

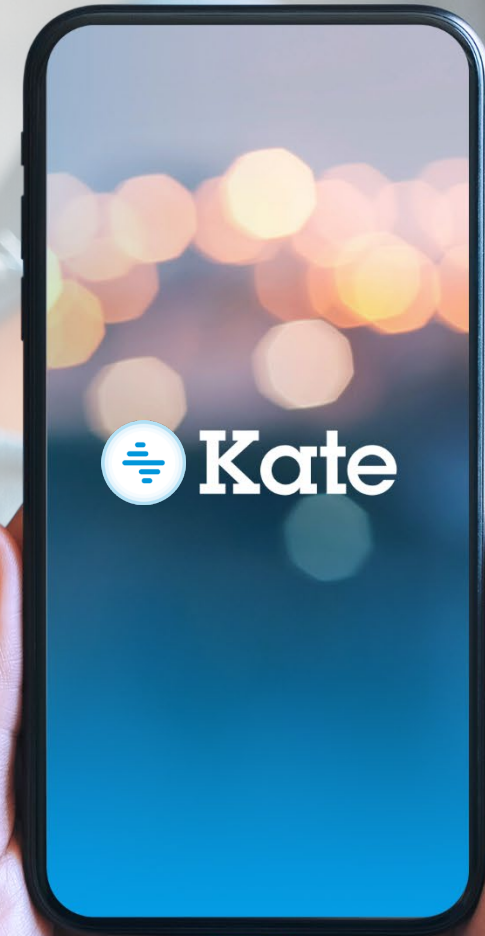


KBC Group Press presentation 2Q 2024

Johan Thijs, KBC Group CEO
Luc Popelier, KBC Group CFO

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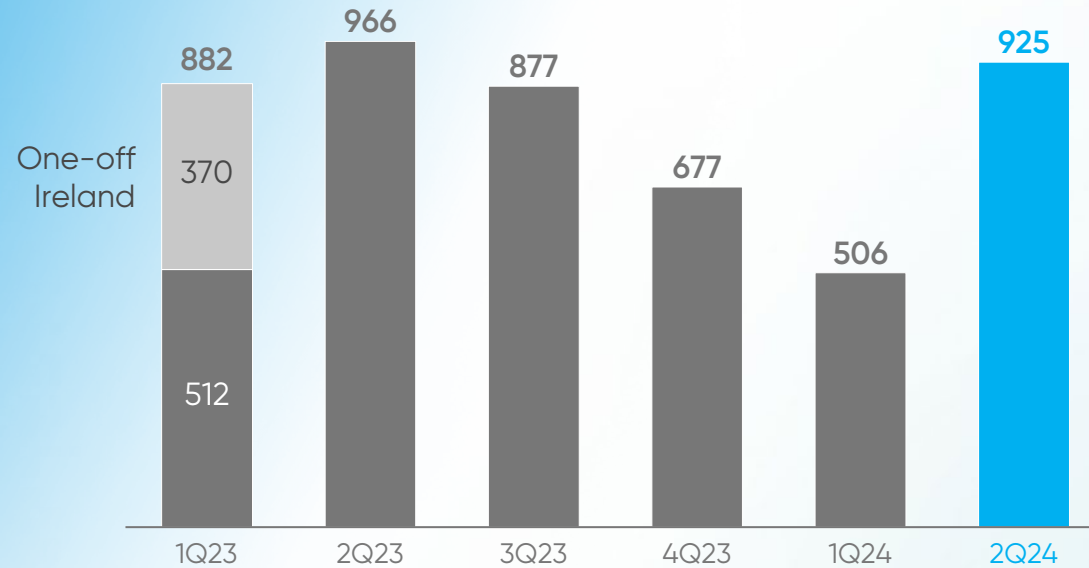


Highlights

Excellent net result of 925m EUR over 2Q24

- 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

Net result
in m EUR



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

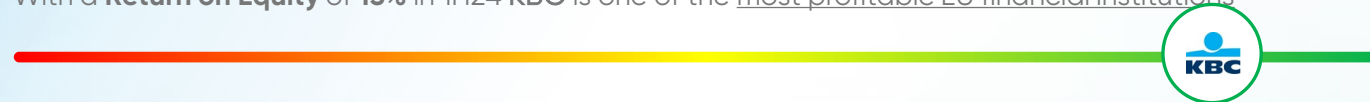
** When excluding certain non-operating items.

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

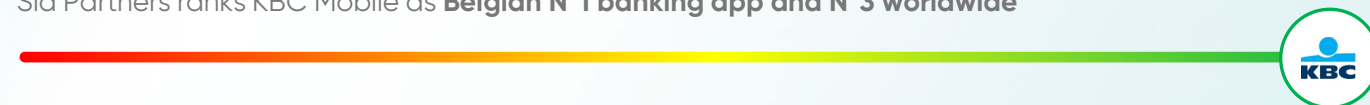
Sustainalytics ranks KBC **1st percentile of 294** diversified global banks assessed (Full annual review based on updated methodology planned as of August 2024)



Digitalisation



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

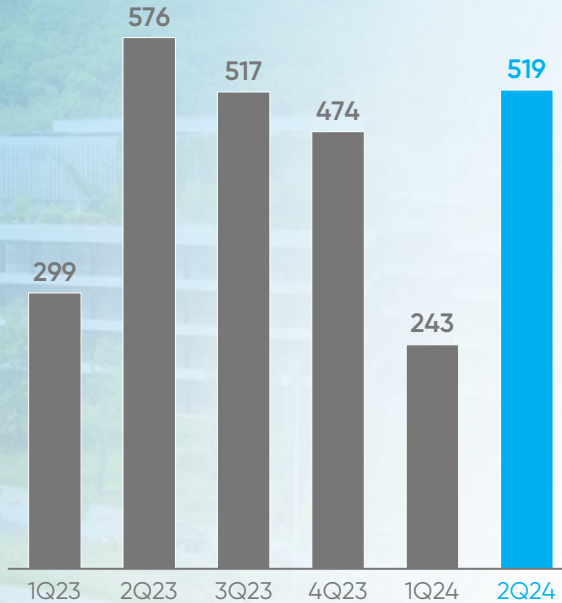


"KBC Mobile is a **perfect** and **efficient** banking app for everyday needs and one of the **most innovative** with some **interesting extras**. The app surprises customers with the wide range of functionalities and the **virtual assistance by Kate**."

