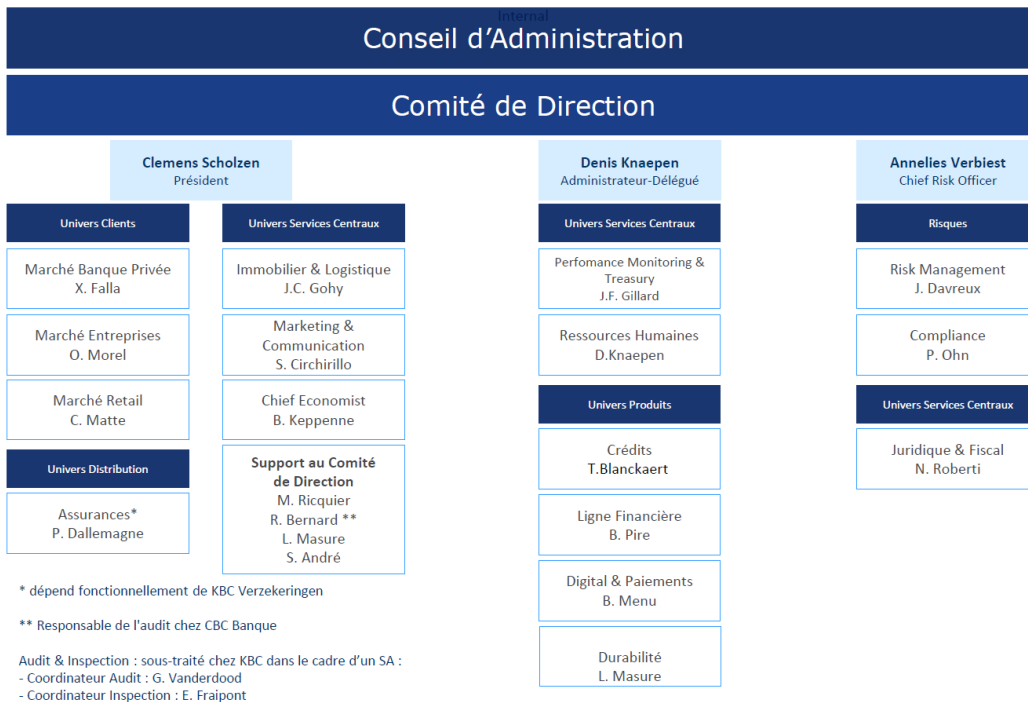
- Aminata Kaké (independent director);
- Johan Lema (non-executive director); and

- Martine Roggen, (non-executive director).

Management structure

CBC Banque's activities are divided into Universes:

- The Client Universe includes the three markets where the bank is active, namely: (i) private banking, (ii) the corporate market and (iii) the retail market or individuals.
- The Central Services Universe includes the departments of the head office that ensure the smooth running of the bank: (i) the real estate and logistics department, (ii) the marketing and communication department, (iii) the chief economist department, (iv) the management committee support department, (v) the performance monitoring and treasury department and (vi) the human resources department .
- The Products Universe includes the departments that enable the bank to create and implement its offer to clients: (i) the credit department, (ii) the financial line department, (iii) the digital and payments department.
- The Risk Universe includes the compliance management department, the risk management department and the legal and tax department.
- The Distribution Universe includes the insurance products.



Conflicts of interest

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 above and their private interests or other duties.

2.3 Financial information

Financial statements

The Issuer's 2022 and 2023 Annual Reports contain 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 (2022 to 2023).

These Annual Reports of the Issuer are incorporated by reference into this Base Prospectus as set out in the Section "Documents incorporated by Reference" on page 21.

Audit and review by the Issuer's statutory auditors

PricewaterhouseCoopers Bedrijfsrevisoren BV (*erkend revisor/révisieur agréé*), represented by D. Walgrave, with offices at Culliganlaan 5, B-1831 Diegem, Belgium ("**PwC**"), has been appointed as auditor of the Issuer for the financial years 2016-2021 and this appointment has been extended for the financial years 2022-2024. 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 2021, 31 December 2022 and 31 December 2023 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 the audited non-consolidated annual financial statements of the Issuer for the financial years ended 31 December 2020, 31 December 2021, 31 December 2022 and 31 December 2023 are incorporated by reference in this Base Prospectus (as set out in the Section "Documents incorporated by Reference" on page 21), with the consent of the auditor.

Changes since the most recent published financial statements

Save as disclosed in this Base Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2023, 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 solvency of the Issuer since 31 December 2023, i.e. the end of the last financial period for which financial information has been published.

3. INFORMATION RELATING TO THE ISSUERS' BUSINESS

3.1 The strategy of KBC Group

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

KBC Group NV's strategy rests on a number of 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 assume our role in society and local economies.
- We implement our strategy within a strict risk, capital and liquidity management framework.

- We meet our responsibility to society and local economies.
- As part of our PEARL+ business culture, we focus on jointly developing solutions, initiatives and ideas within the group ("PEARL+" stands for "Performance", "Empowerment", "Accountability", "Responsiveness" and "Local Embeddedness"). For further information on PEARL+ see page 10 of KBC Bank's 2023 Annual Report).

A summary of the KBC Group's strategy is set out on pages 19 to 31 of KBC Bank's 2023 Annual Report, which is incorporated by reference into this Base Prospectus as set out in the section "Documents incorporated by Reference" on page 21 and following of this Base Prospectus.

