KBC Group
Company presentation
2Q 2024

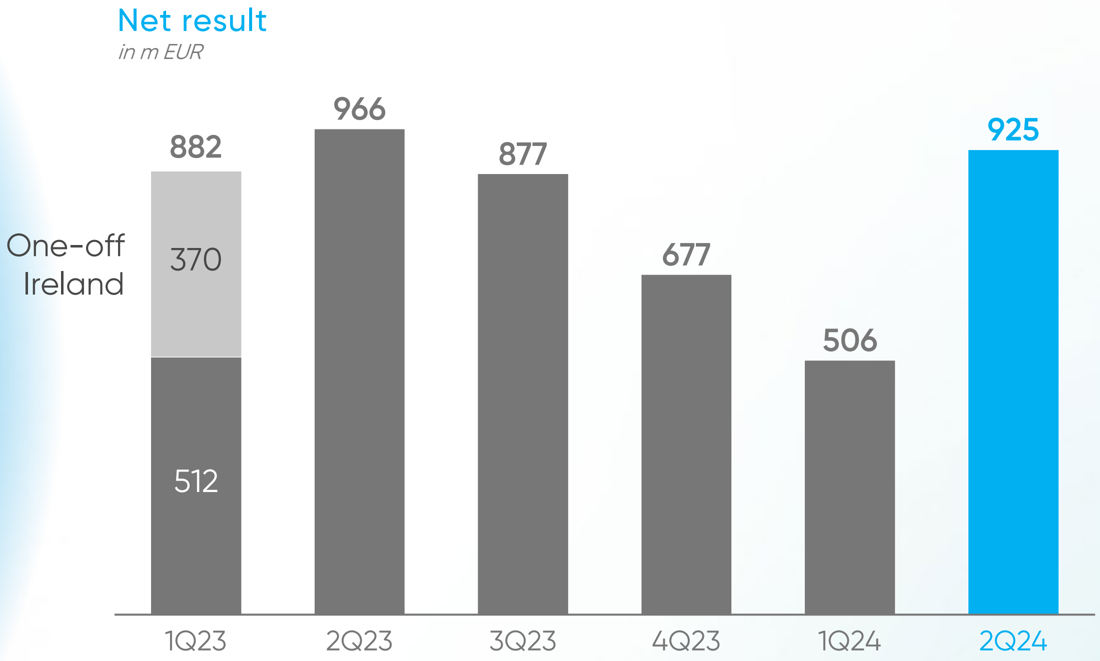
More information: www.kbc.com

KBC Group – Investor Relations Office: IR4U@kbc.be

Highlights

- Commercial bank-insurance franchises performed **excellently**
- As policy rates have peaked, KBC Group is **well-positioned** being an integrated bank-insurer with tailored AM business
- **Customer loans** and **customer deposits** increased q-o-q in almost all our core countries (on a comparable basis)
- Higher **net interest income q-o-q**
- **FY24 NII guidance increased to 5.5bn EUR ballpark figure** (from initial guidance of 5.3bn-5.5bn EUR)
- Higher **net fee and commission income** q-o-q
- Q-o-q higher **net result from financial instruments at fair value** and **net other income** in line with normal run rate
- Higher sales of **non-life insurance** y-o-y, lower sales of **life insurance** (both q-o-q and y-o-y)
- Costs down q-o-q due entirely to lower bank & insurance taxes; **costs excl. bank & insurance taxes slightly up q-o-q**
- Higher **net loan loss impairment charges**
- Solid **solvency** and **liquidity position**
- **Interim dividend** of 1 EUR per share in November 2024
- **Share buy-back of 1.3bn EUR was finalised** at end of July 2024

Excellent net result of 925m EUR over 2Q24



YTD ratios

- Return on Equity 15%*
- Cost-income ratio 46%**
- Combined ratio 87%
- Credit cost ratio 0.09%
- CET1 ratio 15.1% (B3, DC, fully loaded)
- Leverage ratio 5.5% (fully loaded)
- NSFR 139% & LCR 160%

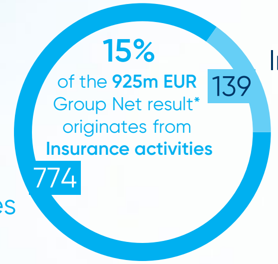
* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs

** When excluding certain non-operating items. See glossary for the exact definition

Strategic focus | What differentiates us from peers

Unique integrated bank-insurance+ model

- We offer an **integrated response** to our clients' banking and insurance needs. Our **organisation** is similarly integrated, operating as a single business and a **digital-first, data-driven and AI-led bank-insurer**.
- Our integrated model offers our clients the **benefit of a comprehensive, one-stop, relevant and personalised financial service** that allows them to choose from a wider, complementary and optimised range of products and services, which go beyond pure bank-insurance.
- For ourselves, it offers benefits in terms of income and risk diversification, additional sales potential through intensive co-operation between the bank and insurance distribution channels, significant cost-savings and synergies, and heightened interaction opportunities with and a **more complete understanding of our clients**.



Insurance Activities

Banking activities

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

Successful digital-first approach through KATE

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

4.8 million users in contact with Kate

KATE autonomy

66% BE
63% CZ

Firmly embedded sustainability strategy

- As a company that aims to support the transition to a more sustainable and climate-proof society, **we have made sustainability integral to our overall business strategy** and integrated it into our day-to-day business operations and the products and services we provide.
- Our sustainability strategy consists of three cornerstones: **encouraging responsible behaviour on the part of all our employees, increasing our positive impact on society and limiting any adverse impact we might have**

see climate targets on Slide 54

Strategic focus | The reference

At KBC it is our ambition to **be the reference** for bank-insurance **in all our core markets**

Profitability

With a **Return on Equity** of **15%** in 1H24 **KBC** is one of the most profitable EU financial institutions

Solvency

With a **fully loaded CET1 ratio** of **15.1%** at end 1H24 KBC is amongst the better capitalised EU banks

Sustainability

Sustainalytics ranks KBC **1st percentile of 294** diversified global banks assessed
(Full annual review based on updated methodology planned as of August 2024)

Digitalisation

Sia Partners ranks KBC Mobile as **Belgian N°1 banking app and N°3 worldwide**

"KBC Mobile is a **perfect** and **efficient** banking app for everyday needs and one of the **most innovative** with some **interesting extras**. The app surprises customers with the wide range of functionalities and the **virtual assistance by Kate**."

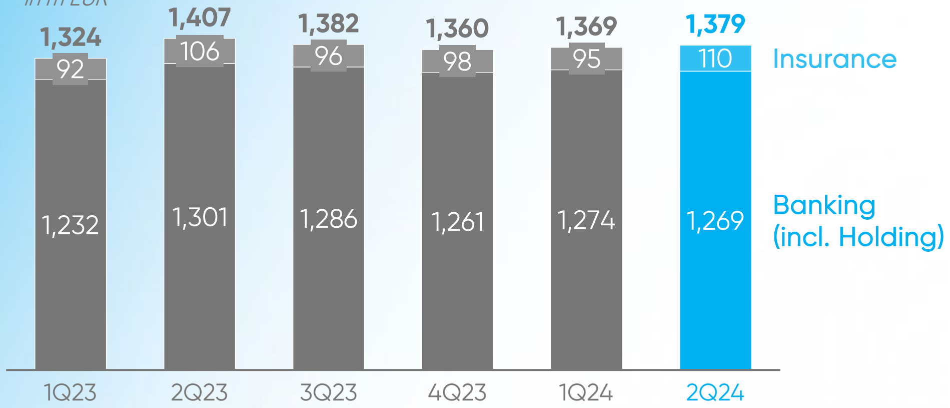
Main exceptional items

		2Q24	1Q24	2Q23
IM BU	HU – BK & INS TAX – Temporary extra (windfall) bank and insurance tax		-71m EUR	-22m EUR
	HU – Impairments – Modification losses	-5m EUR		-19m EUR
	BG – Opex – Integration costs Raiffeisenbank Bulgaria	-3m EUR	-4m EUR	-3m EUR
	BG – Opex – EUR adoption costs	-1m EUR	-1m EUR	
	Total Exceptional items IM BU	***-9m EUR***	***-76m EUR***	***-44m EUR***
GC BU	IRL – Sales transaction(s)			-12m EUR
	Total Exceptional items GC BU			***-12m EUR***
	Total Exceptional items	***-9m EUR***	***-76m EUR***	***-56m EUR***
	Total Exceptional items (post-tax)	*-8m EUR*	*-69m EUR*	*-50m EUR*

Higher net interest income

Net interest income

in m EUR

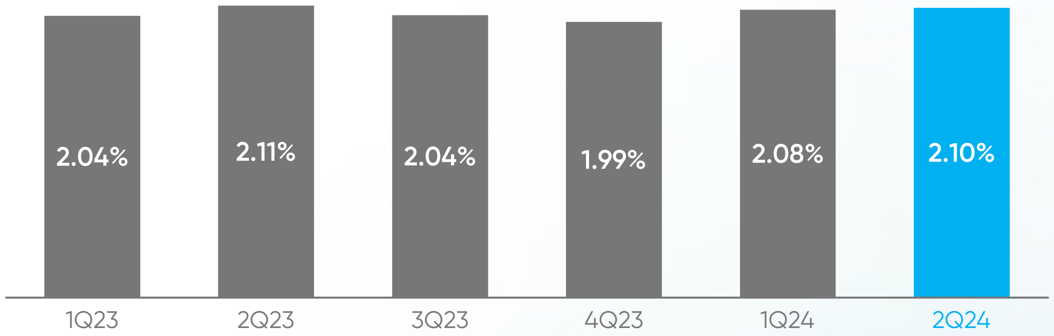


- **NII increased by 1% q-o-q and fell by 2% y-o-y (+1% q-o-q and stable y-o-y excluding FX effect)**
- Q-o-q increase was driven primarily by:
  - Continued increasing reinvestment yields (which has a positive impact on commercial transformation result)
  - Higher lending income (loan volume growth more than offset lower loan margins in some core markets)
  - Higher NII on inflation-linked bonds (+41m EUR q-o-q, from -13m EUR in 1Q24 to +27m EUR in 2Q24)
  - Lower funding cost of participations

  partly offset by:
  - Lower NII on term deposits
  - Lower NII on savings accounts in Belgium (due to higher fidelity premium)
  - Lower ALM result
  - Higher subordinated and wholesale funding costs
  - Lower short-term cash management
- Y-o-y decrease was driven primarily by negative FX effect, lower lending income, lower NII in Ireland, higher costs on the minimum required reserves held with central banks, higher funding cost of participations & higher wholesale funding costs, lower short-term cash management and dealing room NII, partly offset by increasing commercial transformation result, higher ALM result and increased term deposits at better margins

Net interest margin*

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



- Rose by 2 bps q-o-q and fell by 1 bp y-o-y for the reasons mentioned on net interest income and an increase in the interest-bearing assets (denominator), both q-o-q (limited) and y-o-y

Organic volume trend

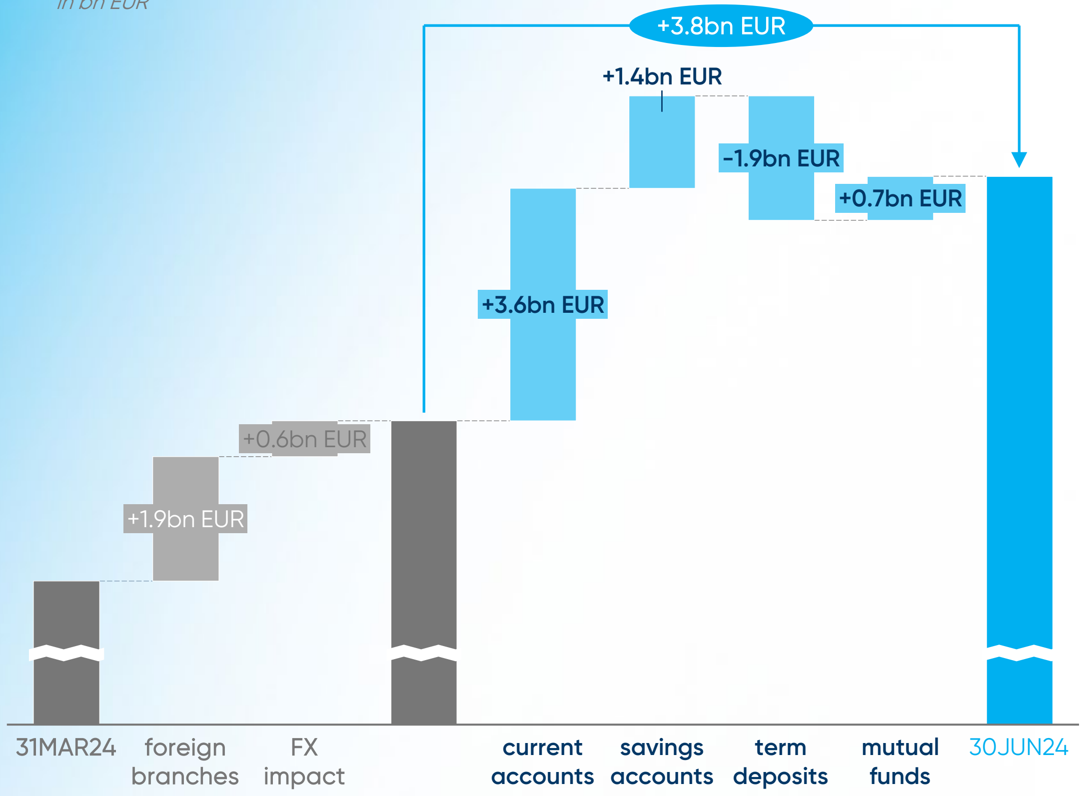
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	188bn	76bn	222bn
Growth q-o-q*	+2%	+1%	+2%
Growth y-o-y	+4%	+3%	0%

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds).
*** Customer deposits, excluding debt certificates and repos. **Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), core customer deposits rose by 2% q-o-q and fell by 1% y-o-y**
Growth figures are excluding FX, consolidation adjustments and reclassifications.

Inflow of core customer money

Customer money dynamic over 2Q24

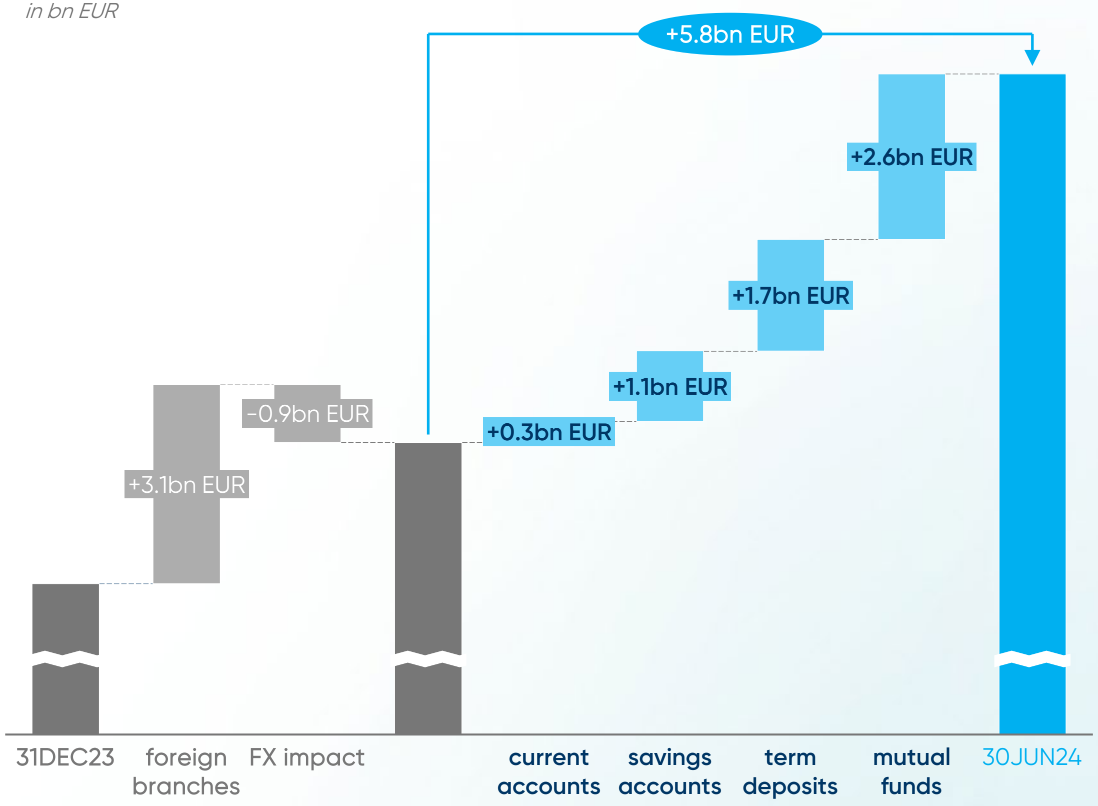
in bn EUR



- **2Q24** saw an inflow of core customer money of **+3.8bn EUR** (+4.3bn EUR incl. FX impact)

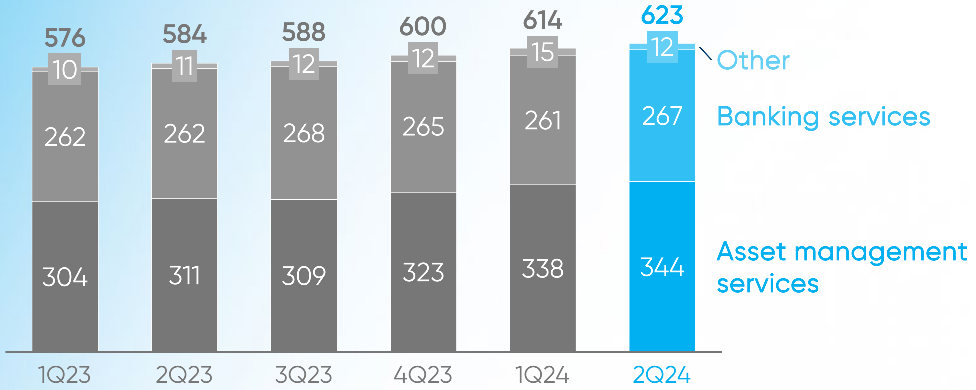
Customer money dynamic over 1H24

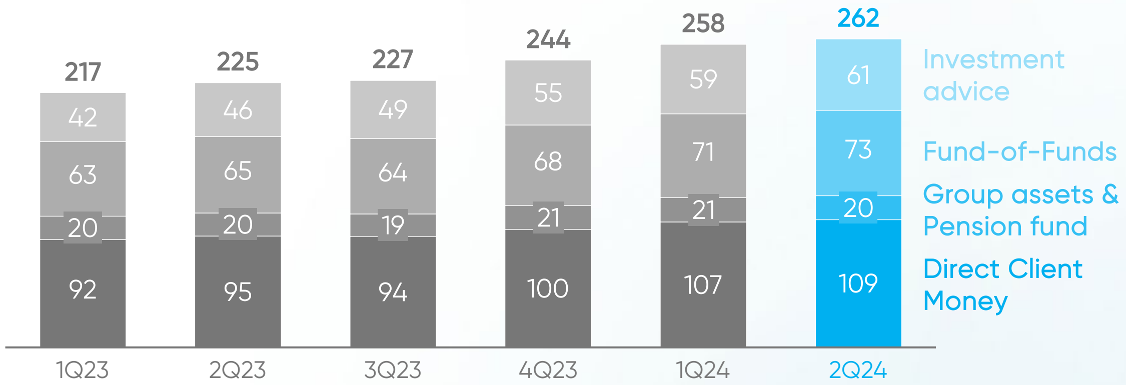
in bn EUR



- Disregarding volatile items, **1H24** saw an inflow of core customer money of **+5.8bn EUR** (+4.9bn EUR incl. FX impact)

Higher net fee and commission income





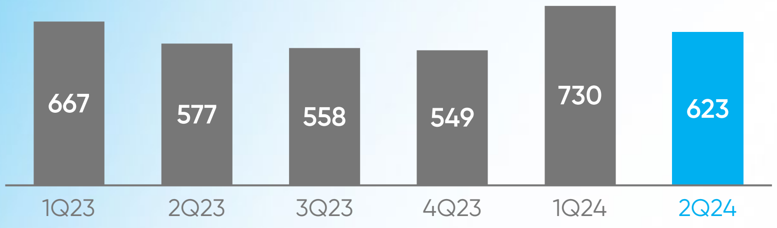
- **Up by 1% q-o-q and by 7% y-o-y (+1% q-o-q and +8% y-o-y excluding FX)**
- Q-o-q increase was mainly the result of:
  - Net F&C income from Asset Management Services increased by 2% q-o-q due mainly to higher management fees, partly offset by seasonally lower entry fees
  - Net F&C income from banking services rose by 2% q-o-q. Higher fees from payment services, higher network income and higher fees from credit files & bank guarantees were partly offset by lower securities-related fees and higher distribution commissions paid for banking products
  - Seasonally lower distribution fees linked to non-life insurance
- Y-o-y increase was mainly the result of:
  - Net F&C income from Asset Management Services rose by 11% y-o-y due entirely to higher management fees, partly offset by lower entry fees and lower distribution fees received linked to unit-linked life insurance products
  - Net F&C income from banking services increased by 2% y-o-y due mainly to higher securities-related fees and higher network income, partly offset by higher distribution commissions paid for banking products and higher client incentives (in the Czech Republic)
  - Higher distribution fees linked to non-life insurance

