KBC Group
Debt presentation
4Q 2024

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KBC Group passport | Well-defined core markets

BELGIUM BU

66% of assets
4.0m clients
429 branches

debt to GDP ratio 104%

GDP growth
in %, KBC Economics

2023	2024e	2025e
1.3%	1.0%	0.7%

Market share
in %, end 2024

loans and deposits	investment funds	life insurance	non-life insurance
21%	27%	13%	9%

124bn EUR loans
146bn EUR deposits

CZECH REPUBLIC BU

20% of assets
4.3m clients
198 branches

debt to GDP ratio 43%

GDP growth
in %, KBC Economics

2023	2024e	2025e
0.1%	1.0%	2.1%

Market share
in %, end 2024

loans and deposits	investment funds	life insurance	non-life insurance
20%	24%	9%	9%

38bn EUR loans
51bn EUR deposits

INTERNATIONAL MARKETS BU

	SK	HU	BG
of assets	4%	4%	5%
clients	0.8m	1.6m	2.2m
branches	98	193	176
loans	12bn EUR	7bn EUR	11bn EUR
deposits	9bn EUR	10bn EUR	14bn EUR

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

	2023	2024e	2025e
SK	1.4%	2.1%	1.9%
HU	-0.8%	0.6%	2.3%
BG	2.0%	2.2%	2.1%

SK	HU	BG
debt/GDP 58%	debt/GDP 74%	debt/GDP 24%

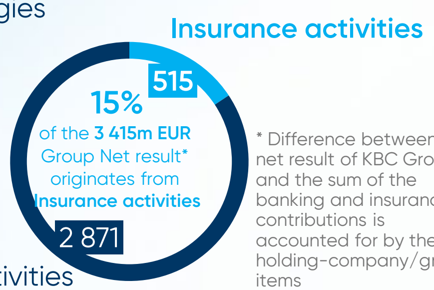
Market share
in %, end 2024

	L&D	funds	life	non-life
SK	12%	8%	4%	5%
HU	11%	11%	4%	7%
BG	19%	14%	25%	13%

What differentiates us from peers

Unique integrated bank-insurance+ model

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



As at end 2024 (EUR m)

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

Successful digital-first approach through KATE

- Our **Digital interaction with clients** forms the basis of our business model in our strategy, not only in terms of sales and advice, but also in E2E digital process and product development
- **Artificial intelligence** and data analysis will play an important part in digital sales and advice**. Kate, our personal digital assistant**, will feature prominently in this regard
- **The independent international consulting firm Sia Partners 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

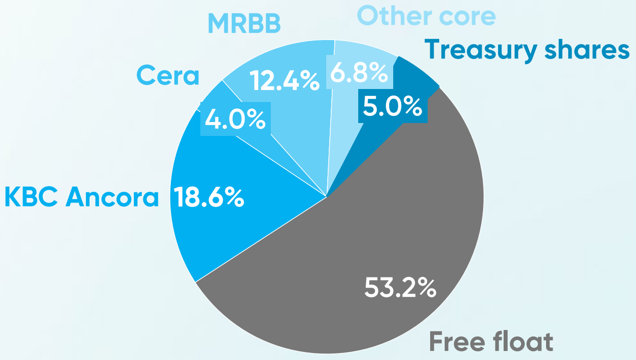
Firmly embedded sustainability strategy

- 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 main cornerstones: (1) **maximise the positive impact of our products and services** on society and environment, (2) **minimise or completely avoid any potential negative impacts** and (3) ensure all **our employees behave responsible**