More detailed information regarding KBC Group NV's strategy can be found on pages 29 to 66 of KBC Group NV's 2023 Annual Report, which is available at <https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2023/jvs-2023-grp-en.pdf>. KBC Group NV's 2023 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.

3.2 General description of the Issuers' activities

The 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, the Czech Republic, the Slovak Republic, Hungary and Bulgaria), the KBC Bank Group has important and (in some cases) even leading positions (based on internal data). The KBC Bank Group is also present in other countries where the primary focus is on supporting the corporate clients of the home markets.

CBC Banque is a wholly-owned subsidiary of KBC Bank and the French-language arm of the KBC Group. As a fully fledged company, CBC Banque & Assurances is active in all banking and insurance sectors in Wallonia. In Brussels, it focuses on private banking and public and non-merchant entities.

The 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, the 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 KBC Bank'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 and leasing.

3.3 Activities in Belgium

Market position of the bank network in Belgium	
Market share (estimates by the KBC Bank Group), end of 2023	Banking products* 20% Investment funds 27%
Bank branches, end of 2023	434

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

The KBC Bank Group had, at the end of 2022, a network of 420 (staffed) 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 range of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products (in cooperation with KBC Bank'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 and Kate, the group's digital assistant). KBC Bank, CBC Banque and KBC Brussels serve, based on their own estimates, approximately 3.7 million banking clients. Including insurance business, the number of clients rises to 3.9 million.

KBC Group NV considers itself to be an integrated bank-insurer. Certain shared and support services are organised at KBC Group NV 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 the 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 2023, 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 27%.

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, as well as a digital assistant called "Kate", which are being continuously improved and expanded.

Client expectations have shifted enormously in recent years, with efficient and user-friendly products and services becoming the norm, powered by technology. For that reason, KBC Bank Group has been engaged for several years now in the digitalisation of processes that allow simple, high-quality products to be brought to clients in a smooth and rapid manner. For a few years now, it has been designing products, services and processes from a 'digital-first' perspective. This implies that they were modified before being digitalised to make them simpler, more user-friendly and scalable and that they allow a fast and appropriate response to our clients' questions and expectations. For clients who so desire, the KBC Bank Group will use the available data in an intelligent and appropriate manner. As it has seen that clients increasingly demand more proactive and personal products and services in addition to speed and simplicity. This is why the KBC Bank Group is transitioning from an omnichannel distribution model towards a digital-first distribution model. The human factor remains important in both models and its staff and branches will be fully at the disposal of its clients. In a digital-first distribution model, digital interaction with clients will form the initial basis. The KBC Bank Group therefore aims over time to provide all relevant solutions via mobile applications. In addition to a digital product range, it will offer clients digital advice and develop all processes and products as if they were sold digitally. For clients who so wish, Kate – its personal digital assistant – plays an important role in digital sales and advisory, so that personalised and relevant solutions can be offered proactively. Clients can personally ask Kate questions regarding their basic financial transactions. They also receive regular confidential and proactive proposals at appropriate times in their mobile app to ensure maximum convenience. Clients are entirely free to choose whether or not to accept a proposal. If they do, the solution will be offered and processed completely digitally.

In 2022, the KBC Bank Group introduced the Kate Coin. Since the start of 2023, KBC clients have been able to acquire Kate Coins when purchasing certain products or services from it, such as a home loan, home insurance or saving spare change. They can then use the Kate Coins to save money by exchanging them for additional benefits and cashbacks. For instance, KBC clients can exchange Kate Coins when purchasing an investment plan, a prepaid card, personal accident insurance or family insurance and immediately enjoy a cashback. An entirely new feature is that Kate Coins can be acquired or spent when purchasing from one of our commercial partners. Clients receive a cashback

immediately or after their next purchase with the same partner. The partners themselves determine the conditions and timing of their offer. The KBC Bank Group will systematically keep expanding the range of options and the collaboration with partners. In KBC Mobile, clients will be able to check out new partners where they can earn money, and in their Kate Coin Wallet they can see how many Kate Coins they have earned and spent with KBC and the various partners.

Over the past few years, the KBC Bank Group has thus launched a number of concepts and building blocks such as Digital First, Bank-insurance+, Kate and Kate Coins, which create added value when they interact. The KBC Bank Group is now bringing these components together in 'ecosystems', in which it will offer its clients a new type of service, supporting them every step of the way in their search for solutions to housing, mobility, energy and other issues, using its own products and services as well as those of our partners and suppliers. This enables its clients to save and earn money in and beyond the traditional banking and insurance environment.

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 KBC Bank, and its Belgian subsidiaries, the most important of which are CBC Banque, KBC Asset Management, KBC Lease Group (Belgium) and KBC Securities.

