KBC Group
Analysts' presentation
FY 2024 / 4Q 2024

The webinar link is available on www.kbc.com

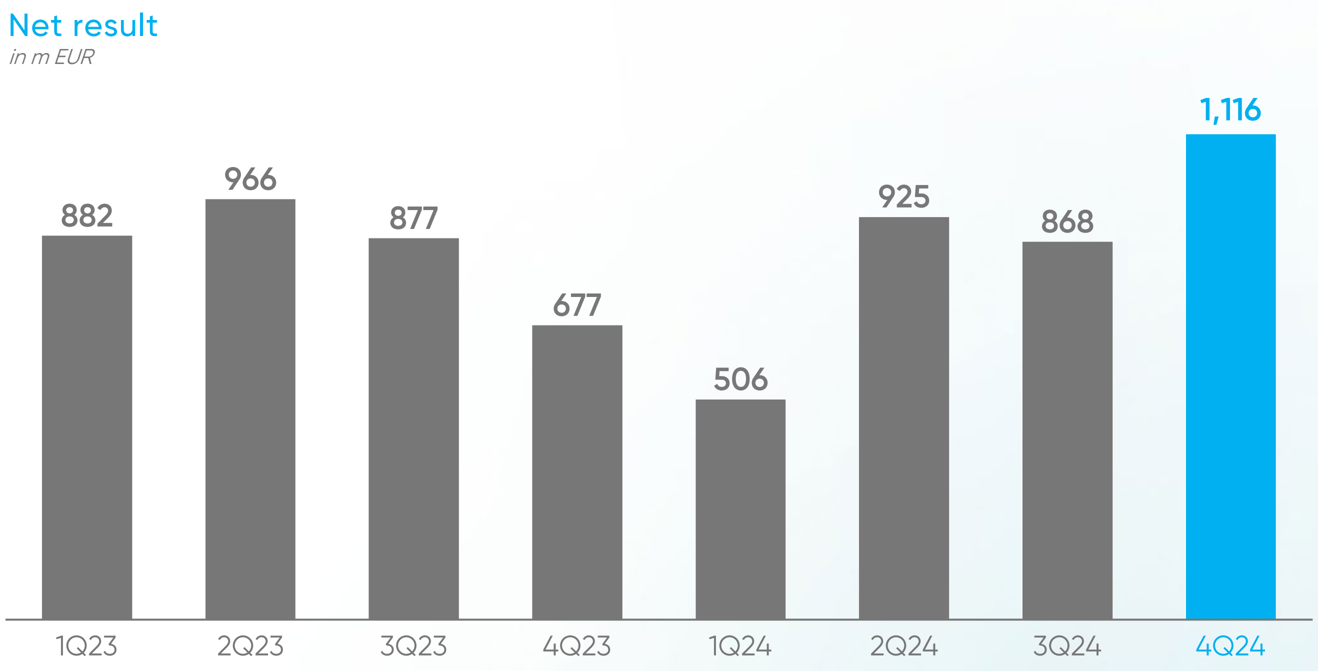
More information: www.kbc.com

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

Highlights

- Commercial bank-insurance franchises performed **excellently**
- As policy rates are on their way down, KBC Group is **well-positioned** being an integrated bank-insurer with tailored AM business
- **Customer loans** and **customer deposits** increased q-o-q in all our core countries (on a comparable basis)
- Higher **net interest income q-o-q, resulting in higher than guided FY24 NII**
- Sharply higher **net fee and commission income** q-o-q
- Q-o-q lower **net result from financial instruments at fair value & IFIE** and **net other income** below the normal run rate
- Higher sales of **non-life insurance** y-o-y, sales of **life insurance** down q-o-q and up y-o-y
- **Costs excl. bank & insurance taxes** up q-o-q, perfectly within guidance
- Lower **net loan loss impairment charges, but higher impairments on 'other'**
- **Tax benefit in P&L** of 318m EUR as a result of the forthcoming liquidation of KBC Bank Ireland
- Solid **solvency** and **liquidity position**
- **Updated financial guidance** (see slides 19-20)

Net result of 1,116m EUR over 4Q24



YTD ratios

- Return on Equity 14%*
- Cost-income ratio 47%**
- Combined ratio 90% (versus below 91% guided)
- Credit cost ratio 0.10% (versus well below TTC of 25-30bps guided)
- CET1 ratio 15.0% (B3, DC, fully loaded)
- Leverage ratio 5.5% (fully loaded)
- NSFR 139% & LCR 158%

* Excluding one-offs

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

Dividend / capital deployment

For FY24:

- A **total gross dividend of 4.85 EUR per share** will be proposed to the AGM for the accounting year 2024, of which
  - 0.70 EUR per share already paid in May 2024, reflecting the surplus capital above the 15% fully loaded CET1 threshold per end 2023
  - 4.15 EUR per share (of which an interim dividend of 1.0 EUR per share already paid in November 2024 and the remaining 3.15 EUR per share to be paid in May 2025), reflecting a pay-out ratio (including 4.15 EUR per share and AT1 coupon) of approximately 51% of 2024 net profit

For FY25:

- **Both our dividend policy** and **capital deployment plan** will be **updated with our 1Q25 results**

Strategic focus | Sia Partners ranked KBC Mobile the N°1 mobile banking app worldwide

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**.

Banking activities

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 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 ranked KBC Mobile the N°1 mobile banking app worldwide in 2024**: a clear recognition of a decade of innovation, development and listening closely to our clients.

5.3 million users in contact with Kate

KATE autonomy

69% BE
71% 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 62

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 **14%** in FY24 **KBC** is one of the most profitable EU financial institutions

Solvency

With a **fully loaded CET1 ratio** of **15.0%** at end FY24 KBC is amongst the better capitalised EU banks

Sustainability

Sustainalytics ranks KBC in the **3rd percentile of 262** diversified global banks assessed
(last full update November 29, 2024)

Digitalisation

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

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

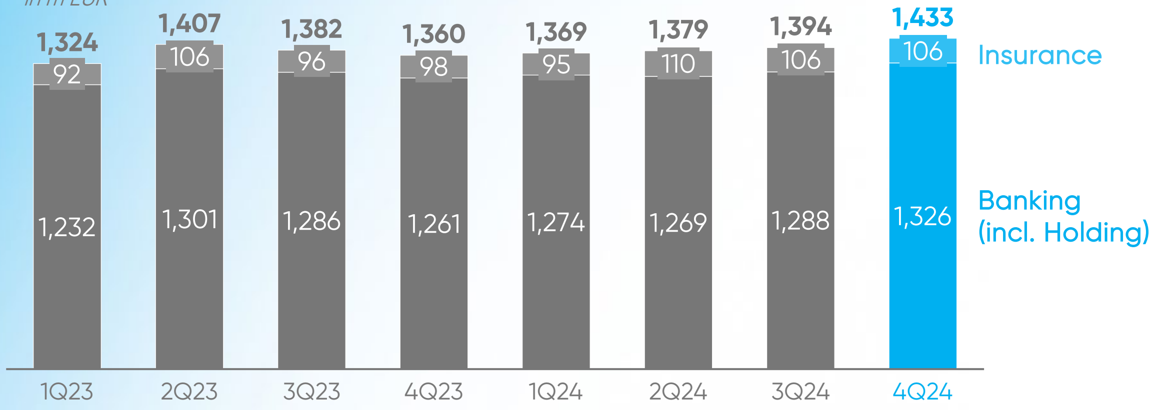
Main exceptional items

		4Q24	3Q24	4Q23
BE BU	NOI – Realised gains			+18m EUR
	Share in results of associated companies & joint ventures – one-off gain		+79m EUR	
	Total Exceptional items BU Belgium		***+79m EUR***	***+18m EUR***
CZ BU	Impairments – Goodwill on CSOB S			-109m EUR
	Total Exceptional items BU Czech Republic			***-109m EUR***
IM BU	HU –NOI – Legal case	-28m EUR		
	HU – BK & INS TAX – Temporary extra (windfall/DgS) bank and insurance tax			-1m EUR
	HU – Impairments – Modification losses	-4m EUR		-10m EUR
	BG – Opex – Integration costs Raiffeisenbank Bulgaria	-4m EUR	-3m EUR	-5m EUR
	BG – Opex – EUR adoption costs	-5m EUR	-3m EUR	-1m EUR
	Total Exceptional items BU International Markets	***-40m EUR***	***-6m EUR***	***-17m EUR***
GC BU	TAX – DTA adjustment at London branch	-9m EUR		+15m EUR
	TAX – Forthcoming liquidation KBC Bank Ireland	+318m EUR		
	Total Exceptional items BU Group Centre	***+309m EUR***		***+15m EUR***
	Total Exceptional items	***+269m EUR***	***+74m EUR***	***-93m EUR***
	Total Exceptional items (post-tax)	*+270m EUR*	*+74m EUR*	*-72m EUR*

Higher net interest income, resulting in higher than guided FY24 NII

Net interest income

in m EUR



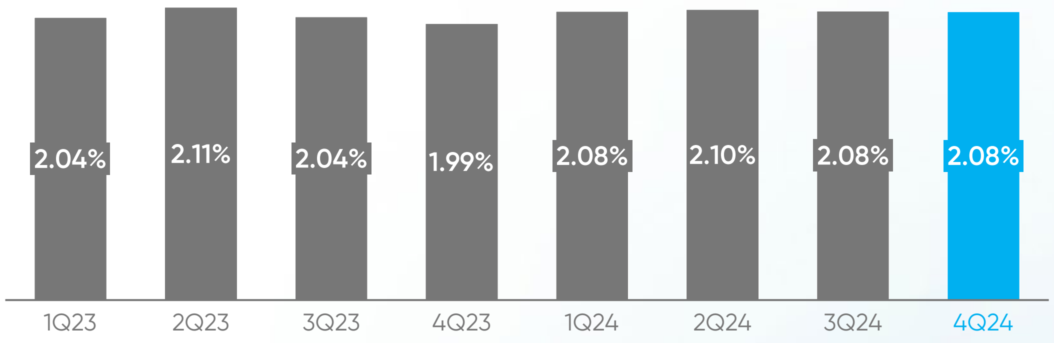
- **NII increased by 3% q-o-q and by 5% y-o-y (+3% q-o-q and +7% y-o-y excluding FX effect)**
- Q-o-q increase was driven primarily by:
  - Higher commercial transformation result (thanks mainly to continued increasing reinvestment yields)
  - Higher lending income (loan volume growth more than offset lower loan margins in some core markets)
  - A +9m EUR correction from a changed accounting approach on mortgage brokerage fees in Bulgaria (the FY24 impact was entirely booked in 4Q24)
  - Higher short-term cash management
  - Lower costs on the minimum required reserves held with the central banks

  partly offset by:
  - Direct negative impact from the fierce competition for the recuperation of the maturing State Note in September in Belgium (roughly -22m EUR in 4Q24 versus -4m EUR in 3Q24), mainly visible in lower NII on term deposits

  Note that NII on inflation-linked bonds stabilised q-o-q at +4m EUR in 4Q24
- Y-o-y increase was driven primarily by higher commercial transformation result, slightly higher lending income, lower funding cost of participations and lower costs on the minimum required reserves held with central banks partly offset by much lower NII on term deposits, lower NII in Ireland, lower dealing room NII, lower NII on inflation-linked bonds (-9m EUR y-o-y, from +13m EUR in 4Q23 to +4m in 4Q24) and a negative FX effect

Net interest margin*

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



- Stable q-o-q and rose by 9 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

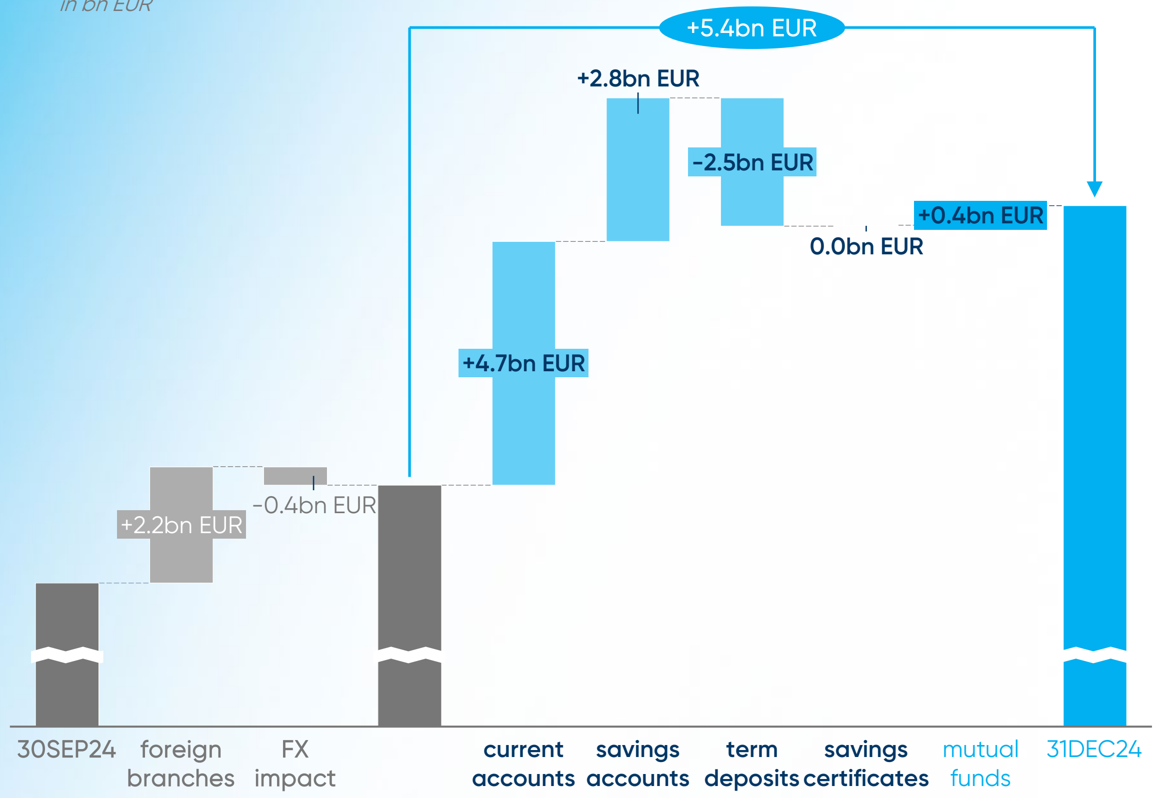
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	192bn	78bn	229bn
Growth q-o-q*	+2%	+1%	+3%
Growth y-o-y	+5%	+4%	+6%

* Non-annualised ** Loans to customers, excluding reverse repos (and bonds).
*** Customer deposits, excluding debt certificates and repos, but including customer savings certificates.
Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), core customer deposits rose by 2% q-o-q and by 7% y-o-y
Growth figures are excluding FX, consolidation adjustments and reclassifications.

Inflow of core customer money

Customer money dynamic over 4Q24

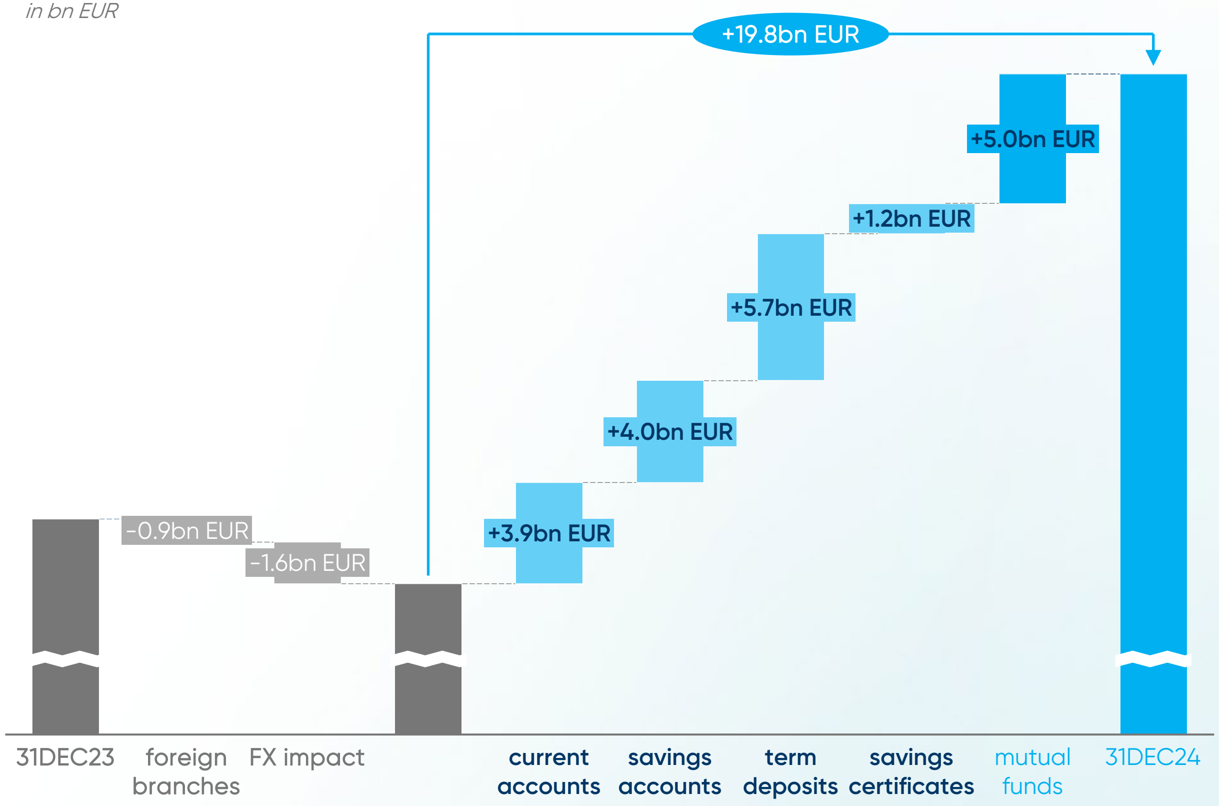
in bn EUR



- **4Q24** saw an inflow of core customer money of **+5.4bn EUR** (+5.0bn EUR incl. FX impact)

Customer money dynamic over FY24

in bn EUR

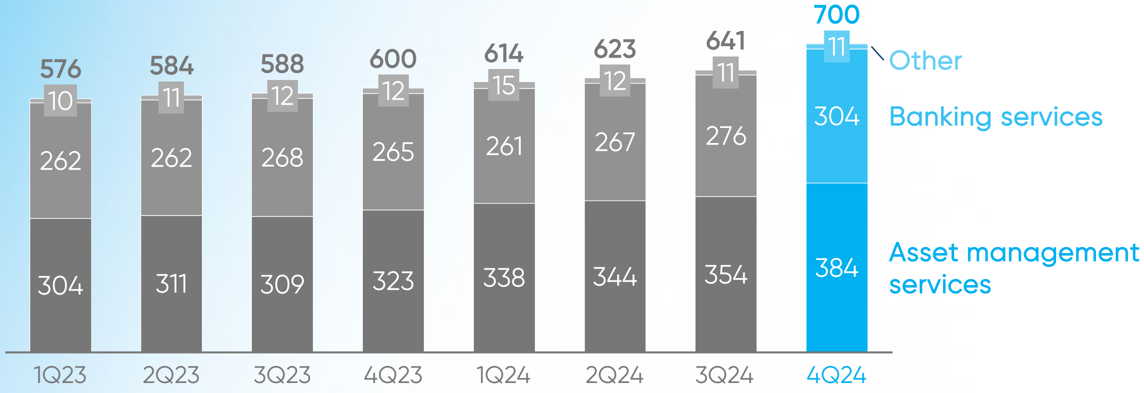


- Disregarding volatile items, **FY24** saw an inflow of core customer money of **+19.8bn EUR** (+18.2bn EUR incl. FX impact)

Sharply higher net fee and commission income, Record-high net inflows in direct client money in FY24

Net fee & commission income

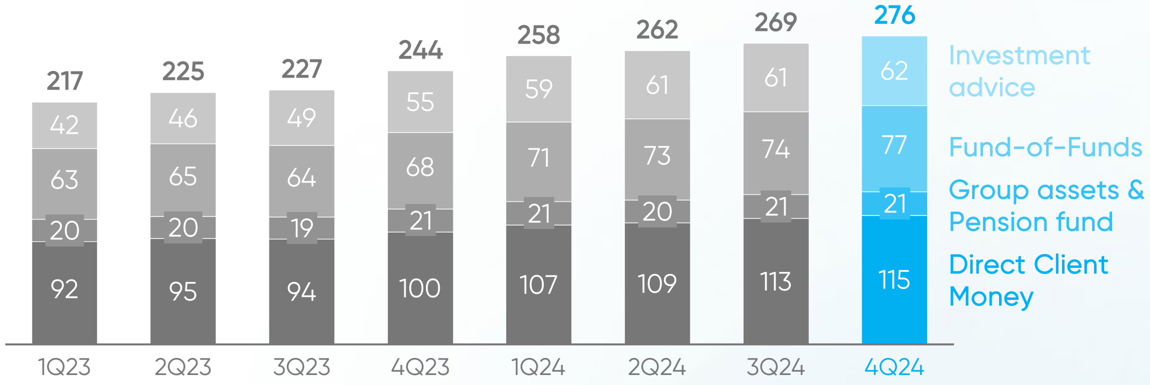
in m EUR



- **Up by 9% q-o-q and by 17% y-o-y (+10% q-o-q and +18% y-o-y excluding FX).**
- Q-o-q increase was mainly the result of:
  - Net F&C income from Asset Management Services increased by 9% q-o-q due mainly to higher management & entry fees
  - Net F&C income from banking services rose by 10% q-o-q. Higher fees from payment services, higher securities-related fees, higher fees from credit files & bank guarantees and higher network income were partly offset by higher distribution commissions paid for banking products
- Y-o-y increase was mainly the result of:
  - Net F&C income from Asset Management Services rose by 19% y-o-y due mainly to higher management & entry fees
  - Net F&C income from banking services increased by 15% y-o-y due mainly to higher fees from payment services, higher securities-related fees and higher network income, partly offset by negative FX effect
- Note that roughly 20m EUR net F&C income in 4Q24 were some year-end effects (linked to the performance of CZ pension fund and a positive FY24 correction in banking services from changed accounting approach in Hungary), and therefore may not be extrapolated going forward

Assets under management

in bn EUR

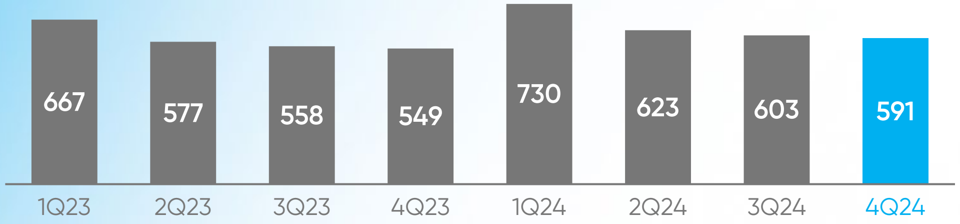


- **Increased by 2% q-o-q** due almost entirely to positive market performance (+2%)
- **Increased by 13% y-o-y** due to net inflows (+3%) and positive market performance (+10%)
- The mutual fund business has seen strong net inflows in FY24, both in higher-margin direct client money (**record-high 5.0bn EUR in FY24** versus 4.8bn in FY23) as well as in lower-margin assets

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

Non-life sales

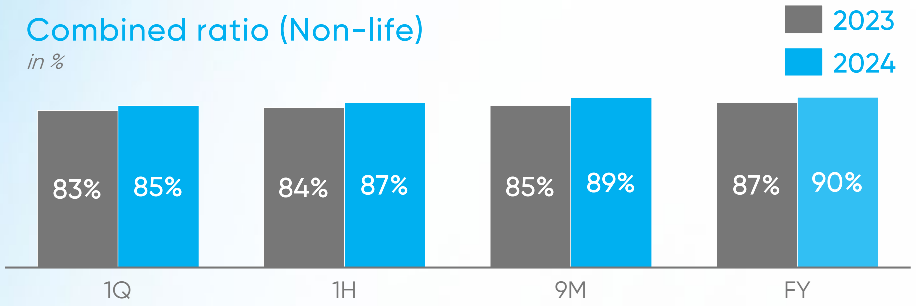
in m EUR



- **Up by 8% y-o-y (+9% y-o-y excluding FX effect)**, with growth in all countries and all main classes, due to a combination of volume and tariff increases

Combined ratio (Non-life)