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

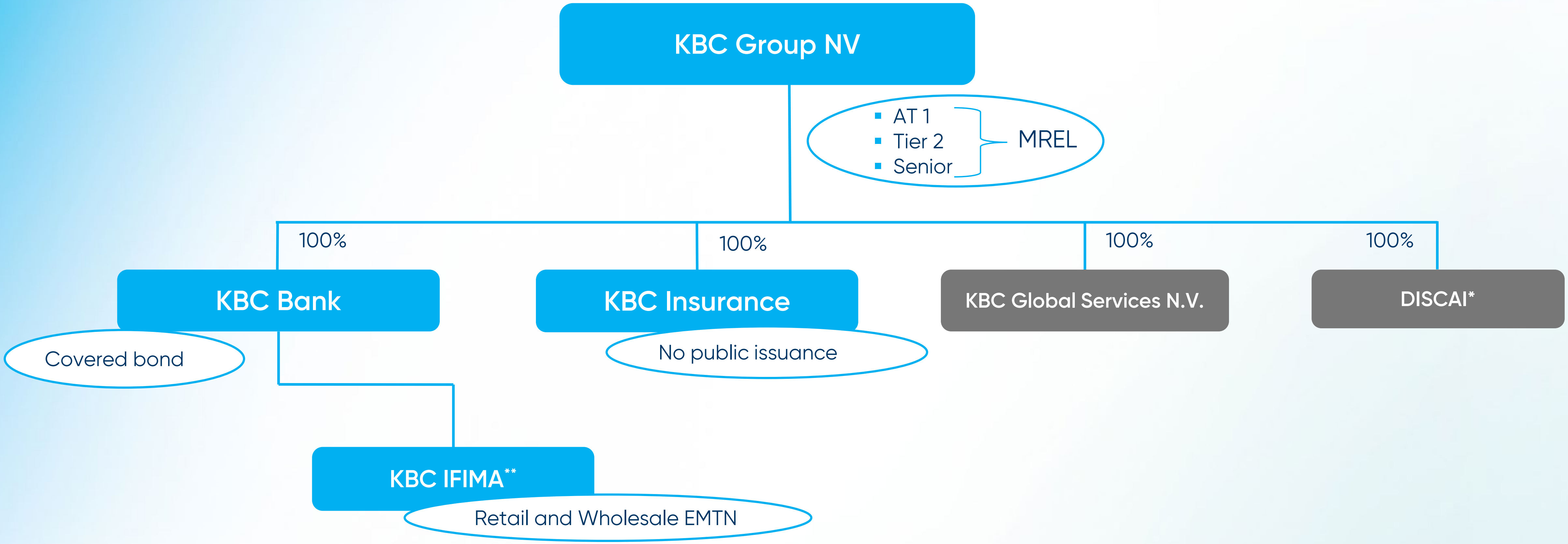
Core shareholder structure

- A special feature of our shareholder structure is the **core shareholder syndicate** consisting of Cera, KBC Ancora, MRBB and the other core shareholders, which together held **roughly 42% of our shares**
- These shareholders act in concert, thereby ensuring shareholder stability in our group
- The **free float** is held mainly by a large variety of international institutional investors



As at end 2024

KBC Group's legal structure and issuer of debt instruments



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

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

Last credit ratings

		Moody's	S&P	Fitch
Group	**Senior Unsecured**	**A3**	**A-**	**A**
	Tier II	Baa1	BBB	BBB+
	Additional Tier I	Baa3	BB+	BBB-
	Short-term	P-2	A-2	F1
	Outlook	Stable	Positive	Stable
Bank	Covered bonds	Aaa	-	AAA
	Senior Unsecured	**A1 (*)**	**A+**	**A+**
	Tier II	-	BBB	-
	Short-term	P-1	A-1	F1
	Outlook	Stable	Positive	Stable
Insurance	Financial Strength Rating	-	A	-
	Issuer Credit Rating	-	A	-
	Outlook	-	Positive	-

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

Latest update:

S&P decided on **29 November 2024** to revise the outlook to positive.

The positive outlook reflects S&P views that KBC Group's strong franchise, robust risk management, sound liquidity and funding metrics, and its advancement in building digital infrastructure should enable the group to perform well in different economic conditions and achieve sustainable results

Moody's decided on **26 July 2024** to:

- Upgrade KBC Group's long-term senior unsecured debt and issuer rating to A3 (from Baa1), the subordinate debt rating (Tier 2) to Baa1 (from Baa2) and the AT1-instruments to Baa3 (from Ba1)
- Affirm KBC Bank's backed senior unsecured debt rating (A1) and deposit rating (Aa3) - both were already upgraded last year
- Move the outlook on all the ratings to stable

The main drivers of the upgrade are our robust profitability, resilient asset quality and strong capitalization.