- **Increased by 2% q-o-q** due to **net inflows (+1%)** and positive market performance (+1%)
- **Increased by 17% y-o-y** due to net inflows (+6%) and positive market performance (+10%)
- The mutual fund business has seen good net inflows this quarter both in higher-margin direct client money (0.7bn EUR in 2Q24) as well as in lower-margin assets

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

Non-life sales

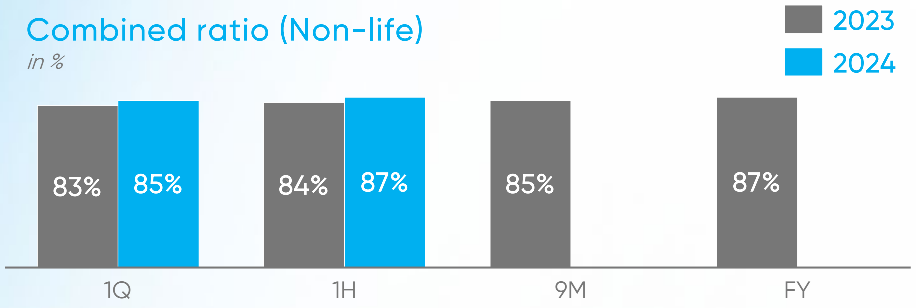
in m EUR



- **Up by 8% y-o-y**, with growth in all countries and all classes, due to a combination of volume and tariff increases

Combined ratio (Non-life)

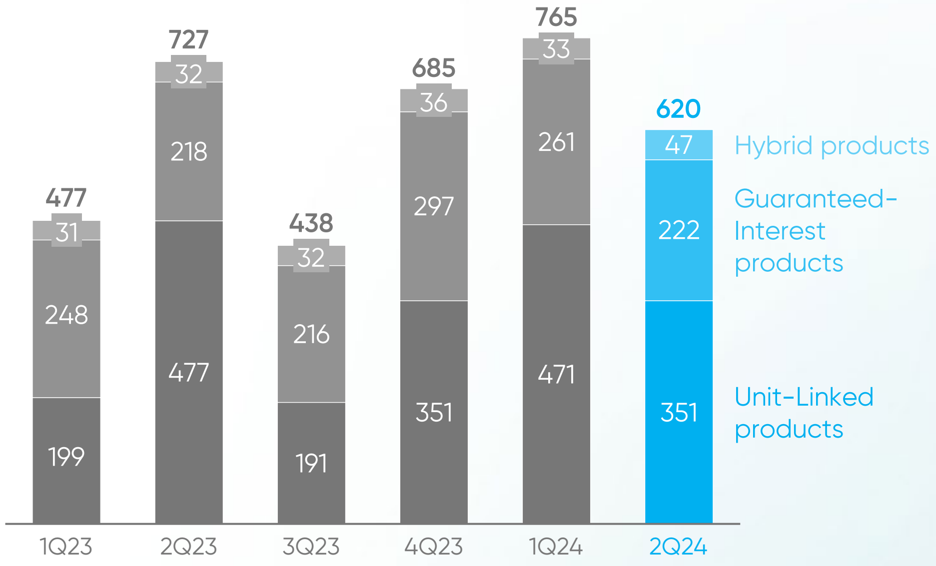
in %



- **Non-life combined ratio for 1H24 amounted to an excellent 87%** (84% in 1H23). This is mainly the result of:
  - 9% y-o-y higher insurance revenues before reinsurance
  - 15% y-o-y higher insurance service expenses before reinsurance due to the very low level of claims in 1H23
  - Higher net result from reinsurance contracts held (up by 12m EUR y-o-y)

Life sales

in m EUR



- Decreased by 19% q-o-q due to lower sales of unit-linked products (excellent sales in 1Q24 as the result of a successful launch of a new structured fund and a commercial action within Private Banking in Belgium) and lower sales of guaranteed-interest products (due partly to traditionally higher volumes in tax-incentivised pension savings products in Belgium during 1Q and 4Q), partly offset by higher sales of hybrid products
- Decreased by 15% y-o-y due entirely to sharply lower sales of unit-linked products, partly offset by slightly higher sales of guaranteed-interest products as well as higher sales of hybrid products
- Sales of guaranteed-interest products and unit-linked products accounted for 36% and 57% of total life insurance sales in 2Q24 respectively, with hybrid products (mainly in the Czech Republic) accounting for the remainder
- Thanks to an excellent 1Q24, life sales in 1H24 rose by 15% y-o-y

FIFV & IFIE result up q-o-q and net other income in line with normal run rate

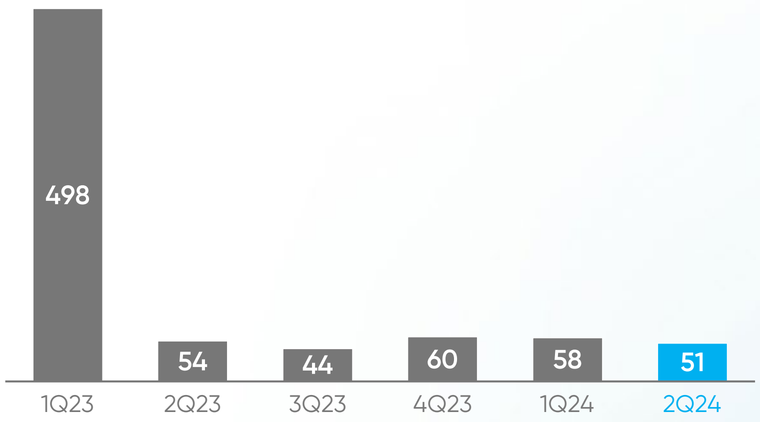
FIFV & IFIE

in m EUR

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24
Dealing room	94	69	47	78	102	61
MVA/CVA/FVA	4	5	17	-41	5	1
IFIE – mainly interest accretion	-50	-53	-56	-59	-60	-60
M2M ALM derivatives and other	-24	13	-17	-18	-102	1
FIFV & IFIE	**24**	**33**	**-8**	**-40**	**-55**	**3**

Net other income

in m EUR



- **FIFV & IFIE result up q-o-q**, attributable mainly to:
  - Sharply better result from ALM derivatives and other

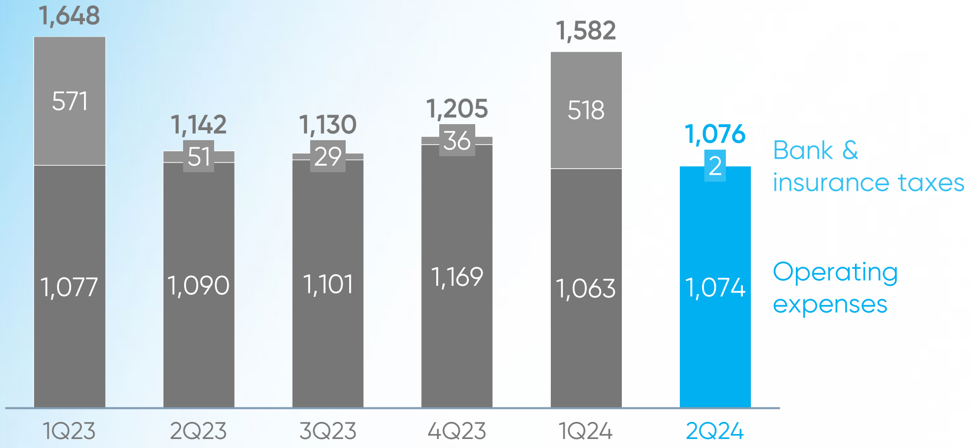
  partly offset by:
  - Lower dealing room result (given strong result in 1Q24)
  - Less positive credit, funding and market value adjustments, mainly the result of the negative evolution of counterparty credit spreads and the reduced KBC funding spreads, partly offset by an increase in EUR yield curves

- **In line with the normal run rate of around 50m EUR per quarter in 2Q24**

Costs excluding bank & insurance taxes slightly increased q-o-q

Operating expenses (including costs directly attributable to insurance)

in m EUR



- **Operating expenses excluding bank & insurance taxes rose by 1% q-o-q and fell by 2% y-o-y (+1% q-o-q and roughly stable y-o-y excluding FX effect)**
  - The q-o-q increase excluding FX effect is due mainly to higher staff costs (mainly wage drift, partly offset by lower FTEs), higher ICT costs, seasonally higher marketing costs, higher professional fee expenses and slightly higher depreciations, partly offset by lower costs in Ireland and lower facility expenses
  - Y-o-y stable costs excluding FX effect as lower costs in Ireland (related to the sale transaction) and to a lesser extent lower facility expenses, lower marketing costs and professional fee expenses were offset by higher staff costs (mainly the impact of inflation/wage indexation) and higher depreciations
- **1H24 cost/income ratio**
  - 46% when excluding certain non-operating items* (49% in FY23)
  - 42% excluding all bank & insurance taxes (43% in FY23)

Bank and insurance tax spread 2024 (preliminary)

in m EUR

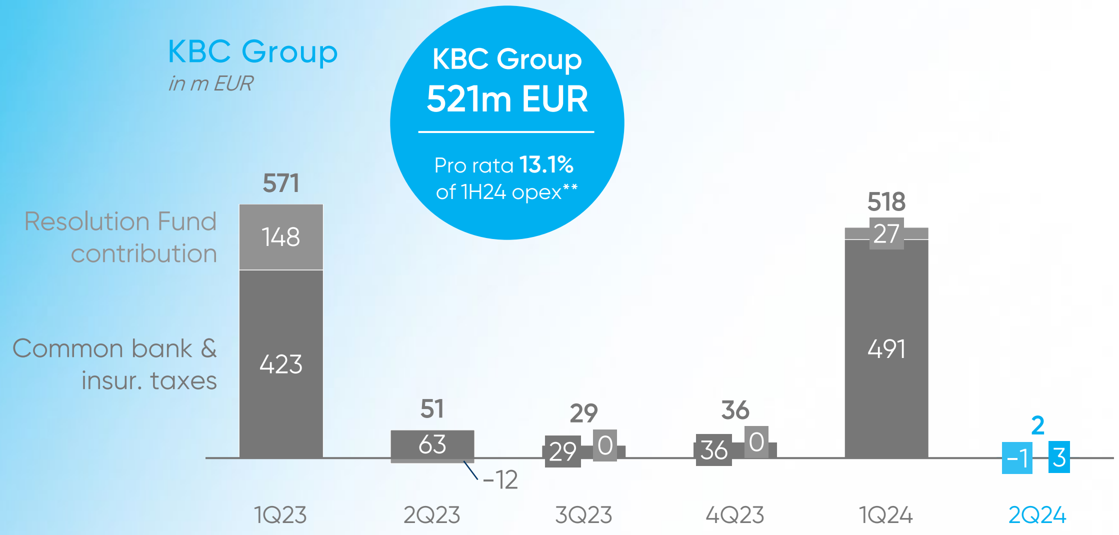
	Total	Upfront		Spread out over the year			
	2Q24	1Q24	2Q24	1Q24	2Q24	3Q24	4Q24
BE BU	-32	317	-32	0	0	0	0
CZ BU	3	35	3	0	0	0	0
Hungary	24	107	0	30	24	60	41
Slovakia	8	1	0	8	8	8	8
Bulgaria	0	21	0	0	0	0	0
Group Centre	0	-1	0	0	0	0	0
Total	2	480	-30	38	32	69	50

- **Regarding bank & insurance taxes in 2Q24**, note that:
  - 32m EUR decrease of the contribution to the Deposit Guarantee Scheme in Belgium as a result of lower covered deposits than anticipated by the Belgian government
  - 24m EUR additional bank taxes in Hungary (lower than expected due to lower than anticipated Resolution Fund contribution)
  - 8m EUR additional national bank taxes in Slovakia
  - 3m EUR additional bank taxes in the Czech Republic (higher than anticipated Resolution Fund contribution)
- To tackle the budget deficit, the Hungarian government recently announced **additional bank & insurance taxes in 2H24, estimated at up to 40m EUR for K&H**
- Total bank & insurance taxes (including ESRF contribution) are expected to decrease by 7% y-o-y to roughly 640m EUR in 2024 (687m EUR in 2023)

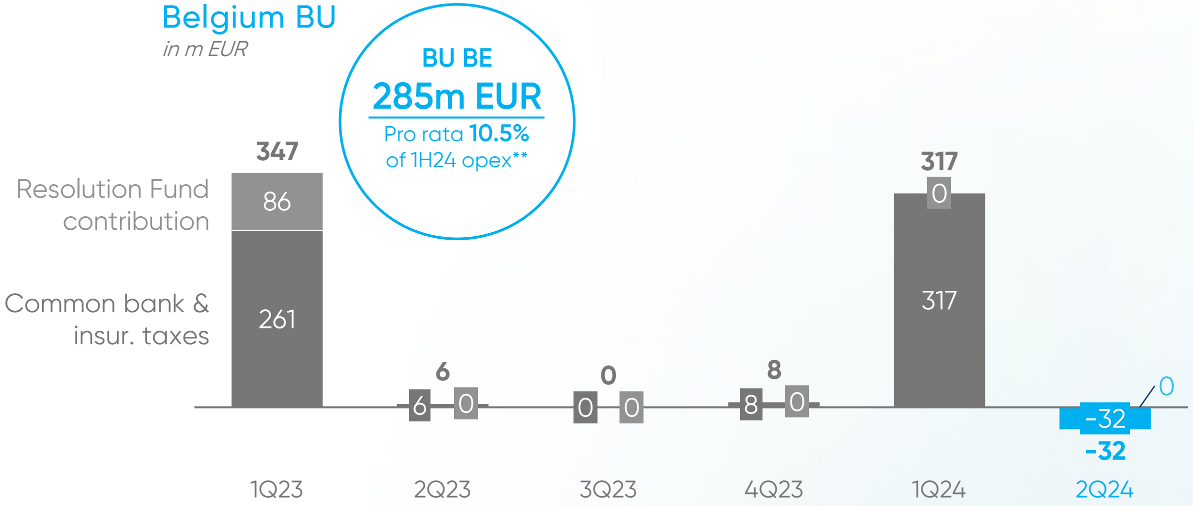
* See glossary for the exact definition

Overview of bank & insurance taxes*

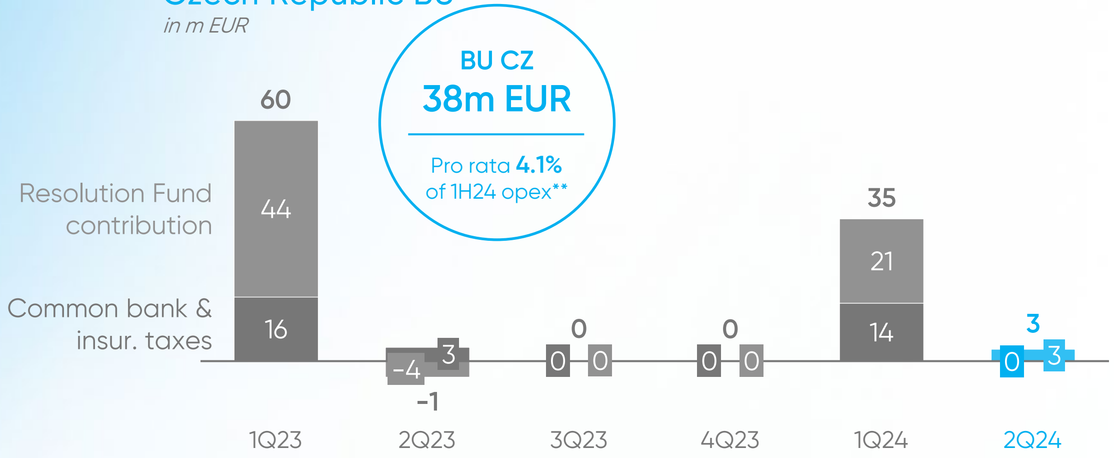
KBC Group
in m EUR



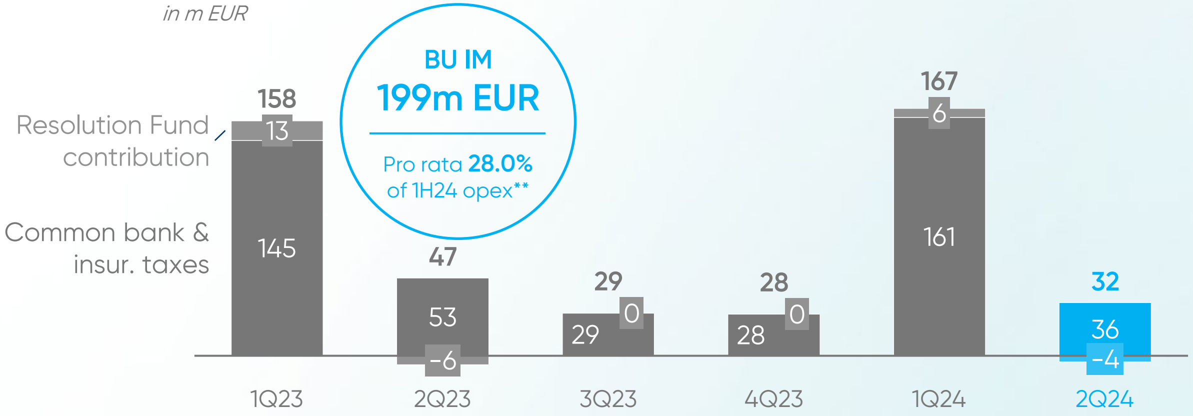
Belgium BU
in m EUR



Czech Republic BU
in m EUR



International Markets BU
in m EUR

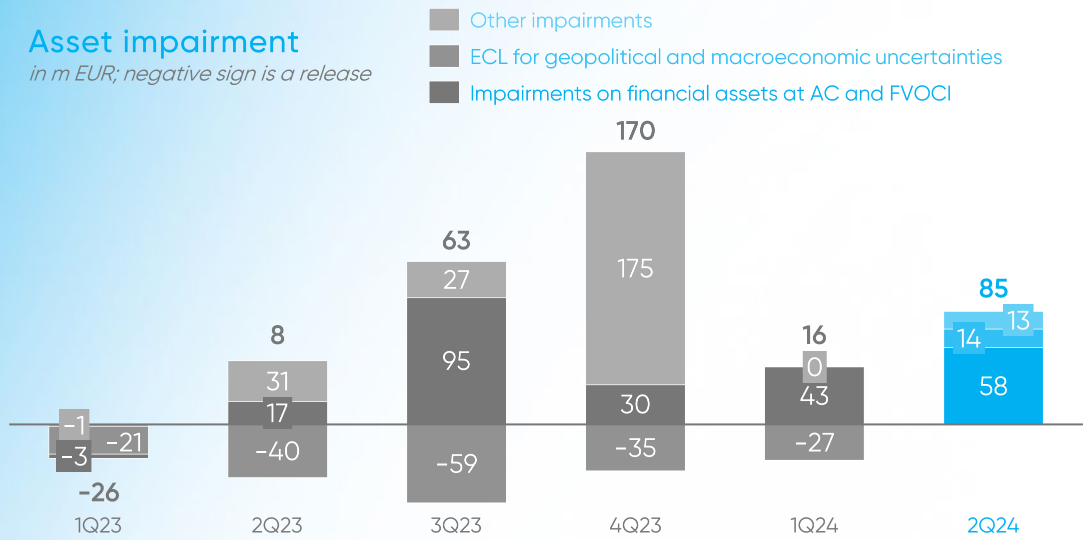


* This refers solely to the bank & insurance taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.
** Including directly attributable costs to insurance

Excellent credit cost ratio, despite higher net loan loss impairment charges

Asset impairment

in m EUR; negative sign is a release

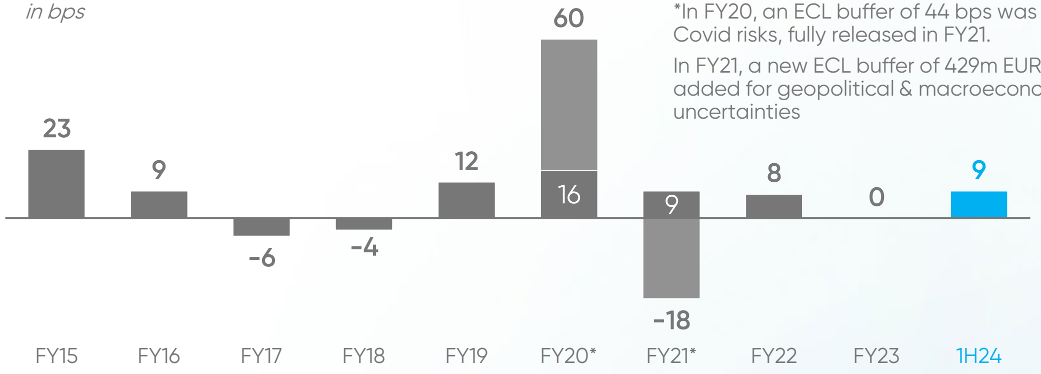


- **Net loan loss impairment charges of 72m EUR in 2Q24** (compared with net loan loss impairment charges of 16m EUR in 1Q24) due to:
  - 58m EUR net loan loss impairment charges on lending book (mainly for 2 large corporate files in foreign branches in business unit Belgium)
  - An increase of 14m EUR of the ECL buffer, driven mainly by micro- and macroeconomic indicators
  - Total outstanding ECL for geopolitical & macroeconomic uncertainties now stands at 237m EUR

- **13m EUR impairment on 'other',** of which:
  - 5m EUR modification losses, related to the extension of the interest cap regulation in Hungary (until year-end 2024)
  - 8m EUR impairment on software

Credit cost ratio

in bps



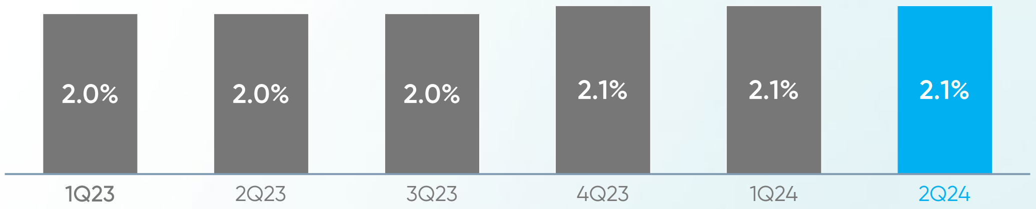
*In FY20, an ECL buffer of 44 bps was added re Covid risks, fully released in FY21.