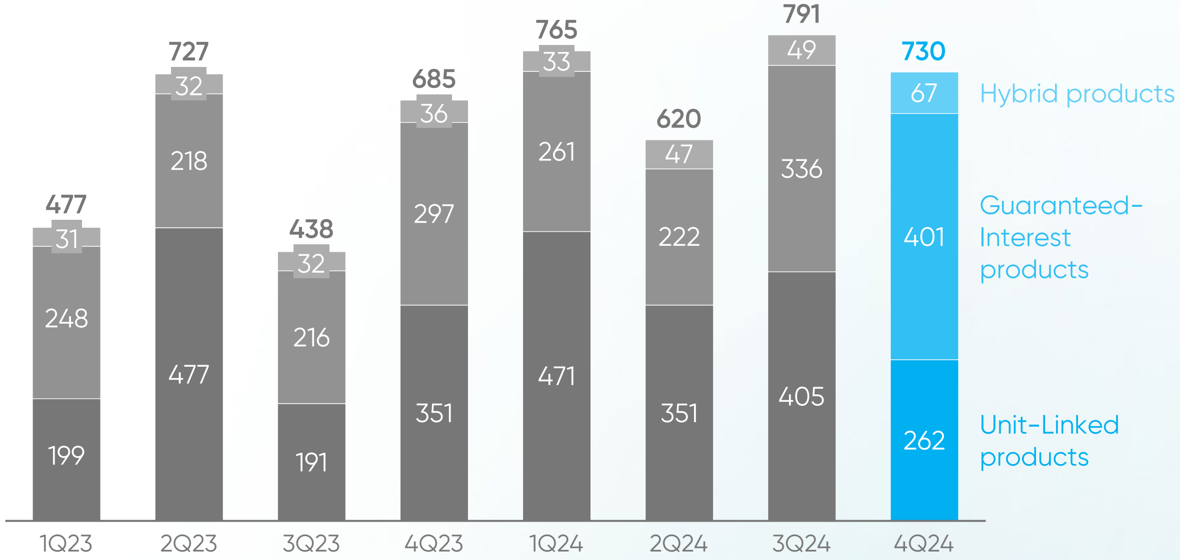
in %



- **Non-life combined ratio for FY24 amounted to an excellent 90%** (87% in FY23). This is mainly the result of:
  - 9% y-o-y higher insurance revenues before reinsurance
  - 17% y-o-y higher insurance service expenses before reinsurance due mainly to the very low level of claims in FY23, the impact of storm Boris in CEE (mainly in the Czech Republic) and the sector wide update of claims inflation on bodily injury claims in Belgium
  - Higher net result from reinsurance contracts held (up by 73m EUR y-o-y)
- **Excluding the impact of storm Boris after reinsurance (-33m EUR pre-tax in 3Q24), the combined ratio amounted to 88% in FY24**

Life sales

in m EUR



- Decreased by 8% q-o-q due entirely to lower sales of unit-linked products (as the result of a successful launch of structured emissions in Belgium in 3Q24), partly offset by higher sales of guaranteed-interest products (due chiefly to traditionally higher volumes in tax-incentivised pension savings products in Belgium) and higher sales of hybrid products
- Increased by 7% y-o-y due to sharply higher sales of guaranteed-interest products as well as higher sales of hybrid products, partly offset by lower sales of unit-linked products (due to the successful launch of new funds in 4Q23)
- Sales of guaranteed-interest products and unit-linked products accounted for 55% and 36% of total life insurance sales in 4Q24 respectively, with hybrid products (mainly in Belgium and the Czech Republic) accounting for the remainder
- Life sales in FY24 rose by 25% y-o-y

FIFV & IFIE result down and net other income below the normal run rate

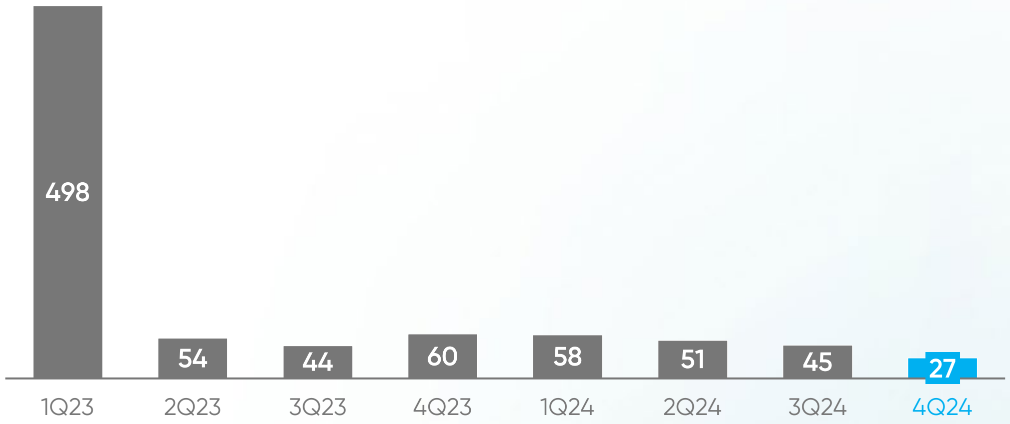
FIFV & IFIE

in m EUR

	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24
Dealing room	94	69	47	78	102	62	64	66
MVA/CVA/FVA	4	5	17	-41	5	1	-24	-6
IFIE – mainly interest accretion	-50	-53	-56	-59	-60	-60	-63	-66
M2M ALM derivatives and other	-24	13	-17	-18	-102	0	-19	-68
FIFV & IFIE	**24**	**33**	**-8**	**-40**	**-55**	**3**	**-42**	**-74**

Net other income

in m EUR



- **FIFV & IFIE result down q-o-q**, attributable mainly to:
  - Negative change in ‘ALM derivatives and other’
  - Slightly more negative IFIE (mainly interest accretion)

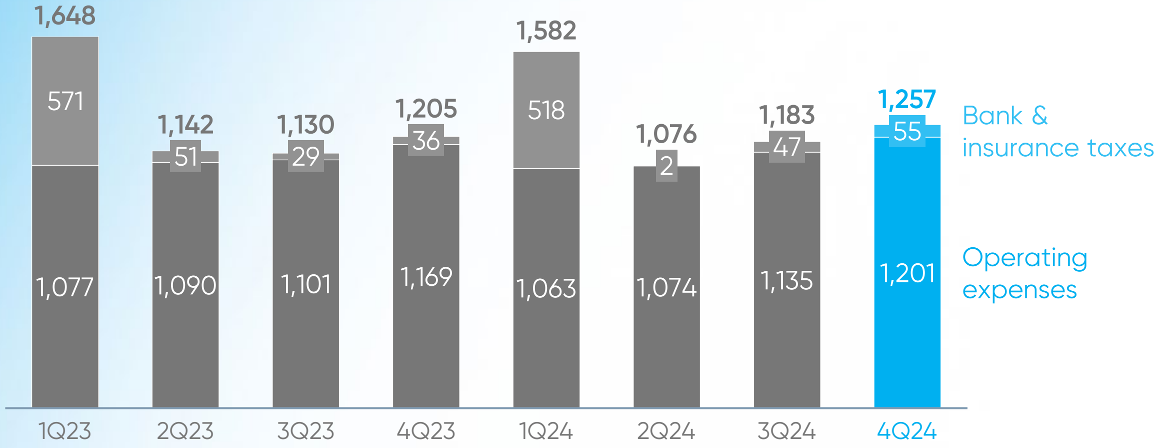
  partly offset by:
  - Less negative credit, funding and market value adjustments, mainly the result of increased CZK interest rates and counterparties’ creditworthiness
  - Slightly higher dealing room result

- **Lower than the normal run rate of 50m EUR per quarter in 4Q24**
  - Due mainly to a 28m EUR negative one-off in Hungary as a result of a legal case

Costs excluding bank & insurance taxes increased q-o-q, perfectly within guidance

Operating expenses (including costs directly attributable to insurance)

in m EUR



Bank and insurance tax spread 2024

in m EUR

	Total	Upfront				Spread out over the year			
	4Q24	1Q24	2Q24	3Q24	4Q24	1Q24	2Q24	3Q24	4Q24
BE BU	0	317	-32	0	0	0	0	0	0
CZ BU	1	35	3	1	1	0	0	0	0
Hungary	46	107	0	0	0	30	24	37	46
Slovakia	8	1	0	0	0	8	8	9	8
Bulgaria	0	21	0	0	0	0	0	0	0
Group Centre	0	-1	0	0	0	0	0	0	0
Total	55	480	-30	1	1	38	32	46	54

- **Operating expenses excluding bank & insurance taxes rose by 6% q-o-q and by 3% y-o-y (+6% q-o-q and +4% y-o-y excluding FX effect)**
  - The q-o-q increase excluding FX effect was due mainly to seasonally higher marketing and professional fee expenses, higher ICT costs, higher regulatory costs, higher facility expenses and higher depreciations
  - The y-o-y increase excluding FX effect was due to, among other things, higher staff costs (mainly the impact of wage inflation, partly offset by lower FTEs), higher regulatory costs, higher ICT costs, higher marketing expenses and higher depreciations, partly offset by lower costs in Ireland (related to the sale transaction), lower facility expenses, lower professional fee expenses and an FX effect

- **FY24 opex excluding bank & insurance taxes and including insurance commissions paid rose by 1.6% y-o-y to 4.86bn EUR, in line with our guidance (below +1.7% y—o-y), of which:**
  - +0.8% y-o-y to 4,474m EUR opex excluding bank & insurance taxes*
  - +12.6% y-o-y to 383m EUR insurance commissions paid

- **FY24 cost/income ratio**
  - 47% when excluding certain non-operating items** (49% in FY23)
  - 43% excluding all bank & insurance taxes (43% in FY23)

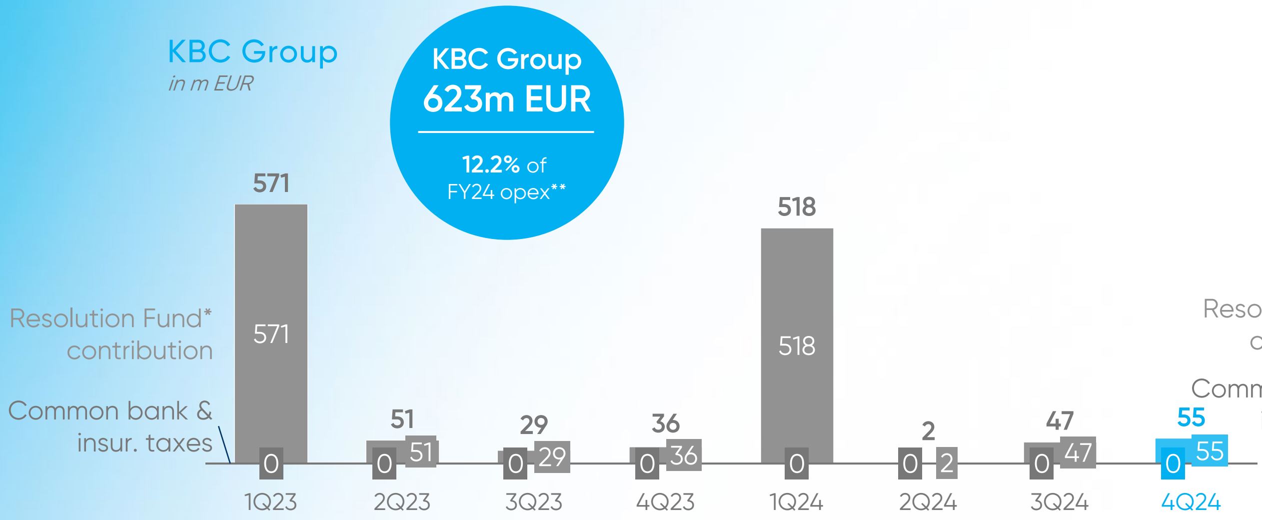
- Total **bank & insurance taxes** decreased by 9% y-o-y to 623m EUR in 2024 (687m EUR in 2023) due mainly to the lower Resolution Fund contribution

* Rose by 2.7% y-o-y when excluding Ireland (opex excl BIT for Ireland amounted to 107m EUR in FY23 and 25m EUR in FY24)

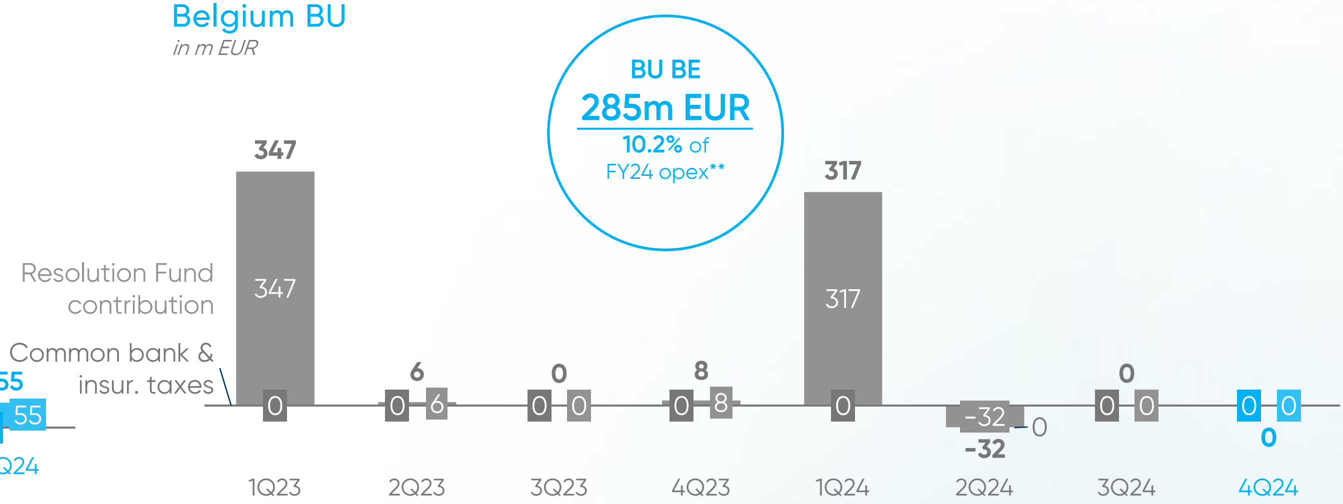
** See glossary for the exact definition

Overview of bank & insurance taxes*

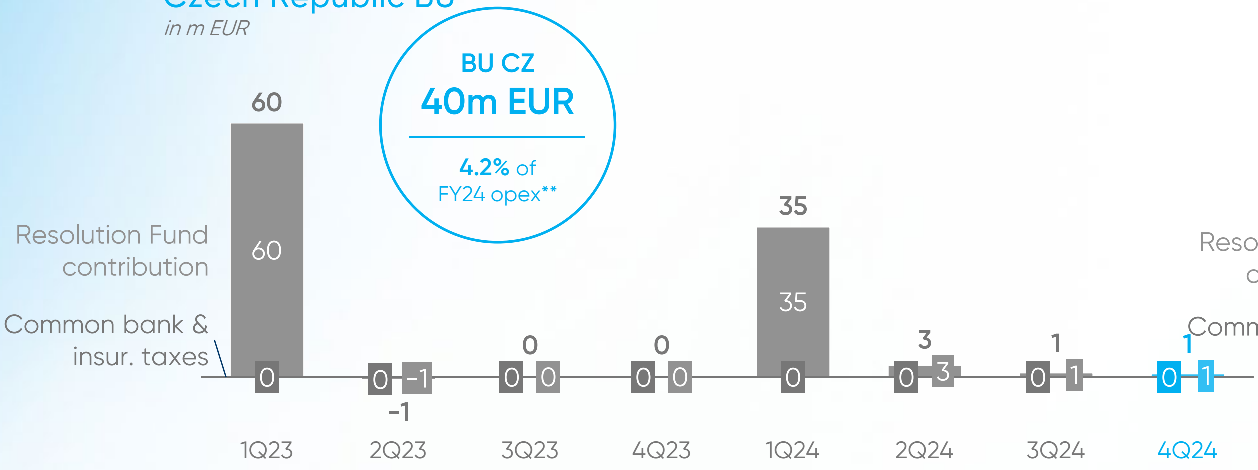
KBC Group
in m EUR



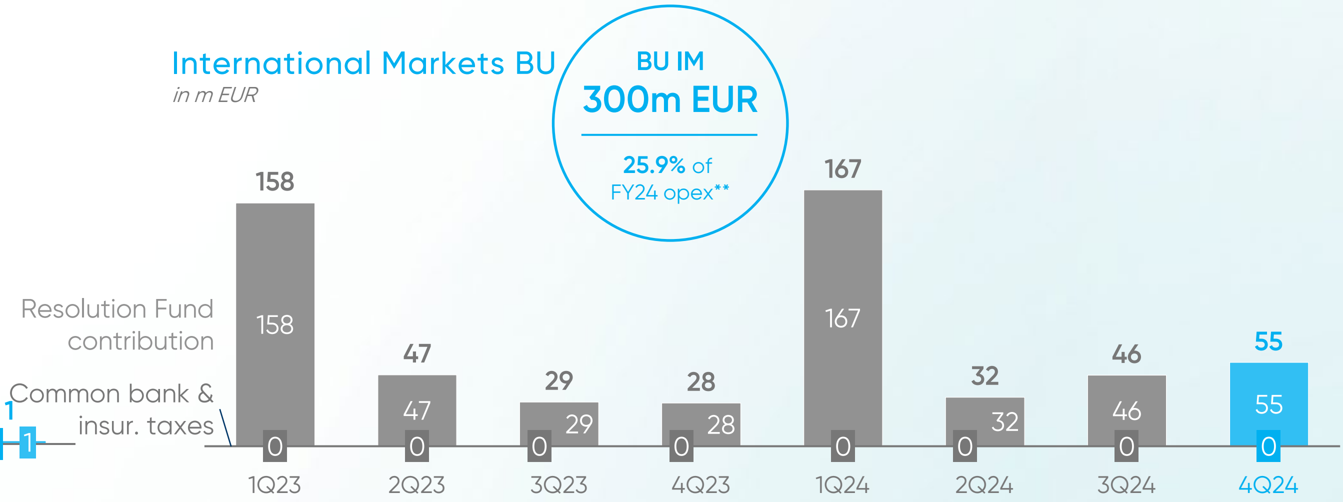
Belgium BU
in m EUR



Czech Republic BU
in m EUR



International Markets BU
in m EUR

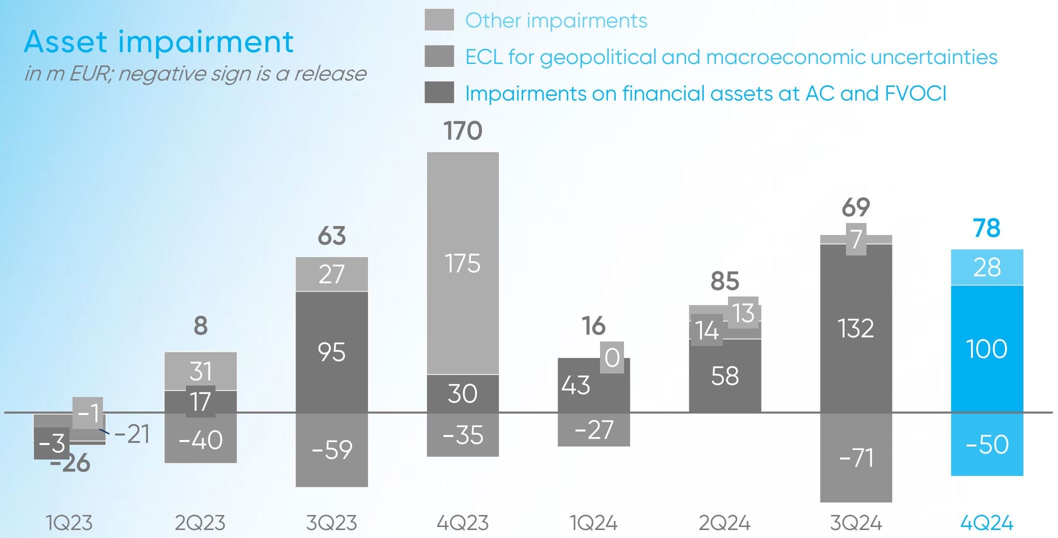


* This refers solely to the bank & insurance taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.

** Including directly attributable costs to insurance

Lower net loan loss impairment charges & excellent credit cost ratio
Higher other impairments

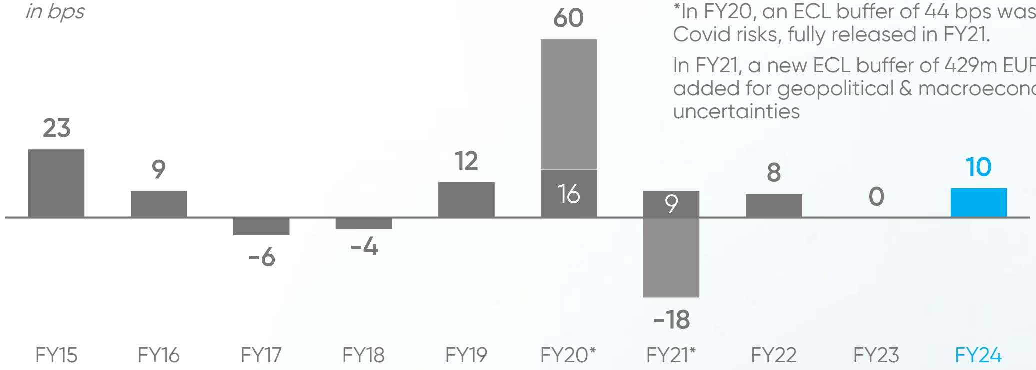
Asset impairment
in m EUR; negative sign is a release



- **Net loan loss impairment charges of 50m EUR in 4Q24** (compared with net loan loss impairment charges of 61m EUR in 3Q24) due to:
  - 100m EUR net loan loss impairment charges on lending book (of which 18m EUR lowering the backstop shortfall for old NPLs in Belgium)
  - A decrease of 50m EUR of the ECL buffer, driven mainly by micro- and macroeconomic indicators
  - Total outstanding ECL for geopolitical & macroeconomic uncertainties now stands at 117m EUR

- **28m EUR impairment on 'other'** (versus 7m EUR in 3Q24), mainly on software besides 4m EUR modification losses related to the extension of the interest cap regulation in Hungary

Credit cost ratio
in bps

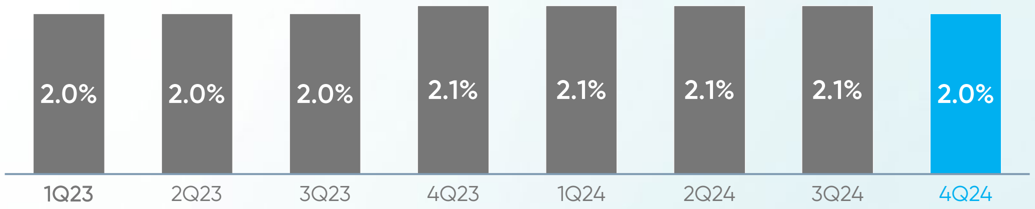


*In FY20, an ECL buffer of 44 bps was added re Covid risks, fully released in FY21.

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

- The credit cost ratio in FY24 amounted to:
  - 16 bps (7 bps in FY23) without ECL for geopolitical & macroeconomic uncertainties
  - 10 bps (0 bps in FY23) with ECL for geopolitical & macroeconomic uncertainties

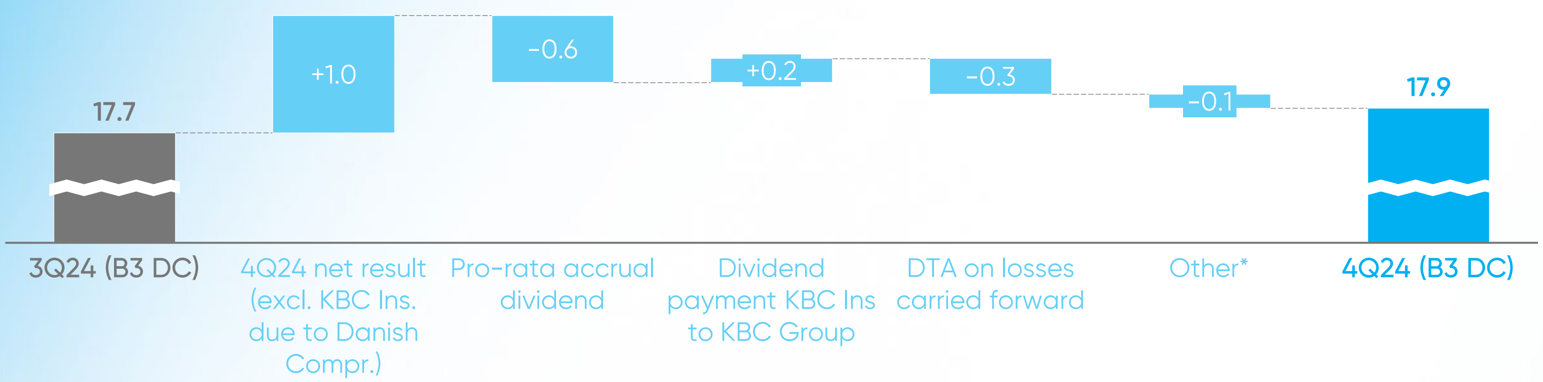
Impaired loans ratio
in %



- **The impaired loans ratio amounted to 2.0%** (1.0% of which over 90 days past due)

Fully loaded Basel III CET1 from 3Q24 to 4Q24

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 15.0% at the end of FY24 based on the Danish Compromise

The recognition in P&L (+0.3bn EUR) of the deferred tax asset resulting from the liquidation of Ireland is deducted from KBC's regulatory capital (-0.3bn EUR) and is therefore neutral for KBC's regulatory capital. But the application of 50% dividend payment on the additional result of 0.3bn EUR had a limited negative impact on KBC's fully loaded CET1 ratio calculated under the DC method) of -0.13%-point.