The KBC Group's aim in Belgium is:

- To put the client at the heart of all the products and services it develops and at the centre of everything it does. The focus here is on a 'digital first' approach with a human touch, and investing in the seamless integration of our various distribution channels. KBC Group is working on the further digitalisation of the banking, insurance and asset management services and exploiting new technologies and data to provide the clients with more personalised and proactive solutions. The digital assistant 'Kate' is taking this to the next level.
- To support these activities, KBC Bank Group is also fully engaged in introducing end-to-end straight-through processing into all commercial processes, making full use of all technological capabilities such as artificial intelligence. This is how KBC Bank Group increases its efficiency, which allows it to invest in a strong branch network boasting more expertise.
- To expand its service provision via own and other channels by collaborating with partners through 'eco-systems' that enable it to offer clients comprehensive solutions. It is also integrating a range of selected partners into its own mobile app and making its products and services available in the distribution channels of selected third parties.
- To aim for further growth of bank-insurance at CBC in specific market segments and expansion of its accessibility in Wallonia, again with a strong focus on 'Digital First with a human touch'.
- To work tirelessly on the ongoing optimisation of its bank-insurance model in Belgium. As regards the insurance component, to specifically focus on further growth in the coming years.
- To express its commitment to Belgian society by leading the way in the sustainability revolution. The KBC Bank Group is making its banking, insurance and asset management products more sustainable to create financial leverage in achieving global climate targets. It aims to be more than a provider of pure bank-insurance services – as a partner in the climate transition, it is working with other partners on developing housing, mobility and energy solutions. It also continues to focus on financial literacy, entrepreneurship and population ageing.

3.4 **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 2023		Czech Republic	Slovak Republic	Hungary	Bulgaria
Market share (estimates by the KBC Bank Group)	Banking products*	21%	12%	11%	19%
	Investment funds	25%	7%	11%	14%
Bank branches	Total	198*	99	195	228

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

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 Central and Eastern European entities of the KBC Bank Group in those home markets are United Bulgarian Bank and KBC Bank Bulgaria (ex-Raiffeisenbank Bulgaria, acquired in 2022) 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 now caters to roughly 7 million customers, or 9 million including the insurance business (see below). This customer base makes the 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 range of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products and other specialised financial products and services. As is the case in Belgium, the bricks-and-mortar networks in Central and Eastern Europe are supplemented by electronic channels, such as ATMs, telephone and the internet, and the digital assistant "Kate". As regards the latter, please refer to the previous section on "*Activities in Belgium*".

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, the 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 Bank Group in Belgium, the 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. Note that, at the end of July 2021, the KBC Group also acquired from Nationale Nederlanden Group its Bulgarian pension and life insurance businesses, a move that will enable the KBC Group to further consolidate its position in the Bulgarian home market. In July 2022, KBC Group completed the acquisition of Raiffeisenbank Bulgaria, a universal bank in Bulgaria offering private individuals, SMEs and corporate entities a full range of banking, asset management, leasing and insurance services. In April 2023, UBB and ex-Raiffeisenbank Bulgaria legally merged, which will allow KBC to bolster its position in the Bulgarian banking market even further. The acquisition will also create ample opportunity for insurance cross-selling with DZI.

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 21% in the Czech Republic, 12% in the Slovak Republic, 11% in Hungary, and 19% 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 25% in the Czech Republic, 7% in the Slovak Republic, 11% 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 are combined into the International Markets Business Unit. The Czech Republic Business Unit hence

comprises all KBC Bank Group's activities in the Czech Republic, consisting primarily of the activities of the ČSOB group (under the ČSOB Bank, Postal Savings Bank, Patria and ČSOB Stavební spořitelna brands). 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 and in Bulgaria.

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

- In relation to the Czech Republic Business Unit:
 - To retain its reference position in banking and insurance services by offering its retail, SME and mid-cap clients a hassle-free, no-frills client experience.
 - To use data and AI to offer personalised solutions proactively to its clients, including via Kate, its personalised digital assistant.
 - To continue the further digitalisation and to introduce new and innovative products and services, including open bank-insurance solutions aimed at boosting the financial well-being of its clients.
 - To concentrate on rolling out straight-through processing and further simplifying products, head office, and distribution model, in order to enable it to operate even more cost-effectively.
 - To further increase the client base and further strengthen its market position, especially in insurance and investment services.
 - To further strengthen its business culture, with a strong focus on results, clients, the ability to adapt and cooperation.
- To become the reference in advisory services in terms of climate change and sustainable lending and investments. To also express its social engagement by focusing on financial literacy, entrepreneurship, population ageing and cybersecurity.
- In relation to the International Markets Business Unit:
 - The group strategy presents a number of opportunities for all countries in the business unit, viz.:
 - To further develop new and unique 'bank-insurance+' propositions.
 - To continue digitally upgrading its distribution model.
 - To drive up the volume of straight-through and scalable processing.
 - To increase the capacity in relation to data and AI to enable it to proactively offer relevant and personalised solutions.
 - To selectively expand its activities with a view to securing a top-three position in banking as well as in insurance.
 - To implement a socially responsible approach in all countries, with a particular focus on environmental awareness, financial literacy, entrepreneurship and health.
 - To be come a pioneer for sustainability in all countries.

- Country-specific:
 - In Bulgaria the focus lies on the operational merger between UBB and the acquired Raiffeisenbank Bulgaria to create the leading bank in Bulgaria, including in the area of digitalisation and innovation, and the reference in bank-insurance in all segments. The groups' insurer, DZI, is likewise maintaining its goal of growing faster than the market in both life and non-life insurance.
 - In Hungary the focus lies on vigorous client acquisition in banking, to become the undisputed leader in the area of innovation. The aim is also to expand the insurance activities substantially, primarily through sales at bank branches for life insurance and both online and via agents, brokers and bank branches for non-life insurance.
 - In Slovakia the aim is to maintain our robust growth in strategic products (i.e. home loans, consumer finance, SME funding, leasing and insurance), partly through cross-selling to group clients and via digital channels. Other priorities include the sale of funds and increased fee income.