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

- The credit cost ratio in 1H24 amounted to:
  - 10 bps (7 bps in FY23) without ECL for geopolitical & macroeconomic uncertainties
  - 9 bps (0 bps in FY23) with ECL for geopolitical & macroeconomic uncertainties

Impaired loans ratio

in %

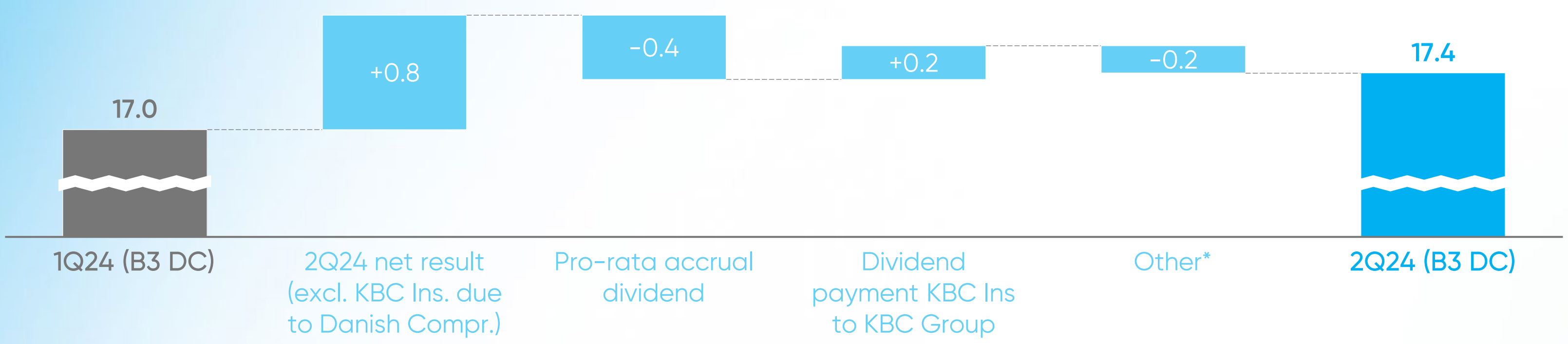


- **The impaired loans ratio amounted to 2.1%** (1.1% of which over 90 days past due)

Fully loaded Basel III CET1 from 1Q24 to 2Q24

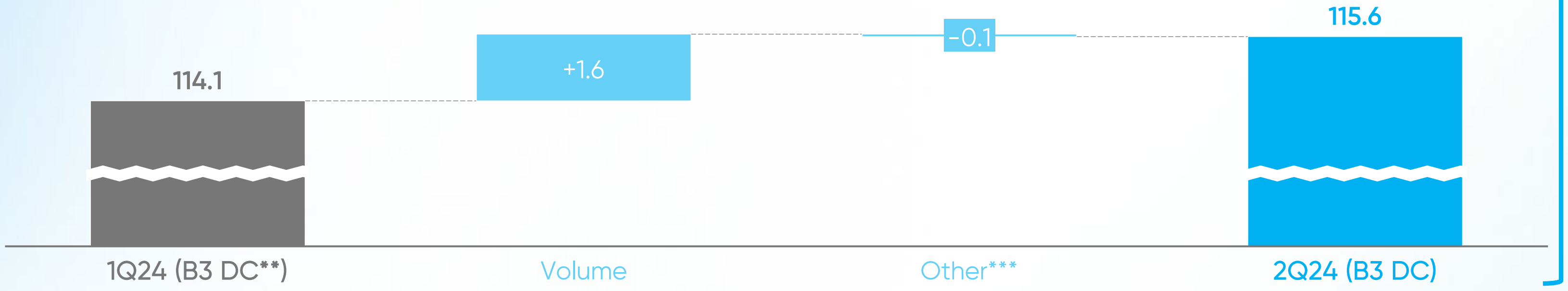
Q-o-q variance of CET1 capital

in bn EUR



Q-o-q variance of RWA

in bn EUR



Fully loaded B3 common equity ratio amounted to 15.1% at the end of 1H24 based on the Danish Compromise

* Includes the q-o-q delta in translation differences, deferred tax assets on losses carried forward, intangible fixed assets, AT1 coupon, remeasurement of defined benefit obligations, deduction pension plan assets, NPL shortfall etc.

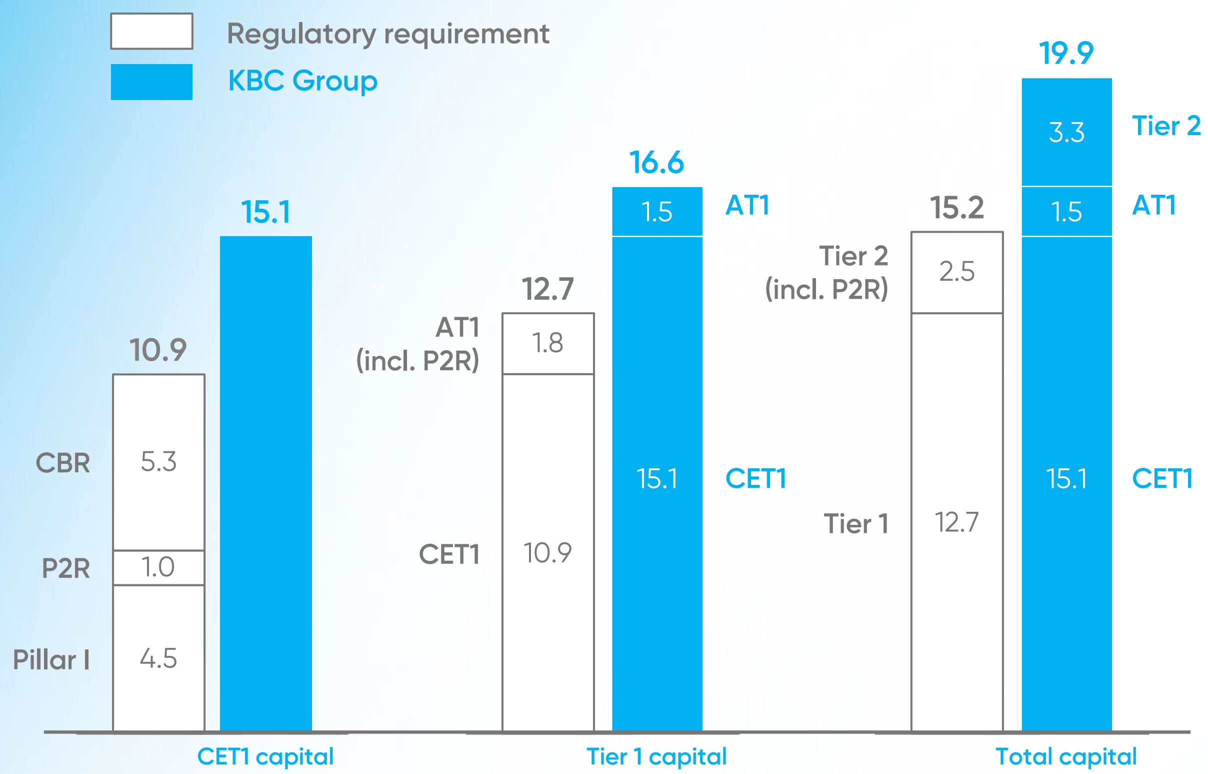
** Includes the RWA equivalent for KBC Insurance based on DC, calculated as the historical book value of KBC Insurance multiplied by 370%

*** Includes FX, market RWA, model changes, …

Strong capital position with substantial buffer to MDA

Capital requirements and distance to Maximum Distributable Amount (MDA) restrictions as at 30 June 2024 (fully loaded, B3)

in %



- **P2R 1.86% (= Pillar II requirement)**
  1.05% to be met with CET1, 35bps eligible for AT1 and 47bps for Tier 2
- **CBR 5.30% (= Combined buffer requirement)**
  2.50% Capital conservation buffer
  1.50% O-SII buffer
  1.16% Countercyclical buffer
  0.14% Systemic risk buffer
- **OCR (10.8%) buffer 4.2%**
- **MDA buffer 3.9%**
  lowest of the buffers between available and required (i) CET1 capital, (ii) Tier 1 capital and (iii) Total capital
- **MDA 11.2%**
  i.e. the net of the CET1 ratio (15.1%) and the MDA buffer (3.9%)

Distance to MDA restrictions

CET1 capital	Tier 1 capital	Total capital
4.2%	**3.9%**	**4.7%**
4,880m EUR	**4,492m EUR**	**5,459m EUR**

Leverage ratio, Solvency II ratio and liquidity ratios

Leverage ratio | KBC Group

fully loaded, Basel 3

Leverage ratio
5.5% 1H24

5.7% FY23

Q-o-q higher leverage ratio (from 5.4% to 5.5%) due to higher profit recognition, only partly offset by higher leverage ratio exposure (due mainly to a large increase in reverse repos)

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

Liquidity ratios | KBC Group

in %

LCR
160% 1H24

159% FY23

NSFR
139% 1H24

136% FY23

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

Solvency II ratio | KBC Group

in %

Solvency II ratio
200% 1H24

206% FY23

Q-o-q lower Solvency II ratio due mainly to increased exposure to KBC Bank and higher bond spreads, partly offset by an increase in the EUR interest rate curve

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

Looking forward I Economic outlook

- Euro area growth in the second quarter was in line with the first quarter (0.3%). The manufacturing sector exhibited persistent weakness, while the services sector displayed signs of recovery

- From the second half of 2024 onwards, growth is expected to persist around the current growth rate, driven mainly by domestic consumption that benefits from recovery in real wages

Looking forward I FY24 financial guidance

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2023 figures

	2024 guidance
Net interest income	5.5bn EUR ballpark figure
Organic loan volume growth	*approx. +4%*
Insurance revenues (before reinsurance)	at least +6% y-o-y
Operating expenses and insurance commissions paid (excl. bank/insurance tax)	below +1.7% y-o-y *substantially below inflation*
Cost/income ratio (excl. bank/insurance tax)	below 45%
Combined ratio	below 91%
Credit cost ratio (excl. any changes in the ECL buffer for geopolitical risk that is still in place at year-end 2023)	well below TTC of 25-30bps

FY24 NII guidance increased from 5.3bn-5.5bn EUR to 5.5bn EUR ballpark figure, organic loan volume growth increased from +3% to +4% y-o-y

Looking forward I FY26 financial guidance (as provided with FY23 results)

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2023 figures

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

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

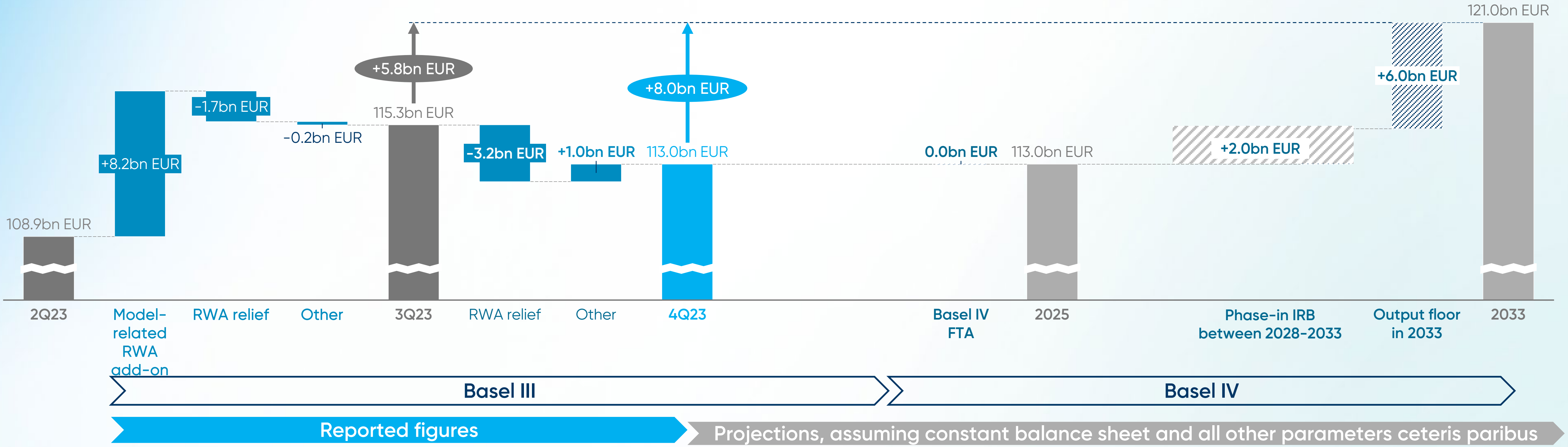
Indicative view on transitional RWA evolution under Basel IV (as provided with FY23 results)

Based on current EU consensus for Basel IV, a static balance sheet and all other parameters ceteris paribus, without any mitigating actions

- 3Q23 included the previously communicated 8.2bn EUR model-related RWA add-on, partly offset by a RWA relief of 1.7bn EUR
- In 4Q23, a **RWA relief of -3.2bn EUR** ballpark figure (versus -2.0bn EUR previously expected) was partly offset by among other things a RWA increase as a result of volume growth
- **Moving towards the Basel IV era (updated based on the political agreement of the trilogue in December 2023),** KBC projects
  - at 1JAN25, **no first-time application impact (contrary to the +2.5bn EUR RWAs previously)**
  - by 1JAN33, a **fully loaded impact of +8.0bn EUR (contrary to +6.0bn RWAs previously)**
- **Publication in the Official Journal, pending formal votes, legal review and translation, is expected for 2Q24. On this basis, we will update our Basel IV projections in November 2024**

Indicative transitional RWA estimate based on draft EU legislation for Basel IV, static balance sheet and all other parameters ceteris paribus, without any mitigating actions

in bn EUR



Wrap-up

Excellent financial performance

net result
925m
2Q24
3402m
FY23

return on equity
15%*
YTD

combined ratio
87%
YTD

Outstanding solvency and liquidity

CET1 ratio
15.1%
3.9% buffer vs MDA

NSFR
139%
LCR
160%

SII ratio
200%

Kate convinces customers

4.8 million users in contact with Kate

KATE autonomy
66% BE
63% CZ

Franchise is growing

loan volumes
+4%
y-o-y

customer deposits
0%
y-o-y

AM net inflows of direct client money
+0.7bn
2Q24

non-life sales
+8%
y-o-y

life sales
-15%
y-o-y

* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs

Supplemental information & disclosures

BU view (slide 23-36)

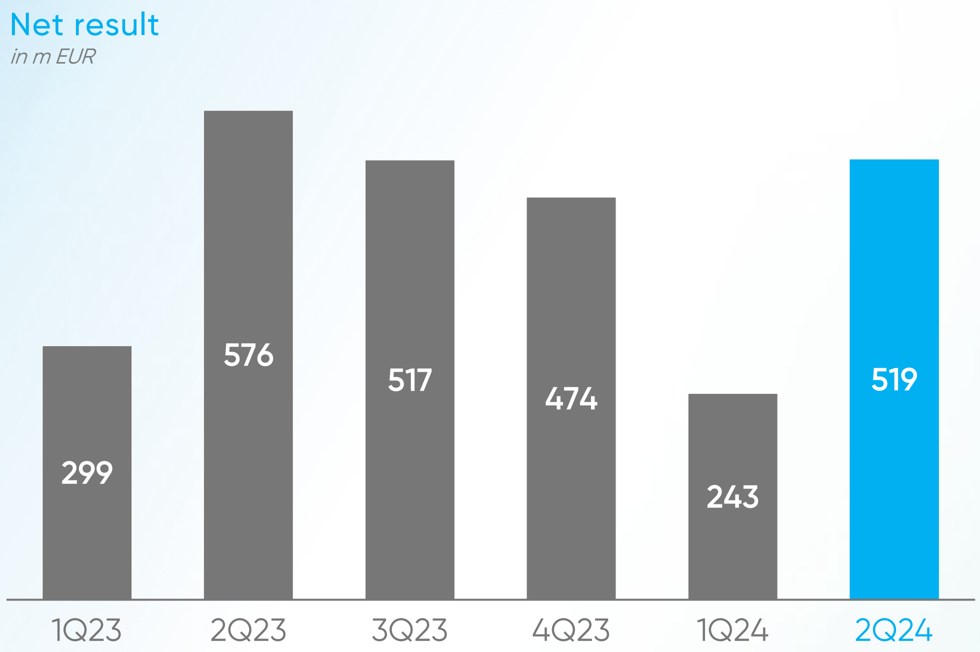
- Belgium BU
- Czech Republic BU
- International Markets BU
  - Slovakia
  - Hungary
  - Bulgaria
- Group Centre BU

Annexes (slide 37-62)

- Company profile
- KBC strategy
- Sustainability
- Asset quality
- MREL & funding

Navigate quickly to this content by using the below tabs in the digital version of this memo

Belgium BU (1) | Net result



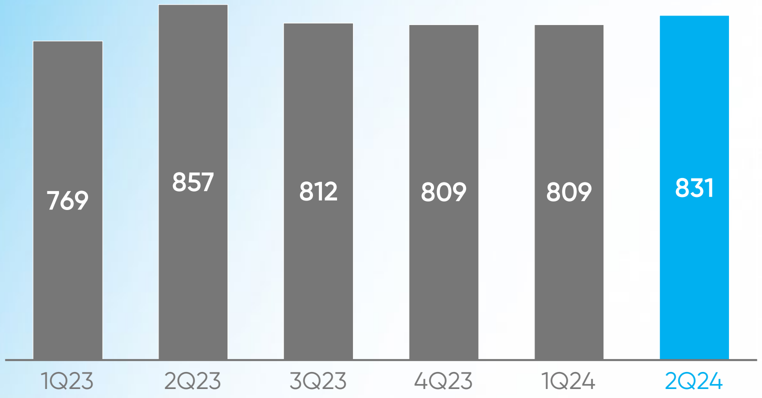
ROAC
1H24
18%
64% of
Allocated Capital

- The quarter was characterised by higher net interest income, stable net fee and commission income, lower sales of non-life and life insurance products, less negative net result from financial instruments at fair value, seasonally higher dividend income, lower net other income, lower operating expenses (due entirely to lower bank & insurance taxes), higher insurance service expenses after reinsurance and higher net impairment charges

Belgium BU (2) | Net interest income

Net interest income

in m EUR



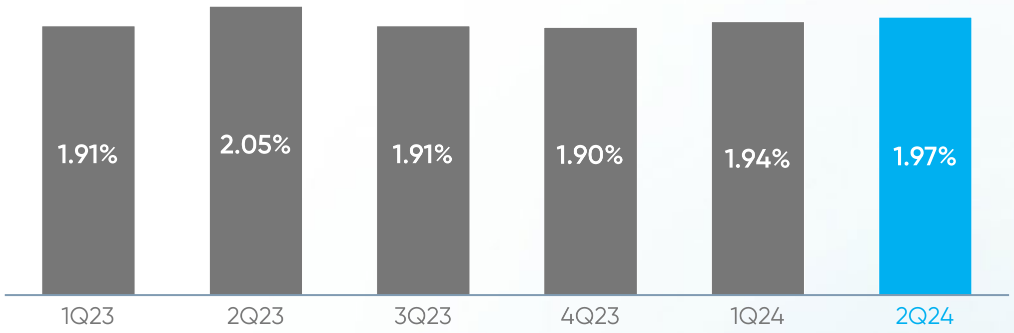
- +3% q-o-q, as
  - Higher reinvestment yields
  - Higher lending income (despite margin pressure on the outstanding loan portfolio)
  - Higher NII on inflation-linked bonds
  - Increased term deposits at slightly better margins

  were partly offset by
  - Lower ALM result
  - Lower NII on savings accounts (due to higher fidelity premium)
  - Lower short-term cash management
  - Higher costs on the minimum required reserves held with the central bank

- -3% y-o-y as continued increasing reinvestment yields, higher ALM result, increased term deposits at better margins and higher NII on the insurance bond portfolio were more than offset by lower lending income, shifts from current & savings accounts to term deposits, higher costs on the minimum required reserves held with the central bank, lower short-term cash management, lower dealing room NII and higher wholesale funding costs

Net interest margin

in %



- Increased by 3 bps q-o-q and fell by 8 bps y-o-y for the reasons mentioned on net interest income and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