In subsequent years, a positive capital impact will be gradually recorded in relation to KBC's profitability

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

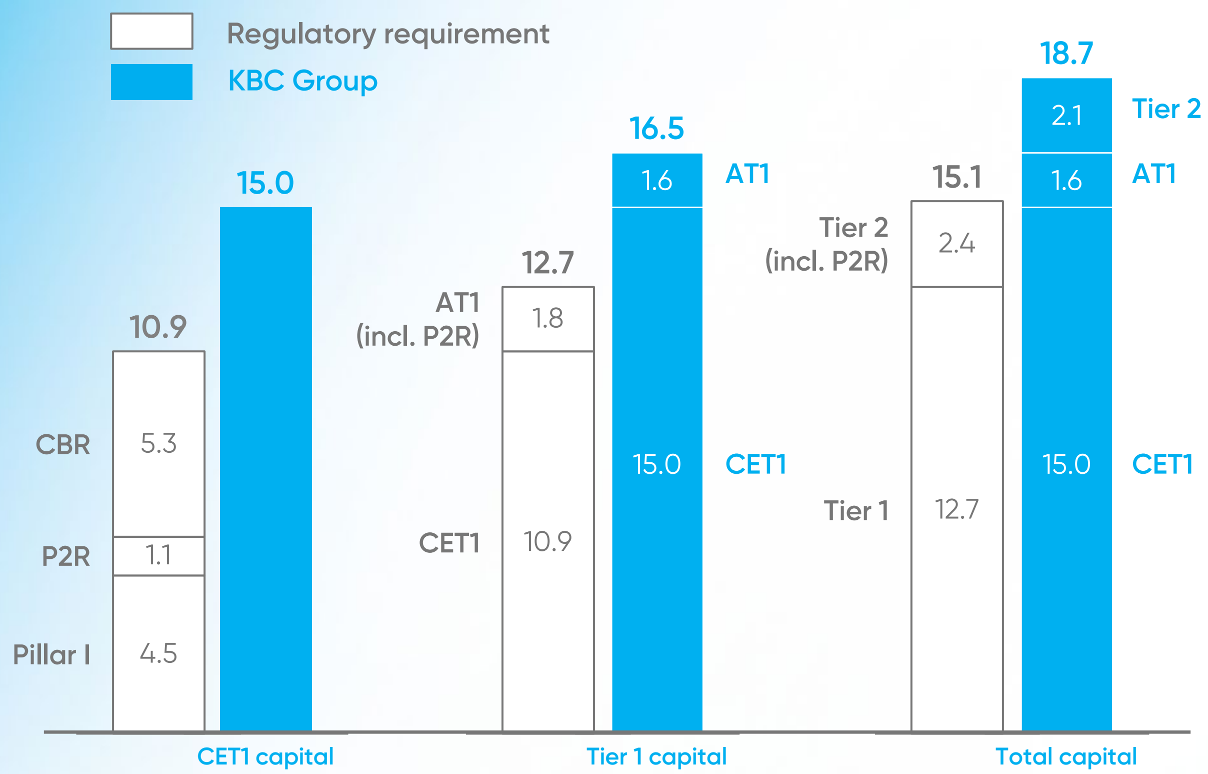
** Includes the RWA equivalent for KBC Insurance based on DC, calculated as the historical book value of KBC Insurance multiplied by 370%

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

Strong capital position with substantial buffer to MDA

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

in %



- **P2R 1.86% (= Pillar II requirement)**
  1.09% to be met with CET1, 33bps eligible for AT1 and 44bps for Tier 2
- **CBR 5.28% (= Combined buffer requirement)**
  2.50% Capital conservation buffer
  1.50% O-SII buffer
  1.15% Countercyclical buffer
  0.14% Systemic risk buffer
- **OCR (10.9%) buffer 4.1%**
- **MDA buffer 3.5%**
  lowest of the buffers between available and required (i) CET1 capital, (ii) Tier 1 capital and (iii) Total capital
- **MDA 11.5%**
  i.e. the net of the CET1 ratio (15.0%) and the MDA buffer (3.5%)

Distance to MDA restrictions

CET1 capital	Tier 1 capital	Total capital
4.1%	**3.8%**	**3.5%**
4,902m EUR	**4,573m EUR**	**4,212m EUR**

Leverage ratio, Solvency II ratio and liquidity ratios

Leverage ratio | KBC Group

fully loaded, Basel 3

Leverage ratio
5.5% FY24

5.7% FY23

Q-o-q lower leverage ratio (from 5.7% to 5.5%) due mainly to higher leverage ratio exposure (due chiefly to higher cash and cash balances with central banks)

Liquidity ratios | KBC Group

in %

LCR
158% FY24

159% FY23

NSFR
139% FY24

136% FY23

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

Solvency II ratio | KBC Group

in %

Solvency II ratio
200% FY24

206% FY23

Q-o-q higher Solvency II ratio due mainly to the 4Q24 IFRS P&L result, partly offset by higher bond spreads

* 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.

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2024 figures

	2025
Total income	at least +5.5% y-o-y
Net interest income*	at least 5.7bn EUR
Organic loan volume growth	*approx. +4%*
Insurance revenues (before reinsurance)	at least +7% y-o-y
Operating expenses (excl. bank/insurance tax)	below +2.5% y-o-y *below FY24 growth excl. Ireland***
Combined ratio	below 91%
Credit cost ratio	well below TTC of 25-30bps

Jaws at least +3%

* Based on following assumptions: (i) market forward rates of early February, (ii) no speculation on potential measures of any government and (iii) conservative pass-through rates on savings accounts; Every 25bps rate deviation from the market forward rates (across all currencies) generates roughly 50m EUR NII variance on an annual basis

** FY24 growth excl. Ireland at +2.7% (OpEx excl. BIT for Ireland was 107m EUR in FY23 and 25m EUR in FY24)

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2024 figures

	2027
Total income	CAGR24-27 at least +6%
Net interest income*	CAGR24-27 at least +5%
Insurance revenues (before reinsurance)	CAGR24-27 at least +7%
Operating expenses (excl. bank/insurance tax)	CAGR24-27 below +3%
Combined ratio	below 91%
Credit cost ratio	well below TTC of 25-30bps

Jaws at least +3%

* Based on following assumptions: (i) market forward rates of early February, (ii) no speculation on potential measures of any government and (iii) conservative pass-through rates on savings accounts

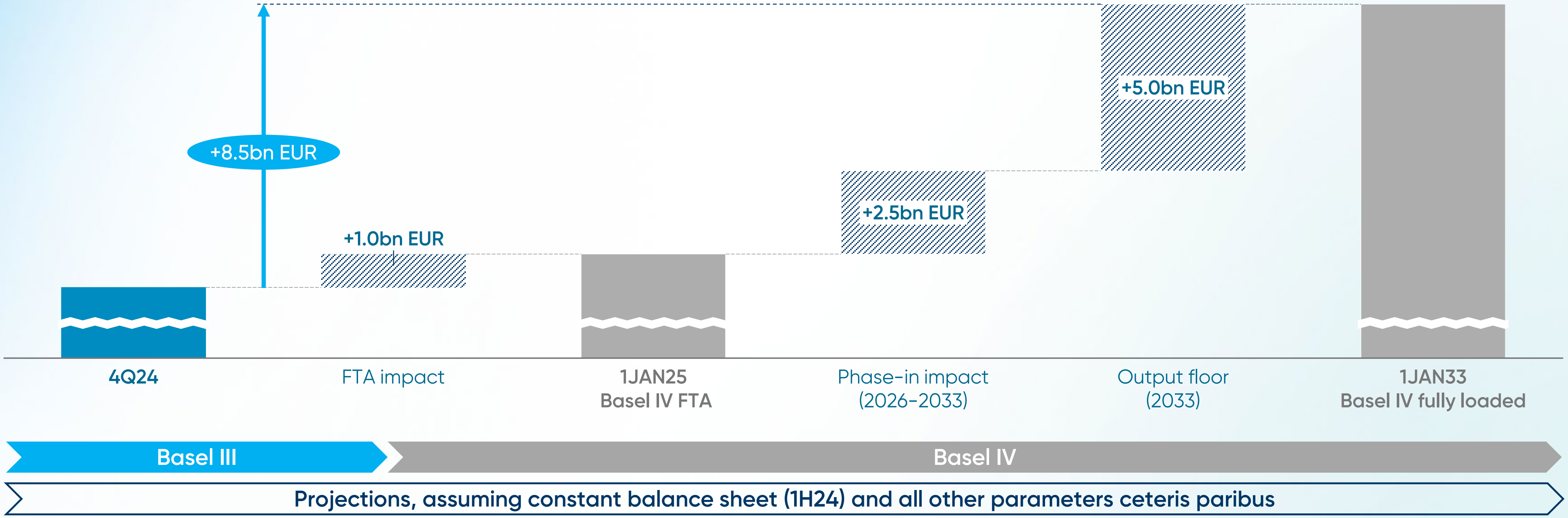
Indicative view on transitional RWA evolution under Basel IV (as provided with 3Q24 results)

- **Moving towards the Basel IV era** and applying a static balance sheet (1H24) and all other parameters ceteris paribus, without mitigating actions, KBC projects
  - at 1JAN25, a **first-time application impact of +1.0bn EUR** (contrary to +0.0bn EUR RWA previously)
  - by 1JAN33, a **further impact of +7.5bn EUR** (contrary to +8.0bn EUR RWA previously)

  resulting in a **fully loaded impact of +8.5bn EUR** (contrary to +8.0bn EUR RWA previously)

Indicative transitional RWA estimate

in bn EUR



Wrap-up: digital-first, data-driven and AI-led integrated bank-insurer with tailored AM
Well-positioned in a decreasing (policy) rate environment

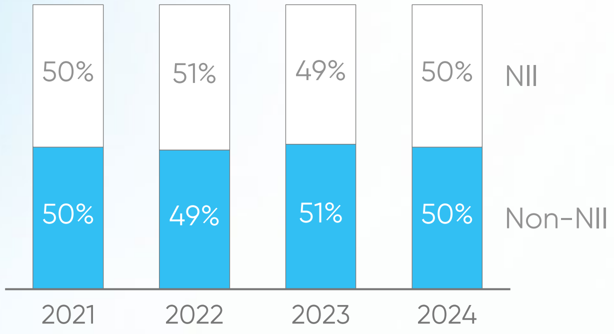
Well-diversified, both geographically and from a business point of view

- **geographically …**
  - Mature markets (BE, CZ) combined with growth markets (SK, HU, BG)
  - Robust market position in all key markets & strong trends in loan and deposit growth
  - Wealth levels are and will continue to gradually converge towards W-European standards
- **… and from a business point of view**
  - Unique integrated, digital-first, data-driven and AI-led bank-insurer with a strongly developed & tailored AM business
  - Unique selling proposition: in-depth knowledge of local markets and profound relationships with clients
  - Our fully integrated distribution model and increasingly straight-through processes allow for sustainable efficiency gains in tandem with a full range of products and services that go beyond banking and insurance through ecospheres
  - Global recognition for our digital-first approach through Kate, fueled by the number 1 banking app worldwide in 2024

Successful digital-first approach through KATE

KBC Group topline diversification: roughly 50% NII and 50% non-NII

in %



- **CAGR24-27 NII of at least +5%, even in decreasing (policy) rate environment**
  - Longer average duration of the replication portfolio will generate a further NII increase, even in a decreasing interest rate environment
  - The negative impact from the State Note in Belgium is likely to disappear
  - In a decreasing (policy) rate environment, the trend noticed in non-EUR denominated countries (CZ & HU), namely shifts from TD to CASA, will highly likely also happen in EUR denominated countries
- **Implicit CAGR24-27 non-NII of roughly +7%**
  - Insurance revenues (before reinsurance) CAGR '24-'27 of at least +7%
  - Sustained fee income growth, propelled by record net sales year after year thanks to success of Regular Investment Plans and the gradual convergence of wealth levels in Central Europe towards Western European standards

Wrap-up

Excellent financial performance

net result
1,116m
4Q24
3415m
FY24

return on equity
14%*
FY24

combined ratio
90%
FY24

Outstanding solvency and liquidity

CET1 ratio
15.0%
3.5% buffer vs MDA

NSFR
139%
LCR
158%

SII ratio
200%

Kate convinces customers

5.3 million users in contact with Kate

KATE autonomy
69% BE
71% CZ

Franchise is growing

loan volumes
+5%
y-o-y

customer deposits
+6%
y-o-y

AM net inflows of direct client money
+5.0bn
FY24

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

life sales
+25%
y-o-y

* Excluding one-offs

Supplemental information & disclosures

BU & FY24 view (slide 24-45)

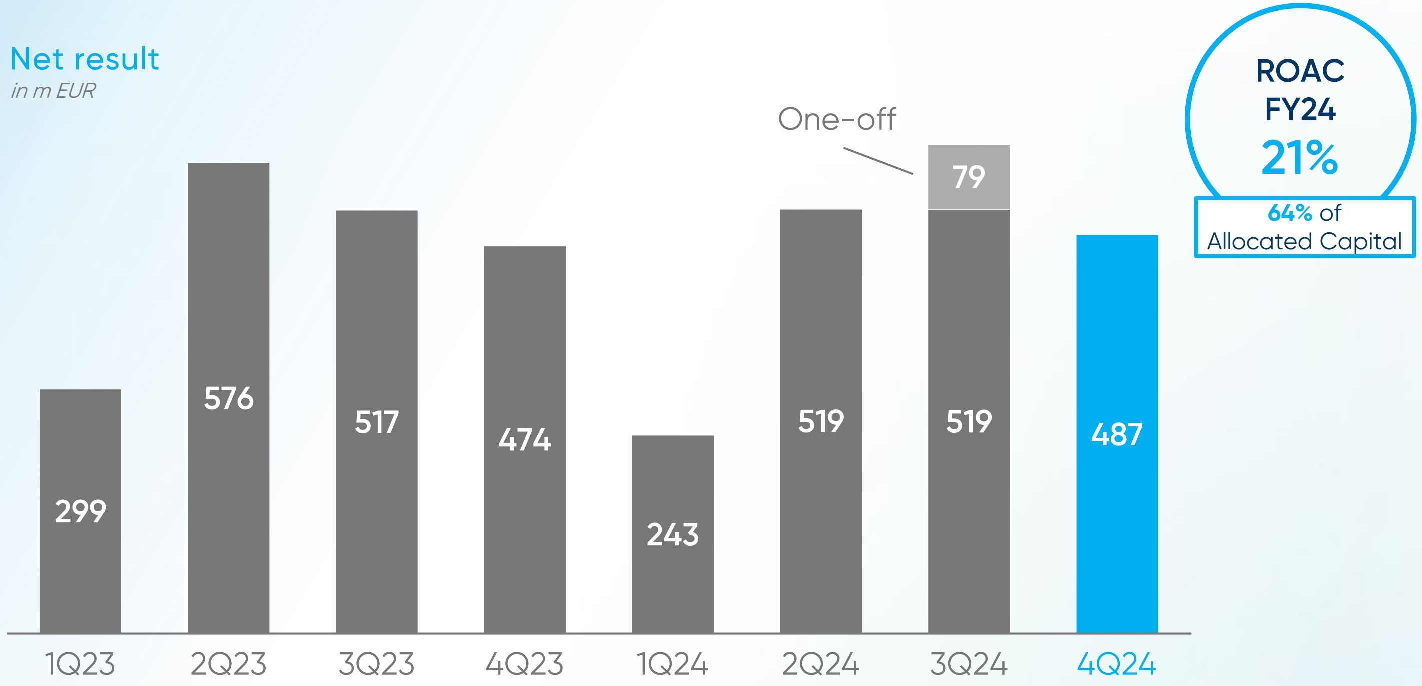
- Belgium BU
- Czech Republic BU
- International Markets BU
  - Slovakia
  - Hungary
  - Bulgaria
- Group Centre BU
- FY 2024

Annexes (slide 46-72)

- 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

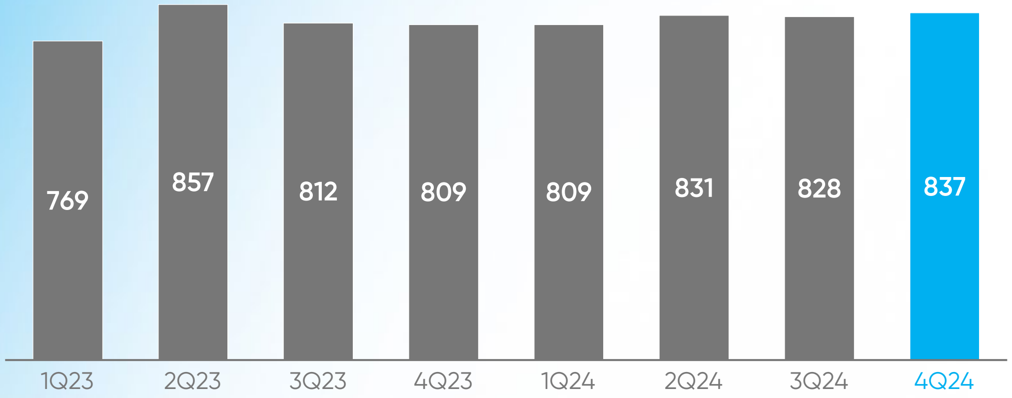


- The quarter was characterised by higher net interest income, higher net fee and commission income, lower sales of life and non-life insurance products, lower net result from financial instruments at fair value & IFIE, higher dividend income, slightly higher net other income, higher operating expenses, higher insurance service expenses after reinsurance, higher net impairment charges and lower 'share in results of associated companies & joint ventures' (referring to the one-off gain of 79m EUR in 3Q24)

Belgium BU (2) | Net interest income

Net interest income

in m EUR



- Rose by +1% q-o-q, as
  - Higher commercial transformation result (mainly thanks to higher reinvestment yields)
  - Lower funding cost of participations
  - Higher short-term cash management
  - Slightly lower costs on the minimum required reserves held with the central bank

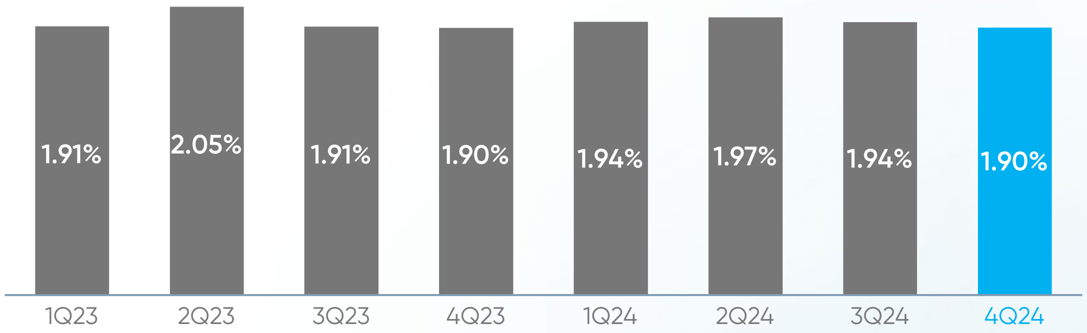
  were largely offset by
  - Direct negative impact from the fierce competition for the recuperation of the maturing State Note in September (roughly -22m EUR in 4Q24 versus -4m EUR in 3Q24), mainly visible in lower NII on term deposits
  - Margin pressure on the outstanding loan portfolio

  Note that NII on inflation-linked bonds stabilised q-o-q at +4m EUR in 4Q24

- +3% y-o-y as continued increasing reinvestment yields, higher ALM result, lower funding cost of participations, higher NII on the insurance bond portfolio and lower costs on the minimum required reserves held with the central bank were partly offset by lower NII on term deposits, lower lending income, lower NII on inflation-linked bonds and lower short-term cash management

Net interest margin

in %



- Decreased by 4 bps q-o-q and stabilised 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

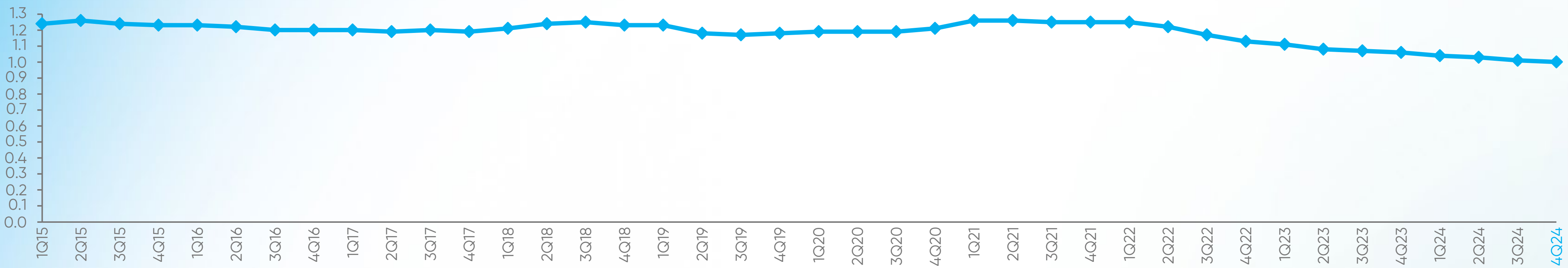
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	124bn	46bn	146bn
Growth q-o-q*	+2%	+1%	+4%
Growth y-o-y	+4%	+2%	+8%

* Non-annualised
** Loans to customers, excluding reverse repos (and bonds).
*** Customer deposits, excluding debt certificates and repos, but including customer savings certificates.
Excluding the volatility in the foreign branches of KBC Bank (included in BE BU), customer deposits rose by 2% q-o-q and by 10% y-o-y
Growth figures are excluding FX, consolidation adjustments and reclassifications

Belgium BU (3) | Credit margins in Belgium

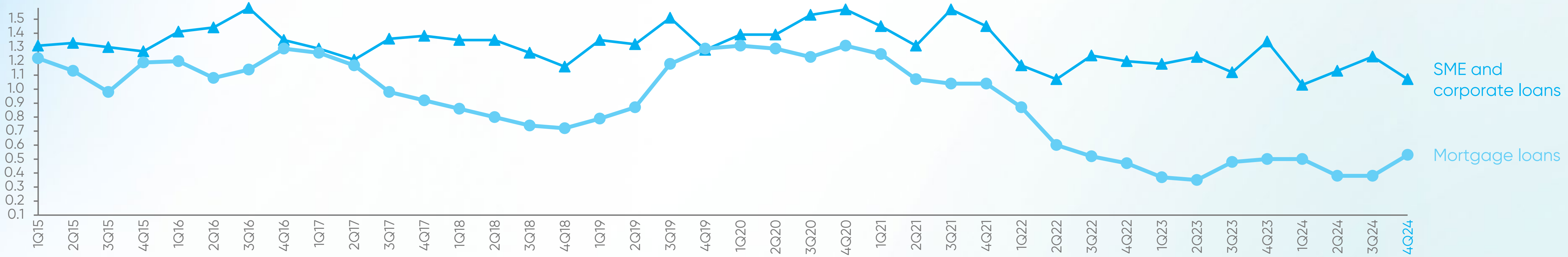
Product spread on customer loan book | Outstanding

in %



Product spread | New production

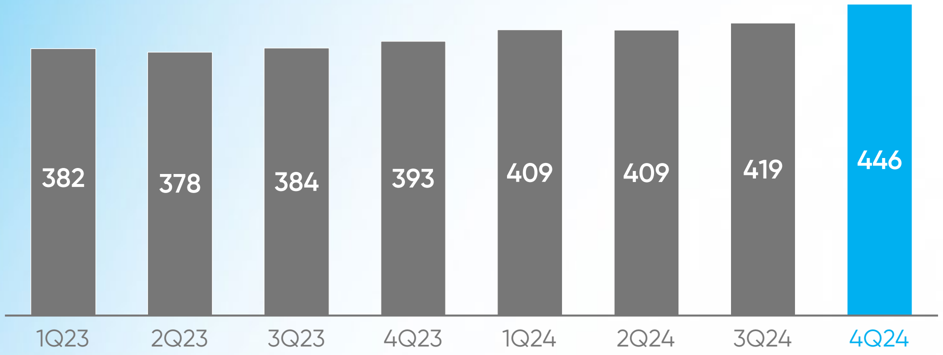
in %



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

Net fee & commission income

in m EUR



- The 6% higher q-o-q net F&C income was mainly the result of higher management & entry fees, higher securities-related fees, higher network income, higher payment-related fees and higher fees from credit & bank guarantees, partly offset by higher distribution commissions paid linked to mutual funds and lower distribution fees received linked to non-life insurance
- The 13% higher y-o-y net F&C income was driven chiefly by higher management fees, higher securities-related fees, higher network income and higher payment-related fees, partly offset by higher distribution fees paid for mutual funds, lower entry fees and lower fees from credit files & bank guarantees