An overview of the KBC Bank Group's recent acquisitions is set out in the "*We focus on sustainable and profitable growth*" section of KBC Bank's 2023 Annual Report, which is incorporated by reference into this Base Prospectus as set out in the Section "*Documents incorporated by Reference*" on page 21 and following of this Base Prospectus.

3.5 Activities in the rest of the world

A number of companies belonging to the KBC Bank Group are also active in, or have outlets in, countries outside the home markets, including a network of foreign branches and, until February 2023, KBC Bank Ireland.

KBC Bank Ireland

In February 2022, KBC Bank Ireland sold nearly all of its non-performing mortgage loan portfolio of roughly 1.1 billion euros in a transaction financed by funds managed by CarVal Investors. In October 2021, KBC Bank Ireland confirmed that it had entered into a legally binding agreement with Bank of Ireland relating to the sale of substantially all of KBC Bank Ireland's performing loan assets and its deposit book to Bank of Ireland Group. As part of the transaction, the latter also acquired a small non-performing mortgage loan portfolio. The Irish Competition and Consumer Protection Commission (CCPC) approved the transaction in May 2022, and the Irish Minister for Finance gave his approval in early December 2022. The transaction was ultimately finalised in early February 2023.

In the KBC Bank Group's financial reporting, KBC Bank Ireland was included in the Group Centre as of 2022.

Foreign branches of KBC Bank

The foreign branches of KBC Bank are located mainly in Western Europe, Southeast Asia and the U.S. and focus on serving customers that already do business with the KBC Bank Group's Belgian or Central and Eastern European network. In the KBC Bank Group's financial reporting, the foreign branches of KBC Bank 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. As of 2022, the Group Centre also includes KBC Bank Ireland (until completion of the sale in February 2023).

3.6 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.

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 belongs to the larger financial institutions (one of the four large banks). BNP Paribas Fortis, Belfius and ING figure among the main competitors in Belgium.

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).

3.7 Staff

In 2023, the KBC Bank Group had, on average and on a consolidated basis, about 29,000 employees (in full time or equivalent-numbers), the majority of whom were located in Belgium 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.

3.8 Risk management

Mainly active in banking and asset management, the KBC Bank Group is exposed to a number of typical industry-specific risks such as – but certainly not exclusively – credit risk, market risks, movements in interest rates and exchange rates, currency risk, liquidity 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 Issuers are mentioned in the section entitled "*Risk Factors*" on page 6 and following of this Base Prospectus.

Risk management in the KBC Group is effected group-wide.

An overview of KBC Bank Group's risk management approach is set out in the "*Risk management*" section on pages 42 to 72 of KBC Bank's 2023 Annual Report, which is incorporated by reference into this Base Prospectus as set out in the section "*Documents incorporated by Reference*" on page 21 and following of this Base Prospectus.

More detailed information can be found in KBC Group NV's 2023 Risk Report, available at <https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2023/jvs-2023-grp-en.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.

3.9 Banking supervision and regulation

Introduction: supervision by the European Central Bank

The Issuers, credit institutions governed by the laws of Belgium, are subject to detailed and comprehensive regulation in Belgium, and are supervised by the European Central Bank (the "**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.

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 Issuers (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 regulations and directives have had and will continue to have a significant impact on the regulation of the banking business in the EU, as such regulations have a direct effect and directives are implemented through legislation adopted in each Member State, including Belgium. The general objective of the EU legislation 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 Banking Law. The Banking Law implements various EU directives, including, without limitation:

- (a) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended by Directive (EU) 2019/878 of 20 May 2019, and as may be further amended or replaced from time to time (the "**CRD**") and, where applicable, Regulation (EU) n° 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended by Regulation (EU) 2019/876 of 20 May 2019, and as may be further amended or replaced from time to time (the "**CRR**", and together with the CRD, "**CRD V**") implementing the revised regulatory framework of Basel IV on the European Union; and
- (b) Directive 2014/59 of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive (EU) 2019/879 of 20 May 2019 (the "**BRRD**").

CRD V applies in Belgium since 1 January 2014, subject to certain requirements being amended and/or 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 (subject to certain requirements being amended from time to time).

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 NBB / 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 acquiring, individually or acting in concert with another person or persons, a "qualifying holding" in the credit institution (i.e. a direct or indirect holding which represents 10% or more of the capital or of the voting rights or which makes it possible to exercise a significant influence over the management of that institution) must have the qualities required to ensure proper and prudent management of the credit institution. Prior notification to the NBB and no indication of opposition by the ECB is required each time a person decides to acquire a qualifying holding in a credit institution or to further increase such qualifying holding as a result of which the proportion of the voting rights or of the capital held would reach or exceed 20%, 30% or 50%, or so that the credit institution would become its subsidiary. 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 such participation and, if necessary, request that the shareholder transfers to a third party its participation in the credit institution.

Furthermore, a shareholder who decides to dispose, directly or indirectly, of a qualifying holding or to reduce it so that the proportion of the voting rights or of the capital held would fall below 20%, 30% or 50% or so that the credit institution would cease to be its subsidiary, must notify the NBB thereof.

The Belgian credit institution itself is obliged to notify the NBB of any such transfer when it becomes aware thereof.