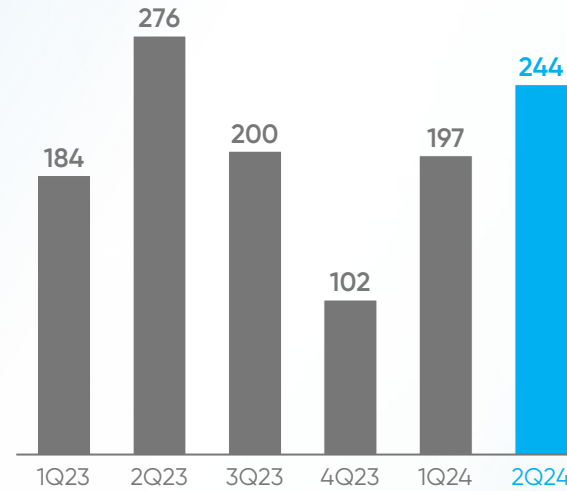
Excellent contribution from all business units

Net result per business unit
in m EUR

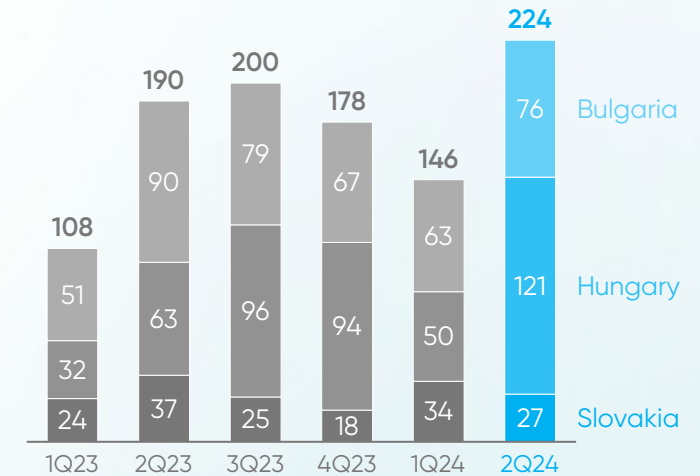
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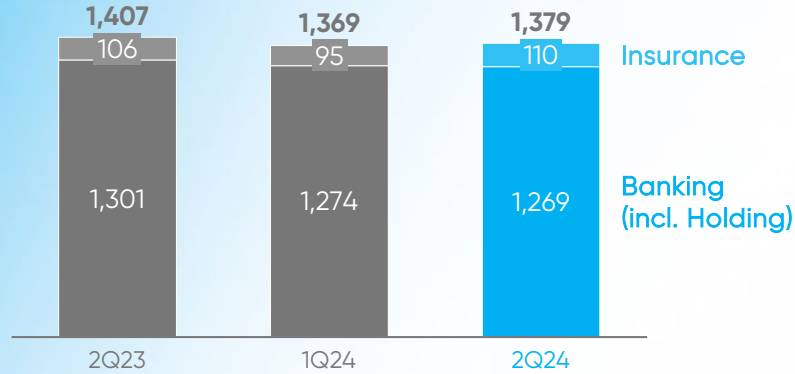
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Higher net interest income

Net interest income

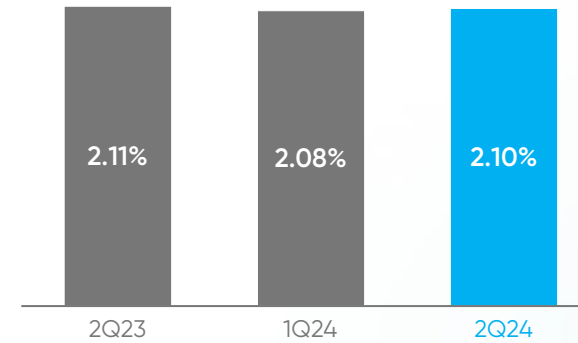
in m EUR



- 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%

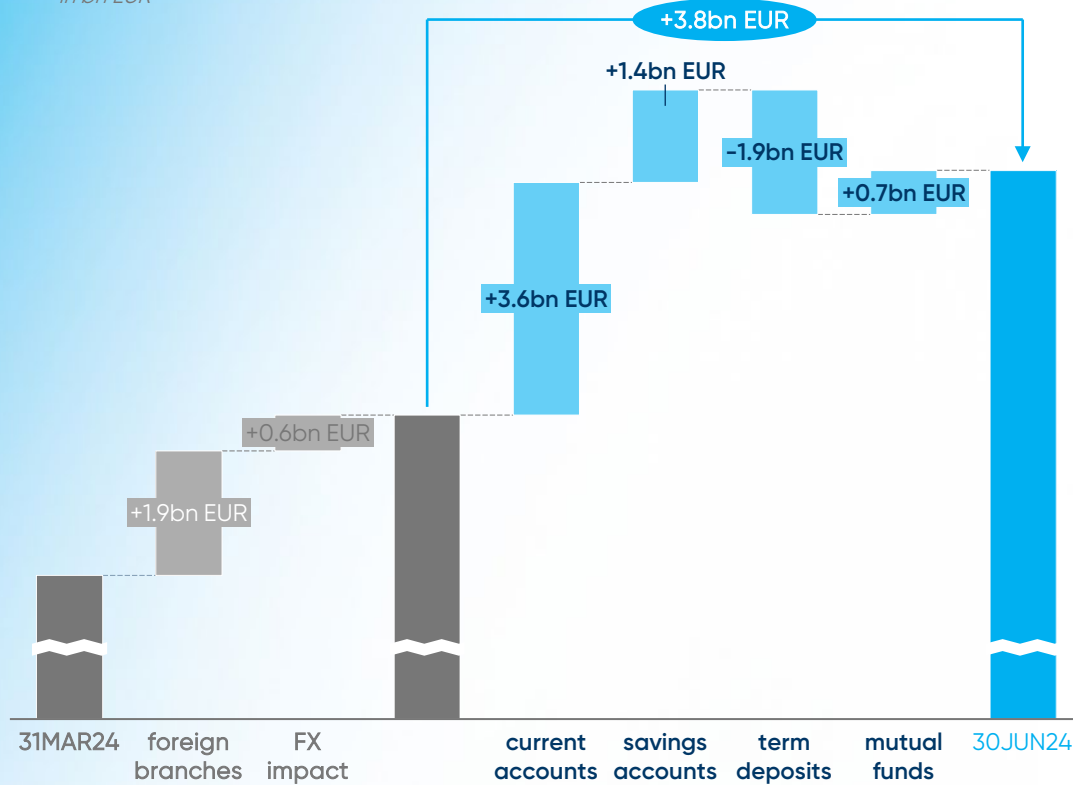
* Non-annualised ** Loans to customers, excluding reverse repos (and bonds).