Organic volume trend

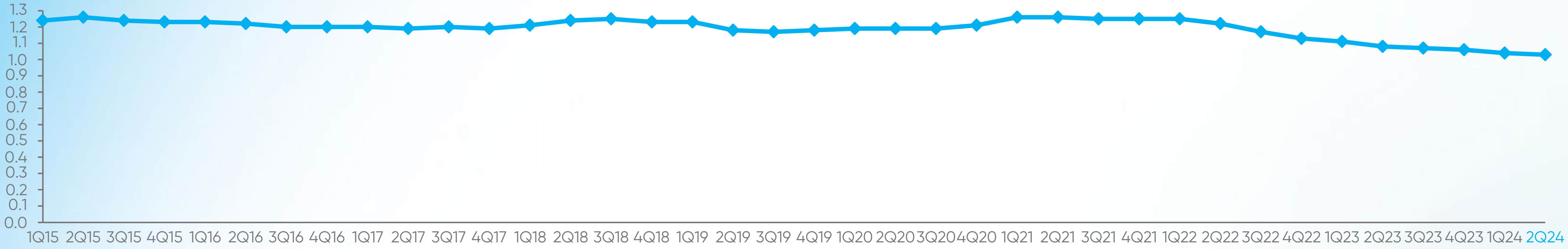
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	121bn	46bn	141bn
Growth q-o-q*	+2%	0%	+4%
Growth y-o-y	+3%	+1%	-2%

* Non-annualised
** Loans to customers, excluding reverse repos (and bonds).
*** Customer deposits, excluding debt certificates and repos. **Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), customer deposits rose by 2% q-o-q and fell by 4% y-o-y**
Growth figures are excluding FX, consolidation adjustments and reclassifications

Belgium BU (3) | Credit margins in Belgium

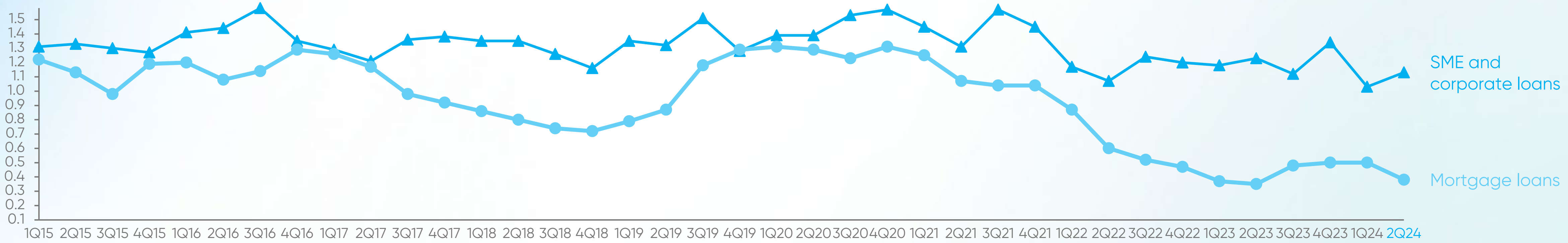
Product spread on customer loan book | Outstanding

in %



Product spread | New production

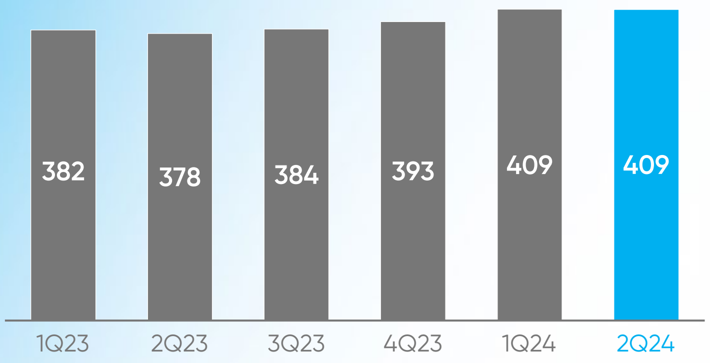
in %



Belgium BU (4) | Other income lines & cross-selling

Net fee & commission income

in m EUR



- Stable q-o-q net F&C income was mainly the result of higher management fees and higher fees from credit files & bank guarantees, offset by lower securities-related fees, seasonally lower entry fees and seasonally lower distribution fees linked to non-life insurance
- The 8% higher y-o-y net F&C income was driven chiefly by higher management fees, higher network income and higher securities-related fees, partly offset by lower entry fees, higher distribution fees paid for mutual funds and lower fees from credit files & bank guarantees

Assets under management

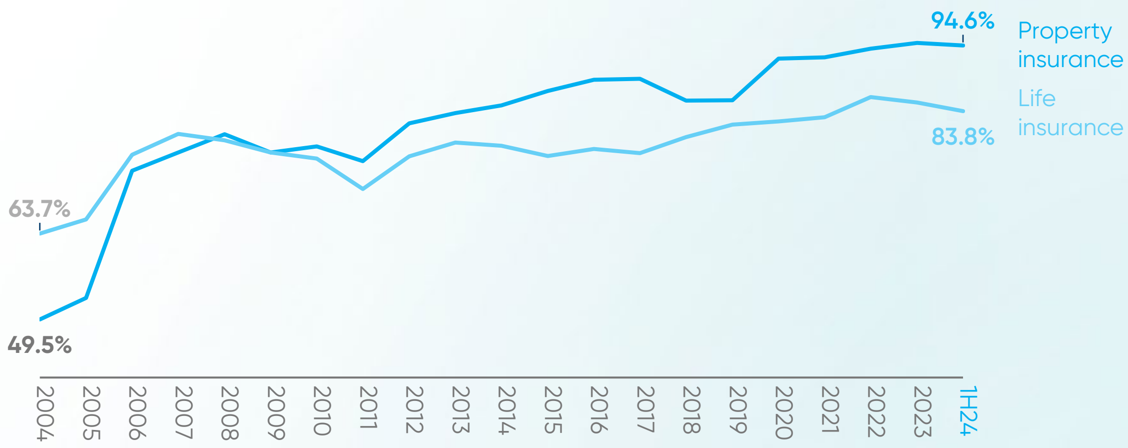
- 234bn EUR
- Increased by 2% q-o-q due to net inflows (+1%) and positive market performance (+1%)
- Increased by 17% y-o-y due to net inflows (+6%) and positive market performance (+11%)

Insurance

- Insurance sales: 861m EUR
  - Non-life sales (368m EUR) +7% y-o-y, due to premium growth in all classes, due to a combination of volume and tariff increases
  - Life sales (493m EUR) fell by 26% q-o-q and by 20% y-o-y.
    - The q-o-q decrease was driven by both lower sales of unit-linked products (the result of a successful launch of a new structured fund and commercial actions in 1Q24) and lower sales of guaranteed-interest products (attributable chiefly to traditionally higher volumes in tax-incentivised pension savings products in 1Q and 4Q)
    - The y-o-y decrease was driven entirely by lower sales of unit-linked products
- Combined ratio amounted to an excellent 86% in 1H24 (82% in 1H23)

Mortgage-related cross-selling ratios

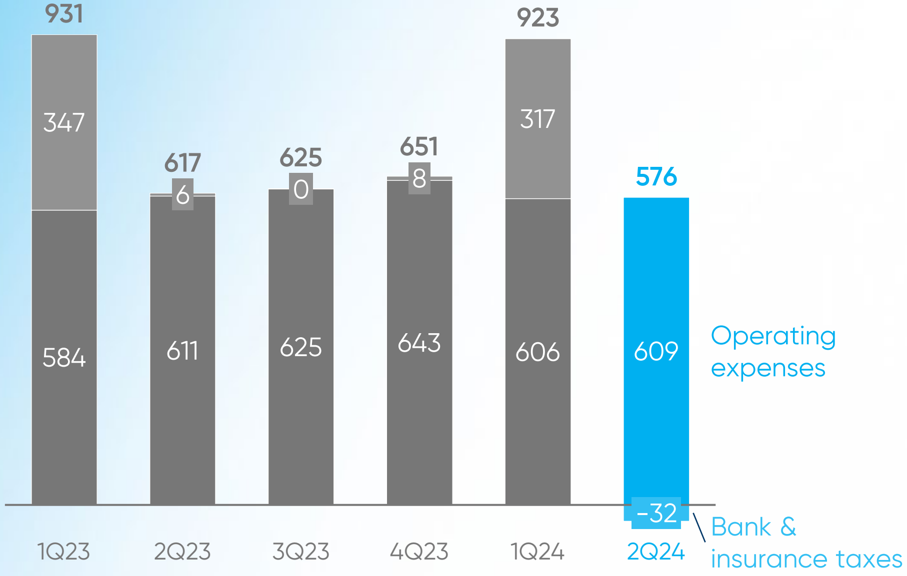
in %



Belgium BU (5) | Opex & impairments

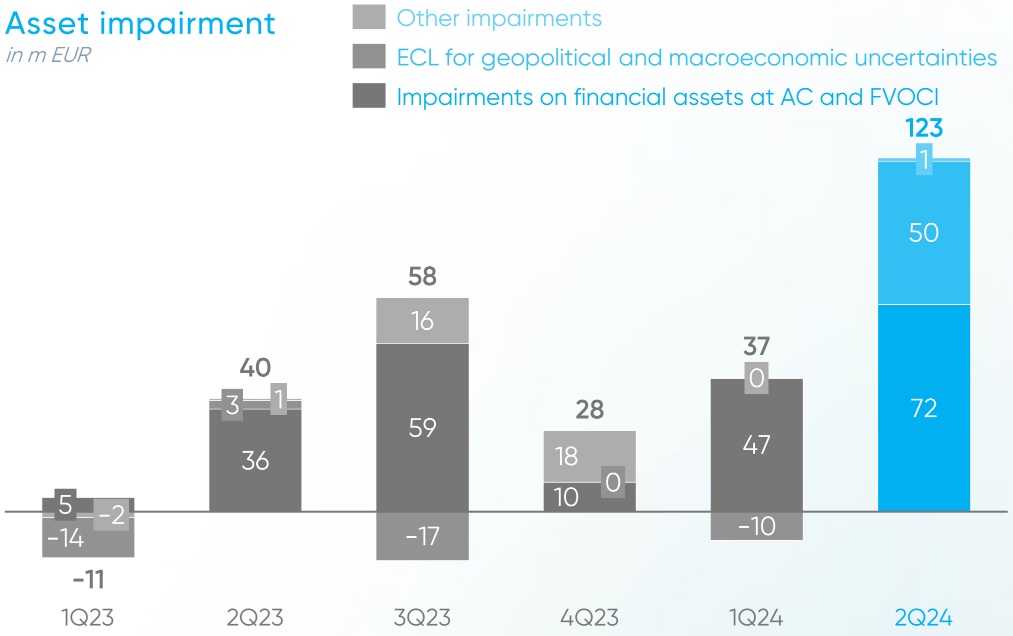
Operating expenses

in m EUR



Asset impairment

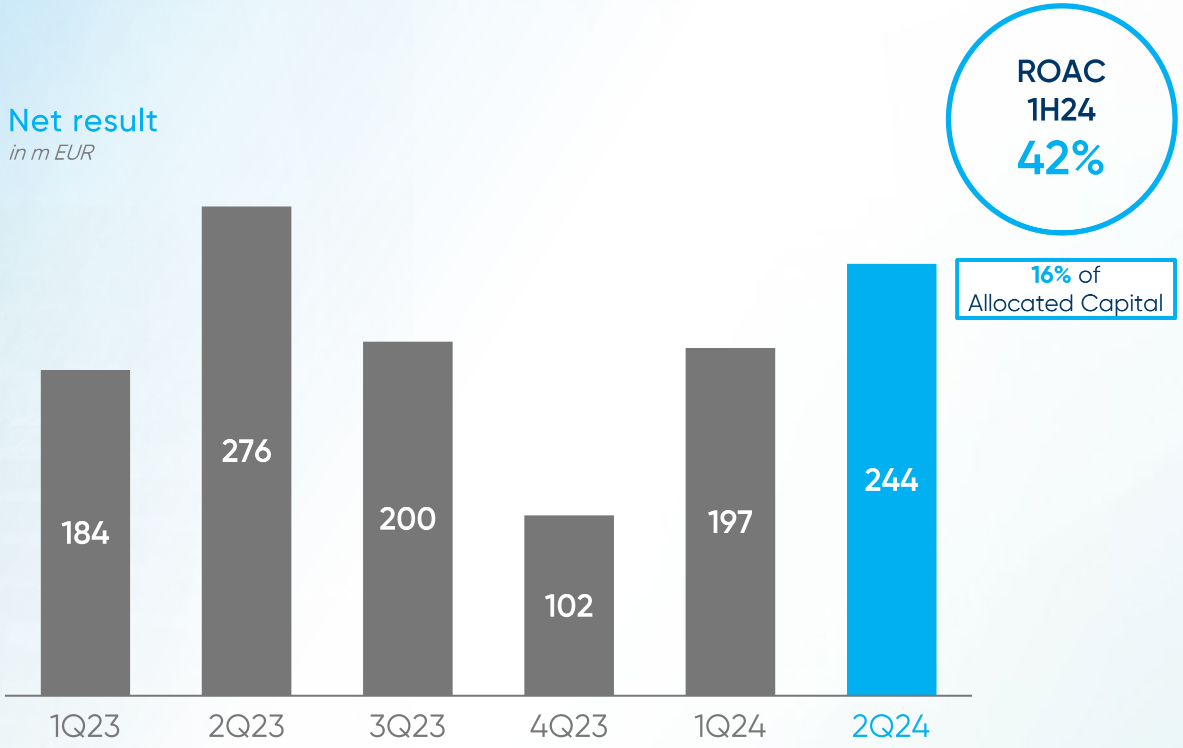
in m EUR



- **Opex (including costs directly attributable to insurance, but excluding bank & insurance taxes): roughly stable both q-o-q and y-o-y**
- Stable q-o-q as lower facility costs were offset by higher staff costs and seasonally higher marketing expenses
- Stable y-o-y as lower facility costs, lower depreciations and lower professional fees were offset by higher staff costs and higher marketing expenses
- Cost/income ratio adjusted for specific items: 43% in 1H24 (46% in FY23)

- **Net loan loss impairment charges of 122m EUR in 2Q24 (compared with 37m EUR in 1Q24),** mainly for 2 large corporate files in foreign branches and a 50m EUR net impairment charge for geopolitical & macroeconomic uncertainties (the latter due to inflation after a short period of deflation mainly coming from energy prices and deteriorated consumer confidence levels). Credit cost ratio amounted to 24 bps in 1H24 (6 bps in FY23)
- **Impaired loans ratio amounted to 2.1%, 1.0% of which over 90 days past due**

Czech Republic BU (1) | Net result

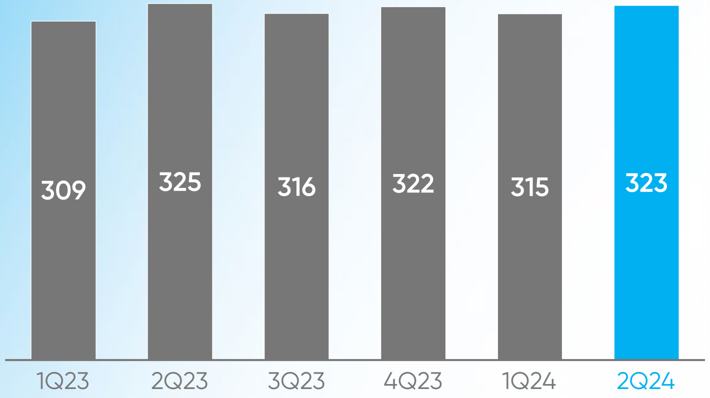


- The quarter was characterised by higher net interest income, stable net fee & commission income, higher sales of non-life and life insurance products, lower net result from financial instruments at fair value & IFIE, lower net other income, lower costs (due entirely to lower bank & insurance taxes), higher insurance service expenses after reinsurance, net loan loss impairment releases and higher income taxes

Czech Republic BU (2) | Net interest income

Net interest income

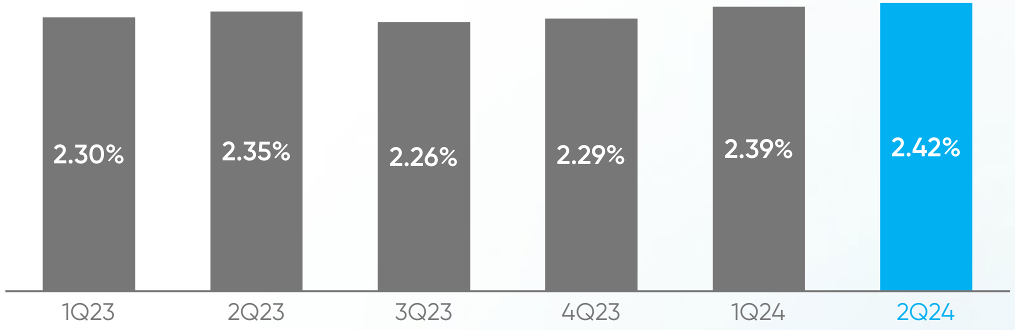
in m EUR



- +2% q-o-q and +5% y-o-y (both excl. FX effect)
- Q-o-q increase driven mainly by higher commercial transformation result (both higher benchmarked deposit volumes and higher reinvestment yields), higher lending income (both higher loan volumes and higher margins on the outstanding loan portfolio) and lower costs on the minimum required reserves held with the central bank, partly offset by lower ALM result, higher funding costs and slightly lower dealing room NII (driven mainly by decreasing repo rate)
- Y-o-y increase, as much higher transformation result, higher lending income and higher ALM result was only partly offset by higher costs on the minimum required reserves held with the central bank, higher funding costs, lower short-term cash management and lower dealing room NII (driven mainly by lower income from local cash desk and decreasing repo rate)

Net interest margin

in %



- Rose by 3 bps q-o-q and by 7 bps y-o-y for the reasons mentioned on net interest income and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

Organic volume trend

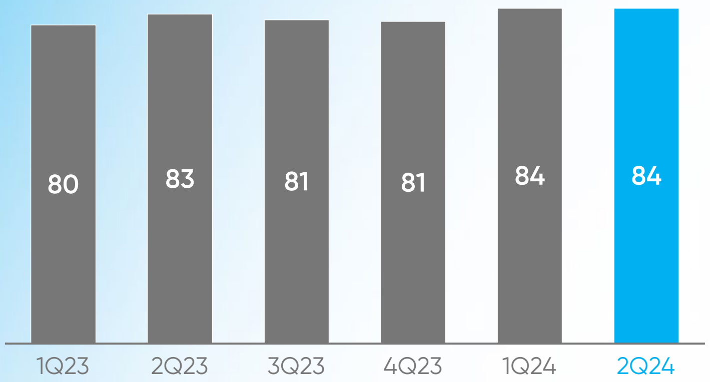
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	37bn	20bn	50bn
Growth q-o-q*	+2%	+1%	0%
Growth y-o-y	+7%	+3%	0%

* Non-annualised
** Loans to customers, excluding reverse repos (and bonds).
*** Customer deposits, excluding debt certificates and repos
Growth figures are excluding FX, consolidation adjustments and reclassifications

Czech Republic BU (3) | Other income lines & cross-selling

Net fee & commission income

in m EUR



- Stable q-o-q net F&C income excl. FX effect as higher distribution fees received for mutual funds, higher network income and higher fees from credit files & bank guarantees were entirely offset by lower securities-related fees and higher commissions paid linked to banking products
- The 8% higher y-o-y net F&C income excl. FX effect was driven chiefly by higher management & entry fees, higher distribution fees received for mutual funds, higher securities-related fees, higher network income and higher fees from credit files & bank guarantees were partly offset by lower fees from payment services and higher commissions paid linked to banking products

Assets under management

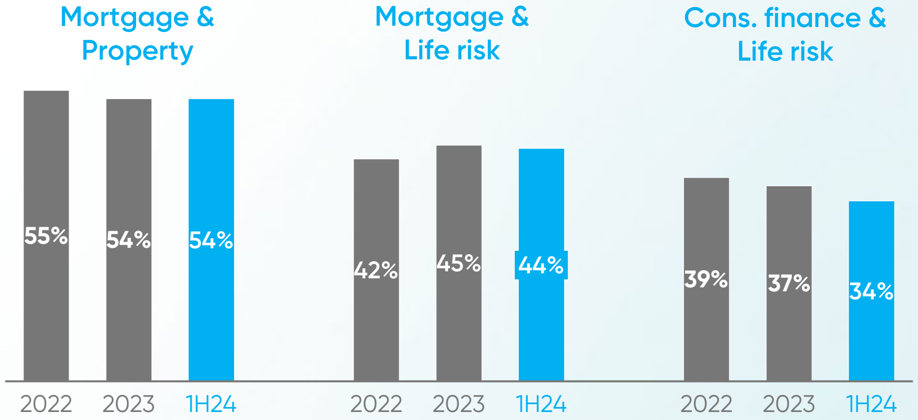
- 18.4bn EUR
- +3% q-o-q due to net inflows (+2%) and positive market performance (+1%)
- +10% y-o-y due to net inflows (+6%) and positive market performance (+4%)