Moreover, every shareholder acquiring a holding or increasing its holding (directly or indirectly, individually or acting in concert with third parties) to 5% or more of the capital of the voting rights without acquiring a qualifying holding, must notify the NBB thereof within ten working days. The same shall apply to a shareholder who no longer holds, directly or indirectly, more than 5% of the voting rights or capital in a credit institution.

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).

In accordance with the Banking Law there is 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. According to the Banking Law, the Issuers have 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.

As required by the Banking Law and the Governance Manual, KBC Group NV has drafted a Group Internal Governance Memorandum (the "**Governance Memorandum**"), which sets out the corporate governance policy applying to the KBC Group and of which the governance memorandum of the Issuers forms part. The corporate governance policy of a credit institution must meet the principles set out in the law and the Governance Manual. The most recent version of the Governance Memorandum was approved on 21 December 2023 by the Board of Directors of KBC Group NV, KBC Bank NV and KBC Insurance NV.

KBC Group NV and KBC Bank NV also have a Corporate Governance Charter which is published on <https://www.kbc.com/en/corporate-governance/corporate-governance-charter.html>. 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.

Solvency supervision

Capital requirements and capital adequacy ratios are provided for in the CRR, transposing the Basel IV framework into European law. The CRR requires that credit institutions must comply with several minimum solvency ratios. These ratios are defined as Common Equity Tier 1 ("**CET1**"), Tier 1 capital and Total Capital divided by risk weighted assets. Risk weighted assets for credit risk 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 take into account market risk and counterparty risk with respect to the bank's trading book (including interest rate and foreign currency exposure), operational risk, credit valuation adjustment risk and settlement risk in the calculation of the risk weighted assets. On top of the capital requirements defined by the solvency ratios, the regulation imposes a combined buffer requirement (see below).

Solvency is also limited by the leverage ratio, which compares Tier 1 capital to the total exposure measure (non-risk weighted).

The minimum solvency ratios required under CRD V are 4.5% for the 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**") or its examination of internal approaches, the competent supervisory authority (in KBC Bank Group's case, the ECB):

- can require the KBC Bank Group to maintain higher minimum ratios (i.e. a pillar 2 requirement of 1.75%) because, for instance, not all risks are properly reflected in the regulatory pillar 1 calculations and a pillar 2 guidance of 1.25% to absorb adverse scenarios;
- can take other measures such as imposing the reservation of distributable profits in whole or in part, requiring that variable remuneration be limited to a percentage of the profits and requiring the institution to limit the risk associated with certain activities or products or with its organisation, where appropriate by imposing the total or partial transfer of its business or network.

On top of this, a number of additional buffers have to be put in place, including a capital conservation buffer of 2.5%, a systemic risk buffer and 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).

In total, this brings the fully loaded CET1 capital requirement to 10.91% (4.5% (pillar 1) + 0.98% (pillar 2 requirement) + 2.5% (conservation buffer) + 1.5% (O-SII buffer) + 0.15% (sectoral systemic risk buffer) + 1.27% (countercyclical buffer)), with an additional pillar 2 guidance of 1.25% consolidated at KBC Bank Group level.

The fully loaded Tier 1 capital and total own funds requirements amounts to 12.73% (10.91% CET1 + 1.83% additional Tier 1) respectively 15.17% (12.73% Tier 1 + 2.44% Tier 2).

The following table provides an overview of the CET1 ratio requirement at the level of KBC Bank as at 31 December 2023*:

KBC Bank (consolidated)	Actual	Fully loaded
Pillar 1 minimum requirement (P1 min)	4.50%	4.50%
Pillar 2 requirement (P2R)	0.98%	0.98%
Conservation buffer	2.50%	2.50%
O-SII buffer	1.50%	1.50%
Systemic risk buffer	0.22%	0.15%
Countercyclical buffer**	0.77%	1.27%
Overall capital requirement	10.48%	10.91%
CET1 requirement for MDA***	10.74%	11.10%

** The fully loaded countercyclical buffer of the Issuer takes into account all known buffer rates of the national authorities as at 30-06-2023.

*** Maximum Distributable Amount under CRD. Shortfall re. AT1 and T2 pillar 1 and pillar 2 buckets is satisfied by CET1.

KBC Bank clearly exceeds these targets: on 31 December 2023, the fully loaded CET1 ratio for the Issuer came to 14.7%, (13.7% at 31 December 2022) which represented a capital buffer of EUR 3.719 million relative to the fully loaded CET1 requirement for MDA of 11.10%.

The leverage ratio (Basel III, fully loaded) stood at 5.1% (4.4% at 31 December 2022) 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.

In July 2021, the ECB has indicated that banks – in the post COVID-19 area – should remain prudent when deciding on dividends and share buy-backs, carefully considering the sustainability of their business model and that they should not underestimate the risk that additional losses may later have an impact on their capital trajectory as support measures expire.

For completeness, KBC Bank paid an interim dividend regarding 2023 of EUR 587,269,167 and pays a final dividend regarding 2023 of EUR 806,250,890 to its parent company KBC Group NV (intragroup payments). CBC Banque has paid a dividend regarding 2023 of EUR 61,257,416 to its parent company KBC Bank NV.

Large exposure supervision

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 total Tier 1 capital. European regulations also require that the credit institutions establish procedures to contain concentrations on economic activity sectors and geographic areas.