*** 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

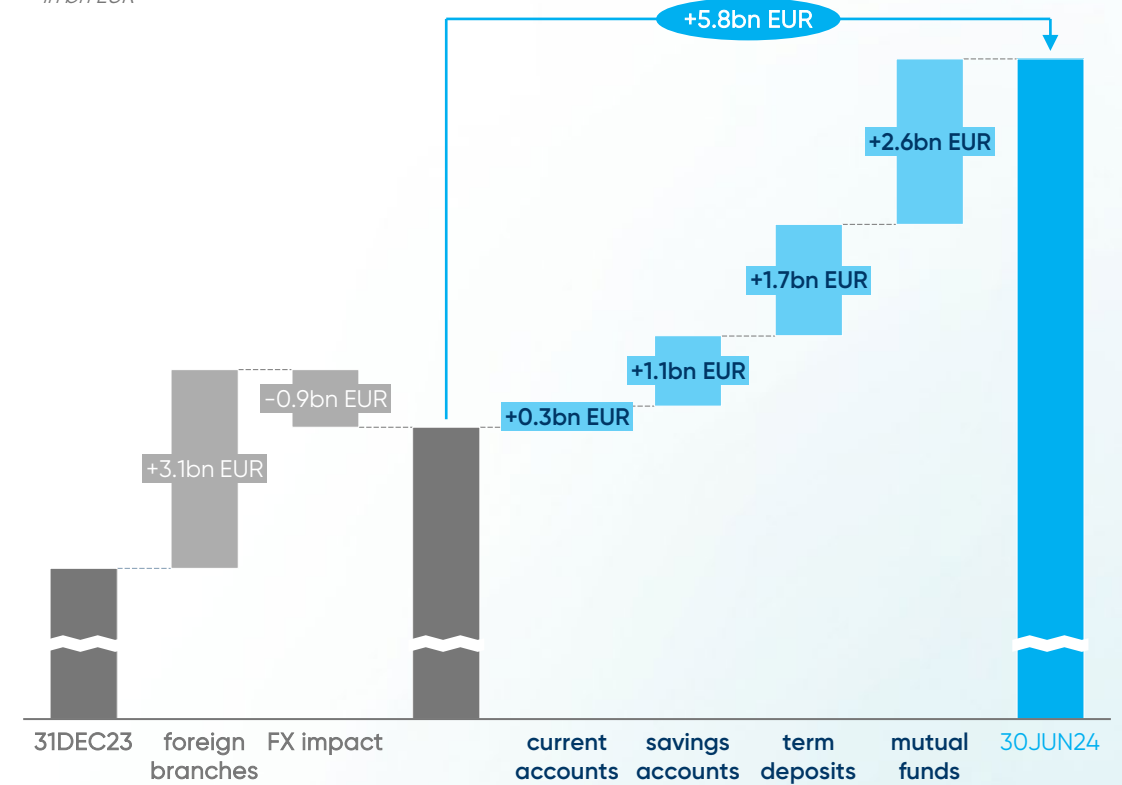
in bn EUR



- **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

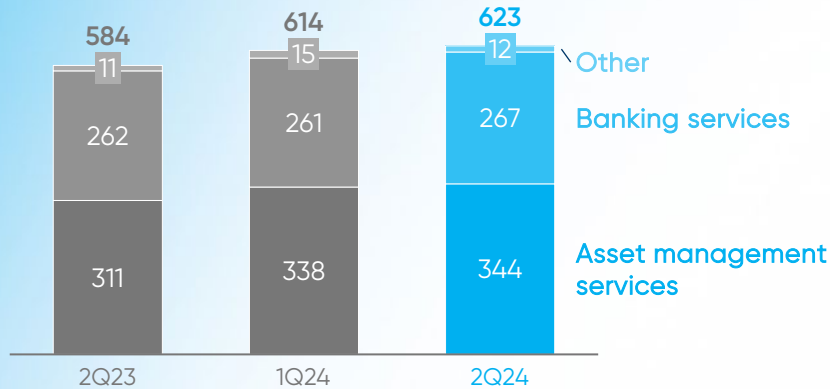


- Disregarding volatile items, **1H24** saw an inflow of core customer money of **+5.8bn EUR** (+4.9bn EUR incl. FX impact)

Higher net fee and commission income

Net fee & commission income

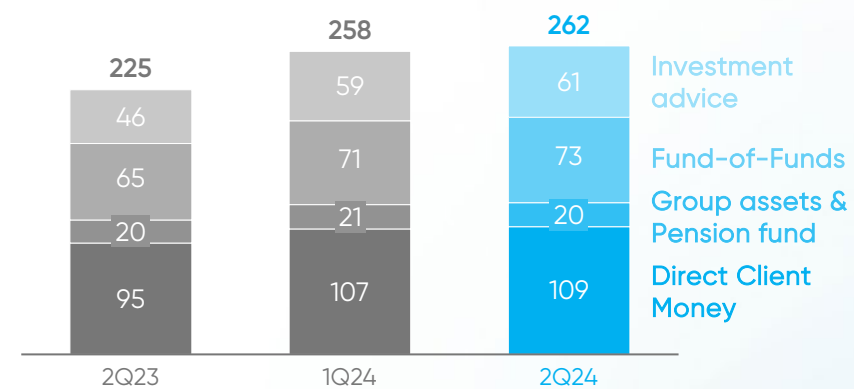
in m EUR



- **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

Assets under management

in bn 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 (+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

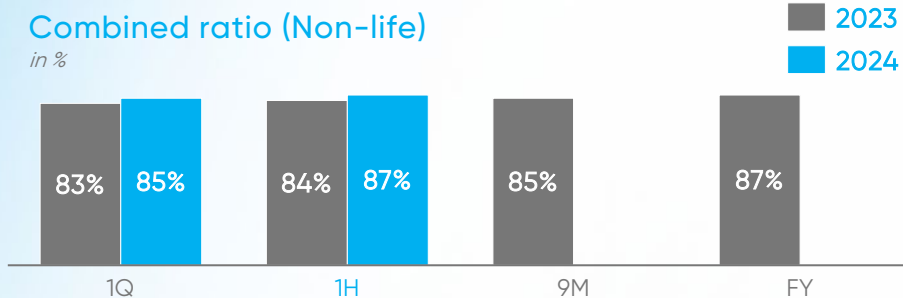
in m EUR



- **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)