Insurance

- Insurance sales: 180m EUR
  - Non-life sales (130m EUR) +4% y-o-y (+10% excl. FX), due to premium and volume growth in all classes
  - Life sales (50m EUR) increased by 6% q-o-q (+6% excl. FX) and by 9% y-o-y (+16% excl. FX). The y-o-y increase was fully driven by higher sales of unit-linked products and hybrid products
- An excellent combined ratio of 80% in 1H24 (82% in 1H23)

Mortgage-related cross-selling ratios

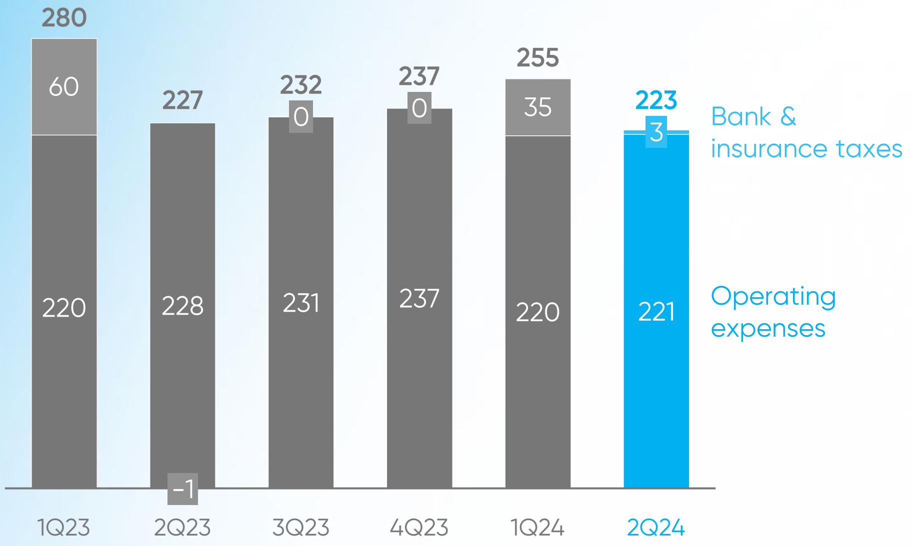
in %



Czech Republic BU (4) | Opex & impairments

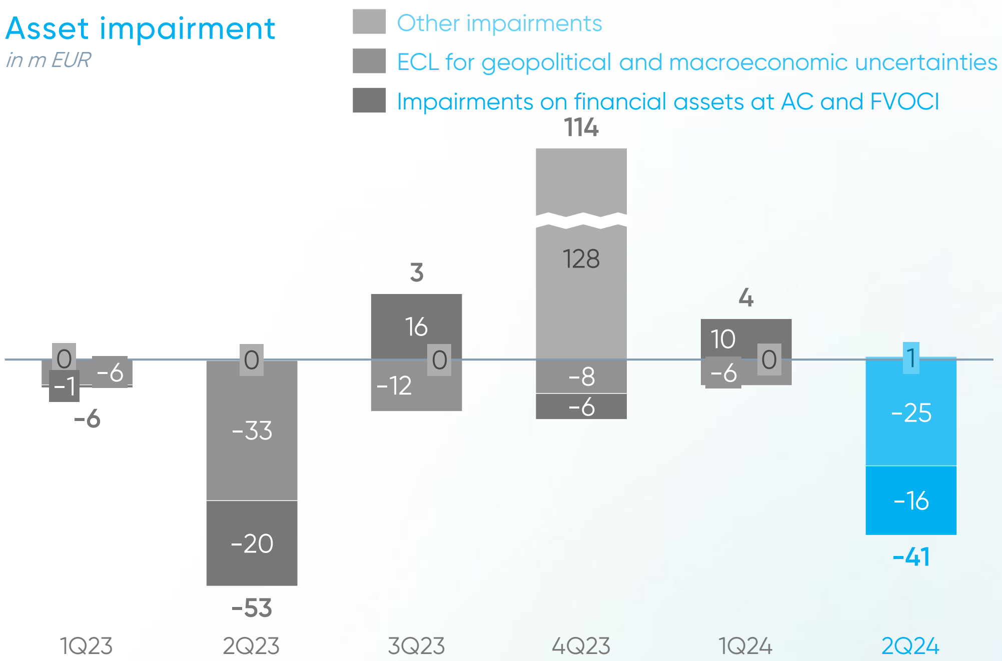
Operating expenses

in m EUR



Asset impairment

in m EUR

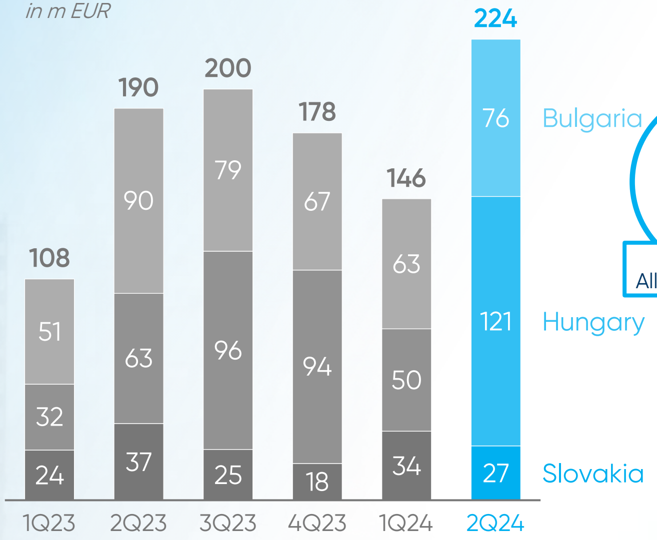


- **Opex (incl. costs directly attributable to insurance and excl. bank & insurance taxes): flat q-o-q and +3% y-o-y, excl. FX effect**
- Q-o-q stable as higher staff costs and higher facility costs were offset by lower ICT costs, lower marketing costs and lower professional fee expenses
- Y-o-y increase was chiefly the result of higher staff costs and higher facility costs, partly offset by lower ICT costs, lower marketing costs and lower professional fee expenses
- Adjusted for specific items, C/I ratio amounted to roughly 44% in 1H24 (47% in FY23)

- **Net loan loss impairment releases** of 41m EUR in 2Q24 compared with 4m EUR net loan loss impairment charges in 1Q24. Besides a 25m EUR net impairment reversal for geopolitical and macroeconomic uncertainties, there were 16m EUR net loan loss impairment releases
- **Credit cost ratio** amounted to -0.19% in 1H24 (-0.18% in FY23)
- **Impaired loans ratio** amounted to 1.4%, 0.8% of which over 90 days past due

International markets BU (1) | Highlights

Net result
in m EUR



ROAC 1H24
27%
20% of Allocated Capital

Highlights (q-o-q)

- Lower net interest income. NIM of 3.27% in 2Q24 (-13 bps q-o-q and +1 bp y-o-y)
- Higher net fee and commission income
- Lower net result from financial instruments at fair value & IFIE
- Lower non-life and higher life insurance sales
- A combined ratio of 100% in 1H24 (97% in 1H23). Excluding the significant windfall tax on insurance in Hungary, the combined ratio amounted to 93% in 1H24 (90% in 1H23)
- Lower operating expenses (including directly attributable costs to insurance) due entirely to lower bank & insurance taxes
- Small net impairment charges (versus releases in 1Q24)

Organic volume trend

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	29bn	11bn	32bn
Growth q-o-q*	+2%	+3%	0%
Growth y-o-y	+8%	+10%	+9%

* Non-annualised
** Loans to customers, excluding reverse repos (and bonds).
*** Customer deposits, excluding debt certificates and repos
Growth figures are excluding FX, consolidation adjustments and reclassifications

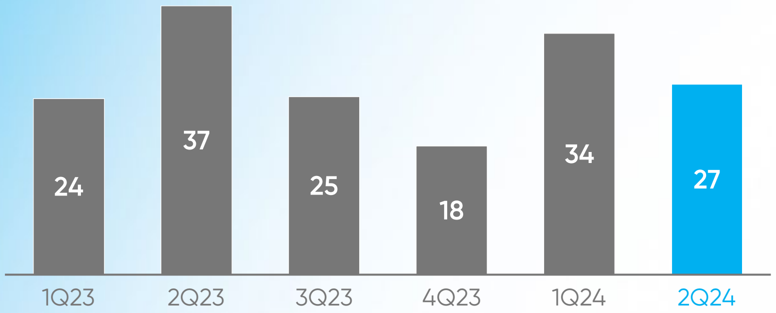
Assets under management

- 9.9bn EUR (+3% q-o-q and +23% y-o-y)

International markets BU (2) | Slovakia

Net result

in m EUR



ROAC 1H24
13%
7% of Allocated Capital

Highlights (q-o-q)

- Higher net interest income due mainly to higher commercial transformation result (higher reinvestment yields) and slightly lower funding costs
- Stable net fee & commission income as higher fees from credit files & bank guarantees, higher network income and slightly higher distribution fees received for non-life insurance products were offset by lower fees from payment services, lower securities-related fees and lower management & entry fees
- Lower net result from financial instruments at fair value
- Higher net other income
- Lower non-life insurance sales and higher life insurance sales
- A combined ratio of 120% in 1H24 (96% in 1H23) due to higher MTPL claims (due to inflation)
- Higher operating expenses due mainly to higher staff, ICT and marketing expenses
- 6m EUR net impairment releases in 2Q24 (11m EUR in 1Q24). Besides an 8m EUR net impairment reversal for geopolitical & macroeconomic uncertainties, there were 2m EUR net loan loss impairment charges. Credit cost ratio of -0.27% in 1H24 (-0.07% in FY23)

Volume trend

- Total customer loans slightly increased q-o-q and rose by 3% y-o-y (the latter due mainly to good growth in mortgage loans)
- Total customer deposits rose by 1% q-o-q and by 7% y-o-y (the latter due to growth in all segments, and especially strong corporate deposit growth)

Organic volume trend

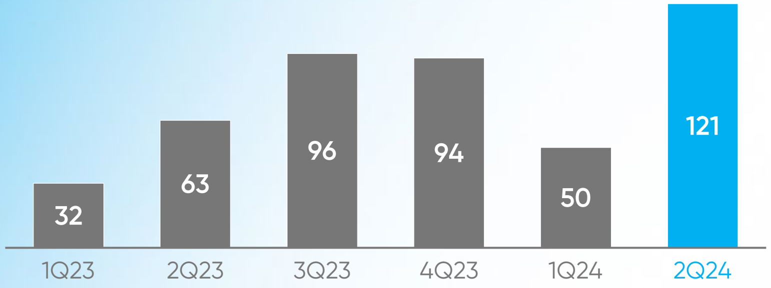
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	12bn	7bn	9bn
Growth q-o-q*	0%	+1%	+1%
Growth y-o-y	+3%	+4%	+7%

* Non-annualised
** Loans to customers, excluding reverse repos (and bonds).
*** Customer deposits, excluding debt certificates and repos
Growth figures are excluding FX, consolidation adjustments and reclassifications

International markets BU (3) | Hungary

Net result

in m EUR



ROAC 1H24 43%

6% of Allocated Capital

Highlights (q-o-q)

- Lower net interest income due mainly to lower ALM result and lower NII on term deposits (due to abolishment of interest cap on corporate deposits and decreasing yield environment), partly offset by slightly lower MRR costs
- Higher net fee and commission income driven mainly by higher fees from payment services
- Lower FIFV & IFIE result (mainly lower dealing room result and a negative change in ALM derivatives)
- Lower non-life and life insurance sales
- A combined ratio of 109% in 1H24 (111% in 1H23) due to windfall tax on insurance. Excluding this windfall tax, the combined ratio amounted to 91% in 1H24 (95% in 1H23)
- Lower operating expenses due entirely to lower bank & insurance taxes. Operating expenses excluding FX effect and bank & insurance taxes rose by 5% q-o-q due mainly to higher staff costs, higher ICT costs and higher depreciations

- 8m EUR net loan loss impairment reversals in 2Q24 (versus 10m EUR in 1Q24). Besides a 4m EUR net impairment reversal for geopolitical & macroeconomic uncertainties, there were 4m EUR net loan loss impairment releases (mainly for several corporate files). Credit cost ratio of -0.43% in 1H24 (-0.14% in FY23)
- 11m EUR impairment on 'other', of which 5m EUR modification losses (related to the extension of the interest cap regulation in Hungary until year-end 2024) and 6m EUR impairment on software

Volume trend

- Total customer loans rose by 2% q-o-q and by 10% y-o-y (both due to growth in all segments, although limited for SMEs)
- Total customer deposits roughly stabilised q-o-q (as growth in retail and private banking deposits was offset by lower corporate deposits) and rose by 11% y-o-y (the latter due to growth in all segments)

Organic volume trend

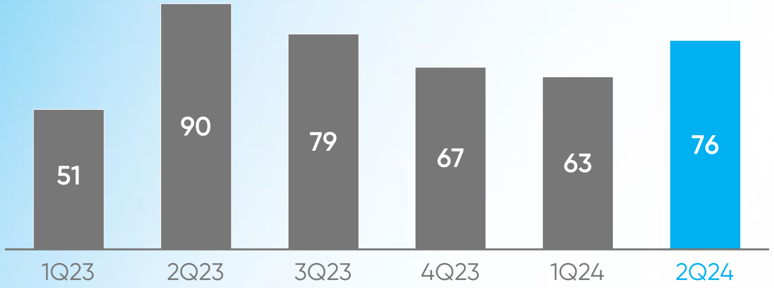
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	7bn	2bn	9bn
Growth q-o-q*	+2%	+5%	0%
Growth y-o-y	+10%	+13%	+11%

* Non-annualised
** Loans to customers, excluding reverse repos (and bonds)
*** Customer deposits, excluding debt certificates and repos
Growth figures are excluding FX, consolidation adjustments and reclassifications

International markets BU (4) | Bulgaria

Net result

in m EUR



ROAC 1H24 27%

8% of Allocated Capital

Highlights (q-o-q)

- Higher net interest income was driven mainly by higher ALM result, higher commercial transformation result (increasing interest rates and still limited pass-through) and slightly higher NII on term deposits, partly offset by lower lending income (pressure on loan margins in almost all segments)
- Higher net fee and commission income driven mainly by higher fees from payment services
- Higher non-life and life insurance sales
- An excellent combined ratio of 83% in 1H24 (82% in 1H23)
- Lower operating expenses due entirely to lower bank & insurance taxes. Excluding bank & insurance taxes, operating expenses increased due mainly to higher staff and ICT costs
- 5m EUR net loan loss impairment charges. Besides a 1m EUR impairment charge for geopolitical & macroeconomic uncertainties, there were 4m EUR net loan loss impairment charges (mainly on a few corporate files). Credit cost ratio of 0.13% in 1H24 (0.00% in FY23)

Volume trend

- Total customer loans rose by 3% q-o-q (due to growth in all segments, although limited for corporates) and by 14% y-o-y (due to growth in all segments)
- Total customer deposits roughly stabilised q-o-q (as growth in retail deposits was offset by lower corporate deposits) and rose by 8% y-o-y (due to growth in retail and SME deposits)

Organic volume trend

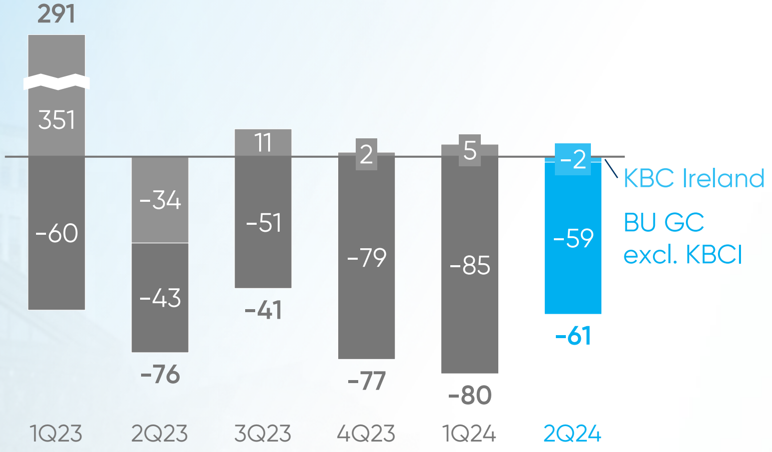
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	10bn	2bn	13bn
Growth q-o-q*	+3%	+6%	0%
Growth y-o-y	+14%	+26%	+8%

* Non-annualised
** Loans to customers, excluding reverse repos (and bonds)
*** Customer deposits, excluding debt certificates and repos
Growth figures are excluding FX, consolidation adjustments and reclassifications

Group Centre BU | Highlights

Net result

in m EUR



- The net result for the Group Centre comprises the results from activities and/or decisions specifically made for group purposes and, as of 1Q22, Ireland

Highlights (q-o-q), excluding Ireland

- Excluding Ireland, the q-o-q less negative result of Group Centre was attributable mainly to:
  - Higher net result from financial instruments at fair value
  - Higher net other income

  partly offset by
  - Lower net interest income (due to higher subordinated debt and wholesale funding costs)
  - Higher operating expenses excluding bank & insurance taxes
  - Lower net result from reinsurance contracts held

Company profile | KBC Group in a nutshell (1)

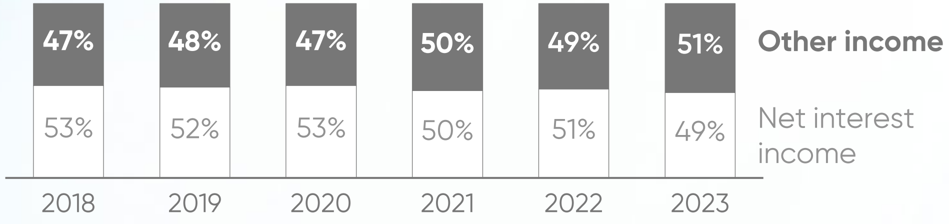
Diversified and strong business performance

- **geographically ...**
  - Mature markets (BE, CZ) combined with developing markets (SK, HU, BG)
  - Robust market position in all key markets & strong trends in loan and deposit growth

- **... and from a business point of view**
  - An integrated bank-insurer
  - Strongly developed & tailored AM business
  - Strong value creator with good operational results through the cycle
  - Unique selling proposition: in-depth knowledge of local markets and profound relationships with clients
  - Integrated model creates cost synergies and results in a complementary & optimised product offering
  - Broadening 'one-stop shop' offering to our clients

KBC Group topline diversification

in %



We want to be among Europe's best performing financial institutions

- We are a leading European financial group with a focus on providing bank-insurance products and services to retail, SME and mid-cap clients, in our core countries: Belgium, Czech Republic, Slovakia, Hungary and Bulgaria
- As a result of the withdrawal from Ireland, arising M&A opportunities beyond our core markets may be assessed (for approval of the Board of Directors) taking into account very strict strategic, financial, operational & risk criteria

Firmly embedded sustainability strategy

- As a company that aims to support the transition to a more sustainable and climate-proof society, we have made sustainability integral to our overall business strategy and integrated it into our day-to-day business operations and the products and services we provide
- Our sustainability strategy consists of three cornerstones: encouraging responsible behaviour on the part of all our employees, increasing our positive impact on society and limiting any adverse social impact we might have

Company profile | KBC Group in a nutshell (2)

High profitability (IFRS 17 figures)

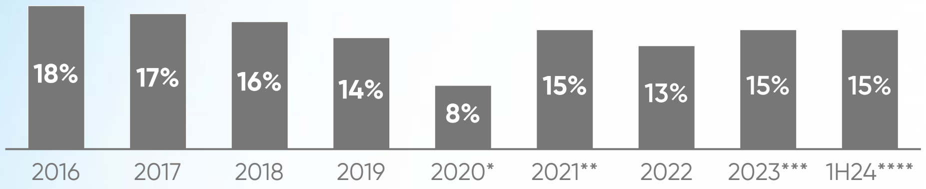
C/I ratio*
49% FY23
46% 1H24

combined ratio
87% FY23
87% 1H24

net result
3,402m FY23
1,431m 1H24

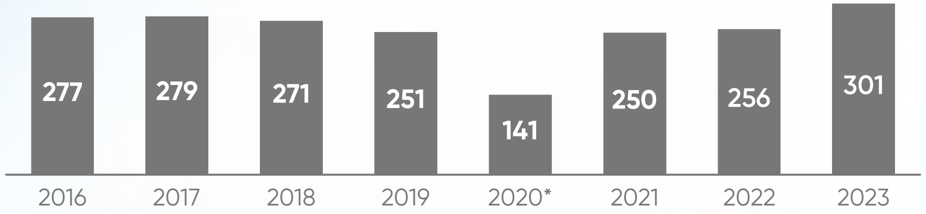
* Adjusted for specific items

Return on Equity
in %



* 11% when adjusted for the collective Covid-19 impairments
** When excluding the one-off items due to the pending sales transactions in Ireland
*** Excluding one-offs
**** When bank & insurance taxes are evenly spread throughout the year and excluding one-offs