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)	Scale: D- … A; KBC: A	• Leader in addressing climate change • CDP's A list • Financial average service B-
Sustainalytics	Scale: Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk; KBC: 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)	Scale: 0 … 100; KBC: 67	• Top 8% • 92nd percentile of 669 banks assessed
MSCI	Scale: C, B, BB, BBB, A, AA, AAA; KBC: AAA	• Leader among 482 banks assessed
Corporate ESG Performance Prime, rated by ISS ESG	Scale: D-, D, D+, C-, C, C+, …; KBC: C+ (prime)	• 1st decile rank of 314 Commercial Banks & Capital Markets assessed
FTSE4Good	Scale: 0, 1, 2, 3, 4, 5; KBC: 5.0	• 100th percentile of banks assessed

Business profile | Our financial footprint

High profitability (IFRS 17 figures)

C/I ratio*
43% FY24
43% FY23

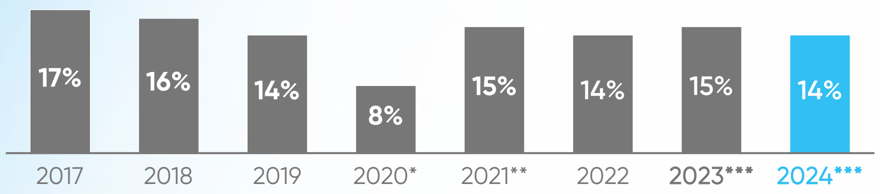
combined ratio
90% FY24
87% FY23

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

* Cost/Income ratio without banking and insurance taxes

Return on Equity

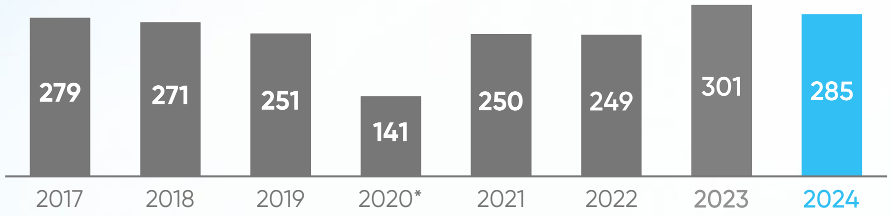
in %



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

CET1 generation before any capital deployment

in bps

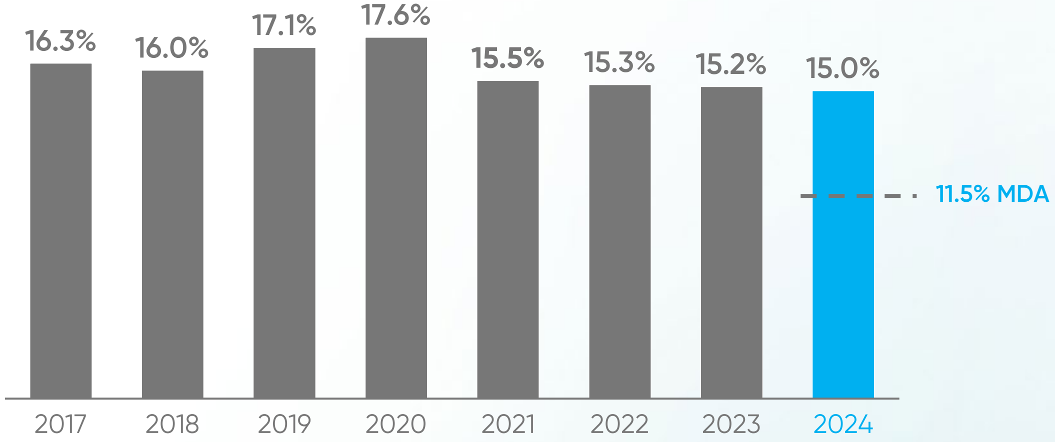


* 202bps when adjusted for the collective Covid-19 impairments

Solid capital position

CET 1 ratio (fully loaded, Danish compromise)