Assets under management

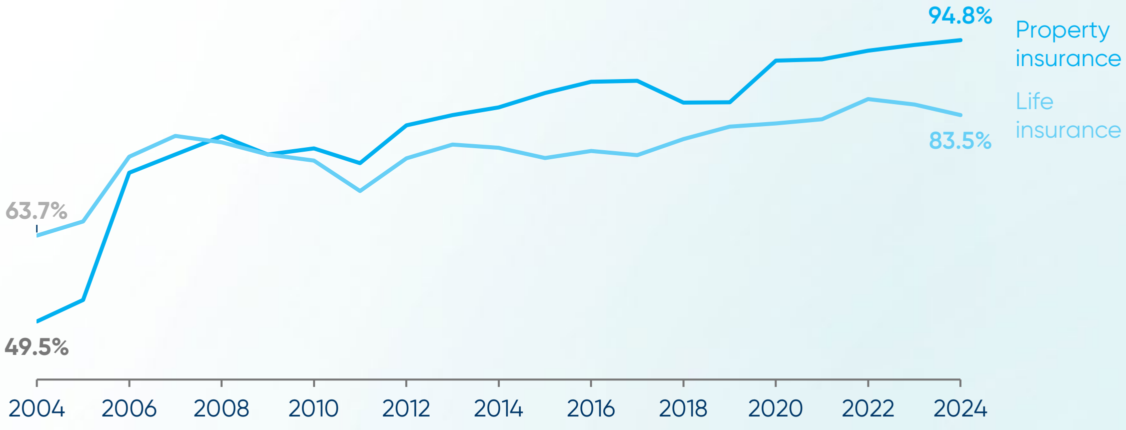
- 245bn EUR
- Increased by 2% q-o-q due entirely to positive market performance (+2%)
- Increased by 13% y-o-y due to net inflows (+2%) and positive market performance (+11%)

Insurance

- Insurance sales: 971m EUR
  - Non-life sales (341m EUR) +8% y-o-y, due to premium growth in almost all classes, due to a combination of volume and tariff increases
  - Life sales (630m EUR) fell by 10% q-o-q and rose by 8% y-o-y
    - The q-o-q decrease was due entirely to lower sales of unit-linked products (as the result of a successful launch of structured emissions in 3Q24), partly offset by higher sales of guaranteed-interest products (due chiefly to traditionally higher volumes in tax-incentivised pension savings products) and higher sales of hybrid products
    - The y-o-y increase was driven by sharply higher sales of guaranteed-interest products as well as higher sales of hybrid products, partly offset by lower sales of unit-linked products (due to the successful launch of new funds in 4Q23)
- Combined ratio amounted to an excellent 88% in FY24 (85% in FY23)

Mortgage-related cross-selling ratios

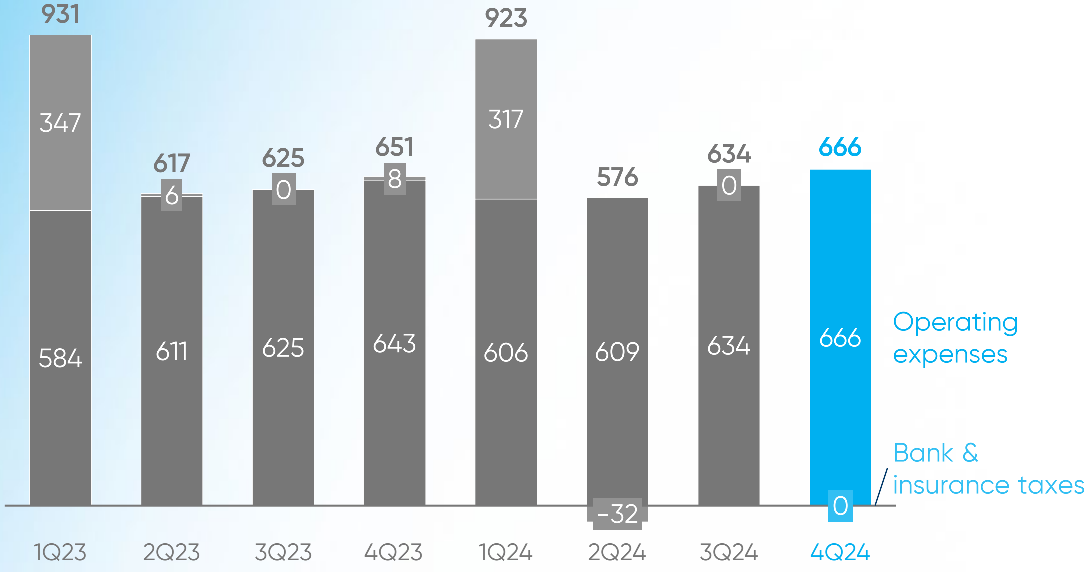
in %



Belgium BU (5) | Opex & impairments

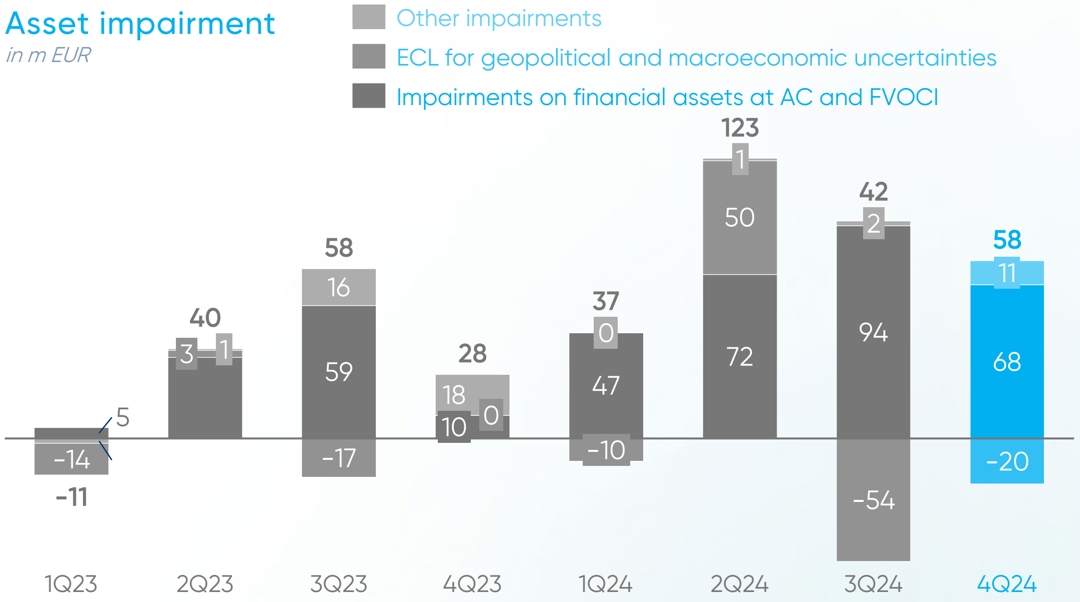
Operating expenses

in m EUR



Asset impairment

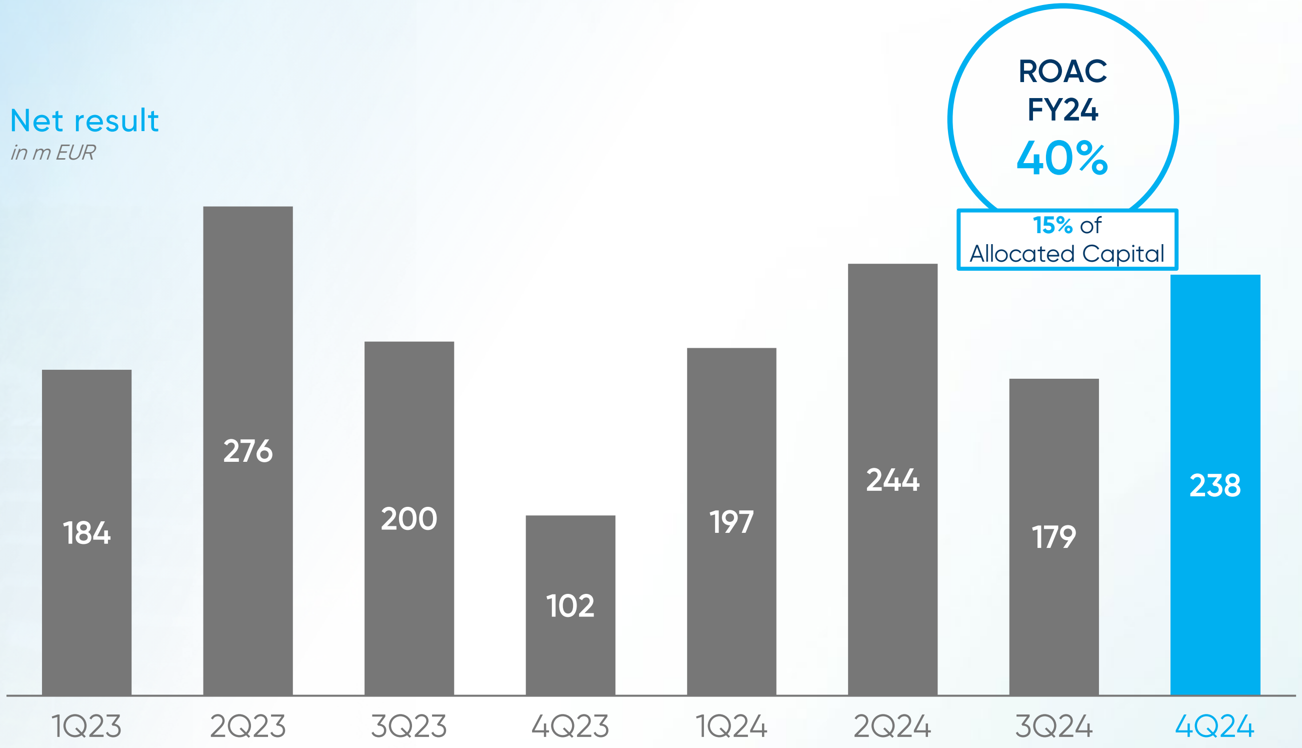
in m EUR



- **Opex (including costs directly attributable to insurance, but excluding bank & insurance taxes): +5% q-o-q and +4% y-o-y**
- +5% q-o-q due mainly to seasonally higher marketing expenses and professional fee expenses, higher ICT costs, higher regulatory fees and higher depreciations, partly offset by lower staff expenses and lower facility costs
- +4% y-o-y due chiefly to higher staff costs (mainly wage drift, partly offset by lower FTEs), higher regulatory costs, higher marketing costs, higher facility costs and slightly higher professional fee expenses, partly offset by lower ICT costs and lower depreciations
- Cost/income ratio adjusted for specific items: 44% in FY24 (46% in FY23)

- **Net loan loss impairment charges** of 48m EUR in 4Q24 (compared with 40m EUR in 3Q24), as 68m EUR net loan loss impairment charges on lending book (of which 18m EUR lowering the backstop shortfall for old NPLs) were partly offset by a 20m EUR net impairment release for geopolitical & macroeconomic uncertainties. Credit cost ratio amounted to 19 bps in FY24 (6 bps in FY23)
- 11m EUR impairment charge on 'other' (mainly software)
- **Impaired loans ratio** amounted to 2.0%, 0.9% of which over 90 days past due

Czech Republic BU (1) | Net result

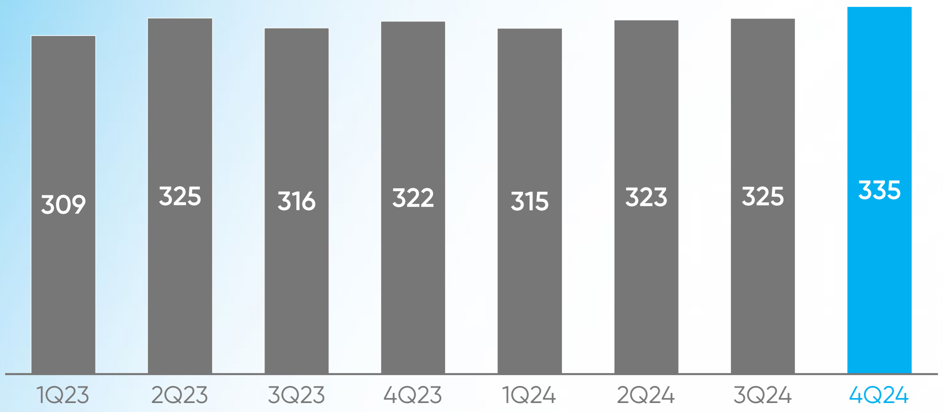


- The quarter was characterised by higher net interest income, higher net fee & commission income, stable sales of non-life insurance products, higher sales of life insurance products, higher net result from financial instruments at fair value & IFIE, higher costs, lower insurance service expenses after reinsurance (due mainly to storm Boris in 3Q24) and net loan loss impairment releases (versus charges in 3Q24)

Czech Republic BU (2) | Net interest income

Net interest income

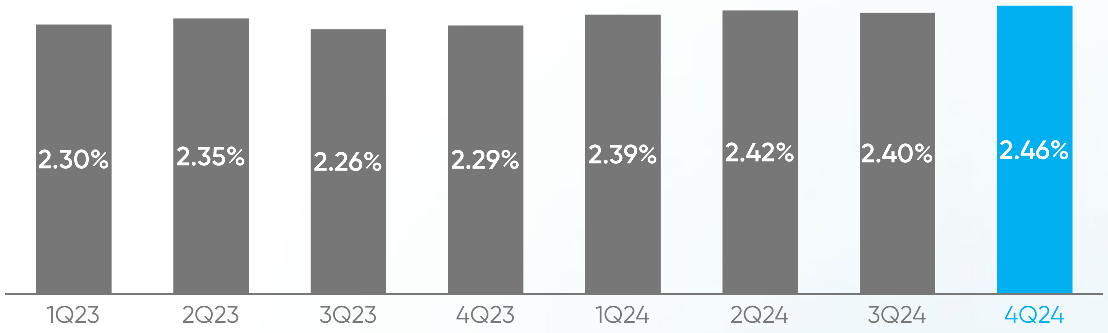
in m EUR



- +4% q-o-q and +8% y-o-y (both excl. FX effect)
- Q-o-q increase driven mainly by higher commercial transformation result (both higher benchmarked deposit volumes and lower pass-through), higher lending income (both higher loan volumes and higher margins on the outstanding loan portfolio), higher ALM result and lower costs on the minimum required reserves held with the central bank, partly offset by lower NII on term deposits and lower dealing room NII
- Y-o-y increase, as much higher commercial transformation result, higher lending income and lower costs on the minimum required reserves held with the central bank were only partly offset by lower NII on term deposits and lower dealing room NII (driven mainly by decreasing repo rate and lower income from local cash desk)

Net interest margin

in %



- Rose by 7 bps q-o-q and by 17 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

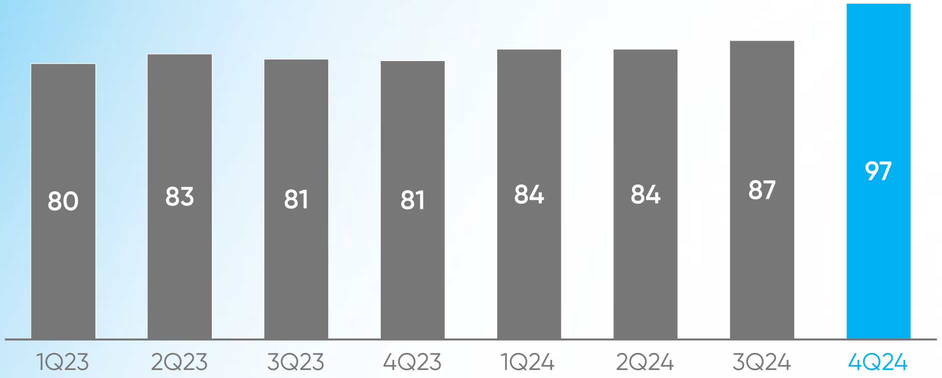
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	38bn	20bn	51bn
Growth q-o-q*	+2%	+1%	+2%
Growth y-o-y	+7%	+4%	+2%

* 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



- The 13% higher q-o-q net F&C income excl. FX effect was mainly the result of higher management fees, higher securities-related fees and slightly higher distribution fees received for mutual funds, partly offset by seasonally higher commissions paid linked to banking products, seasonally lower network income and seasonally lower payment-related fees
- The 24% 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 fees from payment services and higher network income

Assets under management

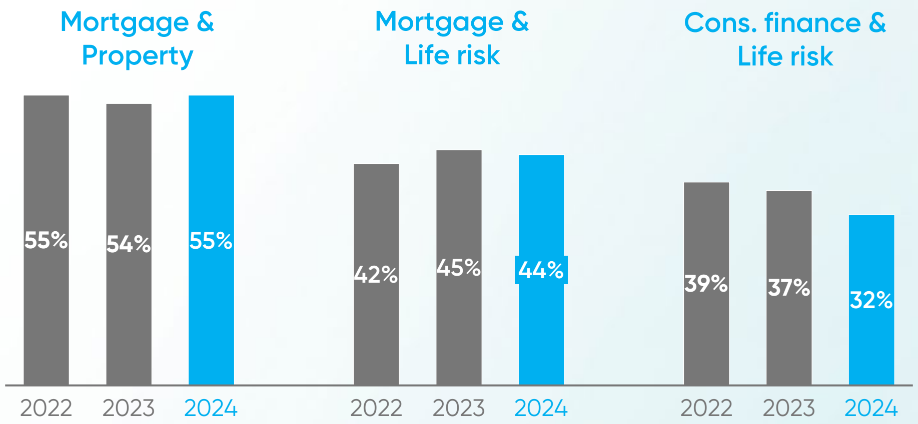
- 19.4bn EUR
- +2% q-o-q due entirely to net inflows (+2%)
- +11% y-o-y due to net inflows (+8%) and positive market performance (+3%)

Insurance

- Insurance sales: 178m EUR
  - Non-life sales (128m EUR) +7% y-o-y (+10% excl. FX), due to premium and volume growth in almost all classes
  - Life sales (51m EUR) increased by 6% q-o-q (+6% excl. FX) and by 6% y-o-y (+10% excl. FX)
- An excellent combined ratio of 86% in FY24 (84% in FY23), despite some smaller summer storms in July and the impact of floods caused by storm Boris in September

Mortgage-related cross-selling ratios

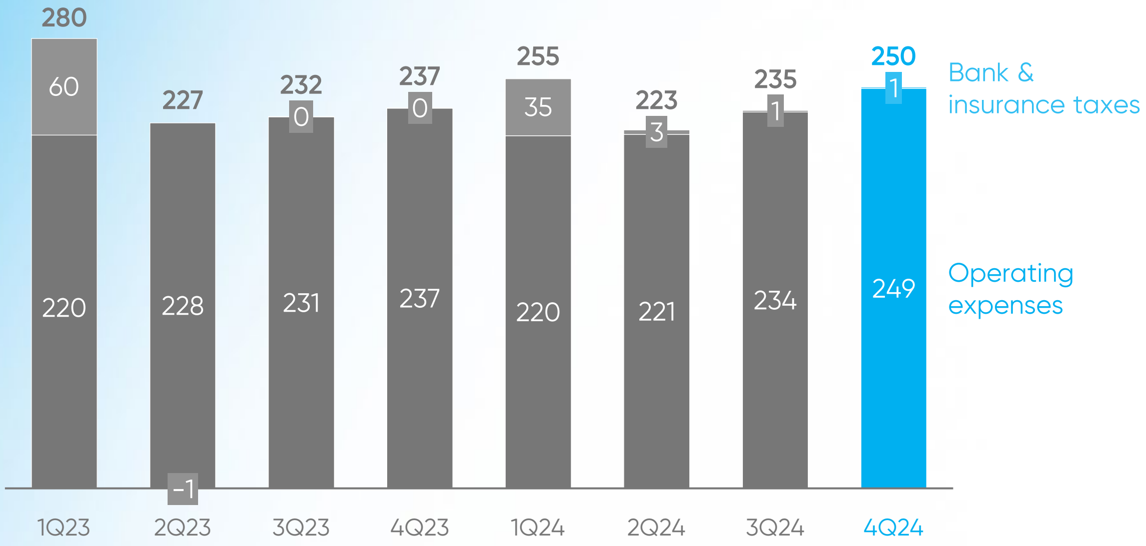
in %



Czech Republic BU (4) | Opex & impairments

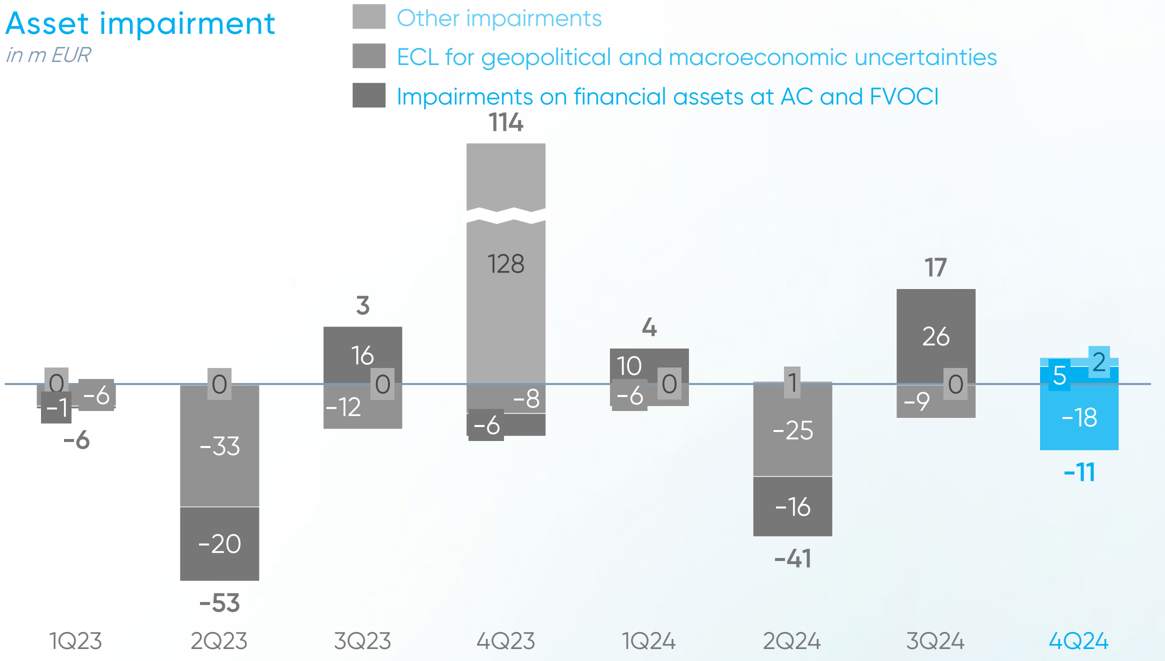
Operating expenses

in m EUR



Asset impairment

in m EUR



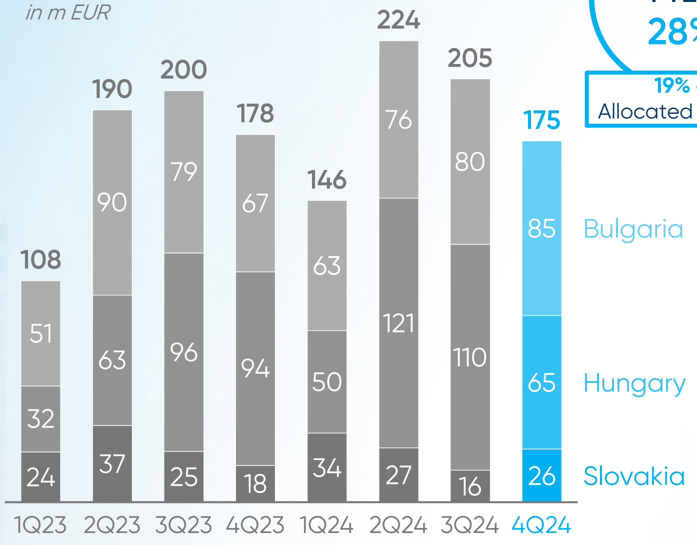
- **Opex (incl. costs directly attributable to insurance and excl. bank & insurance taxes): +6% q-o-q and +9% y-o-y, excl. FX effect**
- Q-o-q increase was due mainly to higher ICT costs, higher staff costs, higher distribution expenses, seasonally higher marketing costs and facility costs, partly offset by lower professional fee expenses
- Y-o-y increase was chiefly the result of higher staff costs, higher ICT costs, higher distribution expenses, higher marketing costs, higher facility costs and higher depreciations, partly offset by lower professional fee expenses
- Adjusted for specific items, C/I ratio amounted to roughly 45% in FY24 (47% in FY23)