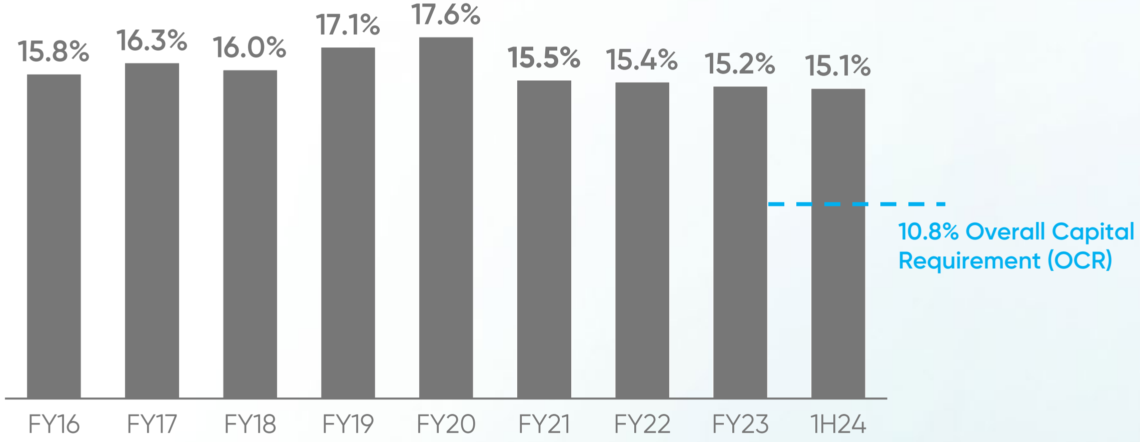
CET1 generation before any capital deployment
in bps



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

Solid capital position

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



Robust liquidity

NSFR
136% FY23
139% 1H24

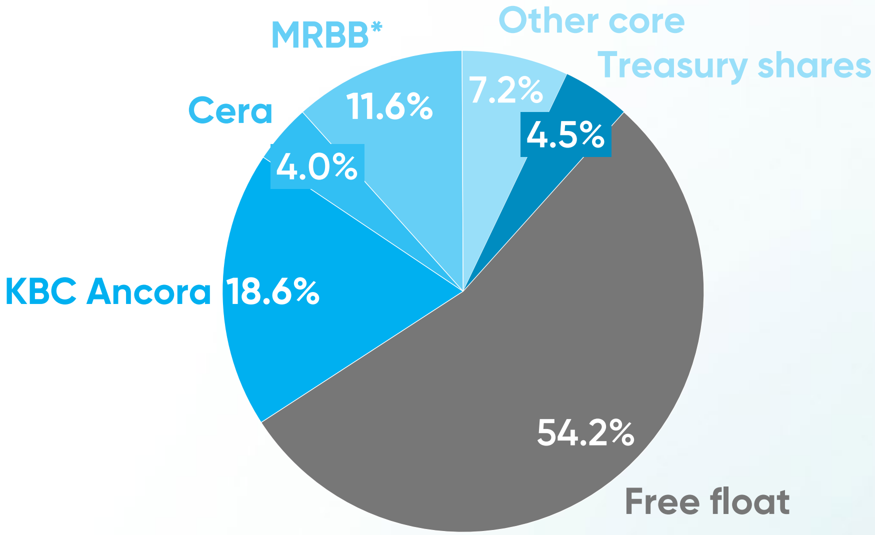
LCR
159% FY23
160% 1H24

Company profile | KBC Group in a nutshell (3)

Dividend policy & capital distribution
(as of 2024)

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

Shareholder structure
(as at end 2Q24)



- Roughly **41% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals**. Committed shareholders include the Cera/KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of Belgian industrialist families
- The **free float** is held mainly by a large variety of international institutional investors

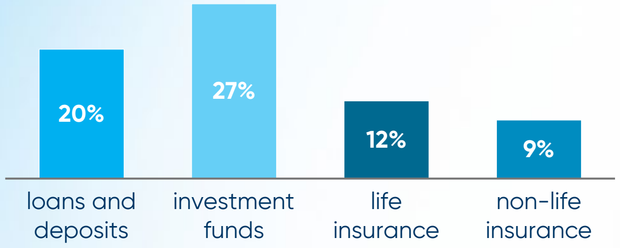
Company profile | Well-defined core markets

Belgium BU

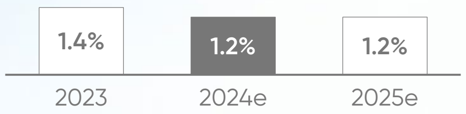
64% of assets
4.0m clients
432 branches

121bn EUR loans
141bn EUR deposits

Market share
in %, end 2023



GDP growth
in %, KBC Economics



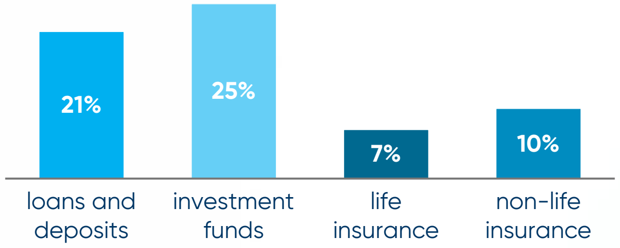
108% debt-to-GDP ratio

Czech Republic BU

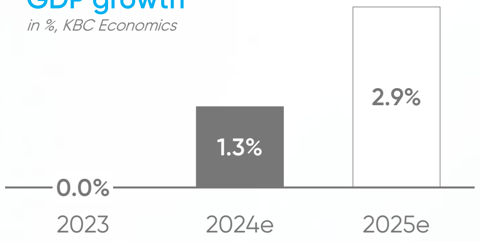
22% of assets
4.3m clients
198 branches

37bn EUR loans
50bn EUR deposits

Market share
in %, end 2023



GDP growth
in %, KBC Economics



44% debt-to-GDP ratio

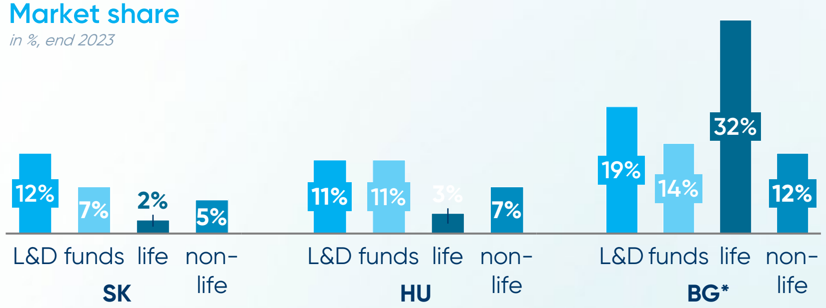
International Markets BU

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

HU
4% of assets
1.6m clients
195 branches
7bn EUR loans
9bn EUR deposits

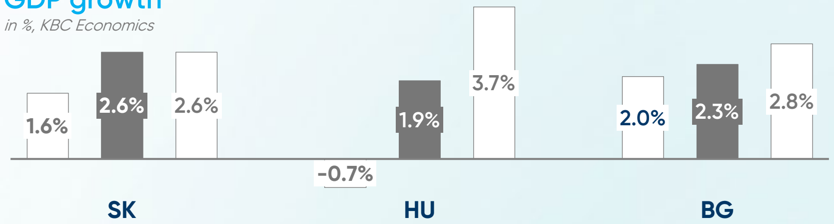
BG
5% of assets
2.2m clients
221 branches
10bn EUR loans
13bn EUR deposits

Market share
in %, end 2023



* Pro forma incl. acquisition of Raiffeisenbank Bulgaria

GDP growth
in %, KBC Economics



56% debt/GDP
73% debt/GDP
23% debt/GDP

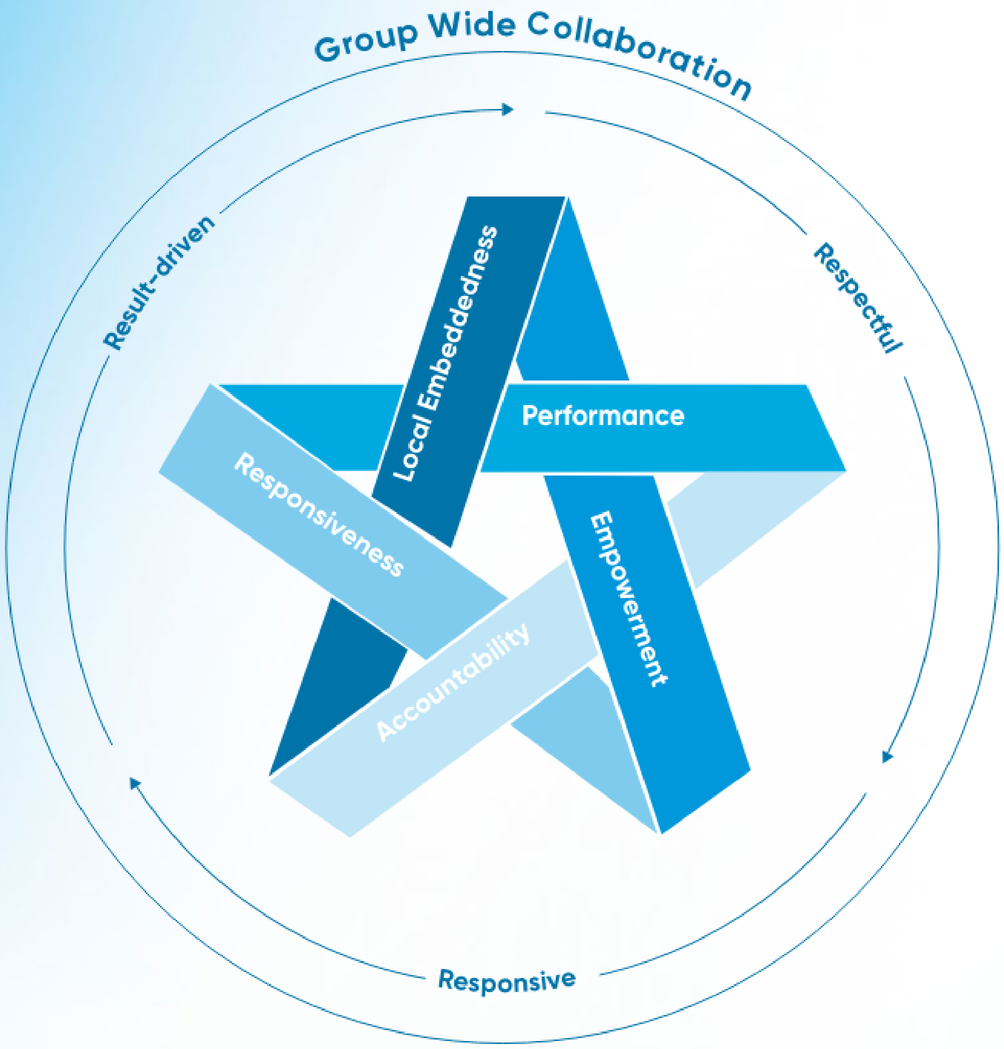
Strategy | Differently: the next level

Our strategy rests on the following 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

As part of our PEARL+ business culture, we focus on jointly developing solutions, initiatives and ideas within the group

Strategy | Powered by PEARL

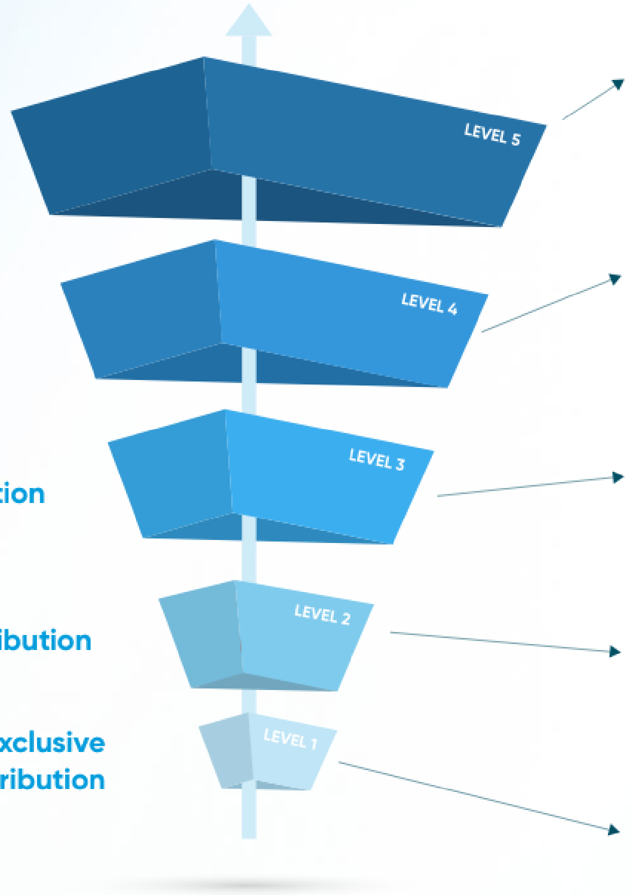


‘Why would you build exactly the same thing in your country, when you have the solution next door?’

Johan Thijs

Strategy | Bank-insurance+

We move beyond traditional bank-insurance towards bank-insurance+, providing not only traditional bank-insurance solutions but also less traditional non-financial solutions that impact the financial wellness of retail customers or the future of their business



Data driven organisation

Data driven organization: fully integrated digital first distribution approach based on a solution driven and AI enabled bank-insurance

Integrated distribution and operation

Acting as a single operational company: bank and insurance company working under unified governance, realizing commercial and non-commercial synergies

Integrated distribution

Acting as a single operational company: bank and insurance company working under unified governance, realizing commercial synergies

Exclusive distribution

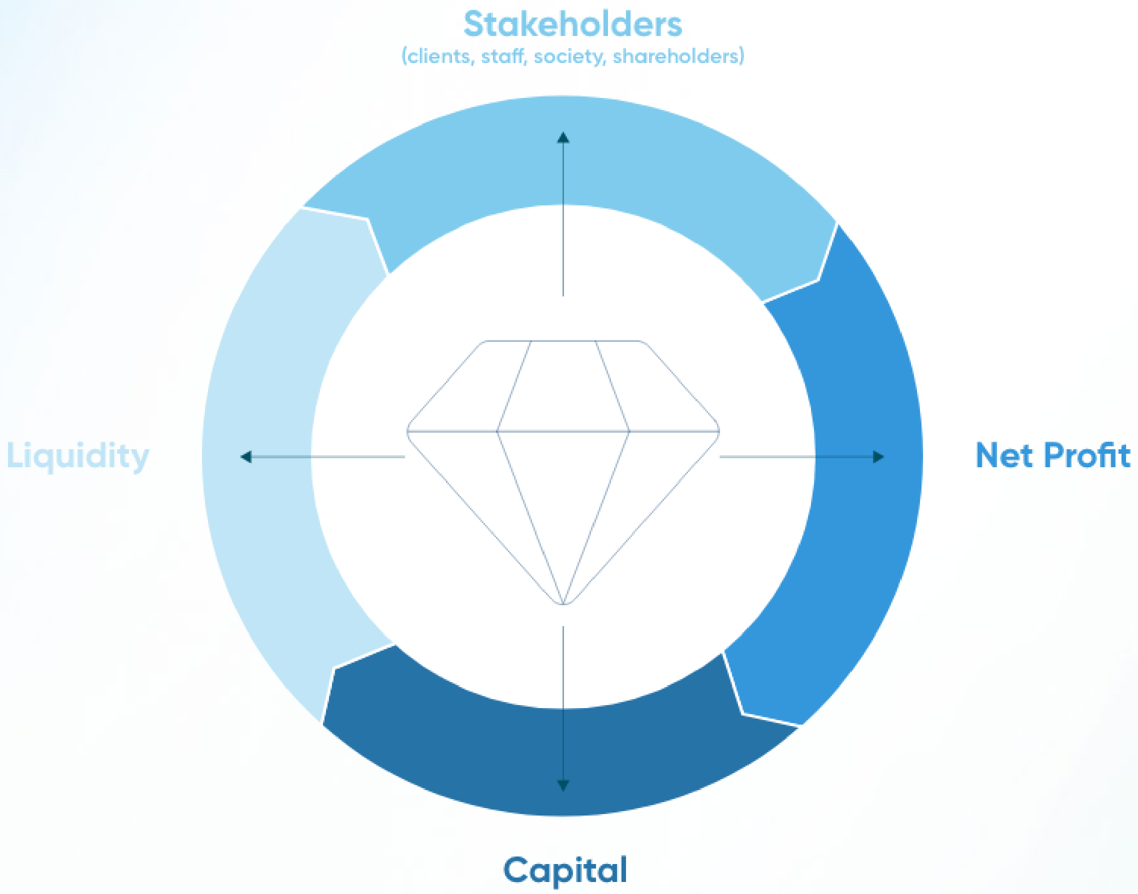
Bank branches sell insurance products from intra-group insurance companies as additional source of income

Non-exclusive distribution

Bank branches sell insurance products of third-party insurers as additional source of income

Strategy | The KBC performance diamond

The performance diamond defines, within the limits of the risk management framework, the targets for KBC Group and for all the business units for 4 performance dimensions:



Kate | KBC's hyper personalised and trusted digital assistant

Personalised & data driven

The interaction between the customer and Kate will be triggered by data analysis (approval granted by customer). Kate will be trained on the basis of the customer's profile, preferences and activities

Digital first & E2E

We will offer the client a frictionless End2End digital process and in doing so make bank/insurance simple and hassle free

Relevant & valuable offer

Kate will only propose offers where sufficient added value is shown or when she can serve the client in an important moment in the client's live

Serving: secure & frictionless

Kate will help the client saving time and/or money, focusing more on the convenience factor. Kate will also serve the client regarding security and fraud

At the right time

Lead journeys driven by time or location are preferably taken care of by Kate, as notifications linked to a specific location or specifying moment in time are perceived as highly personal

Volume

We want all our clients to meet Kate as much as possible. Kate will allow us to reach out to a sufficient volume of clients, in terms of transactions and in terms of number of targetable audience

'No hassle, no friction, zero delay'

Johan Thijs

Kate | Four flavours, one Kate

Kate4MassRetail

Kate is a **personal virtual assistant** that engages with our retail customers to save them time and money. Kate engages both in a reactive way (**You2Kate**) and a proactive way (**Kate2You**).

Kate is available in all KBC's core countries!

KATE autonomy
66% BE
63% CZ

4.8 million users in contact with Kate

use cases
477 BE
243 CZ
459 IM

Kate4Business

Kate will also engage with our **self-employed, micro-SME, SME and corporate clients** with relevant and actionable insights that are personal and proactive.

Already **available in BE and CZ** in a mobile environment. Web environment to follow soon.

use cases Business
77 BE
62 CZ
131 IM

Kate Group Platform

We do not build Kate for every country individually. Kate is built once at a group level and then deployed to all core countries (**Kate in a box**).

Technically, we have set up a shared infrastructure on the cloud that allows us to **share use cases, code and IT components maximally**.

Furthermore, KBC strives to have a **common user interface and persona**, so Kate looks and feels the same everywhere.

Finally, everything that can be developed at group level is governed by a specific steering committee that **develops and maintains the group Kate infrastructure**.

'KATE IN A BOX' delivered to all core countries

Kate4Employees

Kate will also have an impact on our employees: Kate will provide commercial steering towards our work force, she will augment our workforce to better serve our clients, Kate will serve as a back-up for our network and will automate certain administrative tasks.

In doing so, employees can focus on providing even more added value to our client.

This will also give tools to management to better coach employees and plan ahead.

136.5k converted Kate leads In CZ & BE (1y)

Kate | A data-driven organisation with Kate at the core

Kate is more than an interface towards customers. It also refers to the AI-enhanced software at our center: the Kate brain.

The Kate brain will be the driving force behind data-driven decision making, product design and development, marketing, commercial and sales steering and much more.

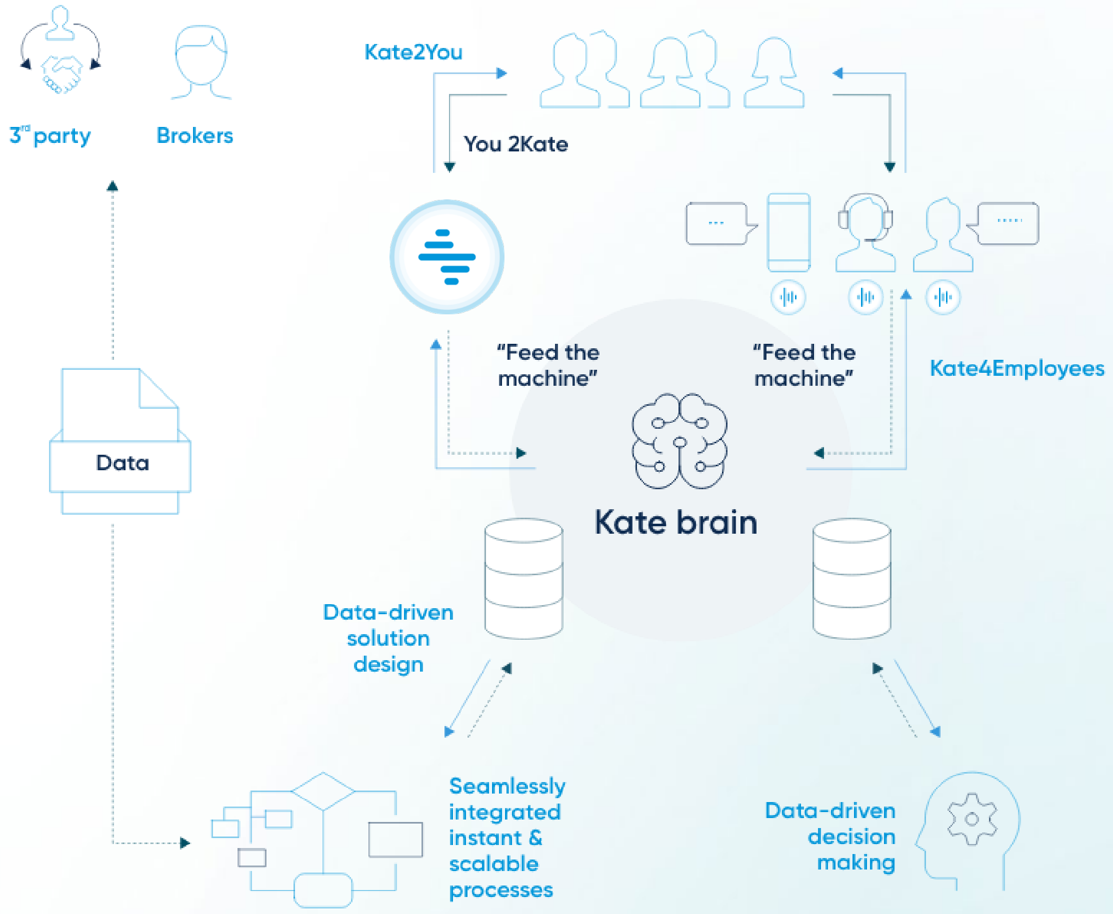
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by **providing relevant insights**.