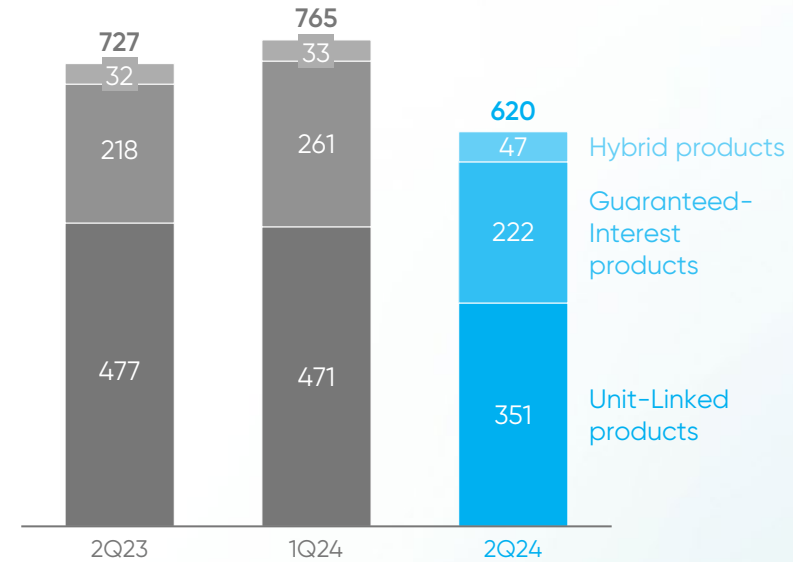
in %



- **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

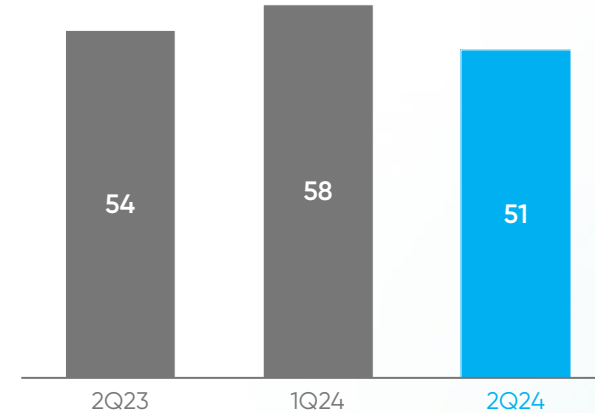
FIFV & IFIE

in m EUR

	2Q23	1Q24	2Q24
Dealing room	69	102	61
MVA/CVA/FVA	5	5	1
IFIE – mainly interest accretion	-53	-60	-60
M2M ALM derivatives and other	13	-102	1
FIFV & IFIE	33	-55	3

Net other income

in m EUR



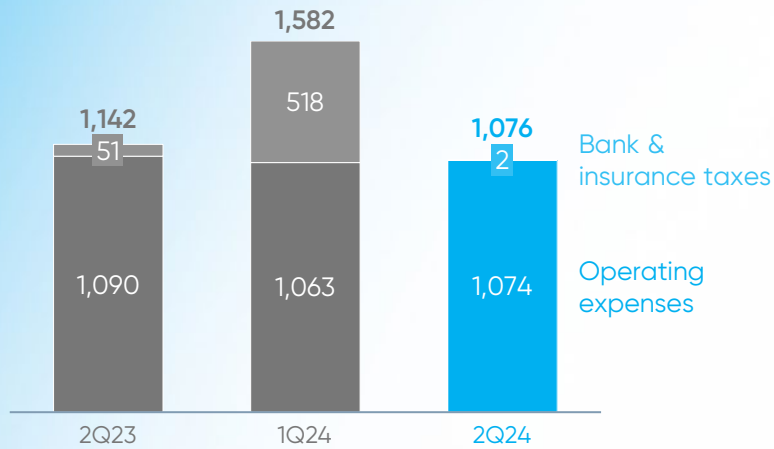
- **FIFV & IFIE result up q-o-q**, attributable mainly to:
 - Sharply better result from ALM derivatives and other partly offset by:
 - Lower dealing room result (given strong result in 1Q24)
 - Less positive credit, funding and market value adjustments, mainly the result of the negative evolution of 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)

Cost/income ratio

When excluding bank and insurance taxes

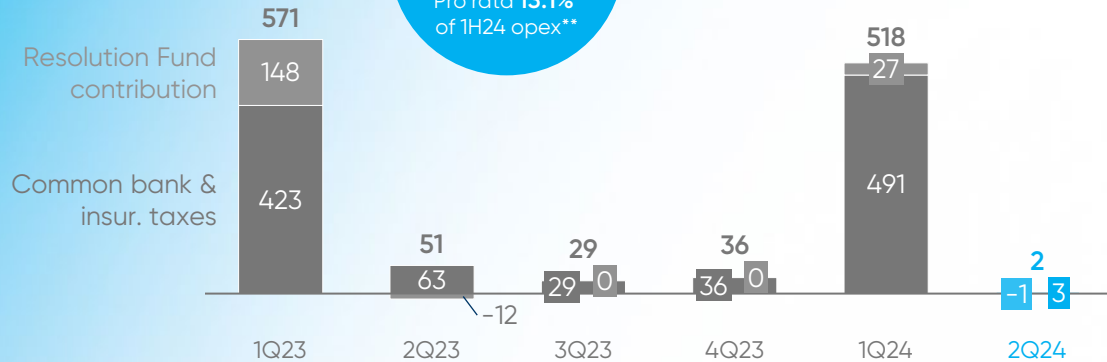
FY23	1H24
43%	42%

- **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)