in %



Robust liquidity

NSFR
139% FY24
136% FY23

LCR
158% FY24
159% FY23

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

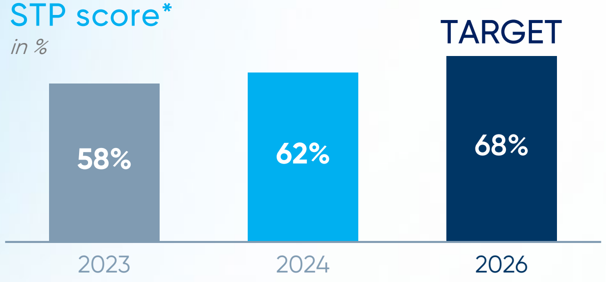
Customer ranking

- **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 %



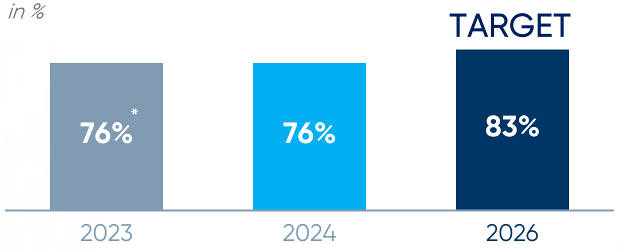
The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of all retail processes.

Bank-insurance (BI) clients

BI clients

in %

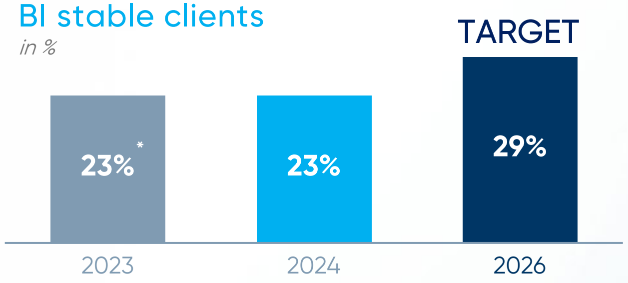


BI customers have at least 1 bank + 1 insurance product of our group.

* Slightly changed due to allignment of definitions

BI stable clients

in %



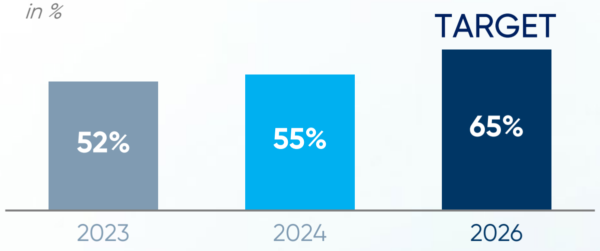
Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

* Slightly changed due to allignment of definitions

Digital sales

Digital sales banking products*

in %

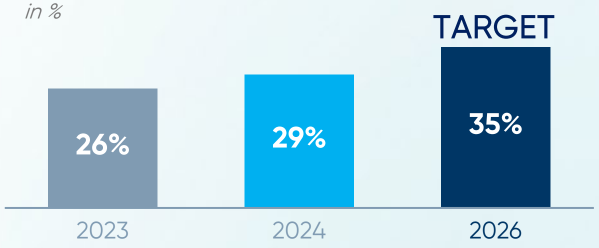


Target: Digital sales 65% of **banking sales**

* Based on weighted average of selected core products.