- **Net loan loss impairment releases** of 13m EUR in 4Q24 (compared with 17m EUR net loan loss impairment charges in 3Q24). Besides a 18m EUR net impairment reversal for geopolitical and macroeconomic uncertainties, there were 5m EUR net loan loss impairment charges
- 2m EUR impairment charge on ‘other’ (software)
- **Credit cost ratio** amounted to -0.09% in FY24 (-0.18% in FY23)
- **Impaired loans ratio** amounted to 1.3%, 0.8% of which over 90 days past due

International markets BU (1) | Highlights

Net result

in m EUR



ROAC
FY24
28%

19% of
Allocated Capital

Highlights (q-o-q)

- Higher net interest income. NIM of 3.16% in 4Q24 (-2 bps q-o-q and -11 bps y-o-y)
- Higher net fee and commission income
- Lower net other income due to a 28m EUR one-off in Hungary as a result of a legal case
- Lower non-life sales and higher life insurance sales
- A combined ratio of 96% in FY24 (97% in FY23). Excluding the significant windfall tax on insurance in Hungary, the combined ratio amounted to 93% in FY24 (94% in FY23)
- Higher operating expenses (including directly attributable costs to insurance)
- Higher net impairment charges

Organic volume trend

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	30bn	12bn	32bn
Growth q-o-q*	+4%	+3%	+3%
Growth y-o-y	+9%	+11%	+5%

* 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

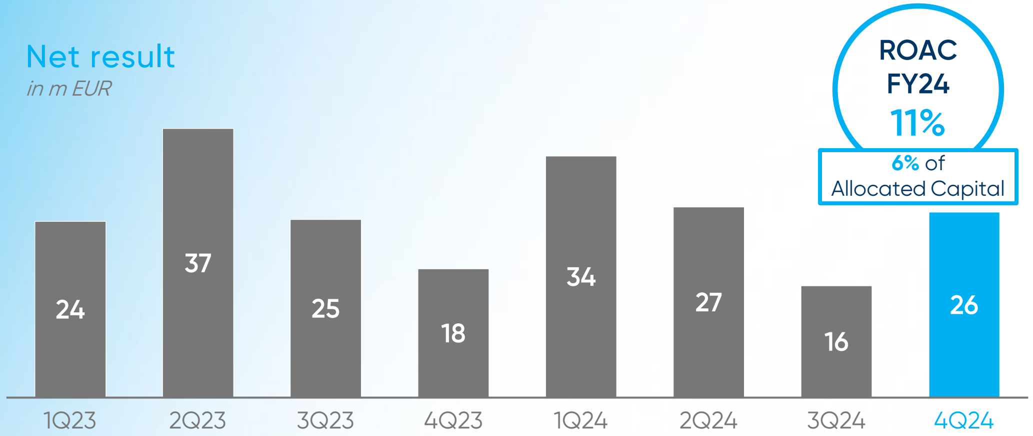
Assets under management

- 10.9bn EUR (+5% q-o-q and +20% y-o-y)

International markets BU (2) | Slovakia

Net result

in m EUR



Highlights (q-o-q)

- Higher net interest income due mainly to higher lending NII and lower wholesale funding costs
- Higher net fee & commission income driven mainly by higher payment-related fees and higher network income
- Stable non-life insurance sales and higher life insurance sales
- A combined ratio of 112% in FY24 (101% in FY23) due to higher MTPL claims (due to inflation)
- Higher operating expenses due mainly to higher ICT, facility and training expenses
- 4m EUR net impairment releases in 4Q24 (3m EUR impairment charges in 3Q24). Besides a 10m EUR net impairment reversal for geopolitical & macro-economic uncertainties, there were 7m EUR net loan loss impairment charges. Credit cost ratio of -0.14% in FY24 (-0.07% in FY23)

Volume trend

- Total customer loans rose by 2% q-o-q and by 3% y-o-y (the latter due mainly to good growth in mortgage loans)
- Total customer deposits rose by 2% q-o-q (due to growth in all segments) and by 3% y-o-y (due to growth in all segments, except corporates)

Organic volume trend

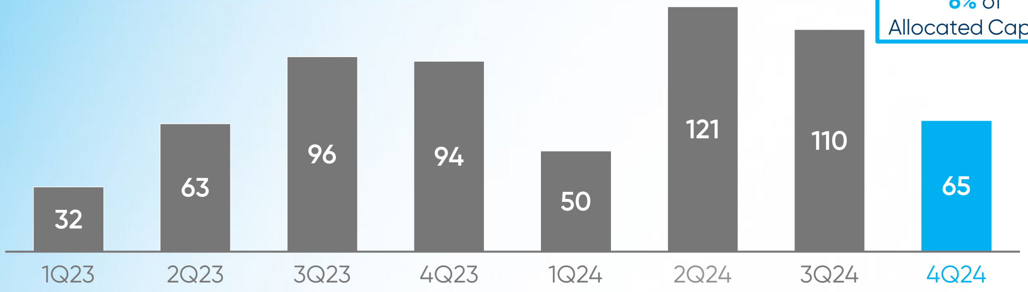
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	12bn	7bn	9bn
Growth q-o-q*	+2%	+2%	+2%
Growth y-o-y	+3%	+4%	+3%

* 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 FY24
44%
6% of Allocated Capital

Highlights (q-o-q)

- Higher net interest income excluding FX effect due mainly to higher commercial transformation result and slightly higher lending income, partly offset by lower ALM result
- Higher net fee and commission income driven mainly by higher fees from payment services and a +6m EUR positive FY24 correction from changed accounting approach on incentives paid regarding retail campaigns was entirely booked in 4Q24
- Lower FIFV & IFIE result (mainly a negative change in ALM derivatives)
- Lower net other income due mainly to a 28m EUR negative one-off as a result of a legal case
- Lower non-life insurance sales and stable life insurance sales
- A combined ratio of 100% in FY24 (105% in FY23) due mainly to windfall tax on insurance. Excluding this windfall tax, the combined ratio amounted to 91% in FY24 (97% in FY23)
- Higher operating expenses excluding FX effect and bank & insurance taxes due mainly to higher staff costs, ICT costs, seasonally higher professional fee expenses and higher depreciations (roll-out of Temenos). Bank & insurance taxes increased by 9m EUR qoq (as a result of government measures to tackle the budget deficit)
- 1m EUR net loan loss impairment charges in 4Q24 (versus 6m EUR net loan loss impairment reversals in 3Q24), as a 3m EUR net impairment reversal for geopolitical & macroeconomic uncertainties was offset by 4m EUR net loan loss impairment charges. Credit cost ratio of -0.27% in FY24 (-0.14% in FY23)
- 14m EUR impairment on 'other' (mainly software, besides 4m EUR modification losses related to the extension of the interest cap regulation)

Volume trend

- Total customer loans rose by:
  - 4% q-o-q, due mainly to good growth in corporates
  - 9% y-o-y, due to growth in all segments, except SMEs
- Total customer deposits rose by:
  - 4% q-o-q driven by growth in retail and SME deposits
  - 8% y-o-y due to growth in all segments

Organic volume trend

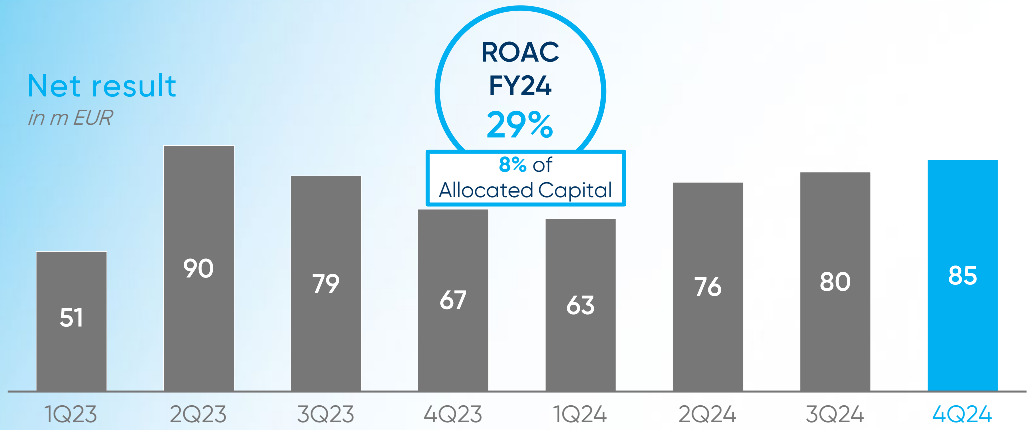
	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	7bn	2bn	10bn
Growth q-o-q*	+4%	+1%	+4%
Growth y-o-y	+9%	+15%	+8%

* 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

International markets BU (4) | Bulgaria

Net result

in m EUR



Highlights (q-o-q)

- Higher net interest income as higher lending income (despite pressure on loan margins in almost all segments), higher commercial transformation result (higher reinvestment yields and still limited pass-through) and lower costs on the minimum required reserves held with the central bank were only partly offset by lower ALM result and lower NII on term deposits. Note that a +9m EUR FY24 correction from a changed accounting approach on mortgage brokerage fees was entirely booked in 4Q24
- Higher net fee and commission income driven mainly by higher fees from credit & bank guarantees
- Higher non-life and life insurance sales
- An excellent combined ratio of 86% in FY24 (87% in FY23)
- Excluding bank & insurance taxes, operating expenses increased due mainly to higher staff costs, higher facility expenses, higher ICT costs (a.o. euro-adoption project) and higher marketing expenses
- 3m EUR net loan loss impairment charges (versus 7m EUR in 3Q24). Besides a 1m EUR net impairment charge for geopolitical & macroeconomic uncertainties, there were 2m EUR net loan loss impairment charges. Credit cost ratio of 0.14% in FY24 (0.00% in FY23)

Volume trend

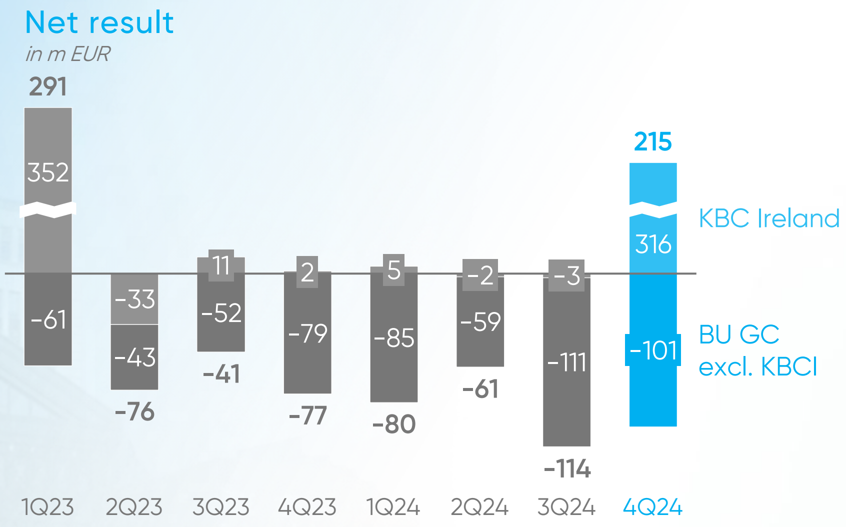
- Total customer loans rose by 6% q-o-q and by 15% y-o-y due to growth in all segments
- Total customer deposits rose by 4% q-o-q (due to growth in retail and corporate deposits, partly offset by lower SME deposits) and by 5% y-o-y (due to growth in retail deposits)

Organic volume trend

	Total loans**	o/w retail mortgages	Customer deposits***
Volume (EUR)	11bn	3bn	14bn
Growth q-o-q*	+6%	+6%	+4%
Growth y-o-y	+15%	+28%	+5%

* 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



- 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

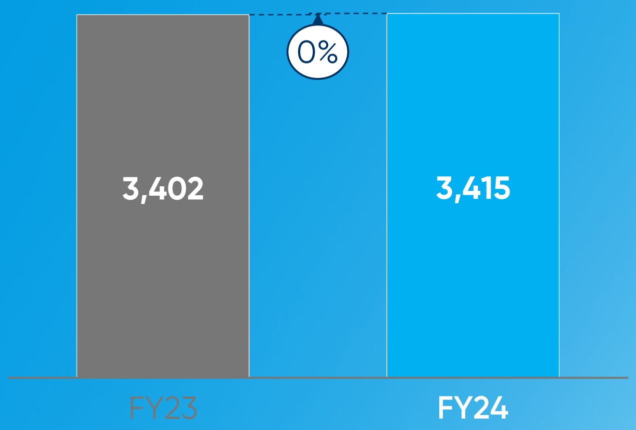
Highlights (q-o-q), excluding Ireland

- A tax benefit of 318m EUR was booked in 4Q24 as a result of the forthcoming liquidation of KBC Bank Ireland
- Excluding Ireland, the q-o-q less negative result of Group Centre was attributable mainly to:
  - Higher net interest income (due mainly to the impact of a matured swap linked to a matured Tier2 instrument and lower funding cost of participations)
  - Lower operating expenses excluding bank & insurance taxes
  - Lower insurance service expenses after reinsurance

  partly offset by
  - Higher net impairment charges

FY24 | Highlights

Net result
in m EUR



FY 24

Net result roughly stabilised at a high level (3,415m EUR in 2024 versus 3,402m EUR in 2023)

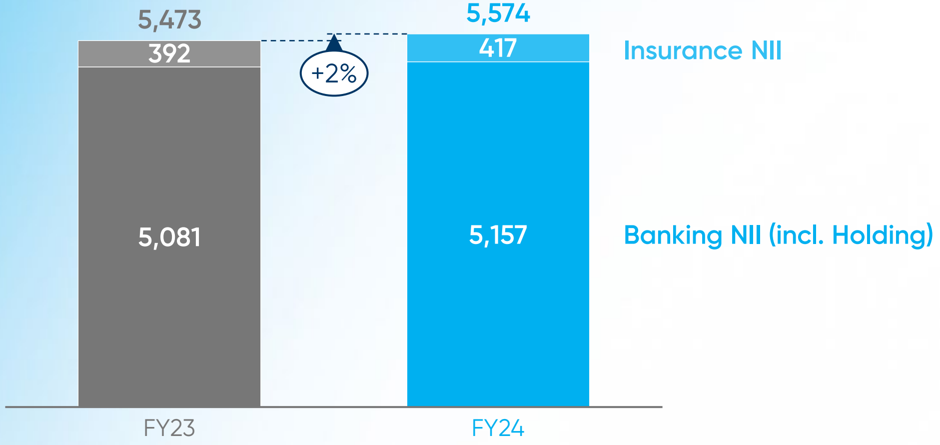
Excluding FX effect, net result increased by 2% y-o-y, mainly as a result of the following:

- **Revenues rose by 1% y-o-y excluding FX effect** as higher net interest income, sharply higher net fee and commission income, sharply higher insurance revenues (both life and non-life) was largely offset by sharply lower net other income (due mainly to +408m EUR one-off gain related to the Irish sale transactions in 2023) and lower net result from FIFV & IFIE
- **Operating expenses excluding bank & insurance taxes** rose by 1% y-o-y including FX effect and by 2% y-o-y excluding FX effect to 4.5bn EUR. **FY24 opex (excluding bank & insurance taxes) and insurance commissions** rose by 1.6% y-o-y, in line with guidance (below +1.7% y–o-y and substantially below inflation). Total bank & insurance taxes decreased from 687m EUR in FY23 to 623m EUR in FY24
- **Net impairment charges amounted to 248m EUR** (compared with 215m EUR in FY23). This was attributable chiefly to :
  - 333m EUR net loan loss impairment charges on lending book (of which 72m EUR lowering the backstop shortfall for old NPLs in Belgium)
  - A 134m EUR reversal of geopolitical & emerging risk buffer in FY24
  - Impairment of 49m EUR on 'other', mainly on software besides 9m EUR modification losses related to the extension of the interest cap regulation in Hungary

- In 2024, a **one-off tax benefit** of 318m EUR was booked as a result of the forthcoming liquidation of KBC Bank Ireland, besides a 79m EUR **one-off gain in 'share in results of associated companies & joint ventures'**

FY24 | Higher net interest income (better than guided) and NIM

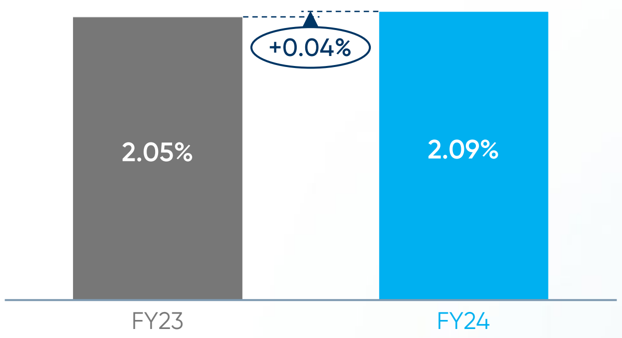
Net interest income
in m EUR



- **FY24 NII rose 2% y-o-y (+3% y-o-y excl. FX effect) to 5,574m EUR, above the guided 5.5bn EUR ballpark figure**, due mainly to :
  - Higher commercial transformation result
  - Higher ALM result
  - Loan volume growth

  partly offset by:
  - Loan margin pressure on the outstanding portfolio in some core countries
  - Higher costs on the minimum required reserves held with the central banks (-190m EUR in FY24 versus -126m EUR in FY23)
  - Higher wholesale funding costs
  - Lower NII on term deposits
  - Lower NII on inflation-linked bonds (23m EUR in FY24 versus 35m EUR in FY23)
  - Lower NII in Ireland (16m EUR in FY24 versus 64m EUR in FY23)
  - Lower short-term cash management
  - Lower dealing room NII
- Loan volumes increased organically by 5% y-o-y, while customer deposits excluding debt certificates and repos rose by 6% y-o-y

Net interest margin
in %



- **Increased by 4 bps y-o-y** for the reasons mentioned under Net interest income, partly offset by an increase in the interest-bearing assets (denominator)

Organic volume trend

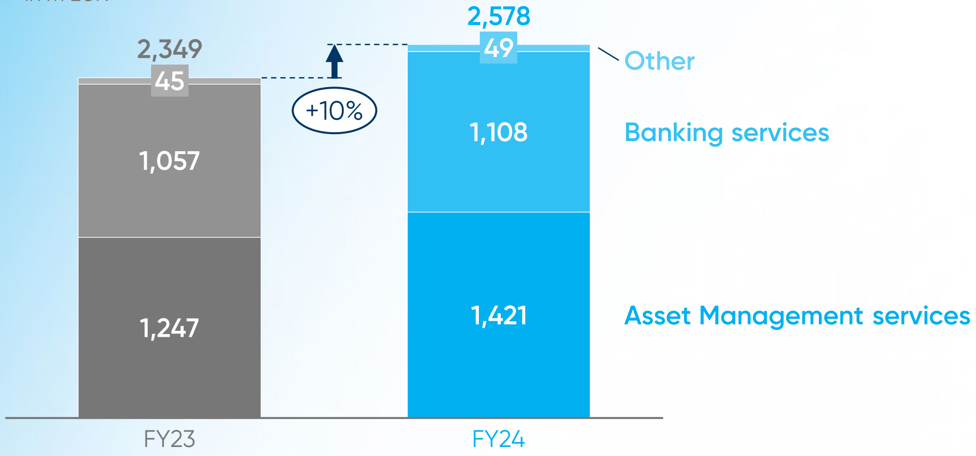
	Total loans*	o/w retail mortgages	Customer deposits**
Volume (EUR)	192bn	78bn	229bn
Growth y-o-y	+5%	+4%	+6%

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

FY24 | Higher net fee and commission income and higher AUM | Record-high net inflows in direct client money

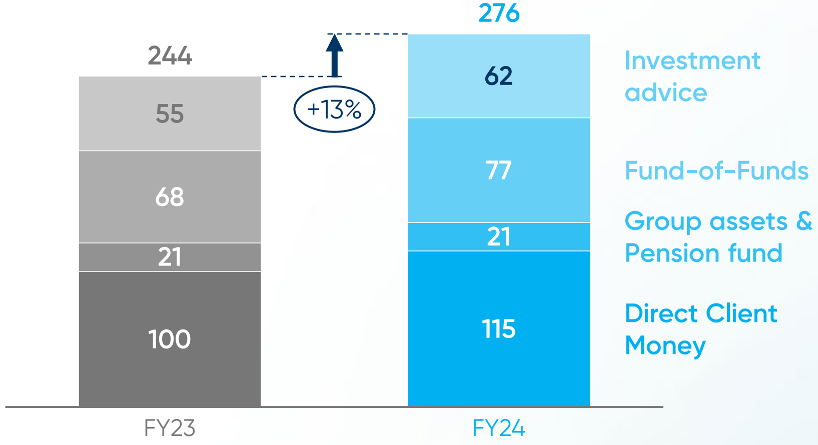
Net fee & commission income

in m EUR



Assets under management

in bn EUR



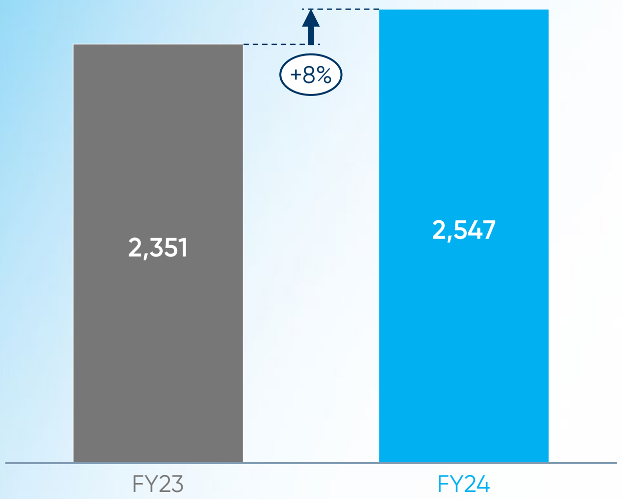
- **Net fee and commission income (2,578m EUR) increased by 10% y-o-y (+11% excl FX effect)**
  - Net F&C from Asset Management Services increased by 14% y-o-y driven mainly by higher management & entry fees
  - Net F&C income from banking services increased by 5% y-o-y driven mainly by higher fees from payment services, higher network income and higher securities-related fees

- **Increased by 13% y-o-y** due to net inflows (+3%) and a positive market performance (+10%)
- The mutual fund business has seen strong net inflows in FY24, both in higher-margin direct client money (**record-high 5.0bn EUR in FY24** versus 4.8bn EUR in FY23) as well as in lower-margin assets

FY24 | Non-life sales significantly up y-o-y

Non-life sales

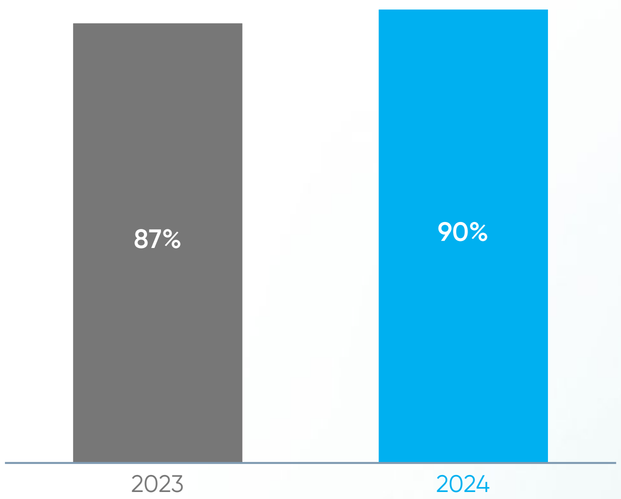
in m EUR



- **Up by 8% y-o-y (+10% y-o-y excluding FX effect)**, with growth in all countries and all classes, due to a combination of volume and tariff increases

Combined ratio (Non-life)