Overview of bank & insurance taxes*

KBC Group
in m EUR

KBC Group
521m EUR
Pro rata **13.1%**
of 1H24 opex**



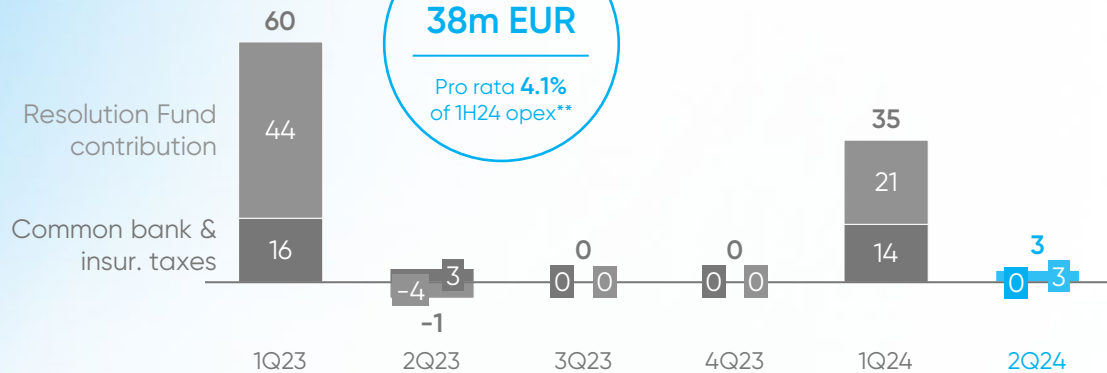
Belgium BU
in m EUR

BU BE
285m EUR
Pro rata **10.5%**
of 1H24 opex**



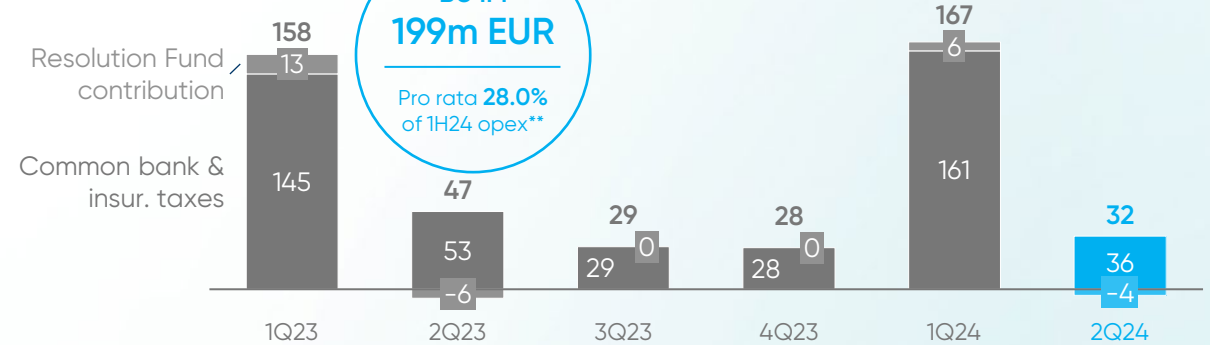
Czech Republic BU
in m EUR

BU CZ
38m EUR
Pro rata **4.1%**
of 1H24 opex**



International Markets BU
in m EUR

BU IM
199m EUR
Pro rata **28.0%**
of 1H24 opex**



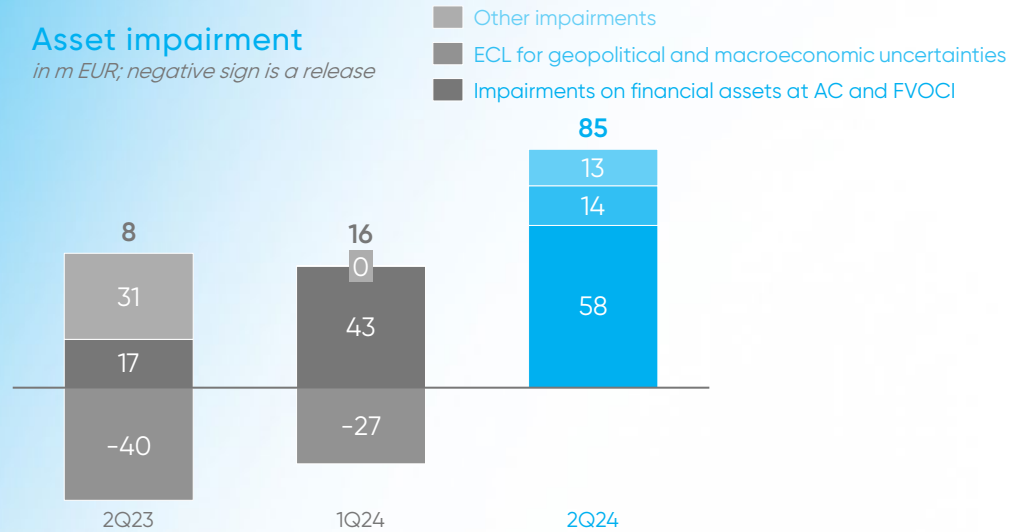
* This refers solely to the bank & insurance taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.