Anti-money laundering

Belgium has implemented Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 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 "**AML Law of 18 September 2017**") as last amended by the Law of 8 February 2023. This legislation imposes obligations in relation to the prevention of money laundering and the financing of terrorism ("**ML/TF**") to certain obliged entities, including credit and financial institutions. These obligations are related to, among others, to the identification of the client, the client's representatives and ultimate beneficial owners, the identification of the client's characteristics and the purpose and nature of the business relationship, the ongoing due diligence during the business relationship, the enhanced due diligence in particular cases (such as in case of politically exposed persons), the appointment of an anti-money laundering compliance officer, the training of personnel and the restriction on the use of cash. The implementation of measures shall be risk-based meaning that the measures shall be differentiated according to the obliged entities' and the client's ML/TF risk profile.

The AML Law of 18 September 2017 also imposes the obligation to promptly notify suspicious transactions to the Financial Intelligence Unit. This independent administrative authority is designated to receive reports on suspicious transactions, to investigate them and, if necessary, to report them to the criminal prosecutors to possibly initiate proceedings. The NBB supervises credit and financial institutions on their compliance with this legislation and has issued guidelines in this regard. Belgian criminal law specifically addresses criminal offences of money laundering (Article 505 of the Criminal Code) and sanctions them with a prison sentence 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 (amounts currently to be multiplied by 8).

Consolidated supervision – supplementary supervision

The Issuers are 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 subsidiaries of a Belgian mixed financial holding company (KBC Group NV) and part of a financial conglomerate, the Issuers are 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 are aligned as much as possible, as described in Article 170 of the Banking Law.

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

KBC Group NV has to draw up a group recovery plan, setting out the measures which would be taken to stabilise the group as a whole or each credit institution in the group if it is in a difficult financial situation, and which seek to address or remove the causes of difficulties and to restore the financial situation of the group or credit institution, having regard also to the financial situation of other group entities. This group recovery plan must, in principle, 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 group recovery plan. In its review of the recovery plan, the ECB pays particular attention to the appropriateness of the capital and financing structure of the credit institutions, of the group, and of group entities in relation to the degree of complexity of their organisational structure and their 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 disposes 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), 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 or the transfer of all or part of the net worth, 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**"), as amended by Regulation (EU) 2019/877 of 20 May 2019, and as may be further amended from time to time, 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 (the "**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 Issuers 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.

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 Belgian 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) and eligible liabilities, 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 Belgian Royal Decree of 26 December 2015 amending the Banking Law, which entered into force on 1 January 2016.

3.10 **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 Issuers' ability to meet their obligations under the Savings Certificates.

3.11 **Recent events**

16 May 2024: KBC Group, the parent company of the KBC Bank, issued its first quarter's results on 16 May 2024. Please refer to KBC Group's Q1 2024 quarterly report available at <https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/1q2024/1Q24-debt-presentation.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.

3.12 **Trend information**

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

In 2023, the global economy experienced different regional growth rates. The euro area still suffered from the aftermath of the 2022 energy price shock, resulting in stagnant growth dynamics in 2023. The US economy, mainly driven by consumer and government incentives, was less affected, resulting in above-average growth. In China, after initial growth optimism, the weak global economy and unbalanced domestic demand caused disappointing growth in 2023.

The global economy also experienced different speeds in early 2024. In the first months of the year, economic growth in the euro zone remained stagnant. The German economy in particular suffered from the general weakness of the manufacturing industry and the lack of momentum in domestic demand. In contrast, the US economy continued to surprise positively with continued strong labour market performance that supported private consumption. Meanwhile, despite stronger-than-expected growth in industrial production, the Chinese economy continues to struggle with its structural problems.

In both the euro area and the US, inflation reached its peak in 2023. The strong disinflation was largely due to the fact that the high energy prices of 2022 gradually disappeared from the year-on-year inflation comparison base. In addition, the dynamics of underlying core inflation (inflation excluding energy and food prices) toward the 2023 year-end also contributed to the decline in inflation. In the first months of 2024, the disinflationary trend of core inflation continued in the euro area. However, in the US, recent inflation data point to a pause of the disinflationary path. In both the euro area and the US, inflation still remains above the central banks' inflation target.

Against the backdrop of peaking inflation, both the Fed and ECB halted their tightening cycles in 2023, in July and September, respectively. In terms of quantitative balance sheet policy, the ECB followed the Fed's path in 2023 and began the non-reinvestment of its APP portfolio in March 2023. In December 2023, the ECB announced that it will also completely stop reinvestments of its PEPP portfolio from 2025 on, after a transition period in the second half of 2024. In June 2024, the Fed decided to keep its policy rates at the current peak level, while the ECB decided to lower the three key ECB interest rates by 25 basis points. On 18 July 2024, the ECB decided to keep the three key ECB interest rates unchanged.

Spurred by rising policy rates and normalising risk premia, US and German 10-year bond yields rates initially rose sharply in 2023 to about 5% and 3%, respectively, in the third quarter. However, as the end of the tightening cycle became clearer toward the 2023 year-end, both benchmark interest rates corrected sharply downward. However, in early 2024, US and German bond yields rose again as markets became increasingly aware that the start and extent of policy rate cuts in 2024 would occur later, and to a more limited extent than initially expected. This brought the US and German 10-year bond yields to about 4.7% and 2.6% respectively in the second half of April 2024.

3.13 Litigation

This section sets out material litigation to which the Issuers or any of their companies (or certain individuals in their capacity as current or former employees or officers of the Issuers or any of their 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 conviction 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 Issuers' consolidated financial position or results, given the provisions that, where necessary, have been set aside for these disputes.