The Kate brain is fed by our own banking and insurance data-sources but also by data sources from third party services, resulting in **seamlessly integrated, instant (STP) and scalable processes**.

Very important in this are the feedback loops from all interactions to make sure **Kate is learning and getting smarter**, resulting in better decision making.

The main purpose remains the same: happy customers. As a **data-driven company** we remain guided by our **client-centric vision**.

Another upside of being AI-powered and solution-driven, is that we not only save time (cost reductions), not only for the customer, and we improve our sales efforts through **better sales productivity**.



Kate | From basic chatbot to hyper-personal digital assistant

Sales effectiveness, operational efficiency, customer experience ↗
Powered by AI driven and automated lead life cycle management

Level 4: Kate offers hyper-personal solutions at the right time

Level 3: Kate proactively offers actionable end-to-end solutions to unburden customers (to save time and earn money)

Level 2: Kate reactively offers digital end-to-end solutions to customers

Level 1: A chatbot answers basic questions from customers on day-to-day bankinsurance needs

Strategy | Translating strategy into non-financial targets

- No hassle, no frills, zero-delay customer experience
- Proactive personalized financial solutions via DATA and AI
- Re-design & automation of all processes
- Bank-insurance+
- Digital lead management: from data driven to solution driven
- Group-wide collaboration

PEARL+

Maximise customer experience
Customer NPS ranking

Go for Digital First
Digital sales

Data Driven

Outperform on operational efficiency
STP score

Further enhance bank-insurance
Bank-insurance customers

Strategy | KBC's non-financial targets (2023-2026)

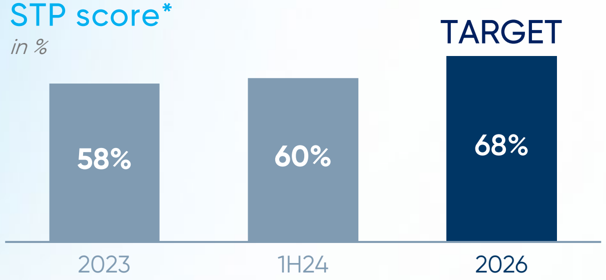
Customer ranking

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

Straight-through processing

STP score*

in %



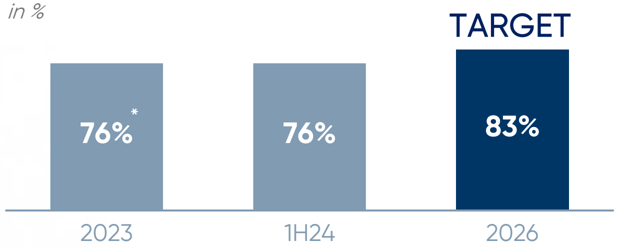
The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of all retail processes.

Bank-insurance (BI) clients

BI clients

in %

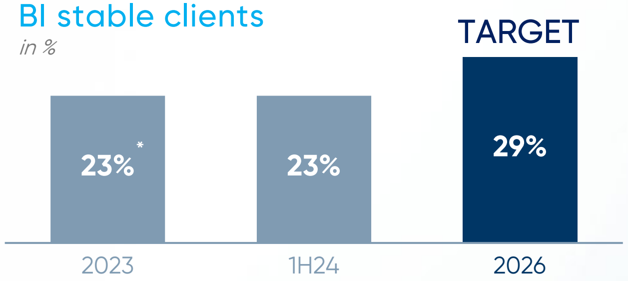


BI customers have at least 1 bank + 1 insurance product of our group.

* Slightly changed due to allignment of definitions

BI stable clients

in %



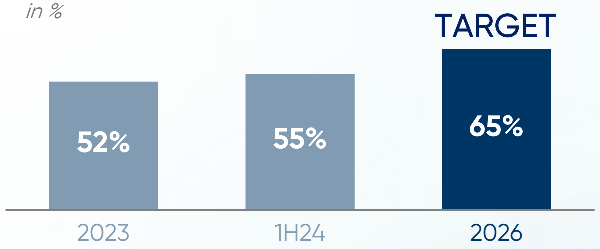
Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

* Slightly changed due to allignment of definitions

Digital sales

Digital sales banking products*

in %

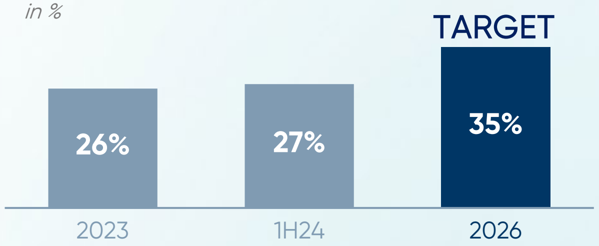


Target: Digital sales 65% of **banking sales**

* Based on weighted average of selected core products.

Digital sales insurance products

in %



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

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

Agency	ESG rating 3rd of July 2024	Position versus industry average
CDP (DISCLOSURE INSIGHT ACTION)	Scale: D- … A; KBC: A	• Leader in addressing climate change • CDP's A list • Financial average service B-
SUSTAINALYTICS	Scale: Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk; KBC: 9.8	• 1st percentile of 294 diversified banks assessed *[Full annual review based on updated methodology planned as of August 2024]*
S&P Dow Jones Indices (A Division of S&P Global)	Scale: 0 … 100; KBC: 64	• Top 7% 93rd percentile of 794 banks assessed
MSCI	Scale: C, B, BB, BBB, A, AA, AAA; KBC: AAA	• Leader among 204 banks assessed
Corporate ESG Performance Prime (RATED BY ISS ESG)	Scale: D-, D, D+, C-, C, C+, …; KBC: C+ (prime)	• 1st decile rank of 300 Commercial Banks & Capital Markets assessed
FTSE4Good	Scale: 0, 1, 2, 3, 4, 5; KBC: 5.0	• 100th percentile of banks assessed

Sustainability highlights

Commitment to environmental action

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

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

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

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

Sustainable business

46bn EUR Responsible Investing funds in 1H24
or 42% of total assets under distribution (direct client money)

7.4bn EUR
Financing contributing to social objectives

19.3bn EUR
Financing contributing to environmental objectives

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

Social responsibility and governance

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

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

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

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

Sustainability highlights in 2023, unless otherwise indicated

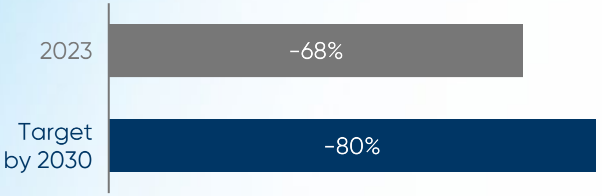
Direct environmental impact: our progress in brief

DIRECT environmental footprint (FY 2023)

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

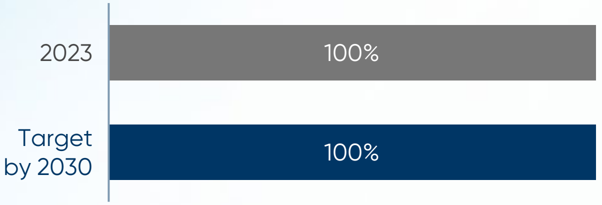
Reduction in our direct GHG emissions

reduction compared to 2015



Renewable electricity

in % of own electricity consumption



More details in our 2023 Sustainability Report

More details in our 2022 Climate Report

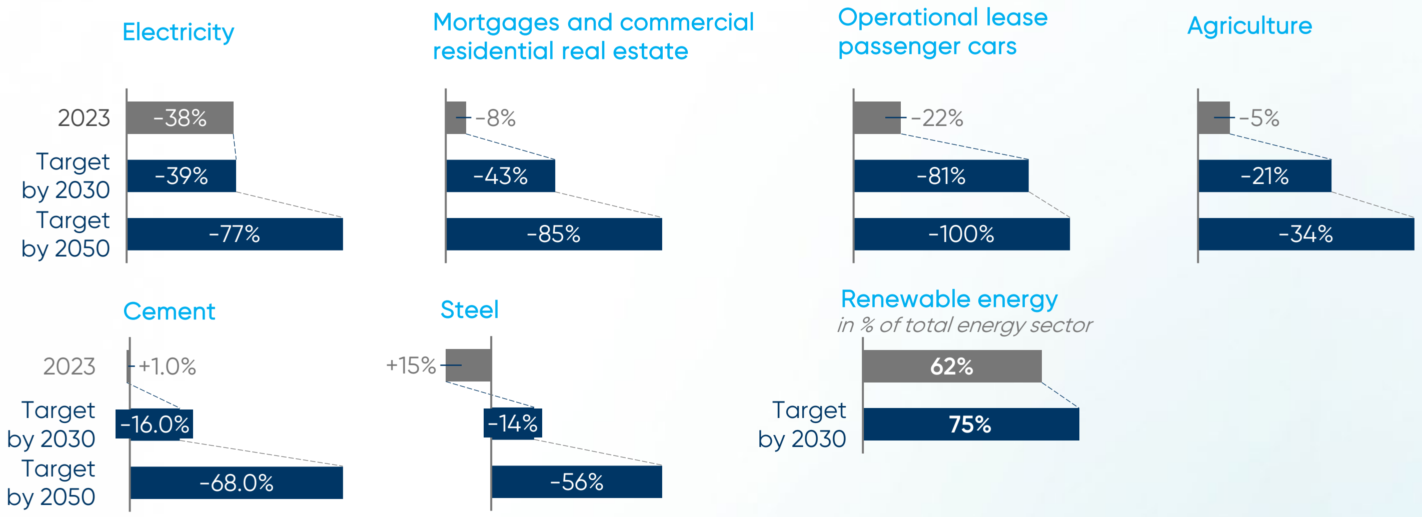
Indirect environmental impact: our progress in brief

INDIRECT environmental footprint (FY 2023)

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

Loan portfolio (selection of sectors)

reduction compared to 2021 baseline, otherwise indicated



Asset management funds

reduction compared to 2021 baseline, otherwise indicated

Loan loss experience at KBC

Credit cost ratio*

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

	1H24	FY23	FY22	FY21	FY20	FY19	FY18	AVERAGE '99 –'23
Belgium BU	0.24%	0.06%	0.03%	-0.26%	0.57%	0.22%	0.09%	n/a
Czech Republic BU	-0.19%	-0.18%	0.13%	-0.42%	0.67%	0.04%	0.03%	n/a
International Markets BU*	-0.18%	-0.06%	0.31%	0.36%	0.78%	-0.07%	-0.46%	n/a
Group Centre BU*	0.0%	0.07%	-0.04%	0.28%	-0.23%	-0.88%	-0.83%	n/a
Total	**0.09%**	**0.00%**	**0.08%**	**-0.18%**	**0.60%**	**0.12%**	**-0.04%**	**0.37%**

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

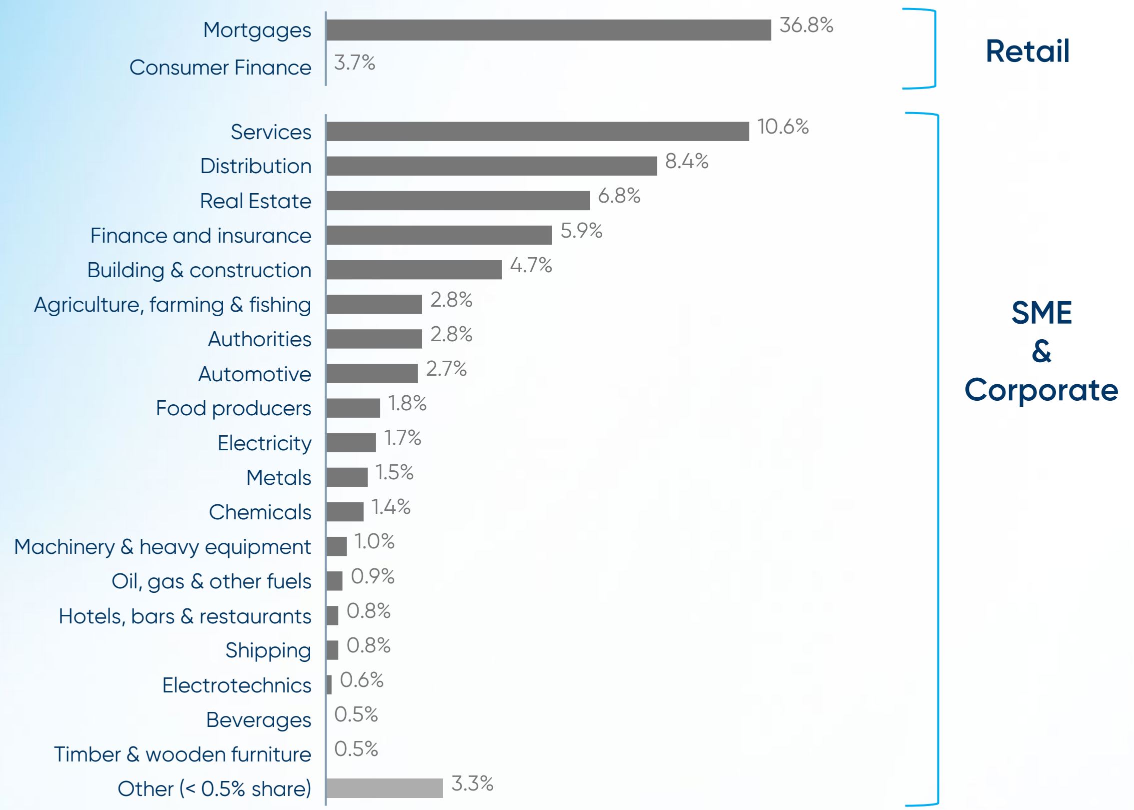
Diversified loan portfolio

Total loan portfolio outstanding

Total loan portfolio outstanding
207bn EUR*
Group level

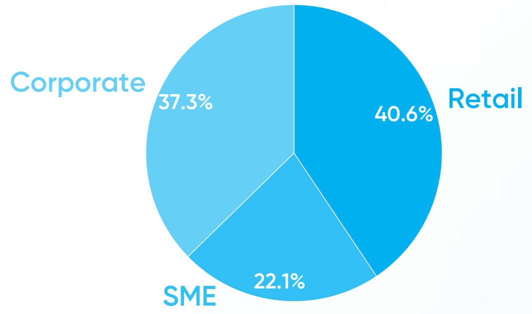
Total loan portfolio outstanding | by sector

*as % of total Group loan portfolio outstanding**



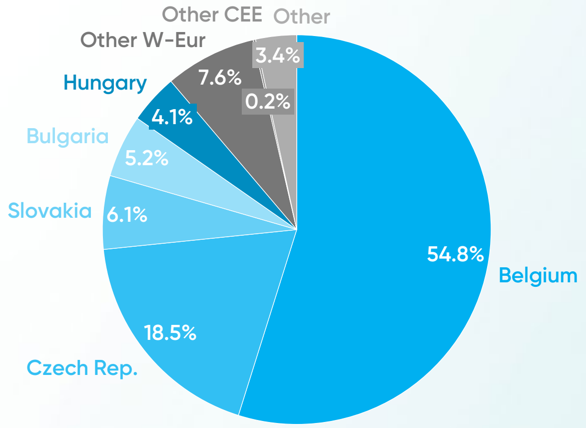
Total loan portfolio outstanding | by segment

*as % of total Group loan portfolio outstanding**



Total loan portfolio outstanding | by geography

*as % of total Group loan portfolio outstanding**

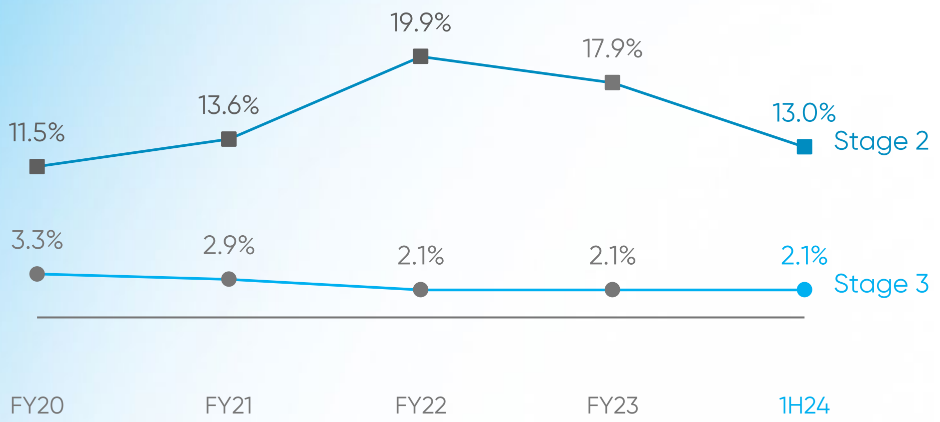


- Aligned with the credit risk view of our loan portfolio outstanding as reported in the quarterly financial statements.

Loan portfolio breakdown by IFRS 9 ECL stage

Total loan portfolio outstanding | by IFRS9 ECL Stage*

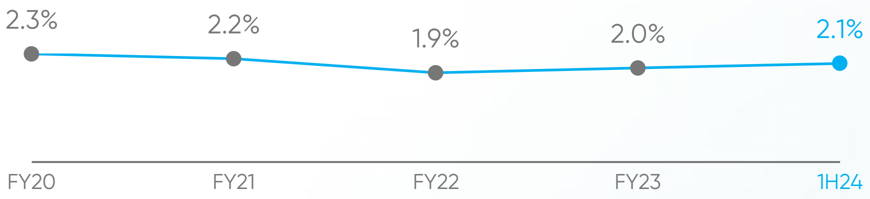
as % of total Group loan portfolio outstanding



- Drop of **Stage 3 ratio over the years** is driven mainly by the sale of the Irish loan portfolio
- The **increase of Stage 2 portfolio in 2022** resulted mainly from collective transfer to Stage 2 of Stage 1 portfolios, linked to the geopolitical and macroeconomic uncertainties (in line with strict application of the general ECB guidance on staging). In 2023, the declining trend of Stage 2 exposures was driven mainly by the partial release of the collective transfer back to Stage 1
- The **q-o-q decrease of the Stage 2 ratio** resulted mainly from a revised staging methodology (change from indicator based on 12 months probability of default to lifetime). Furthermore, KBC Commercial Finance exposure shifted from stage 2 to stage 1 as the relative change in credit risk has been revisited based on the very low historical credit losses in this portfolio and the very short maturities. Both movements were introduced in 1Q24 to better reflect the underlying credit risk since origination