** Including directly attributable costs to insurance

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

Asset impairment

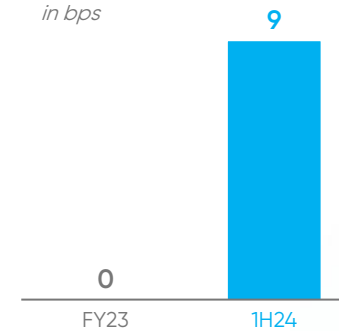
in m EUR; negative sign is a release



- **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

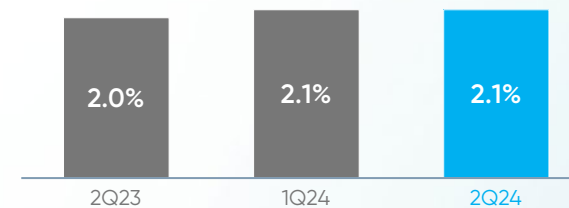
in bps



- 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

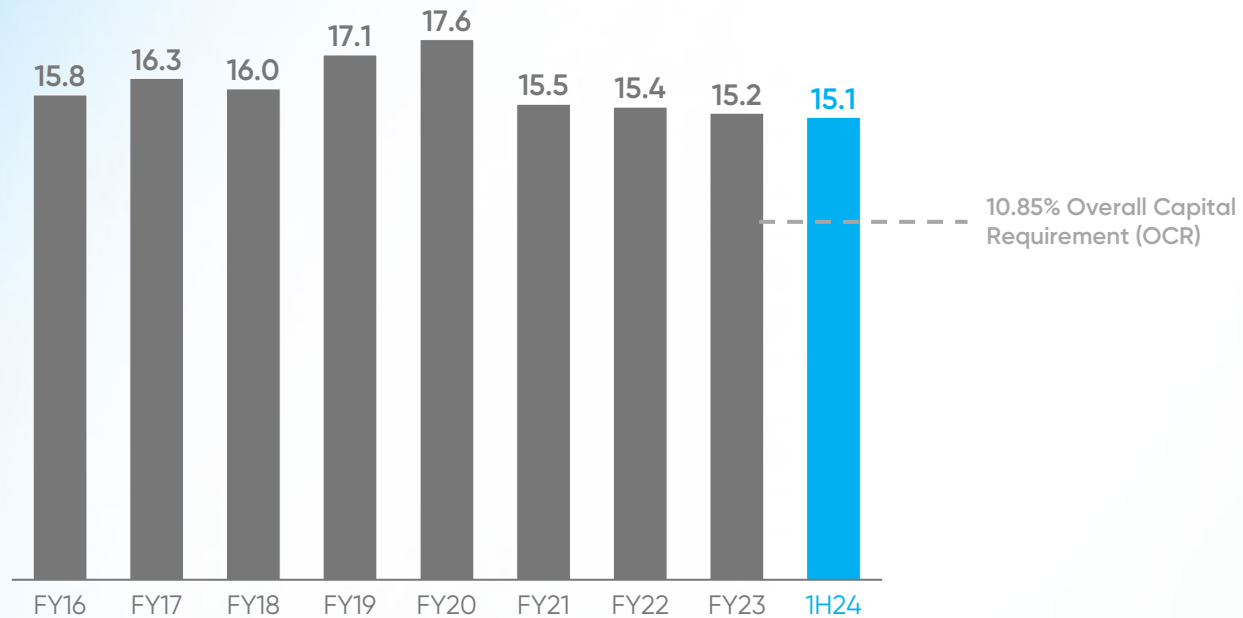
in %



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

Strong capital position with substantial buffer

CET1 ratio
in %

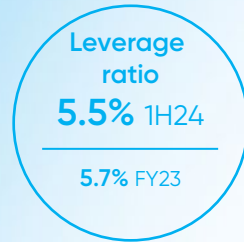


Fully loaded B3 common equity ratio amounted to **15.1%** at the end of 1H24 based on the Danish Compromise

Leverage ratio, Solvency II ratio and liquidity ratios

Leverage ratio | KBC Group

fully loaded, Basel 3



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

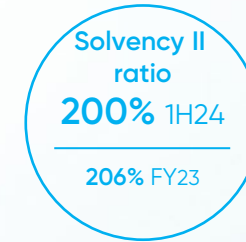
in %



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

Solvency II ratio | KBC Group

in %



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

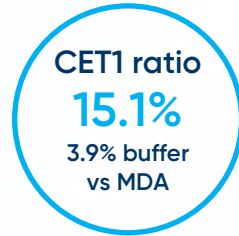
* Net Stable Funding Ratio (NSFR) is based on KBC Bank's interpretation of the proposal of CRR amendment.

** 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.

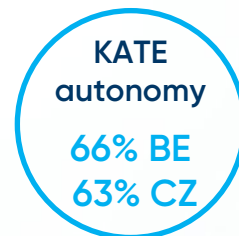
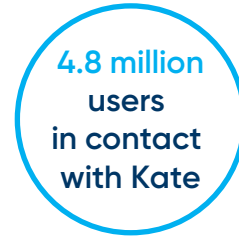
Excellent financial performance



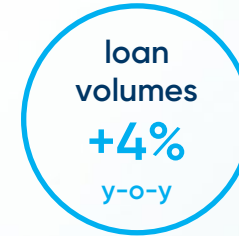
Outstanding solvency and liquidity



Kate convinces customers



Franchise is growing



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

- 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 | FY24 financial guidance

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2023 figures

Net interest income

Organic loan volume growth

Insurance revenues (before reinsurance)

Operating expenses and insurance commissions paid

(excl. bank/insurance tax)

Cost/income ratio (excl. bank/insurance tax)

Combined ratio

Credit cost ratio (excl. any changes in the ECL buffer for geopolitical risk that is still in place at year-end 2023)

2024 guidance

5.5bn EUR ballpark figure

approx. +4%

at least +6% y-o-y

below +1.7% y-o-y
substantially below inflation

below 45%

below 91%

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 | 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

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

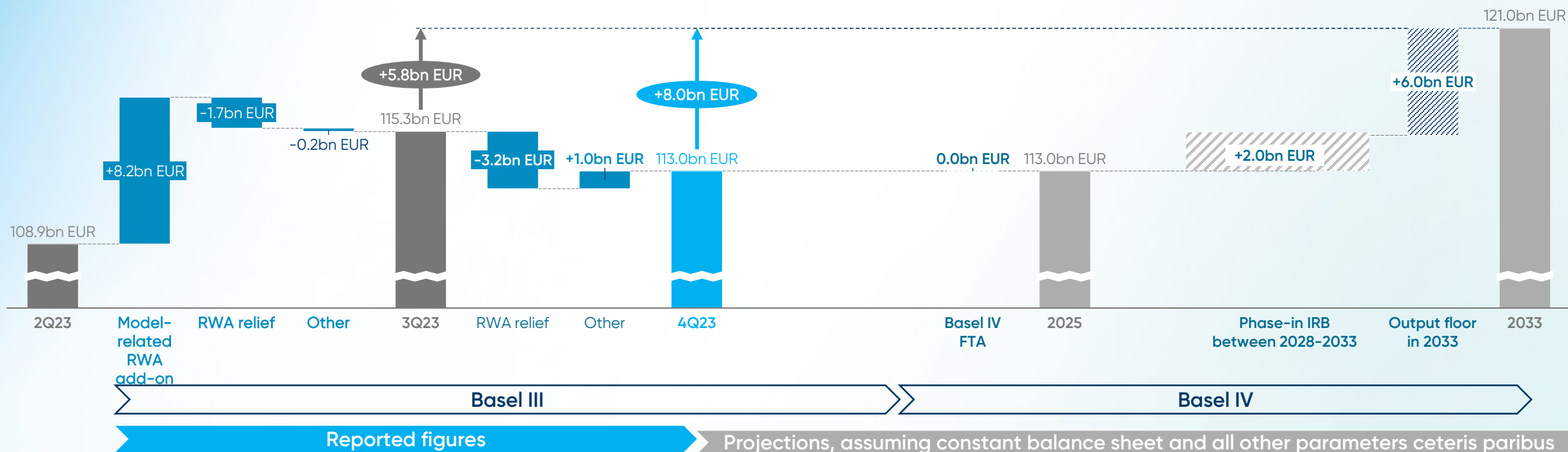
Indicative view on transitional RWA evolution under Basel IV (as provided with FY23 results)

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



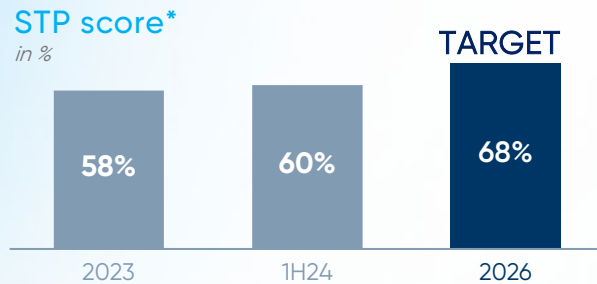
Strategy | KBC's non-financial targets (2023-2026)

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)

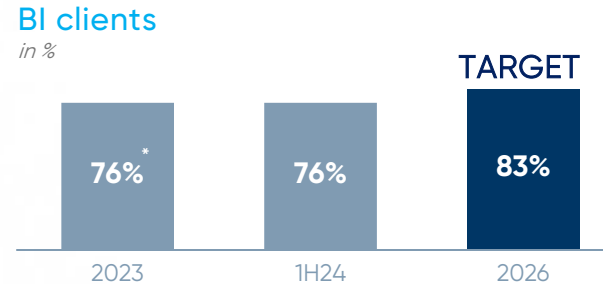
Straight-through processing



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.