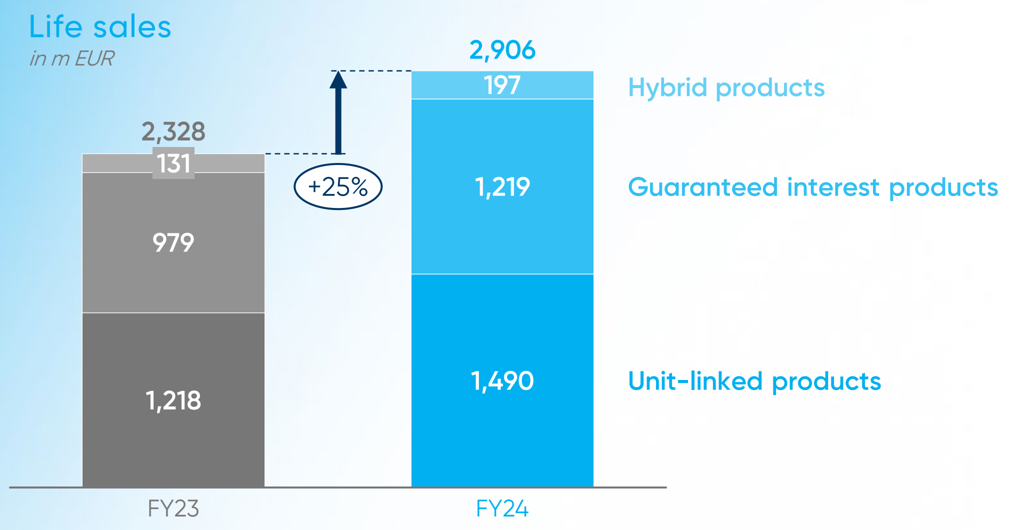
in %

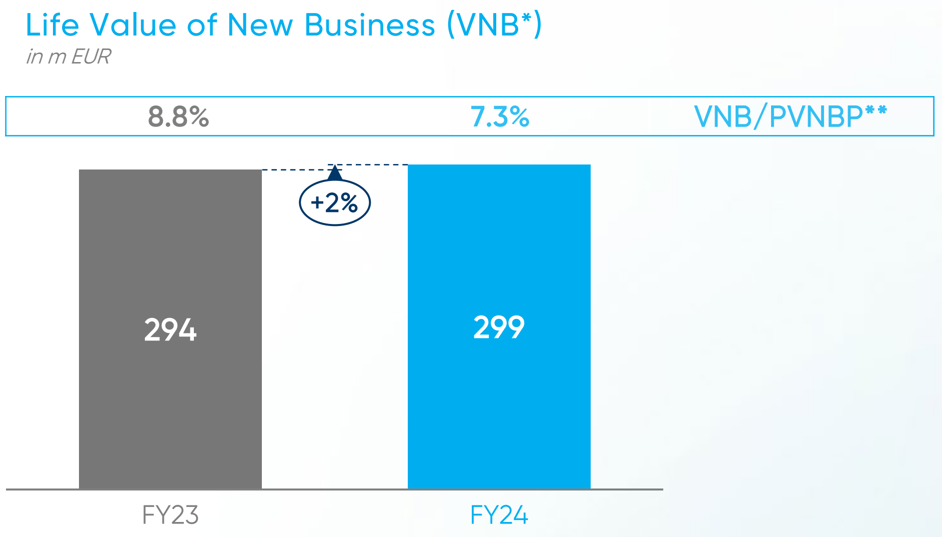


- **Non-life combined ratio for FY24 amounted to an excellent 90%** (87% in FY23)
  This is the result of:
  - 9% y-o-y earned premium growth in FY24
  - 17% y-o-y higher insurance service expenses before reinsurance due mainly to the very low level of claims in FY23 and the impact of storm Boris in CEE (mainly in the Czech Republic) and the sector wide update of claims inflation on bodily injury claims in Belgium
  - Higher net result from reinsurance contracts held (up by 73m EUR y-o-y)

Excluding the impact of storm Boris, the combined ratio amounted to 88% in FY24

FY24 | Life insurance sales significantly up y-o-y





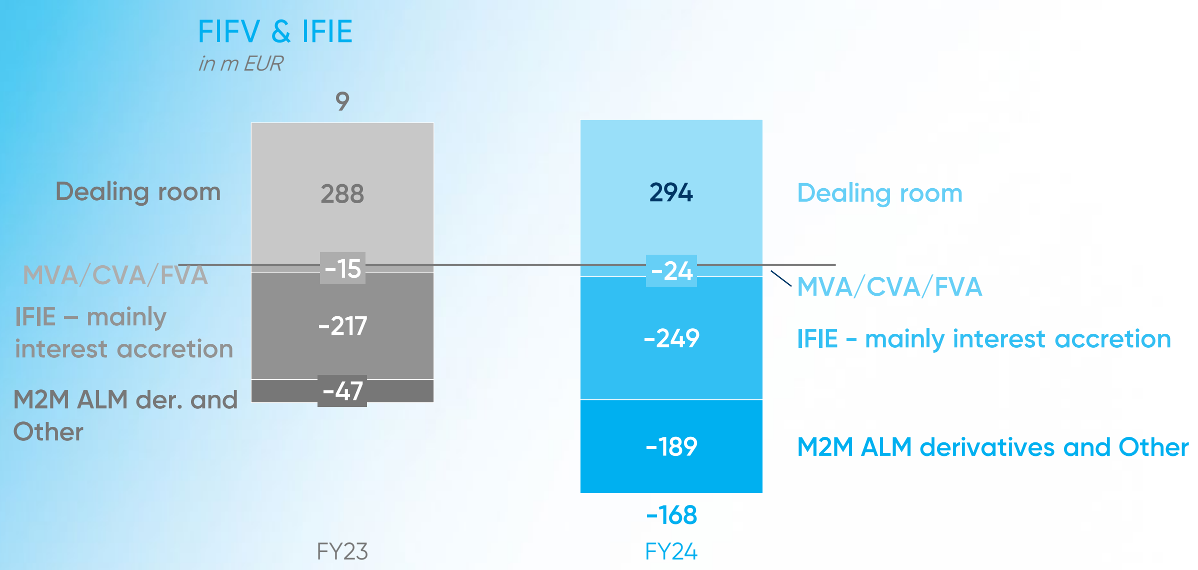
- **Life sales up by 25% y-o-y**
  - The 22% y-o-y increase in sales of unit-linked products was mainly the result of the successful launch of new structured funds in Belgium
  - Sales of guaranteed interest products increased by 25% y-o-y, due partly to inflows form maturing State Note in Belgium, supported by commercial actions
  - Sales of hybrid products even rose by 51% y-o-y
- Sales of unit-linked products accounted for 51% of total life insurance sales

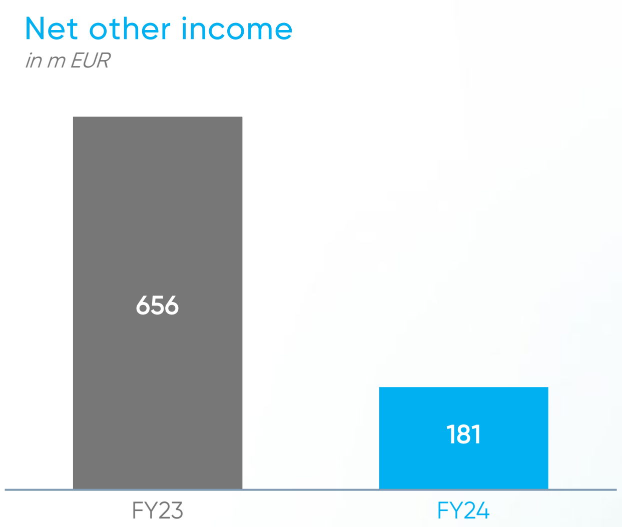
- **Value of New Business up by 2% y-o-y**
  - Slightly higher y-o-y mainly due to an increase in the Central-European entities, driven by higher new business volumes and a change in business mix (shift to more profitable products). This effect was partly offset by a decrease in Belgium, mainly driven by lower margins earned on guaranteed interest products (commercial action linked to the maturity of the Belgian State Note)
  - The VNB/PVNBP decreased to 7.3% mainly due to higher new business volumes in guaranteed interest rate products in Belgium, which have a lower margin earned driven by the commercial action and slightly reinforced by lower market interest rates.

* VNB = present value of all future profit attributable to the shareholders from new life insurance policies written during the year The VNB of KBC Group includes the expected future income generated by parties other than KBC Insurance, but within KBC Group (e.g. KBC Bank & KBC Asset Management) arising from the sales of life insurance business. In 2024, this income amounted to 149m EUR (compared with 129m EUR in 2023)

** VNB/PVNBP = VNB relative to the Present Value of New Business Premiums, reflecting the margin earned on these premiums.

FY24 | Sharply lower FIFV result and lower net other income





- **177m EUR lower y-o-y**, attributable mainly to:
  - Negative change in ALM derivatives and other
  - More negative IFIE (mainly interest accretion)
  - Slightly more negative credit, funding and market value adjustments

  partly offset by:

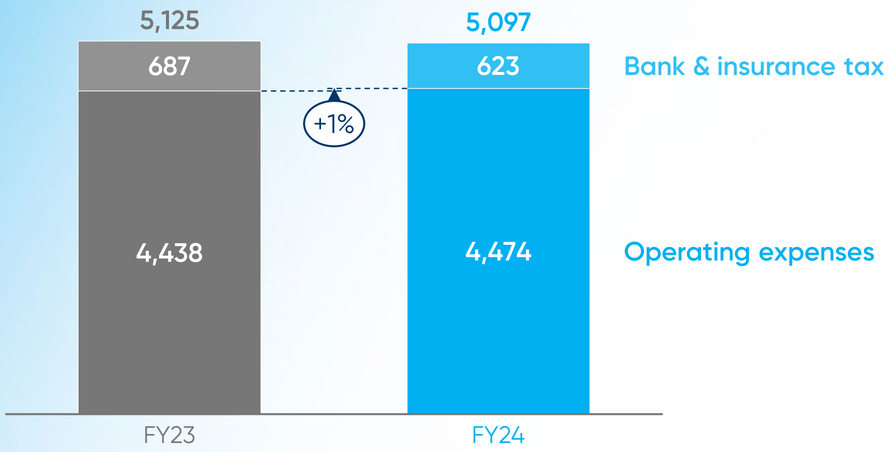
  - Slightly higher dealing room

- **Net Other Income decreased from 656m EUR in FY23 to 181m EUR in FY24 (which is only slightly lower than the normal run rate of roughly 200m EUR per year),** due mainly to:
  - A +408m EUR one-off gain related to the Irish sale transactions in 2023
  - A -28m EUR one-off in Hungary as a result of a legal case in 2024

FY24 | Costs in line with guidance

Operating expenses (including costs directly attributable to insurance)

in m EUR



Bank and insurance taxes

in m EUR

	FY24	FY23
BE BU	285	361
CZ BU	40	60
Hungary	245	238
Slovakia	34	4
Bulgaria	21	20
Group Centre	-1	4
Total	623	687

- **FY24 opex excluding bank & insurance taxes and including insurance commissions paid rose by 1.6% y-o-y to 4.86bn EUR, in line with our guidance (below +1.7% y–o-y), of which:**
  - +0.8% y-o-y to 4,474m EUR opex excluding bank & insurance taxes* (see below)
  - +12.6% y-o-y to 383m EUR insurance commissions paid
- **Operating expenses excluding bank & insurance taxes went up by 1% y-o-y (+2% y-o-y excluding FX effect)**
  - The y-o-y increase was due mainly to the higher staff expenses (mainly the impact of wage inflation, partly offset by lower FTEs), higher ICT costs, higher regulatory costs, higher marketing expenses and higher depreciations, partly offset by lower costs in Ireland, lower facility expenses and FX effect

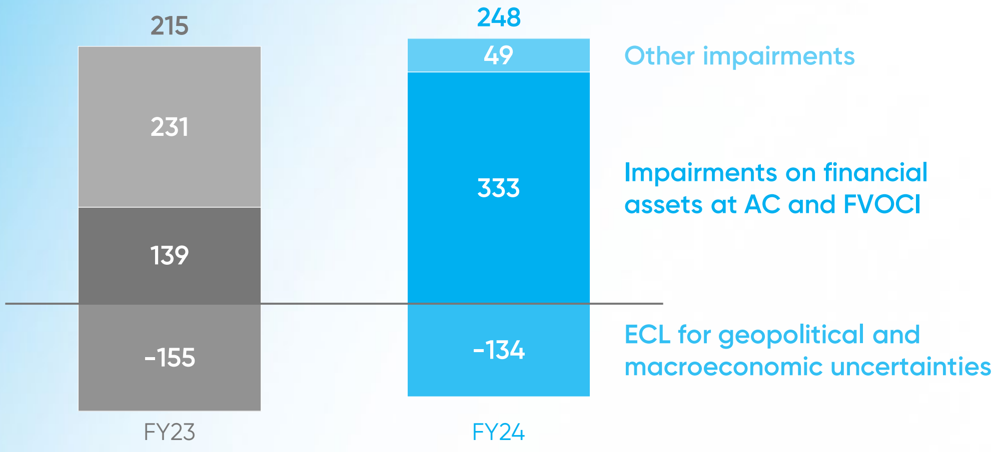
- **FY24 cost/income ratio**
  - 47% when excluding certain non-operating items** (49% in FY23)
  - 43% excluding all bank & insurance taxes (43% in FY23)
- Total **bank & insurance taxes** decreased by 9% y-o-y to 623m EUR in 2024 (687m EUR in 2023), due mainly to the lower Resolution Fund contribution

* Rose by 2.7% y-o-y when excluding Ireland (opex excl BIT for Ireland amounted to 107m EUR in FY23 and 25m EUR in FY24)
** See glossary for the exact definition

FY24 | Net loan loss impairment charges & excellent credit cost ratio

Asset impairment

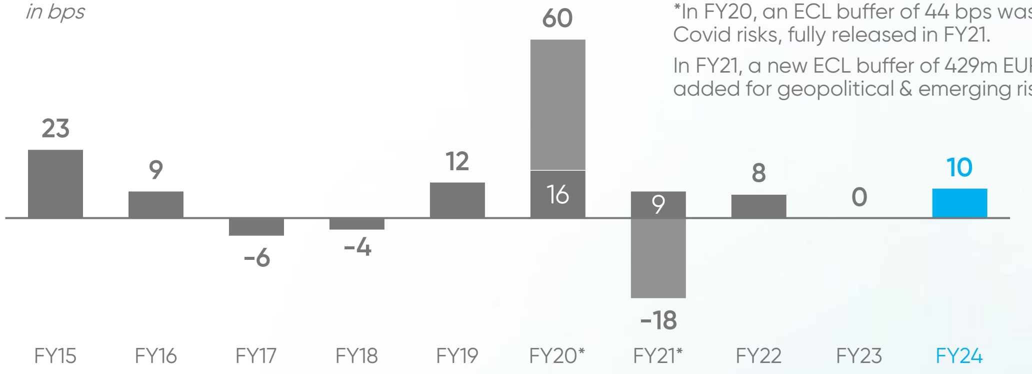
in m EUR; negative sign is a release



- **Net impairment charges amounted to 248m EUR (compared with 215m EUR in FY23)**; this was attributable chiefly to
  - 333m EUR net loan loss impairment charges on lending book (of which 72m EUR lowering the backstop shortfall for old NPLs in Belgium)
  - A 134m EUR reversal of ECL buffer for geopolitical & macroeconomic uncertainties
  - Impairment of 49m EUR on 'other', mainly on software besides 9m EUR modification losses related to the extension of the interest cap regulation in Hungary

Credit cost ratio

in bps



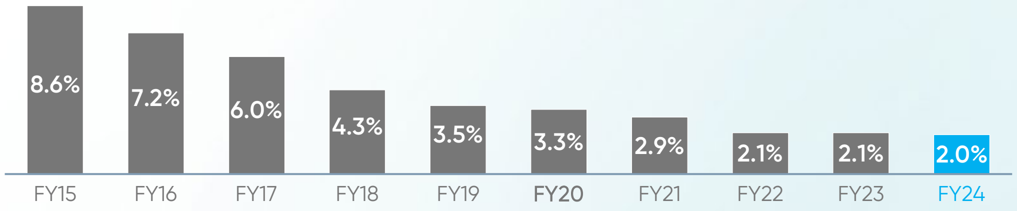
*In FY20, an ECL buffer of 44 bps was added re Covid risks, fully released in FY21.

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

- The **credit cost ratio in FY24** amounted to:
  - 16 bps (7 bps in FY23) without ECL for geopolitical & macroeconomic uncertainties
  - 10 bps (0 bps in FY23) with ECL for geopolitical & macroeconomic uncertainties

Impaired loans ratio

in %



- **The impaired loans ratio amounted to 2.0%** (1.0% of which over 90 days past due)

Company profile | KBC Group in a nutshell (1)

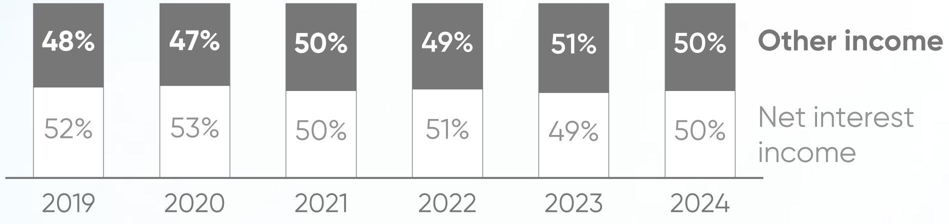
Diversified and strong business performance

- **geographically ...**
  - Mature markets (BE, CZ) combined with growth 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 efficiency gains 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)

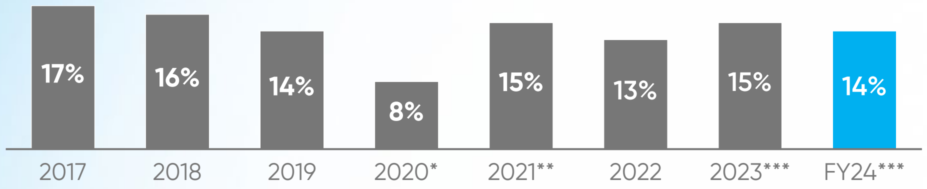
C/I ratio*
47% FY24
49% FY23

combined ratio
90% FY24
87% FY23

net result
3,415m FY24
3,402m FY23

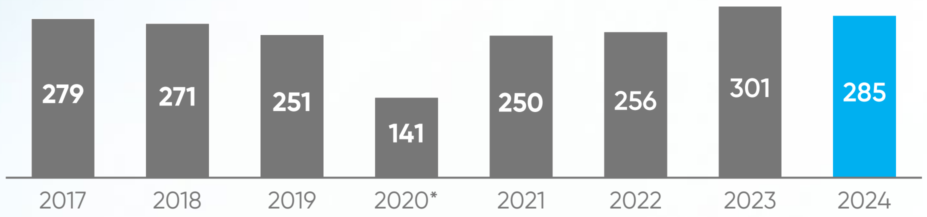
* Adjusted for specific items

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

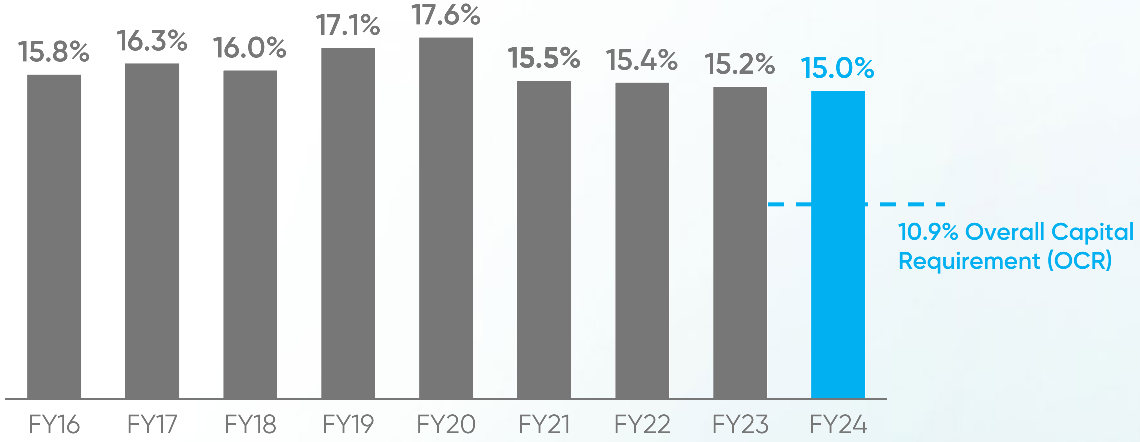
CET1 generation before any capital deployment
in bps



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

Solid capital position

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



Robust liquidity

NSFR
139% FY24
136% FY23

LCR
158% FY24
159% FY23

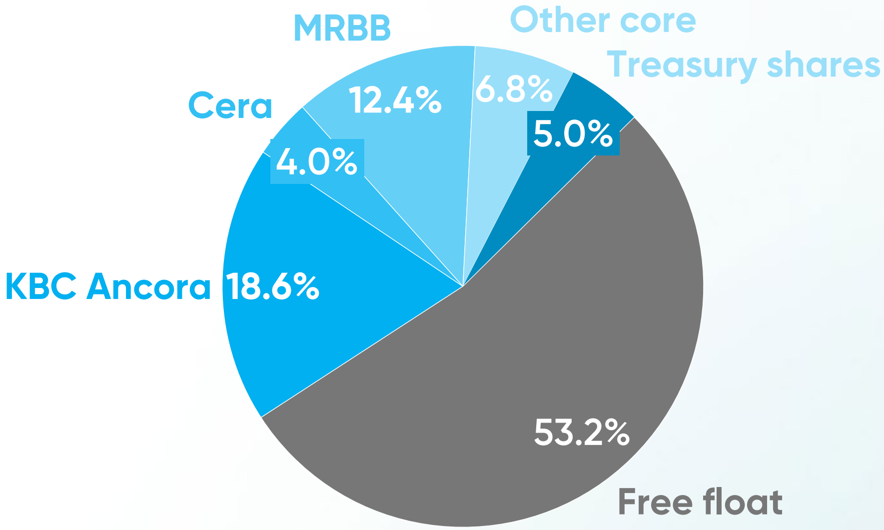
Company profile | KBC Group in a nutshell (3)

Dividend policy & capital distribution
(will be updated with 1Q25 results)

- 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 May 2025 (together with the 1Q25 results)**

Shareholder structure
(as at end 2024)



- Roughly **42% 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

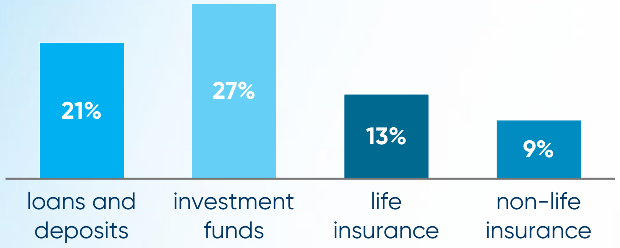
Company profile | Well-defined core markets

Belgium BU

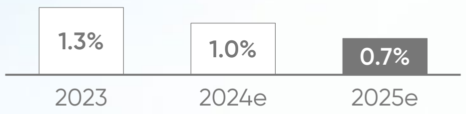
66% of assets
4.0m clients
429 branches

124bn EUR loans
146bn EUR deposits

Market share
in %, end 2024



GDP growth
in %, KBC Economics



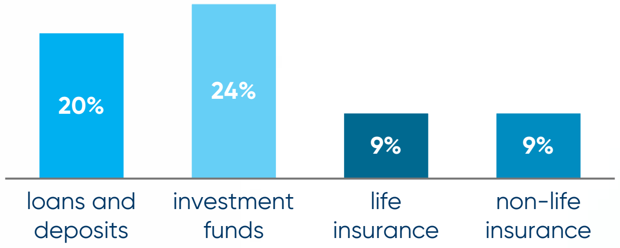
104% debt-to-GDP ratio

Czech Republic BU

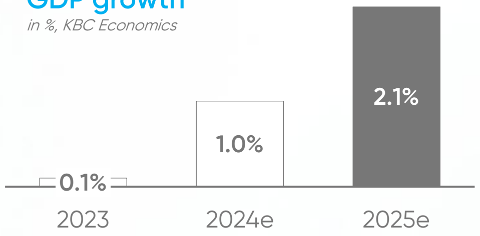
20% of assets
4.3m clients
198 branches

38bn EUR loans
51bn EUR deposits

Market share
in %, end 2024



GDP growth
in %, KBC Economics



43% debt-to-GDP ratio

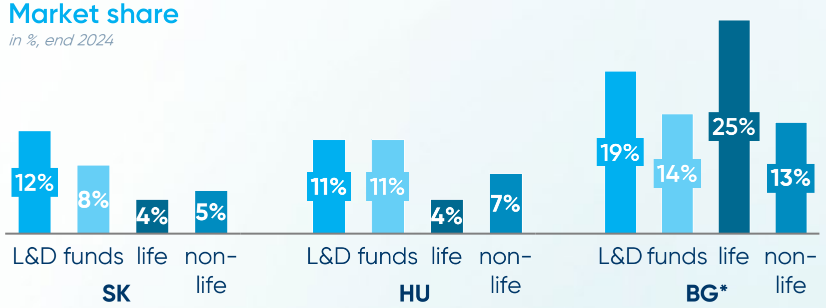
International Markets BU

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

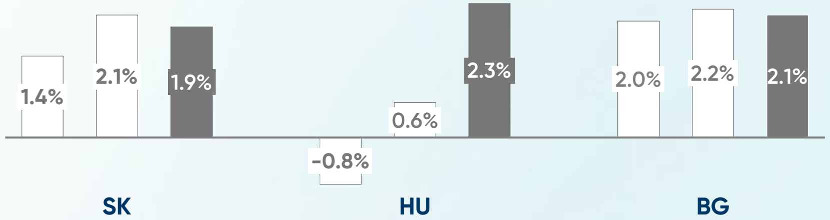
HU
4% of assets
1.6m clients
193 branches
7bn EUR loans
10bn EUR deposits