Digital sales insurance products

in %



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

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

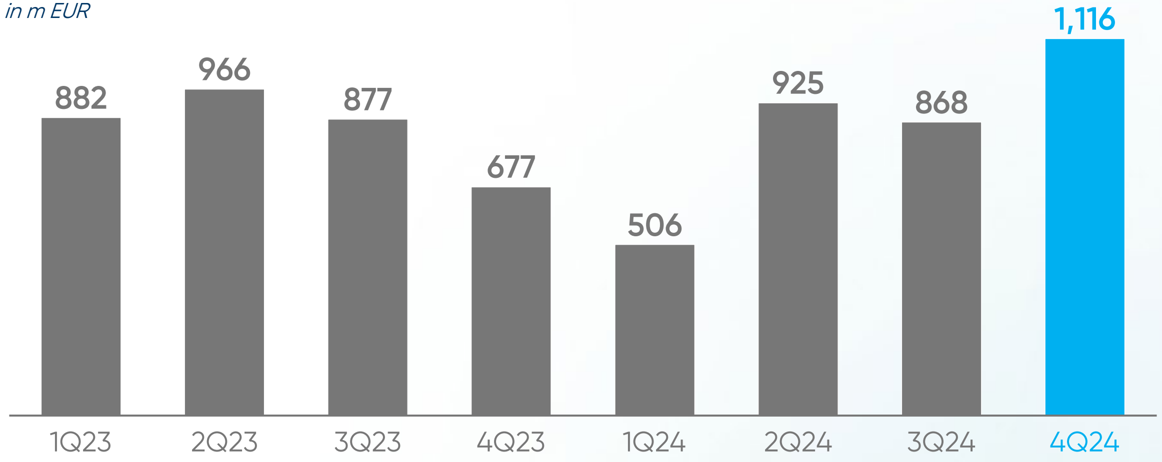
Note: Sustainability highlights in 2023, unless otherwise indicated
On 31 March 2025 we will release our Sustainability Report of 2024, including the progress on our targets

Net result of 1,116m EUR over 4Q24

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**
- A **pay-out ratio** (including 4.15 EUR per share and AT1 coupon) **of approximately 51% of 2024 net profit** (see slide 35)
- **Updated financial guidance** (see slides 36-37)

Net result
in m EUR



YTD ratios

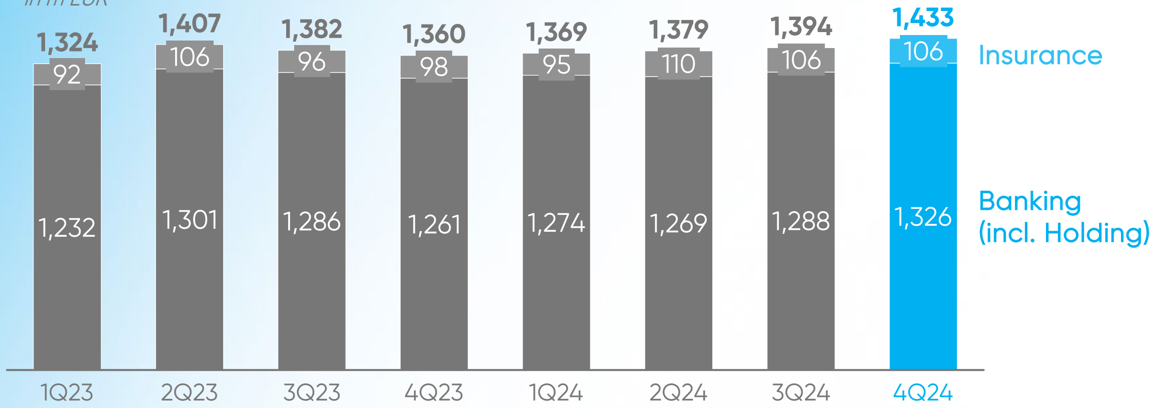
- **Return on Equity 14%***
- **Cost-income ratio 43%**** (versus below 45% guided)
- **Combined ratio 90%** (versus below 91% guided)
- **Credit cost ratio 0.10%** (versus well below TTC of 25-30bps guided)
- **CET1 ratio 15.0%** (B3, DC, fully loaded)
- **Leverage ratio 5.5%** (fully loaded)
- **NSFR 139% & LCR 158%**

* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs
** Cost-Income ratio without banking and insurance taxes