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 KBC Bank and Antwerpse Diamantbank NV ("**ADB**") on 1 July 2015 entails that KBC Bank 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 approximately USD 45 million in principal, 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 KBC Bank 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***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. and A.4.).

Numerous times LKI and/or LKB were convicted for reckless and vexatious legal actions and were ordered to pay KBC Bank in damages for a total amount of EUR 495,000 and legal expenses (including the legal representation costs) of EUR 204,015.51 (including the amounts granted by the decisions described under point A.3 below).

All decisions (45) regarding these proceedings rejected LKI and /or LKB's claims / legal actions. Only three decisions were rendered in favour of LKI. The first was a decision of the United States Court of Appeals for the Second Circuit in 2013 whereby the RICO case was reversed and remanded back to the District Court on legal technical grounds. The second decision was the ruling of Court of Cassation dated 19 December 2019, which only partially annulled the Antwerp Court of Appeal decision of 13 December 2018 regarding the lack of reasoning in relation to the order of LKI and LKB to pay damages for vexatious reckless proceedings. The case was only sent to the Brussel Court of Appeal on this aspect. The third decision was the ruling of the Court of Cassation dated 25 January 2021 annulling the decision of the Antwerp Court of Appeals dated 28 February 2019 but only on technical legal grounds (see point A.3. below).

As of 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. On 6 October 2020, the Company Court of Antwerp

ordered a briefing schedule inviting parties to take a position on the procedural objections invoked by LK regarding the handling of KBC Bank's claim by the Court.

On 3 June 2021, the Company Court of Antwerp, section Antwerp declared that it has jurisdiction to rule on all claims and dismissed the procedural objections invoked by LK. A court hearing was set for 8 September 2022.

However LKB and LKI lodged separate appeals against the decision of 3 June 2021. The Antwerp Court of Appeal merged the two appeals. Both these cases were set for hearing at 15 June 2023. However, the day before, LKB filed two petitions for withdrawal. Thereupon, the Court adjourned both these cases to the hearing of 30 November 2023.

By two judgments dated 19 October 2023, the Court of Cassation dismissed the aforementioned petitions for withdrawal and ordered LKB for the two applications each to pay 10,000 euros in damages for vexatious reckless litigation.

On 8 February 2024 the Antwerp Court of Appeal rendered an interlocutory judgment deciding to suspend the proceedings pending the outcome of the criminal inquiries.

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 KBC Bank claiming an amount of approximately USD 77 million, based on the allegedly wrongful grant and maintenance of credit facilities by ADB and KBC Bank to the Daleyot entities. In its last court brief LK claims an additional amount of approximately USD 5 million.

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. On 25 January 2021, the Court of Cassation annulled the decision of the Antwerp Court of Appeals, but only on technical legal grounds relating to the Court of Appeals' assessment of the limitation period for LKB's liability claims. The case is sent to the Ghent Court of Appeals. LKI – which was not a party to the first instance proceedings – commenced third-party opposition proceedings against the same decision 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 KBC Bank.

On 9 April 2019 LK filed an additional complaint with the same Investigation Magistrate against KBC Bank and certain of its (former) employees. The criminal complaints are based, *inter alia*, on: embezzlement, theft and money-laundering.

On 29 September 2021, KBC Bank received notification that the chambers section of the Criminal Court of Brussels will decide on the closure of the criminal investigation and on the regulation of procedure (either dismissal of charges or referral to the criminal court). On 16 November 2021 the chambers section of the Criminal Court decided to postpone indefinitely the proceedings because of LKI and LKB's request for additional investigation.

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 (a wholly-owned subsidiary of KBC Bank) 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 Investments Ltd 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 Investments Ltd). KBC Investments Ltd, 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 Investments Ltd 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 Investments Ltd 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 Investments Ltd. 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 Investments Ltd. 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 Investments Ltd on extraterritoriality and international comity grounds. The action against KBC Investments Ltd has therefore been remanded back to the Bankruptcy Court for further proceedings.

In April 2019 a request for rehearing was denied.

On 30 August 2019, a petition for writ of certiorari was filed with the U.S. Supreme Court to consider the appeal and reverse the Second Circuit decision by the joint defence group.

On 10 December 2019, the U.S. Supreme Court entered a brief order inviting the U.S. Solicitor General to file a brief expressing the views of the United States Government.

On 10 April 2020 the United States Solicitor General filed a brief recommending that the Supreme Court deny the Madoff defendants' petition for a writ of certiorari.

On 2 June 2020, the U.S. Supreme Court denied the petition. As a consequence the merits of the case will be handled by the Bankruptcy Court.

On 1 August 2022, the Bankruptcy Court judge issued a stipulation and order regarding the filing of an amended complaint and subsequent scheduling of proceedings. As a result, the Trustee amended his complaint on August 5, 2022 by reducing his claim to U.S.\$86,000,000, consisting of subsequent transfers received by KBC Investments Ltd from Harley (a feeder fund). On 18 November 2022, KBC filed a motion to dismiss the amended complaint for lack of specific jurisdiction of the US court. On 26 April 2023, the Court dismissed this motion contesting jurisdiction and proceeded to establish a case management plan for the proceedings, which provides for a term for the investigation of the facts that ends on 22 September 2025. In the meantime, both parties have released the first factual documents. The next step is to select certain persons named in the disclosures already made and who are likely to be heard by one or both parties in the proceedings. KBC still believes, although the burden of proof has been increased, it has good and credible defenses, both procedurally as on the merits including demonstrating its good faith. The procedure may still take several years.