BG
5% of assets
2.2m clients
176 branches
11bn EUR loans
14bn EUR deposits

Market share
in %, end 2024

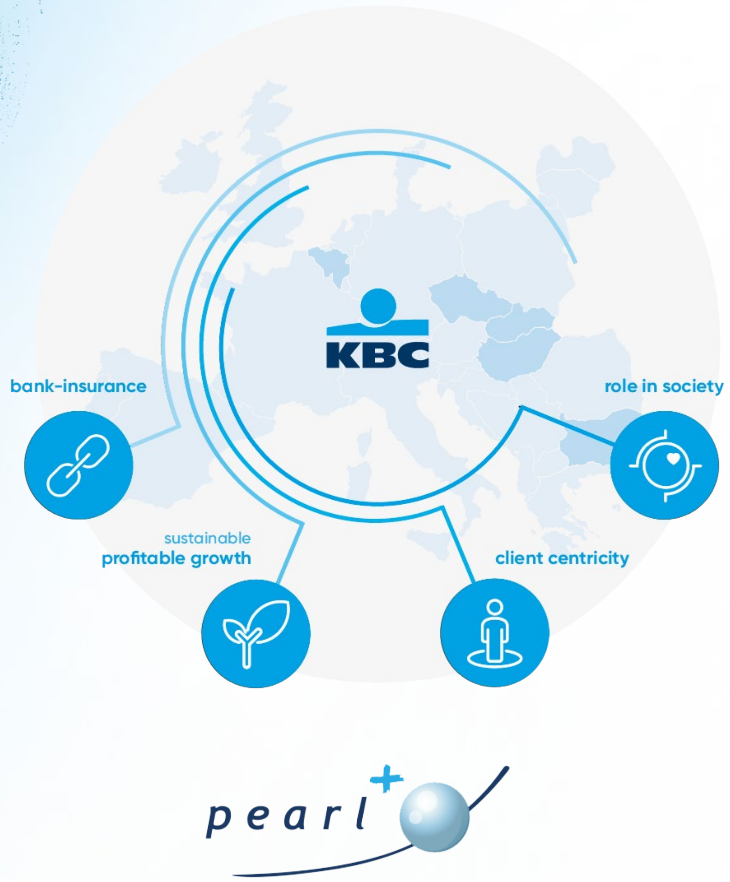


GDP growth
in %, KBC Economics



58% debt/GDP
74% debt/GDP
24% debt/GDP

Strategy | Differently: the next level

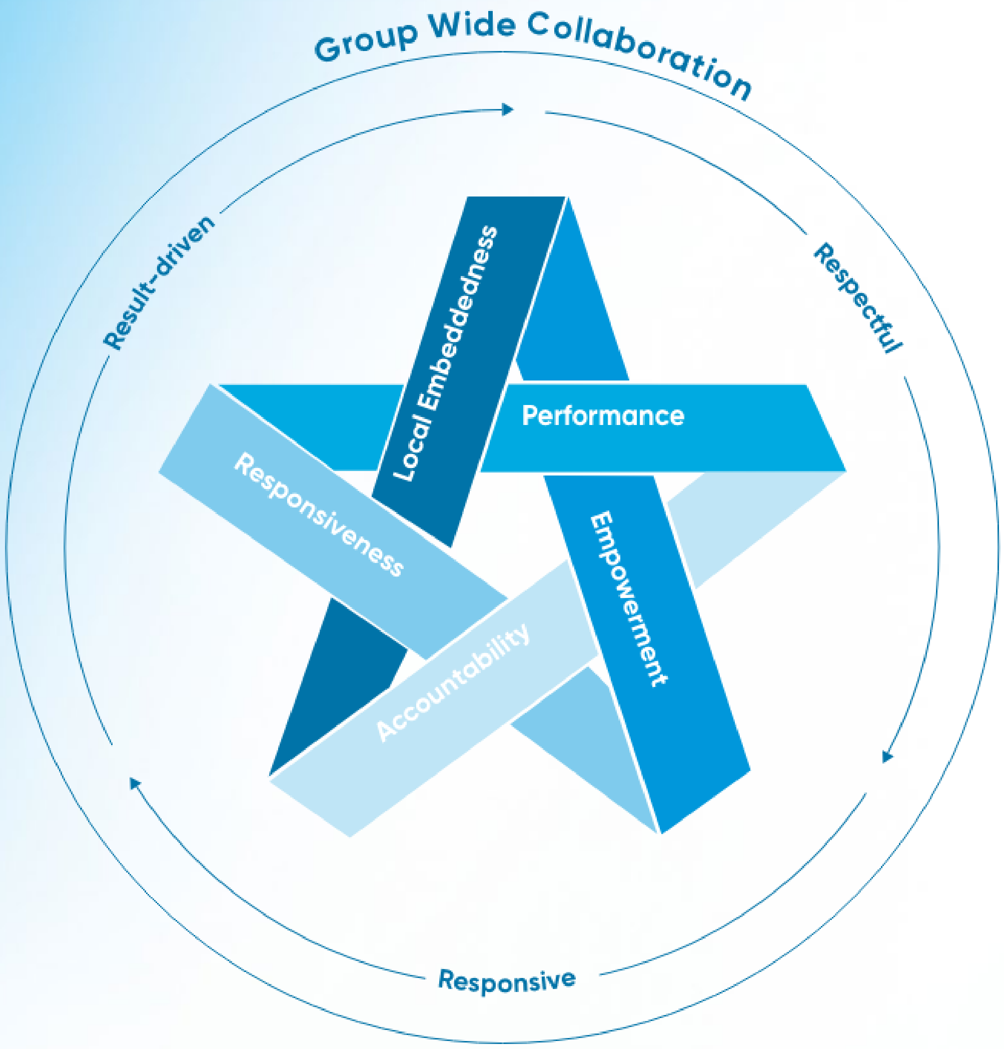


Our strategy rests on the following principles:

- 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

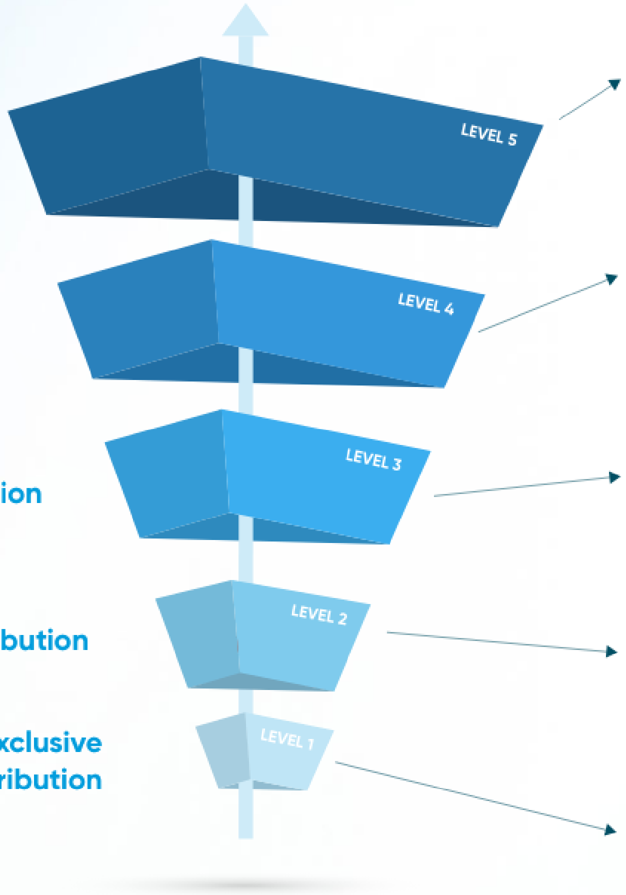


'Why would you build exactly the same thing in your country, when you have the solution next door?'

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

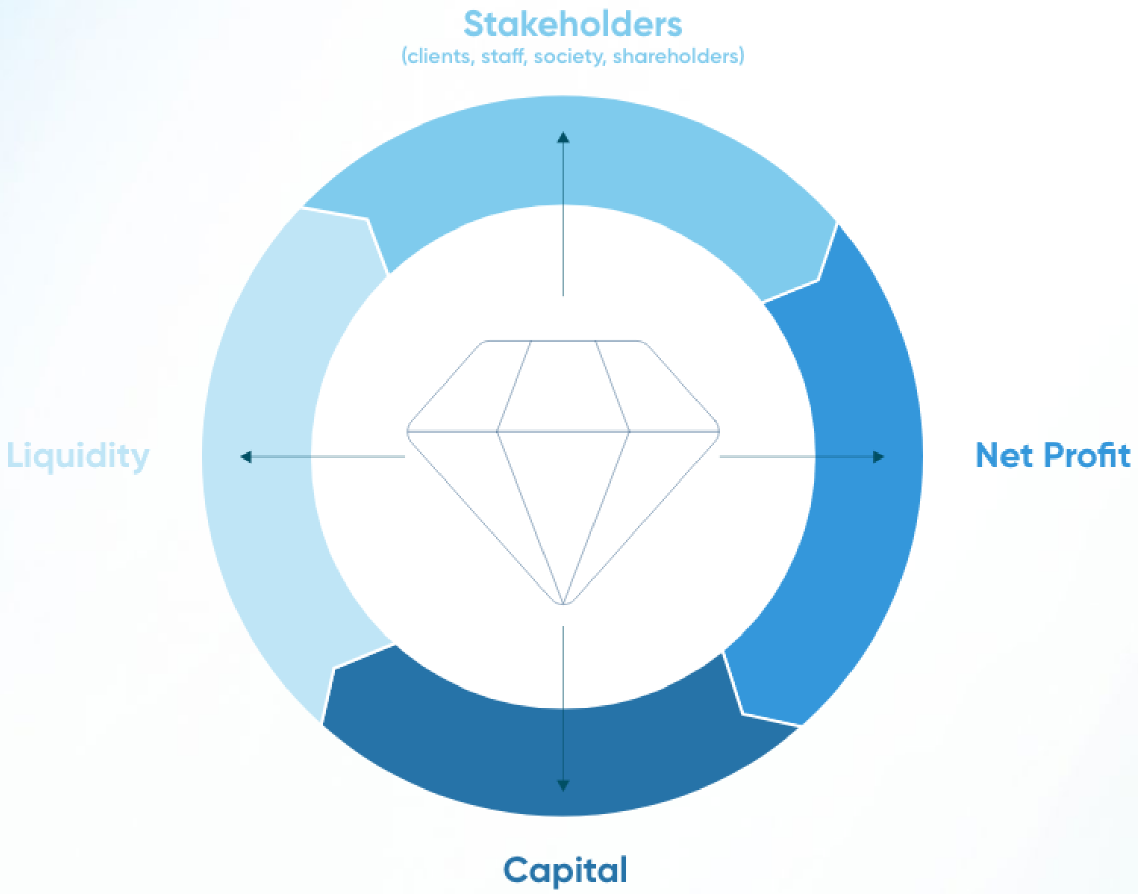
Bank branches sell insurance products from intra-group insurance companies as additional source of income

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
69% BE
71% CZ

5.3 million users in contact with Kate

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**.

'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.

312.7k converted Kate leads (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.

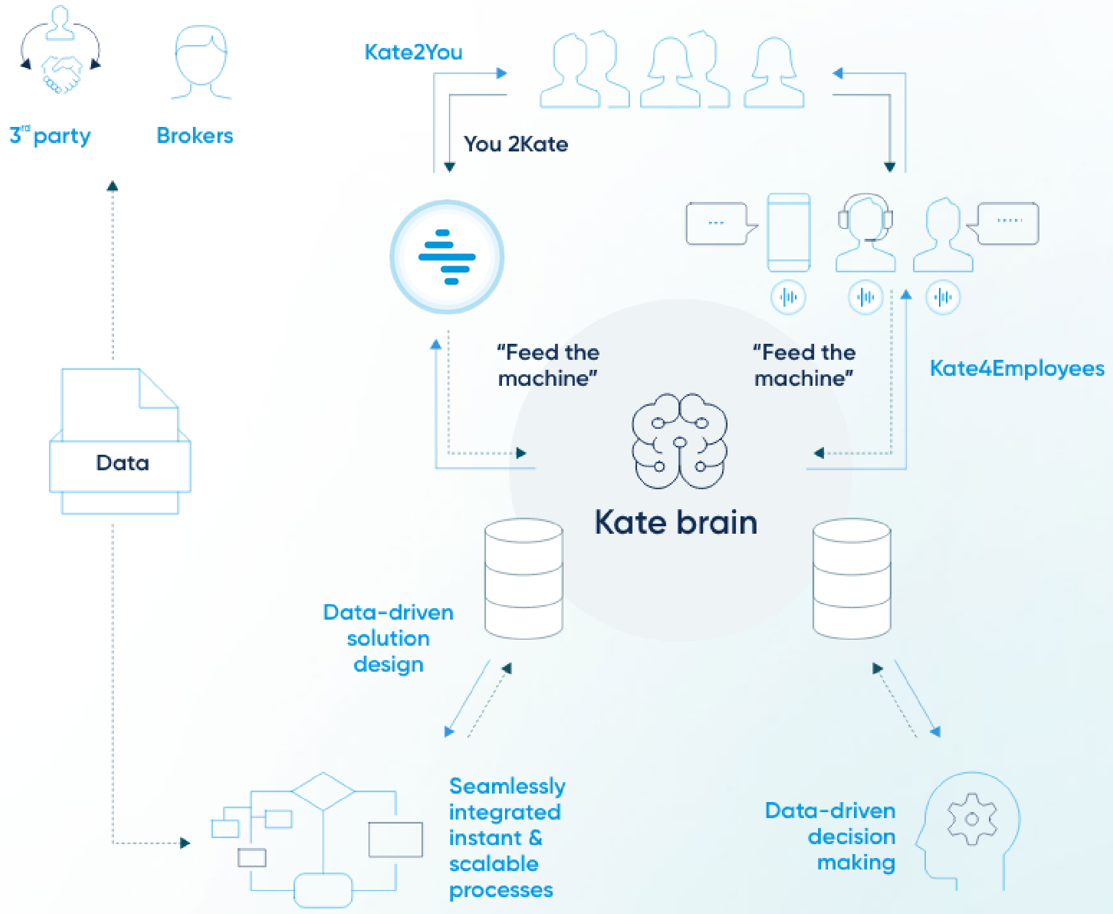
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by **providing relevant insights**.

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 bank-insurance needs

Strategy | Translating strategy into non-financial targets

Differently: THE NEXT LEVEL

KBC

- 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)

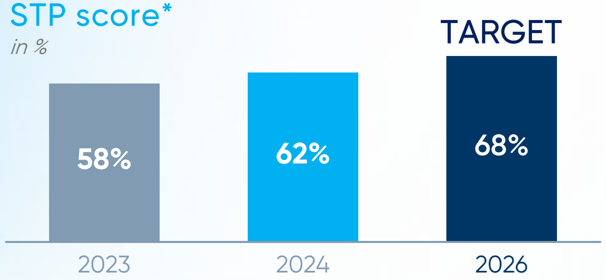
Customer ranking

- **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 %



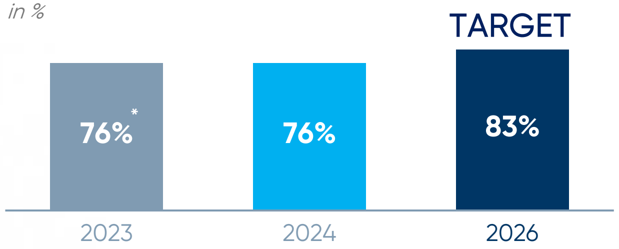
The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of all retail processes.

Bank-insurance (BI) clients

BI clients

in %

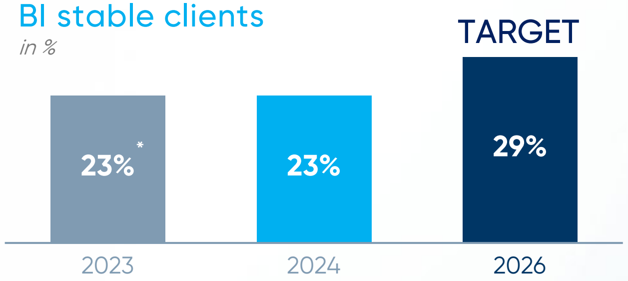


BI customers have at least 1 bank + 1 insurance product of our group.

* Slightly changed due to allignment of definitions

BI stable clients

in %



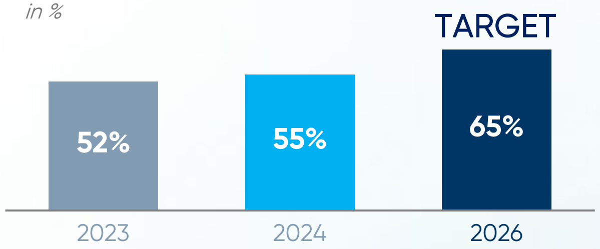
Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

* Slightly changed due to allignment of definitions

Digital sales

Digital sales banking products*

in %

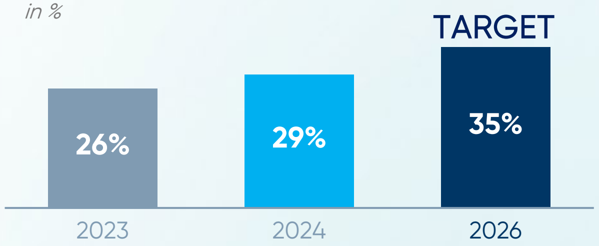


Target: Digital sales 65% of **banking sales**

* 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 end-of-year 2024	Position versus industry average
CDP DISCLOSURE INSIGHT ACTION	D- … A A	• Leader in addressing climate change • CDP's A list • Financial average service B-
SUSTAINALYTICS	Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk 10.9	• 3rd percentile of 262 diversified banks assessed *[Last Full Update Nove 29, 2024]*
S&P Dow Jones Indices A Division of S&P Global	0 … 100 67	• Top 8% • 92nd percentile of 669 banks assessed
MSCI	C, B, BB, BBB, A, AA, AAA AAA	• Leader among 482 banks assessed
Corporate ESG Performance RATED BY ISS ESG Prime	D-, D, D+, C-, C, C+, ... C+ prime)	• 1st decile rank of 314 Commercial Banks & Capital Markets assessed
FTSE4Good	0, 1, 2, 3, 4, 5 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

51bn EUR Responsible Investing funds in FY24
or 44% 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

Note: Sustainability highlights in 2023, unless otherwise indicated
On 31 March 2025 we will release our Sustainability Report of 2024, including the progress on our targets

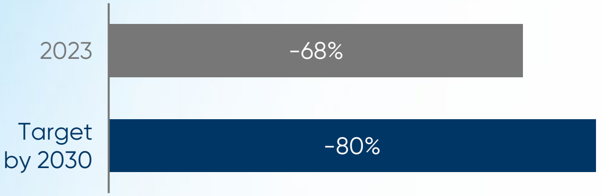
Direct environmental impact: our progress in brief

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

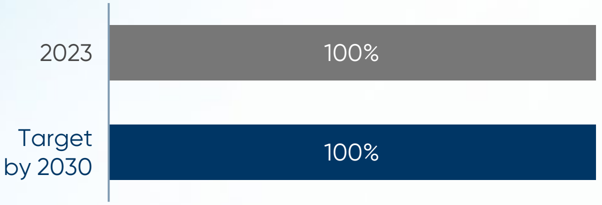
Reduction in our direct GHG emissions

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

Note: On 31 March 2025 we will release our Sustainability Report of 2024, including the progress on our targets

Indirect environmental impact: our progress in brief

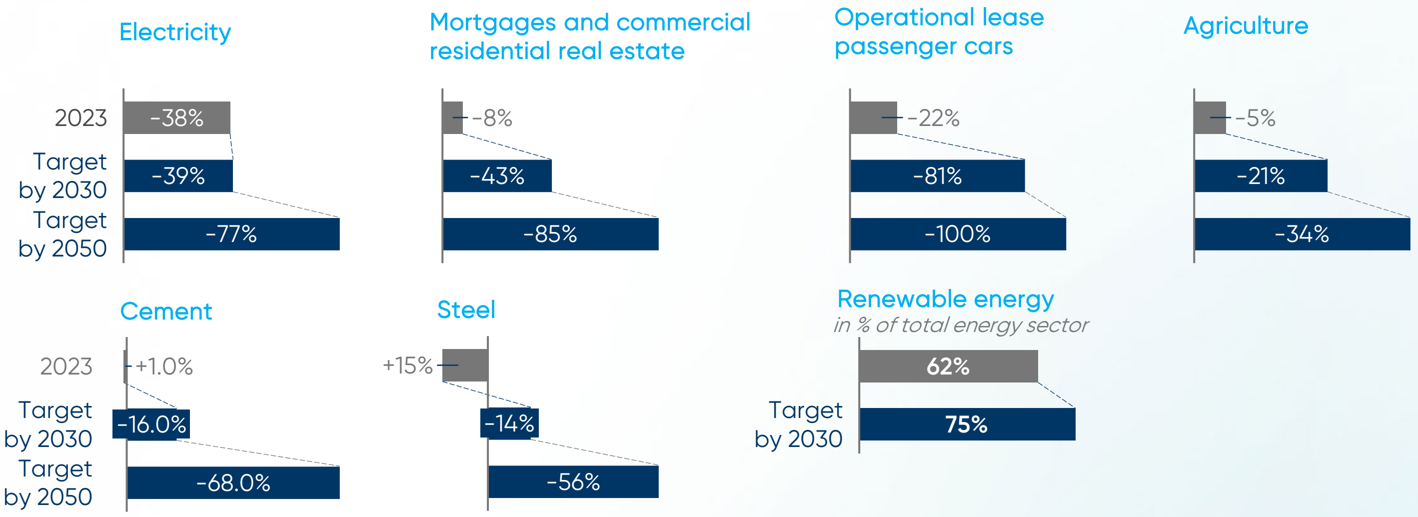
INDIRECT environmental footprint (FY 2023)

- 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

Note: on 31 March 2025 we will release our Sustainability Report of 2024, including the progress on our targets

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

	FY24	FY23	FY22	FY21	FY20	FY19	FY18	AVERAGE '99 –'24
Belgium BU	0.19%	0.06%	0.03%	-0.26%	0.57%	0.22%	0.09%	n/a
Czech Republic BU	-0.09%	-0.18%	0.13%	-0.42%	0.67%	0.04%	0.03%	n/a
International Markets BU*	-0.08%	-0.06%	0.31%	0.36%	0.78%	-0.07%	-0.46%	n/a
Total	0.10%	0.00%	0.08%	-0.18%	0.60%	0.12%	-0.04%	0.36%

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

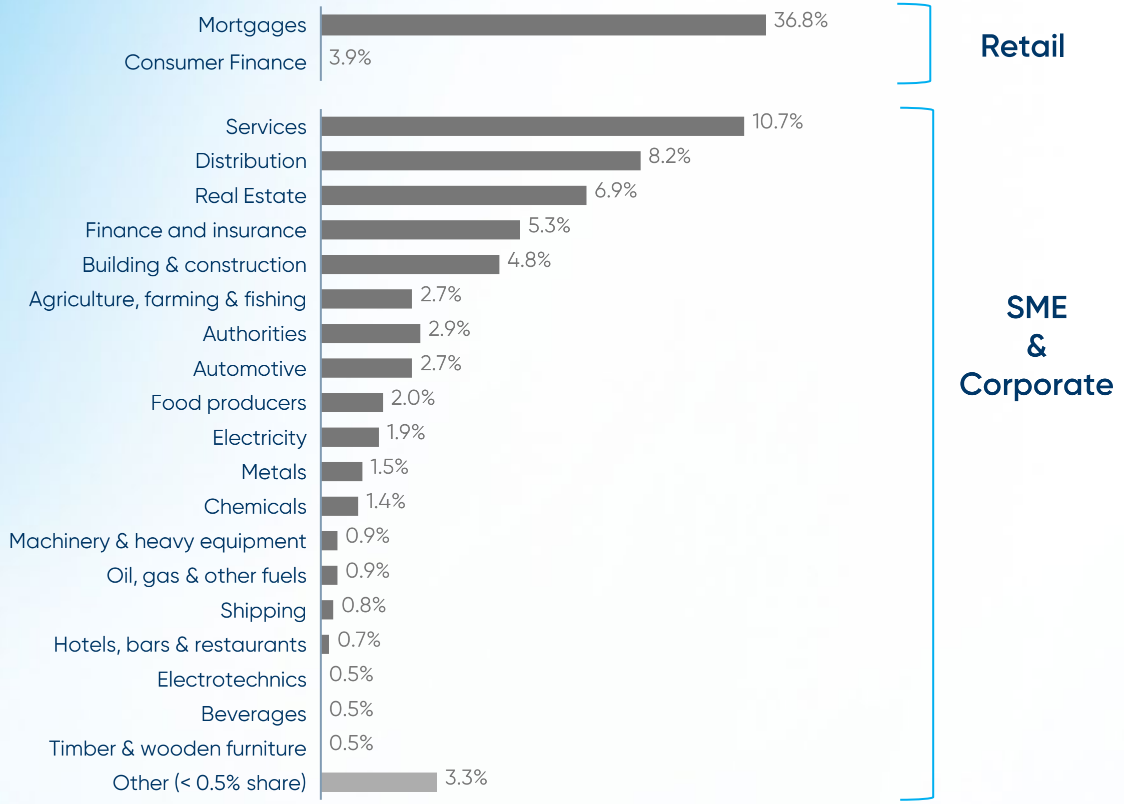
Diversified loan portfolio

Total loan portfolio outstanding

Total loan portfolio outstanding
211bn EUR*
Group level

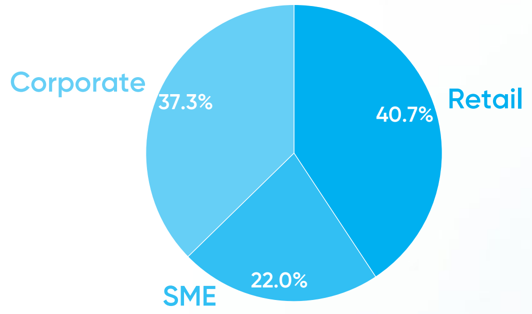
Total loan portfolio outstanding | by sector

*as % of total Group loan portfolio outstanding**



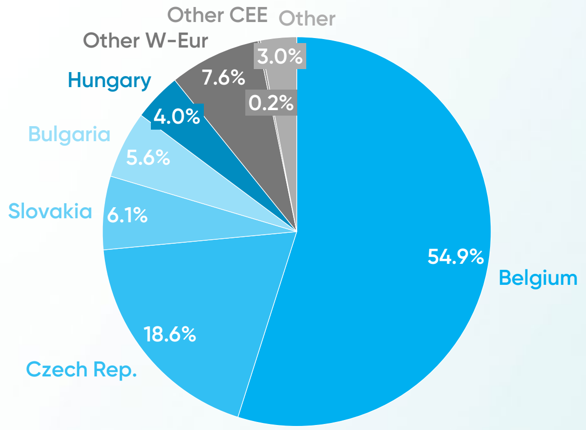
Total loan portfolio outstanding | by segment

*as % of total Group loan portfolio outstanding**



Total loan portfolio outstanding | by geography

*as % of total Group loan portfolio outstanding**

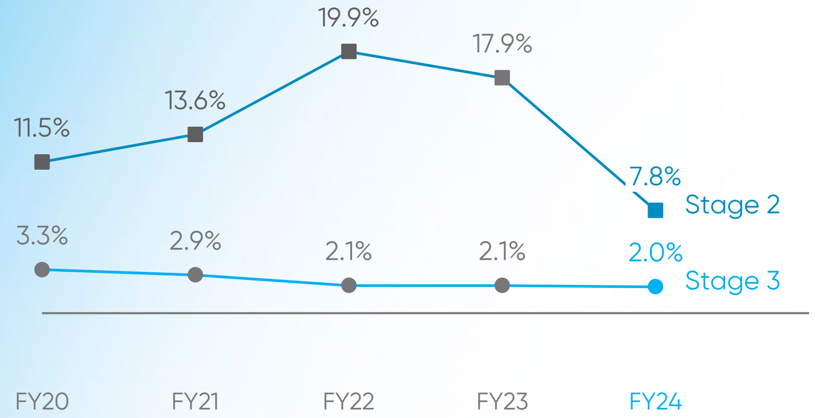


- Aligned with the credit risk view of our loan portfolio outstanding as reported in the quarterly financial statements.