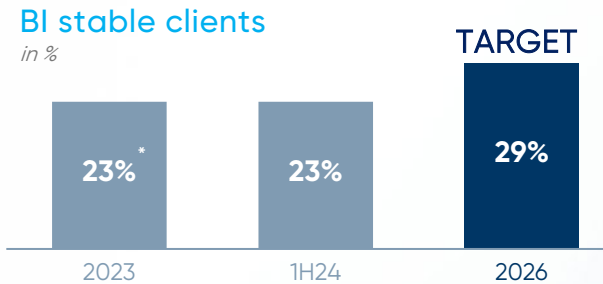
* Based on analysis of all retail processes.

Bank-insurance (BI) clients



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

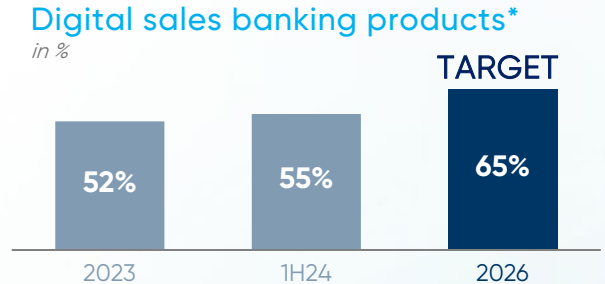
* Slightly changed due to alignment of definitions



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

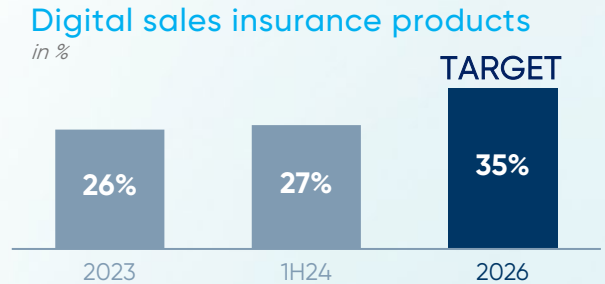
* Slightly changed due to alignment of definitions

Digital sales



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

* Based on weighted average of selected core products.



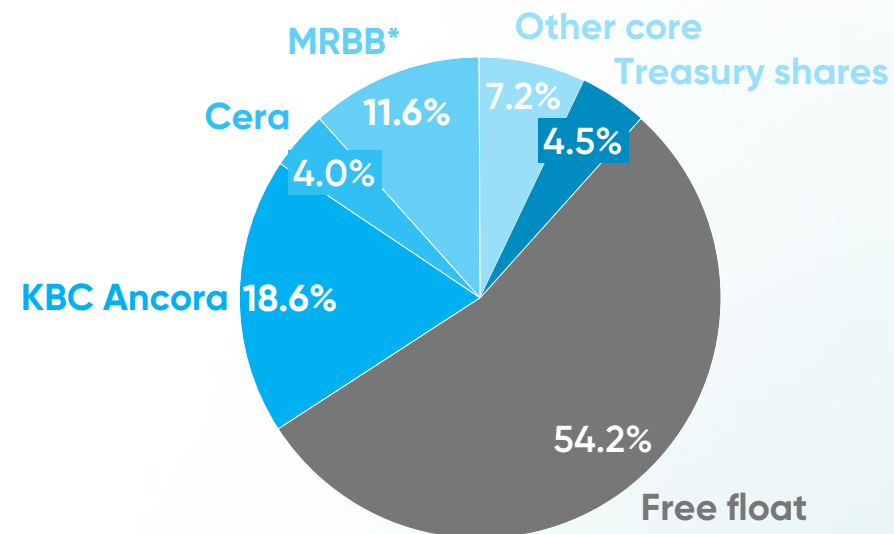
Target: Digital sales 35% of **insurance sales**

Company profile | KBC Group in a nutshell

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)

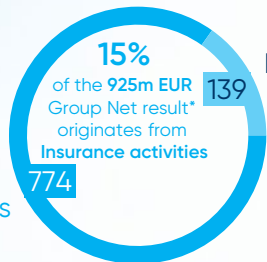


- Roughly **41% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals**. Committed shareholders include the Cera/KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of Belgian industrialist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

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**.



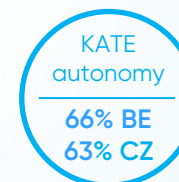
Insurance Activities

* 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.



Firmly embedded sustainability strategy

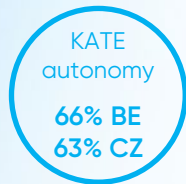
- As a company that aims to support the transition to a more sustainable and climate-proof society, **we have made sustainability integral to our overall business strategy** and integrated it into our day-to-day business operations and the products and services we provide.
- Our sustainability strategy 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**



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!



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.



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**.

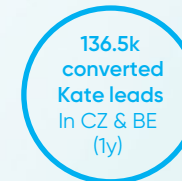


Kate4Employees

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.



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.