ICEC-Holding

On 6 March 2007, ICEC-HOLDING, a.s. ("**ICEC**") initiated an ad-hoc arbitration proceedings with CSOB as the legal successor of Investicni a Postovni Banka ("**IPB**"). ICEC claimed that in 1999, IPB breached the pre-emption right of ICEC, related to the shares of Slovenian paper mill VIPAP, under the purchase agreement concluded between ICEC and IPB in 1998 (the "**Share Purchase Agreement**"). In this regard, ICEC claimed a payment of app. CZK 11,89 billion, together with the statutory default interests from 1 January 2007. In following years, the arbitral tribunal has been repeatedly reconstituted. In April 2021, the courts finally appointed Mr. Ivan Cestr as the chairman of the tribunal. In June 2022, the oral hearing took place and later in July 2022, the parties submitted its final written submissions.

On 16 February 2023, CSOB received the final arbitral award (the "**Award**"), in which the arbitral tribunal ordered CSOB pay to ICEC the amount of CZK 1,576,000,000 plus default interest in the amount of CZK 2,082,441,329.74 for the period from 1 January 2007 until 31 December 2022, and also the default interest accruing from 1 January 2023 until payment. The rest of the claim (to the end of the year 2022, the claim with interests reached app. CZK 27,6 billion) was dismissed. The costs of proceedings were distributed between the parties based on the outcome of the Arbitration. ICEC was ordered to pay to the CSOB the amount of CZK 17,380,536.23 in costs of proceedings and CSOB was ordered to pay to ICEC the amount of CZK 4,985,014.22.

In short, the tribunal acknowledged the ICEC's claim for damages (however, contractually limited to CZK 1,576 bn.) and refused the claim for the contractual penalty and for payment of the inflation. On May 2023, ICEC submitted a petition with the Municipal Court in Prague seeking annulment of the Award. On 7 February 2024 the Court rejected the claim in its entirety. ICEC appealed this judgment in March 2024. So the appellation court has to decide on merits again.

RESPONSIBILITY STATEMENT

This section identifies the persons responsible for the information in this Base Prospectus

The Issuers

Each Issuer accepts responsibility for the information given in this Base Prospectus and the Final Terms for each Series of Savings Certificates issued by it under the Programme. To the best of each Issuer's knowledge, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

Third party information

Where information in this Base Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuers are 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.

KBC Group NV

Neither KBC Group NV nor any other member of the KBC Group (other than the Issuers) has approved or authorised this Base Prospectus, or accepts any responsibility in connection with this Base Prospectus. The Issuers are solely responsible for the information in this Base Prospectus relating to KBC Group NV as set out above.

GENERAL INFORMATION

This section provides certain additional general information relating to all Savings Certificates.

Authorisation

The Programme and the issue of the Savings Certificates thereunder has been authorised by resolutions of persons mandated by KBC Bank's Executive Committee (*directiecomité/comité de direction*) dated on or about 6 August 2024 respectively resolutions of CBC Banque's Executive Committee (*directiecomité/comité de direction*) dated on or about 6 August 2024.

Documents available

Copies of (i) KBC Bank's 2022 Annual Report and KBC Bank's 2023 Annual Report, and CBC Banque's 2022 Annual Report and CBC Banque's 2022 Annual Report, and of all subsequent annual reports to be published and (ii) copies of the articles of association of KBC Bank and CBC Banque are available free of charge at the office of KBC Bank and CBC Banque, respectively and will be available during the entire lifetime of the Savings Certificates.

Additionally, the annual reports of the Issuers are available on their websites <https://www.kbc.com/en/investor-relations/information-on-kbc-bank/annual-and-interim-reports.html> (in English) / <https://www.cbc.be/particuliers/fr/informations-legales/chiffres-financiers.html?zone=> (in French). The information on these websites does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with the section "*Documents incorporated by Reference*" of this Base Prospectus.

Admission to trading and dealing arrangements

The Savings Certificates will not be the subject of an application for admission to trading on a regulated or non-regulated market, nor have any Savings Certificates previously issued under the Base Prospectus ever been the subject of an application for admission to trading on a regulated market or equivalent market.

In case of sale of the Savings Certificates before maturity, the sale proceeds can be lower than the invested amount.

Hyperlinks to websites

Where this Base Prospectus contains hyperlinks to websites, the information on the relevant websites does not form part of, and is not incorporated by reference into, this Base Prospectus and has not been scrutinised or approved by the FSMA, except for information that is incorporated by reference in accordance with the section "*Documents incorporated by Reference*" of this Base Prospectus.

THE ISSUERS

KBC Bank NV

Havenlaan 2
B-1080 Brussels
Belgium

CBC Banque SA

Avenue Albert 1er
B-5000 Namur
Belgium

PAYING AGENT

KBC Bank NV

Havenlaan 2
B-1080 Brussels
Belgium

LEGAL ADVISER

(as to Belgian law)

Hogan Lovells International LLP

Rue Belliard 9
1040 Brussels
Belgium

STATUTORY AUDITOR

to the Issuers

PricewaterhouseCoopers Bedrijfsrevisoren BV

Culliganlaan 5
B-1831 Diegem
Belgium