Loan portfolio breakdown by IFRS 9 ECL stage

Total loan portfolio outstanding | by IFRS9 ECL Stage*

as % of total Group loan portfolio outstanding

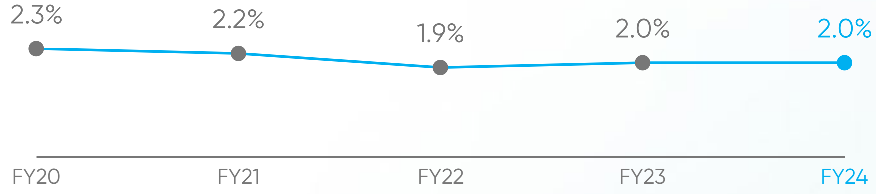


- Drop of **Stage 3 ratio over the years** is driven mainly by the sale of the Irish loan portfolio
- The **increase of Stage 2 portfolio in 2022** resulted mainly from collective transfer to Stage 2 of Stage 1 portfolios, linked to the geopolitical and macroeconomic uncertainties (in line with strict 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 **decrease of the Stage 2 ratio in 2024** is mainly caused by a revised staging methodology as from January 2024 (change from indicator based on 12 months probability of default to lifetime), a continuous update of staging for credits deemed vulnerable (to the geopolitical and macroeconomic uncertainties or indirectly exposed to military conflicts, such as the one in Ukraine) and for the remainder by a shift for KBC Commercial Finance exposure where 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

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

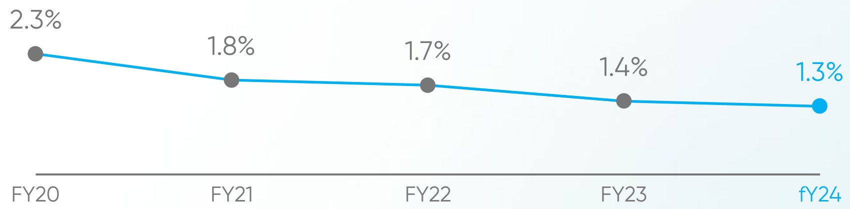
Stage 3 ratio | Belgium BU

in %



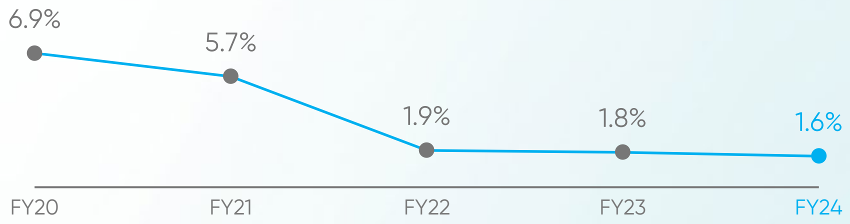
Stage 3 ratio | Czech Republic BU

in %



Stage 3 ratio | International Markets BU

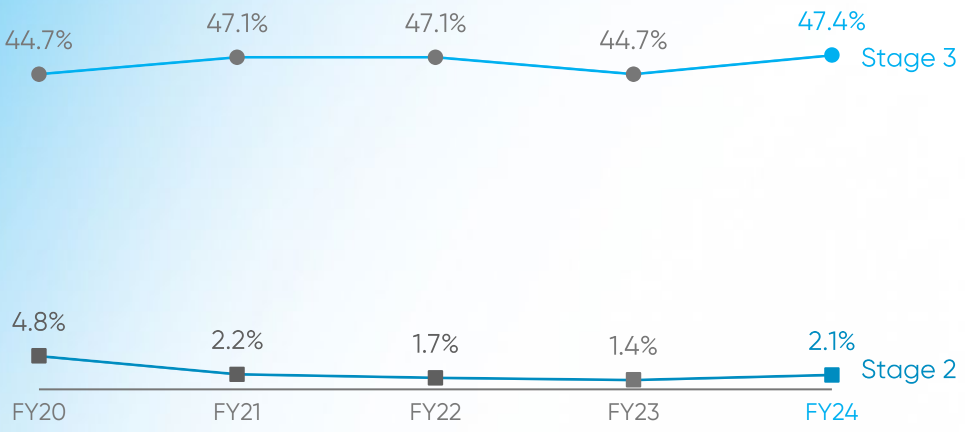
in %



Cover ratios

Cover ratio | by IFRS9 ECL Stage*

in %

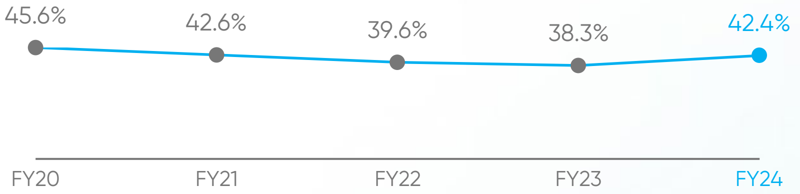


- The increasing trend of the **Stage 3 cover ratio is** driven mainly by additional provisions lowering the backstop shortfall for old non-performing loans in Belgium. Furthermore, for International Markets there were additional provisions on existing Stage 3 files, partly compensated by a release of provisions in 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) with on average better PD rating than the files already part of Stage 2.
  As of 2024, driven by the revised staging methodology and the continuous update of the stage transfer for credits deemed vulnerable (to the geopolitical and macroeconomic uncertainties or indirectly exposed to military conflicts, such as the one in Ukraine) the Stage 2 cover ratio has gone up. This is explained by the fact that the files remaining in Stage 2 have on average higher PD ratings and therefore higher impairments

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

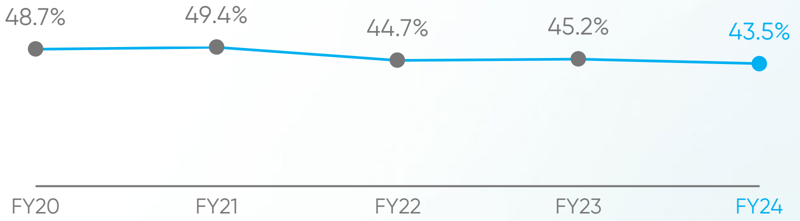
Stage 3 cover ratio | Belgium BU

in %



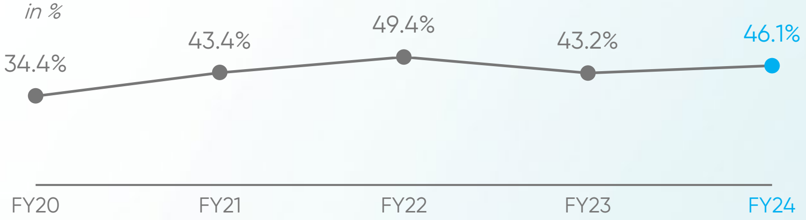
Stage 3 cover ratio | Czech Republic BU

in %



Stage 3 cover ratio | International Markets BU

in %

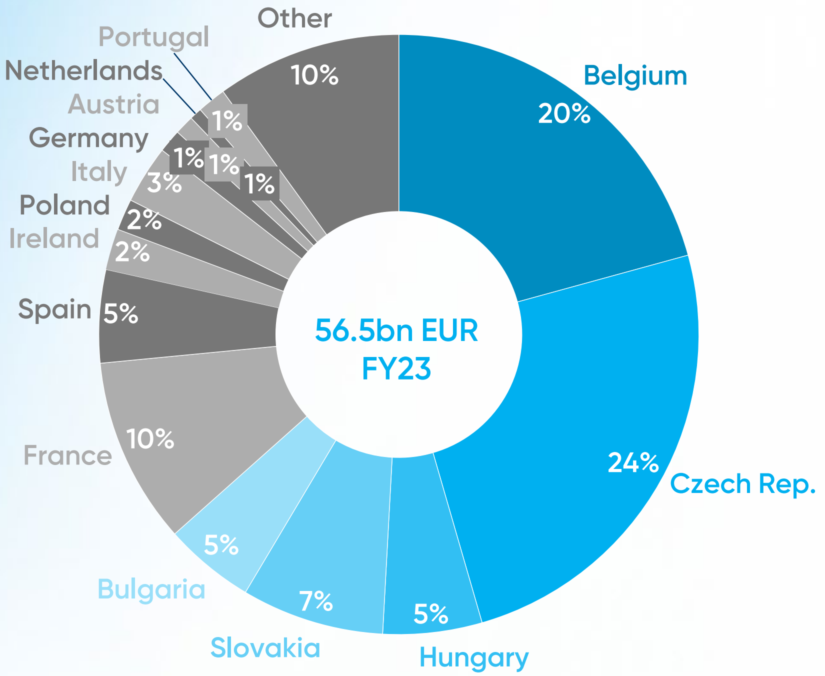


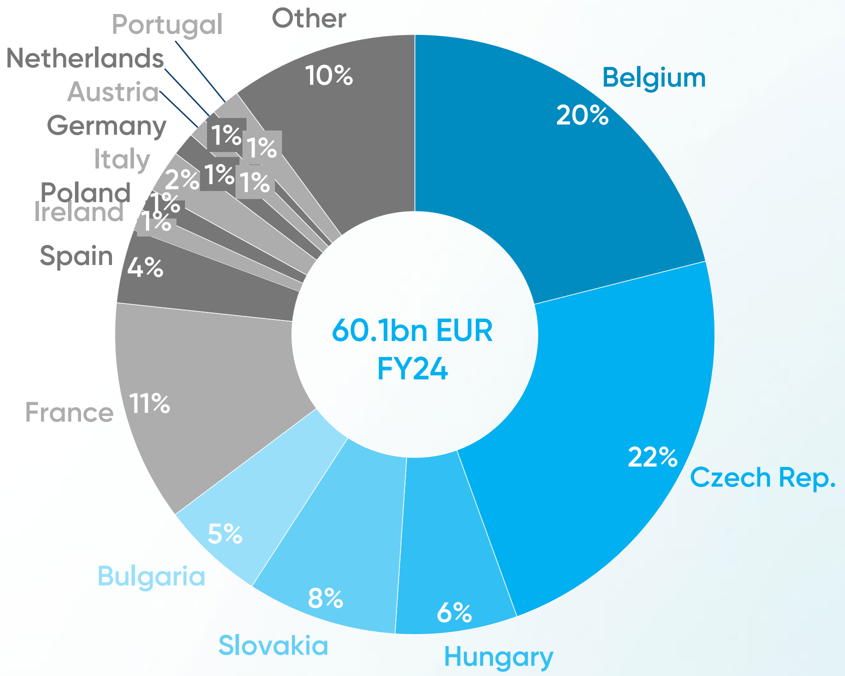
Substantial and well-diversified government bond portfolio

- **Carrying value of 60.1bn EUR in government bonds** (excl. trading book) at end of FY24, 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 4.7bn EUR** at the end of FY24

Government bond portfolio | Carrying value* FY23/FY24

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

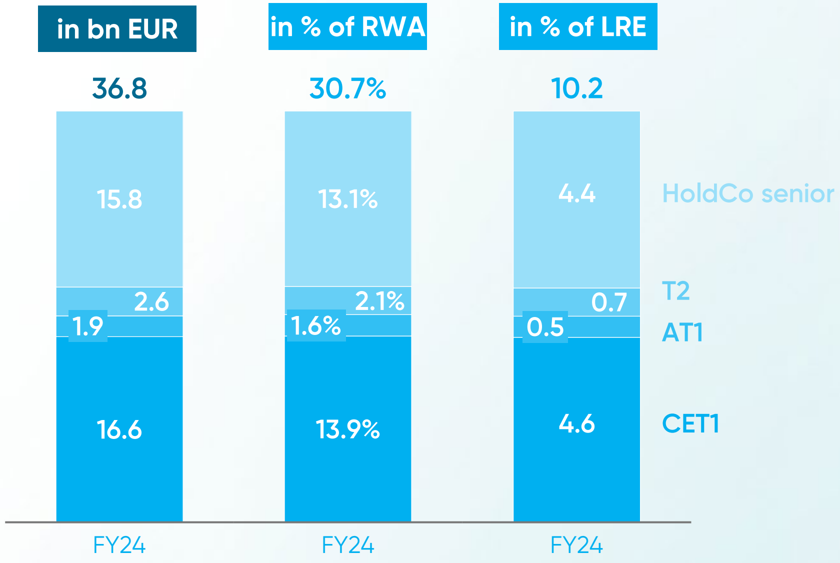
MREL targets

- 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:
  - **28.48% of RWA** (including transitional CBR* of 5.25%)
  - **7.42% of LRE**

- Combined Buffer Requirement = Conservation Buffer (2.50%) + O-SII buffer (1.50%) + Countercyclical Buffer (1.12%) + Systemic Risk Buffer (0.14%)

MREL actuals

- The **MREL ratio in % of RWA** decreased from 31.3% in 3Q24 to 30.7% in 4Q24, driven mainly by increased RWA, partly offset by higher available MREL instruments
- **The MREL ratio in % of LRE** decreased from 10.7% in 3Q24 to 10.2% in 4Q24, due to increased leverage exposure (driven by a large increase of cash & cash balances with central banks and an increase of customer loans)

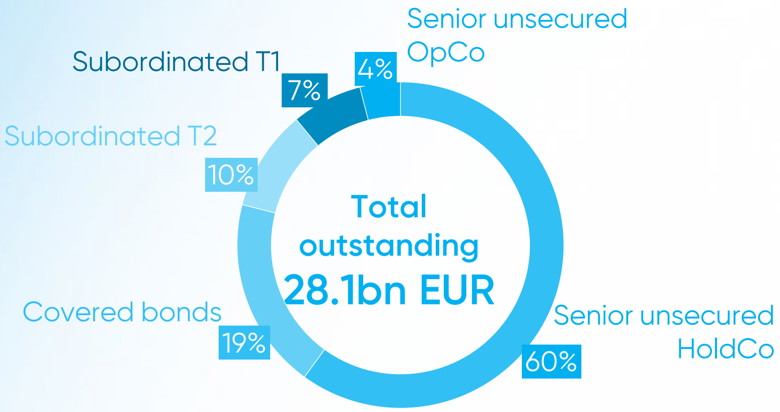


Upcoming mid-term funding maturities

Total outstanding | FY24

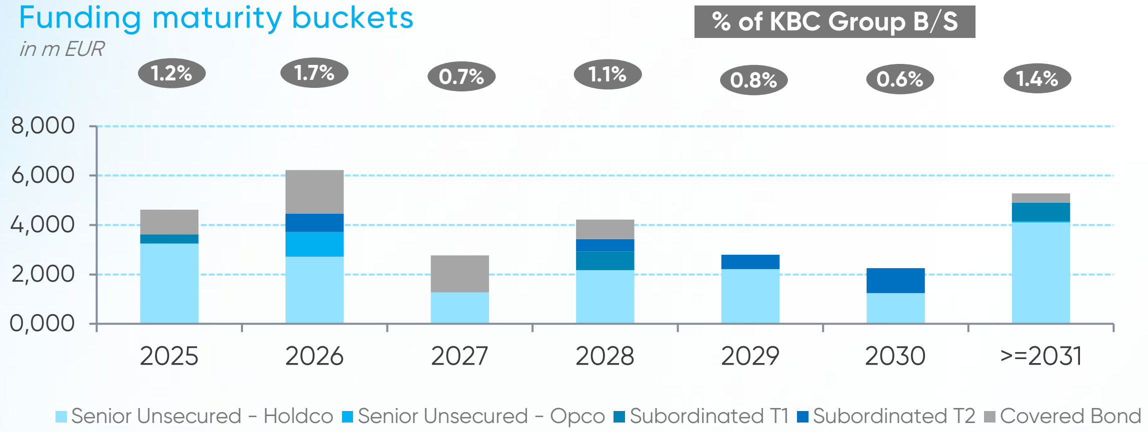
in %

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

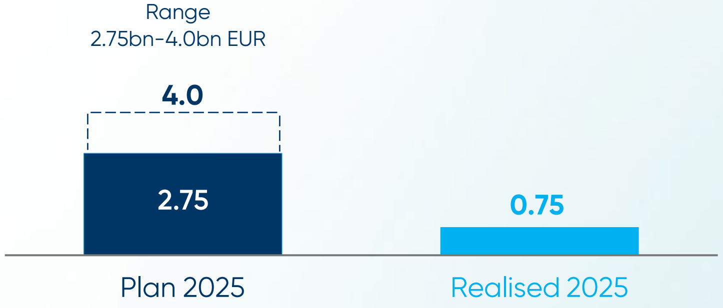


Recent deals

- In **October 2024**, KBC Group issued a Senior HoldCo benchmark for an amount of 1.25bn USD with a 6-year maturity callable after 5 years
- In **January 2025**, KBC Group issued a Senior HoldCo benchmark for an amount of 750m EUR with a 7-year maturity callable after 6 years

Funding program for 2025 | Expected MREL funding (incl. capital instruments)

in bn EUR

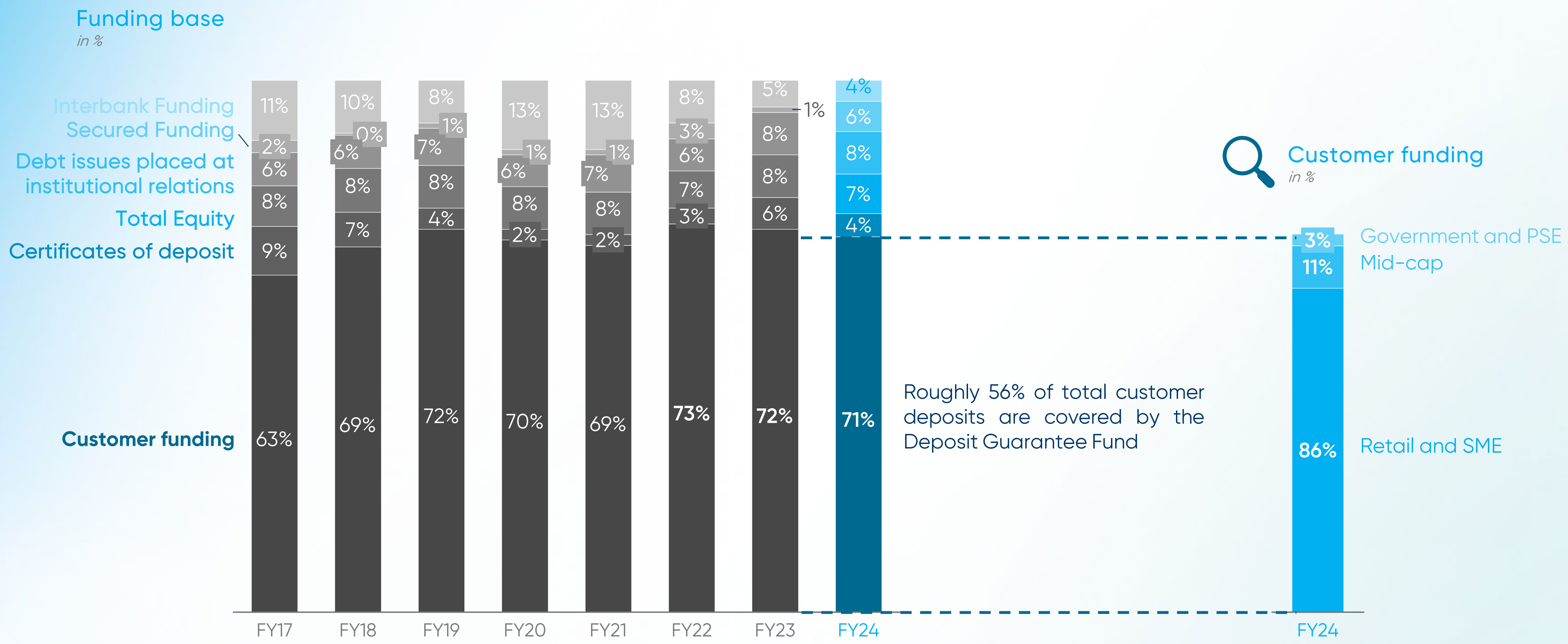


We aim to issue 1 green/social bond per year

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



Annex (recall from 3Q24 presentation): Impacts from the fierce competition for the recuperation of the maturing 22bn EUR State Note in September in Belgium

Total inflow of core customer money of +6.5bn EUR...

This net inflow breaks down as follows:

+6.0bn EUR	term deposits
+1.2bn EUR	savings certificates
-1.6bn EUR	current & savings accounts
+0.9bn EUR	other (funds, insurance, ...)
+6.5bn EUR	**total inflow**

...benefitting from unique bank-insurance+ model...

KBC realised this commercial success thanks to a **proactive, multi-phased and multi-product customer offer**:

- **acquiring 0.8bn EUR of surplus core customer money beyond the 5.7bn EUR outflows** to the State Note in September 2023
- well-positioned to achieving this thanks to KBC's **unique proposition as a one-stop-shop** being an integrated bank-insurer with tailor-made asset management solutions

...with a direct negative NII impact of roughly -87m EUR

- The temporary fight has a **direct negative NII impact of roughly -87m EUR (-26m EUR in FY24 and -61m EUR in FY25)**
- This direct negative impact is **partly offset by various indirect positives (roughly +20m EUR)**:
  - lower funding needs in 2025 due to the large inflow of core customer money
  - additional net F&C income thanks to extra net sales of mutual funds
  - additional insurance revenues thanks to extra net sales of life insurance
  - slightly lower costs on savings accounts (less fidelity premium)

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

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More information

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

Upcoming events

14 February	Equity roadshow, London
18 February	Equity roadshow, NY
18 February	Debt roadshow
19 February	Equity roadshow, Boston
20 February	Equity roadshow, Toronto
24 February	Equity roadshow, Paris
27 February	Equity roadshow, Frankfurt
…	…
15 May	Publication of 1Q25 results
16 May	Equity roadshow, London

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