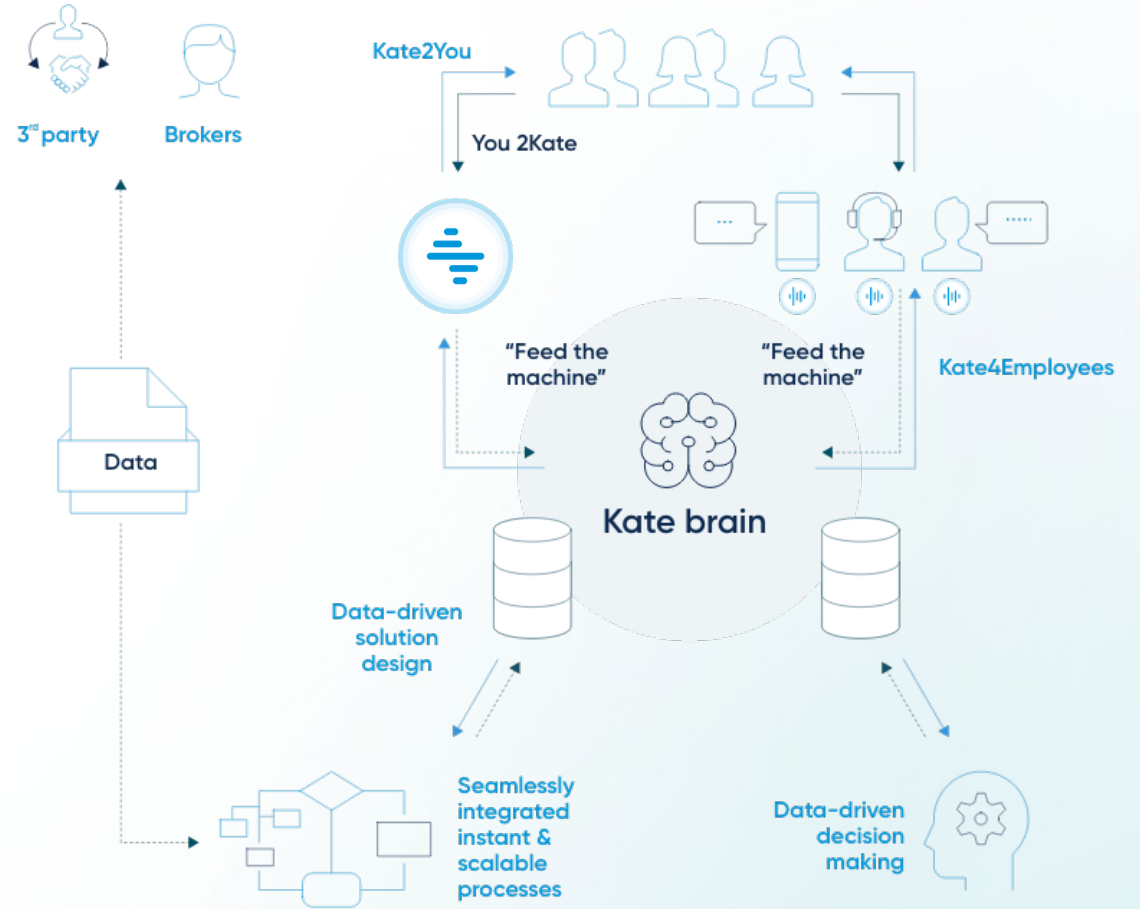
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by **providing relevant insights**.

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**.



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

Agency

ESG rating 3rd of July 2024

Position versus industry average



- Leader in addressing climate change
- CDP's A list
- Financial average service B-
- 1st percentile of 294 diversified banks assessed
[Full annual review based on updated methodology planned as of August 2024]
- Top 7%
93rd percentile of 794 banks assessed
- Leader among 204 banks assessed
- 1st decile rank of 300 Commercial Banks & Capital Markets assessed
- 100th percentile of banks assessed

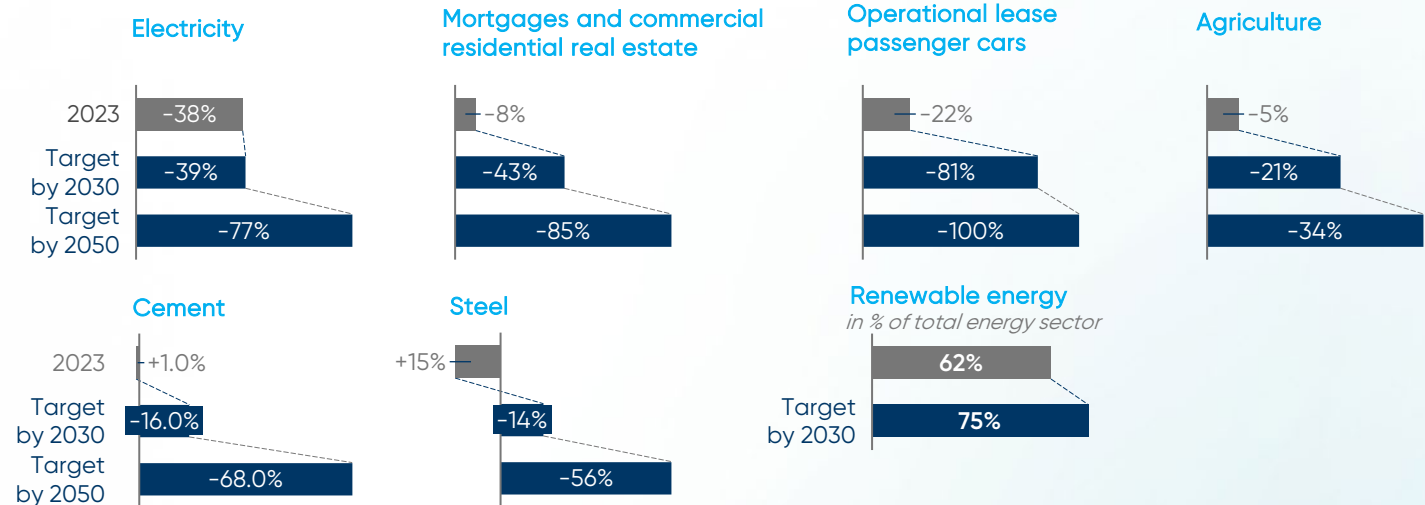
Indirect environmental impact: our progress in brief

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



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

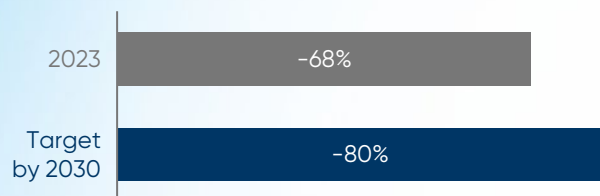
Direct environmental impact: our progress in brief

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 recent 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

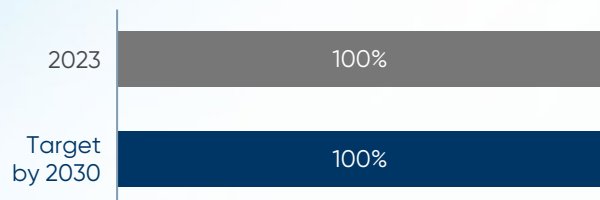
Reduction in our direct GHG emissions

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](#)



We put our clients centre stage as they keep counting on us to help them realise and protect their dreams. We do this proactively and work together to support the society and create sustainable growth. We are genuinely grateful for the confidence they put in us.

I would like to explicitly thank our customers and stakeholders for their confidence and our staff for their relentless efforts.

Johan Thijs, KBC Group CEO

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