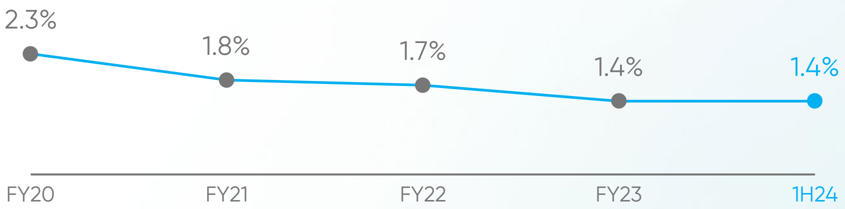
Stage 3 ratio | Belgium BU

in %



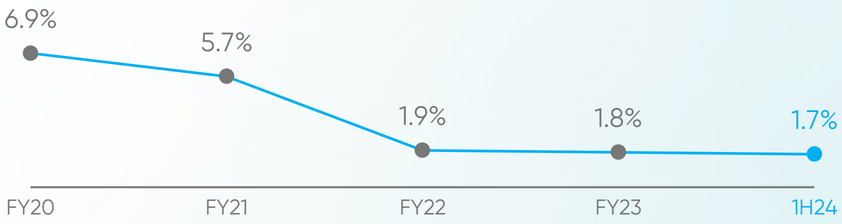
Stage 3 ratio | Czech Republic BU

in %



Stage 3 ratio | International Markets BU

in %

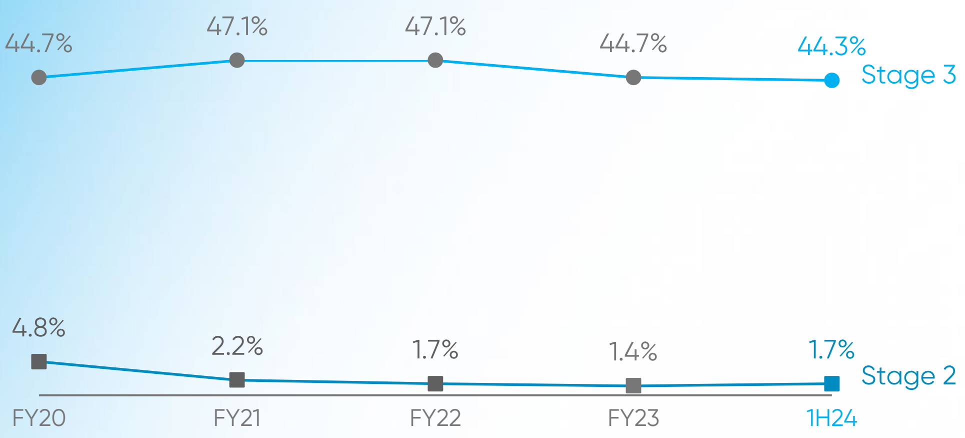


* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

Cover ratios

Cover ratio | by IFRS9 ECL Stage*

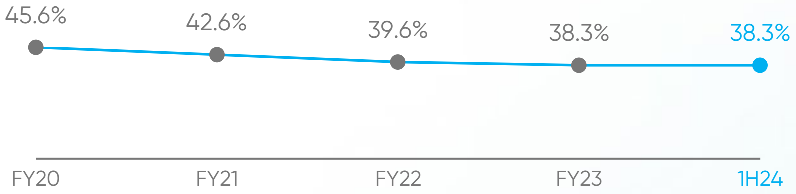
in %



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

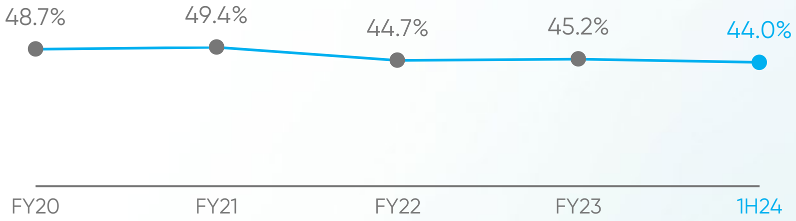
Stage 3 cover ratio | Belgium BU

in %



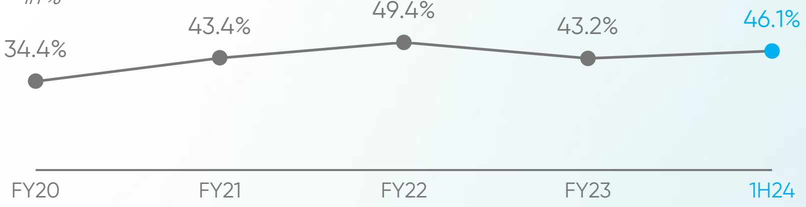
Stage 3 cover ratio | Czech Republic BU

in %



Stage 3 cover ratio | International Markets BU

in %



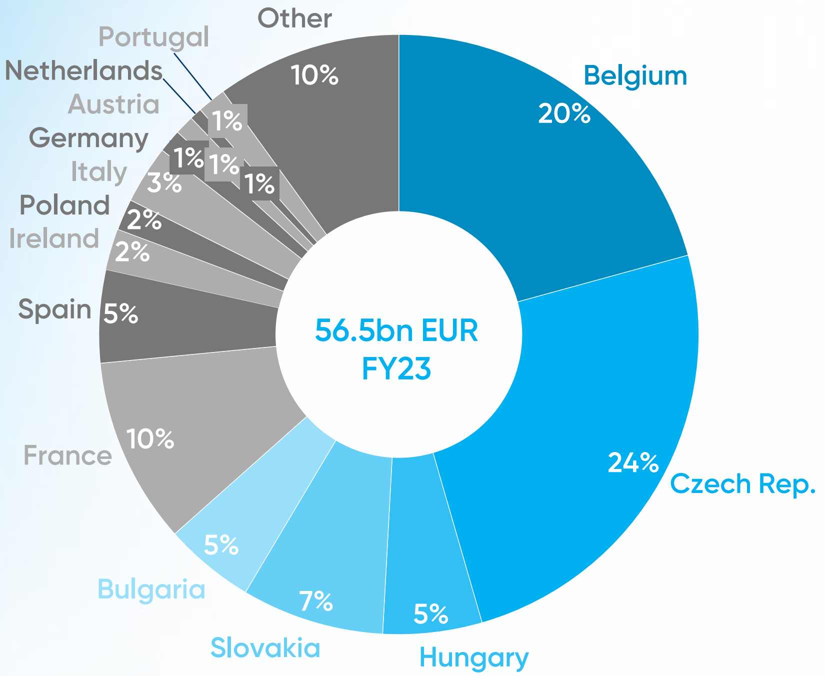
* Aligned with the credit risk view of our loan portfolio as reported in the quarterly financial statements

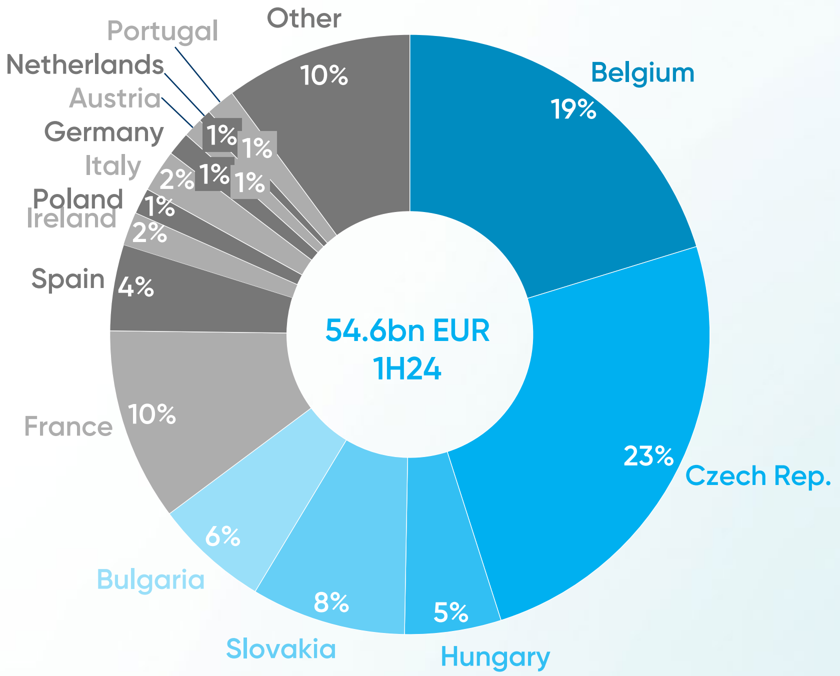
Substantial and well-diversified government bond portfolio

- **Carrying value of 54.6bn EUR in government bonds** (excl. trading book) at end of 1H24, primarily as a result of a significant excess liquidity position and the reinvestment of insurance reserves in fixed-income instruments
- **Carrying value of GIIPS exposure amounted to 4.8bn EUR** at the end of 1H24

Government bond portfolio | Carrying value* FY23/1H24

in %





* Carrying value is the amount at which an asset (or liability) is recognised: for those not valued at fair value this is after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon, while carrying amount is equal to fair value when recognised at fair value

Above resolution requirements in terms of MREL

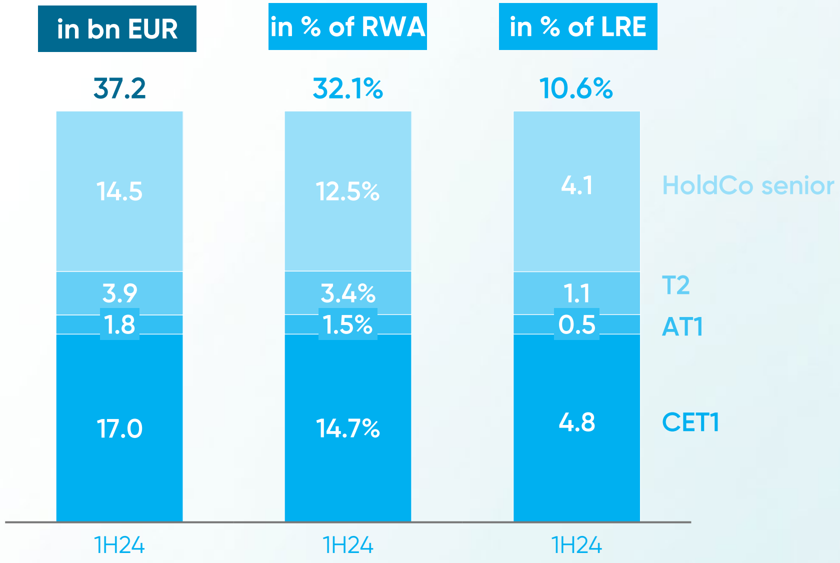
MREL targets

- The resolution plan for KBC is based on a **Single Point of Entry (SPE)** approach at KBC Group level, with **bail-in** as the preferred resolution tool
- **In June 2024, the SRB communicated binding MREL targets** (under BRRD2) applicable as from 2Q24, expressed as a percentage of Risk Weighted Assets (RWA) and Leverage Ratio Exposure Amount (LRE)
- The **binding MREL targets (incl. CBR on top of the MREL target in % of RWA)** are:
  - **28.30% of RWA** as from 2Q24 (including transitional CBR* of 5.07% as from 2Q24)
  - **7.42% of LRE** as from 2Q24

- Combined Buffer Requirement as of 2Q24 = Conservation Buffer (2.50%) + O-SII buffer (1.50%) + Countercyclical Buffer (0.93%) + Systemic Risk Buffer (0.14%)

MREL actuals

- The **MREL ratio in % of RWA** decreased from 33.2% in 1Q24 to 32.1% in 2Q24, driven mainly by decreased Senior Holdco (as a 500m EUR instrument lost MREL eligibility due to less than 1y remaining maturity) and increased RWA
- **The MREL ratio in % of LRE** decreased from 10.9% in 1Q24 to 10.6% in 2Q24, due mainly to lower available MREL and increased leverage exposure (due mainly to an increase in reverse repos)

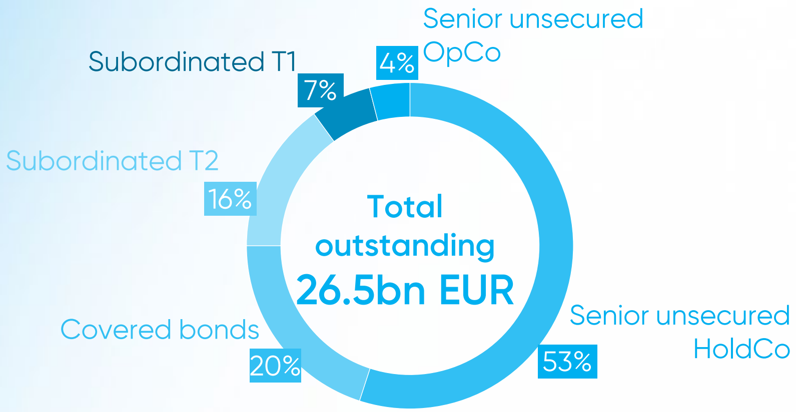


Upcoming mid-term funding maturities

Total outstanding | 1H24

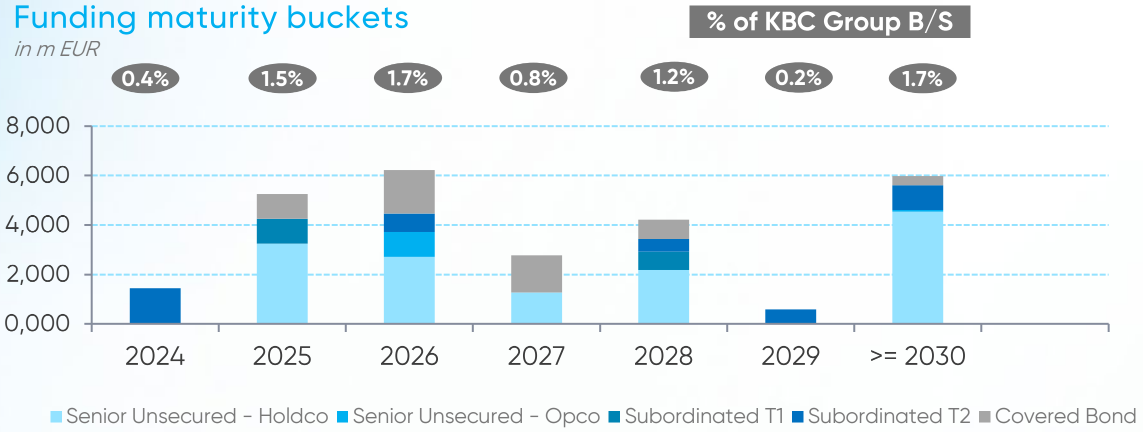
in %

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



Funding maturity buckets

in m EUR

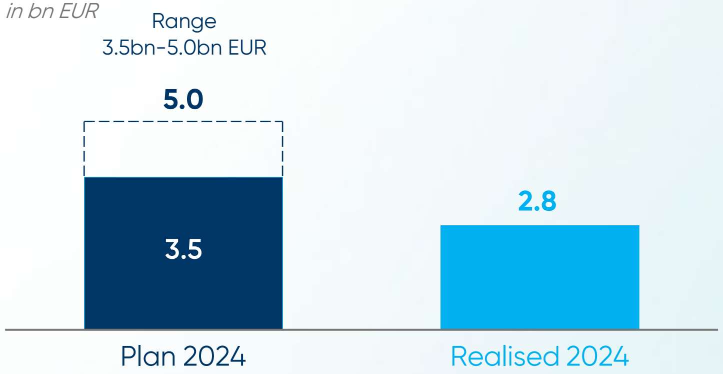


Recent deals

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

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

in bn EUR

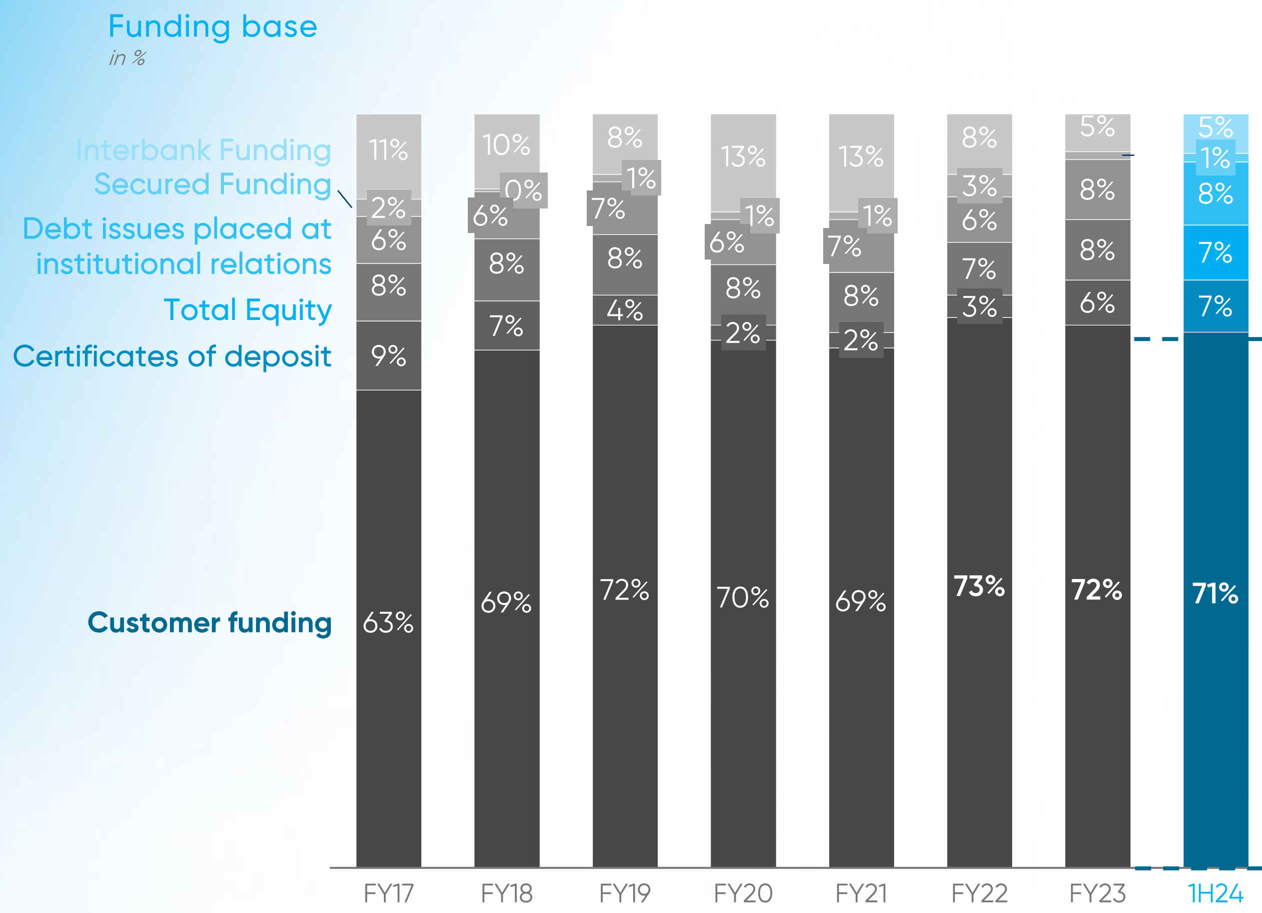


We aim to issue 1 green/social bond per year

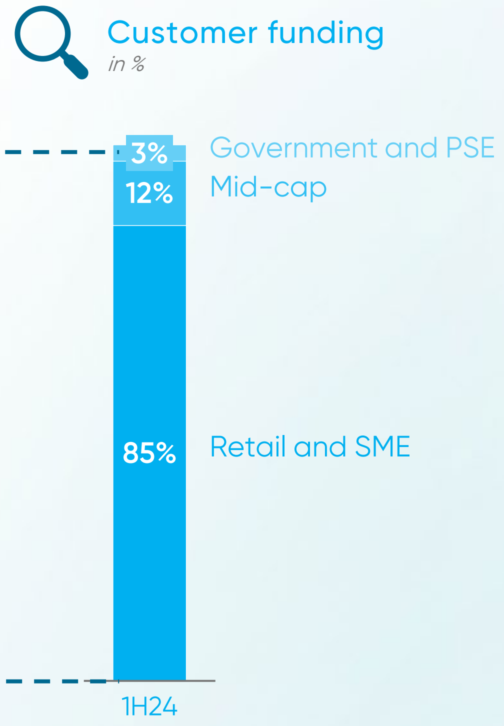
Note: any change in regulatory requirements, RWA evolutions, MREL targets or market circumstances can change the current disclosed range

Strong customer funding base

- KBC Bank continues to have a **strong retail/mid-cap deposit base** in its core markets – resulting in a **stable funding mix** with a significant portion of the funding attracted from core customer segments and markets
- **Stable % in customer funding** compared to balance sheet total



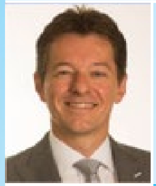
Roughly 56% of total customer deposits are covered by the Deposit Guarantee Fund



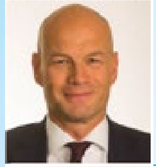
Glossary

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

Contacts / questions



Johan Thijs
KBC Group CEO



Luc Popelier
KBC Group CFO

Kurt De Baenst
Investor Relations General Manager
direct +32 2 429 35 73
mobile +32 472 500 427
kurt.debaenst@kbc.be

Ilya Vercammen
Investor Relations Manager
direct +32 2 429 21 26
mobile +32 472 727 777
ilya.vercammen@kbc.be

Dominique Agneesens
Investor Relations Manager
direct +32 2 429 14 41
mobile +32 473 657 294
dominique.agneesens@kbc.be

Martijn Schelstraete
Investor Relations Analyst
direct +32 2 429 08 12
mobile +32 474 213 535
martijn.schelstraete@kbc.be

More information

• Company website	KBC
• Quarterly Report • Table of results (Excel)	Quarterly Reports
• Quarterly presentation • Debt presentation	Presentations

Upcoming events

9 August	Equity roadshow, London
4 September	Equity roadshow, London
5 September	Equity roadshow, Paris
6 September	Equity roadshow, Scandinavia
10 September	Equity conference, NY
16 September	Equity roadshow, US MidWest
19-20 September	Debt conference, Paris
25 September	Equity conference, London
10 October	Equity roadshow, Frankfurt
7 November	Publication of 3Q24 results
8 November	Equity roadshow, London

Disclaimer

- This presentation is provided for information purposes only. It does not constitute an offer to sell or the solicitation to buy any security issued by the KBC Group.
- KBC believes that this presentation is reliable, although some information is condensed and therefore incomplete. KBC cannot be held liable for any loss or damage resulting from the use of the information.
- This presentation contains non-IFRS information and forward-looking statements with respect to the strategy, earnings and capital trends of KBC, involving numerous assumptions and uncertainties. There is a risk that these statements may not be fulfilled and that future developments differ materially. Moreover, KBC does not undertake any obligation to update the presentation in line with new developments.
- By reading this presentation, each investor is deemed to represent that they possess sufficient expertise to understand the risks involved.