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

Net interest income

in m EUR



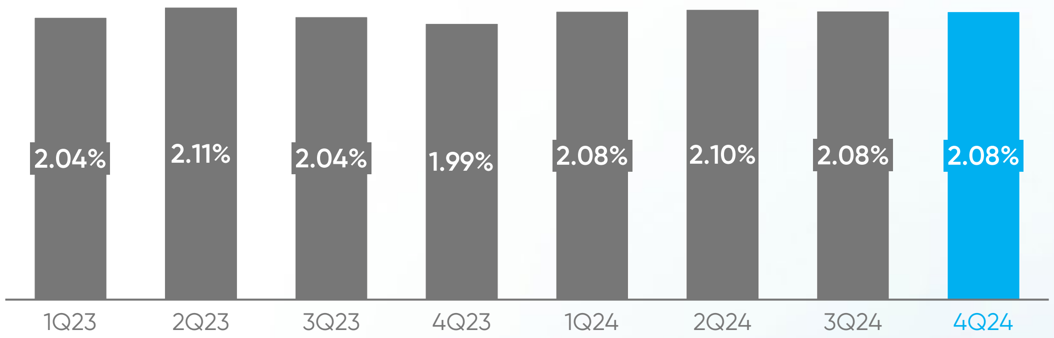
- **NII increased by 3% q-o-q and by 5% y-o-y (+3% q-o-q and +7% y-o-y excluding FX effect)**
- Q-o-q increase was driven primarily by:
  - Higher commercial transformation result (thanks mainly to continued increasing reinvestment yields)
  - Higher lending income (loan volume growth more than offset 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

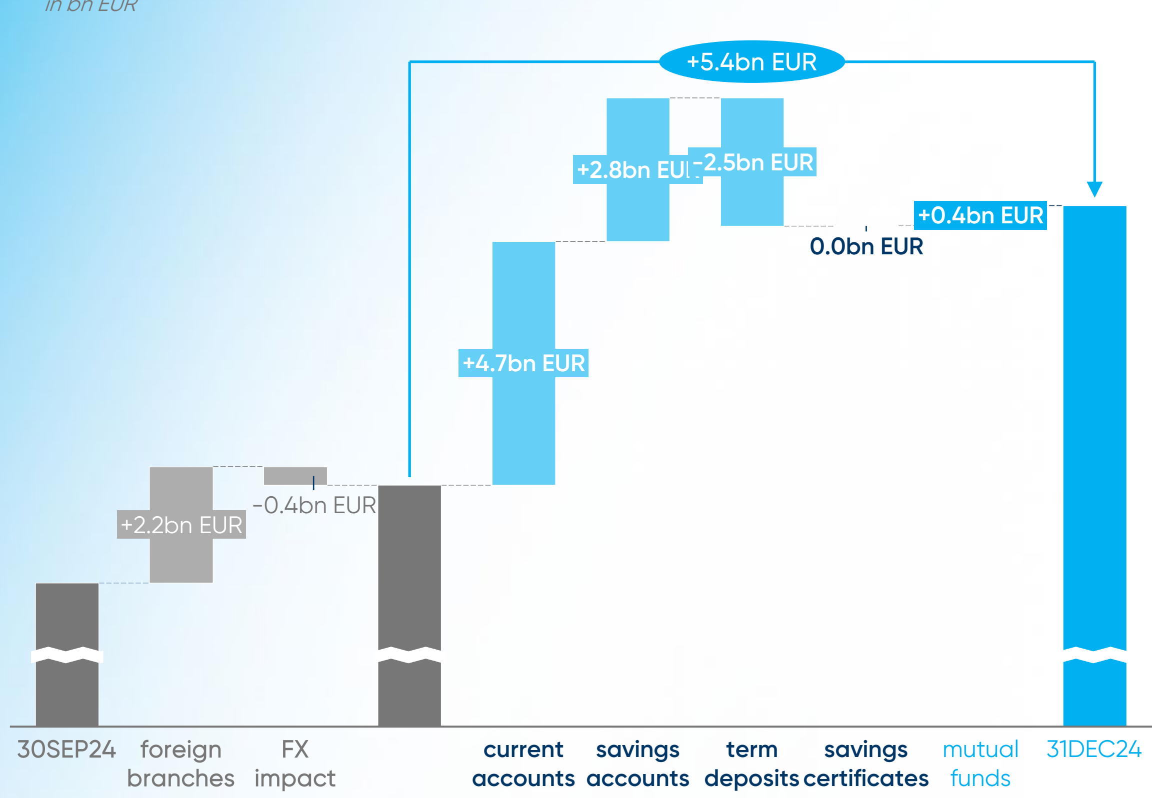
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	192bn	78bn	229bn
Growth q-o-q*	+2%	+1%	+3%
Growth y-o-y	+5%	+4%	+6%

* 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

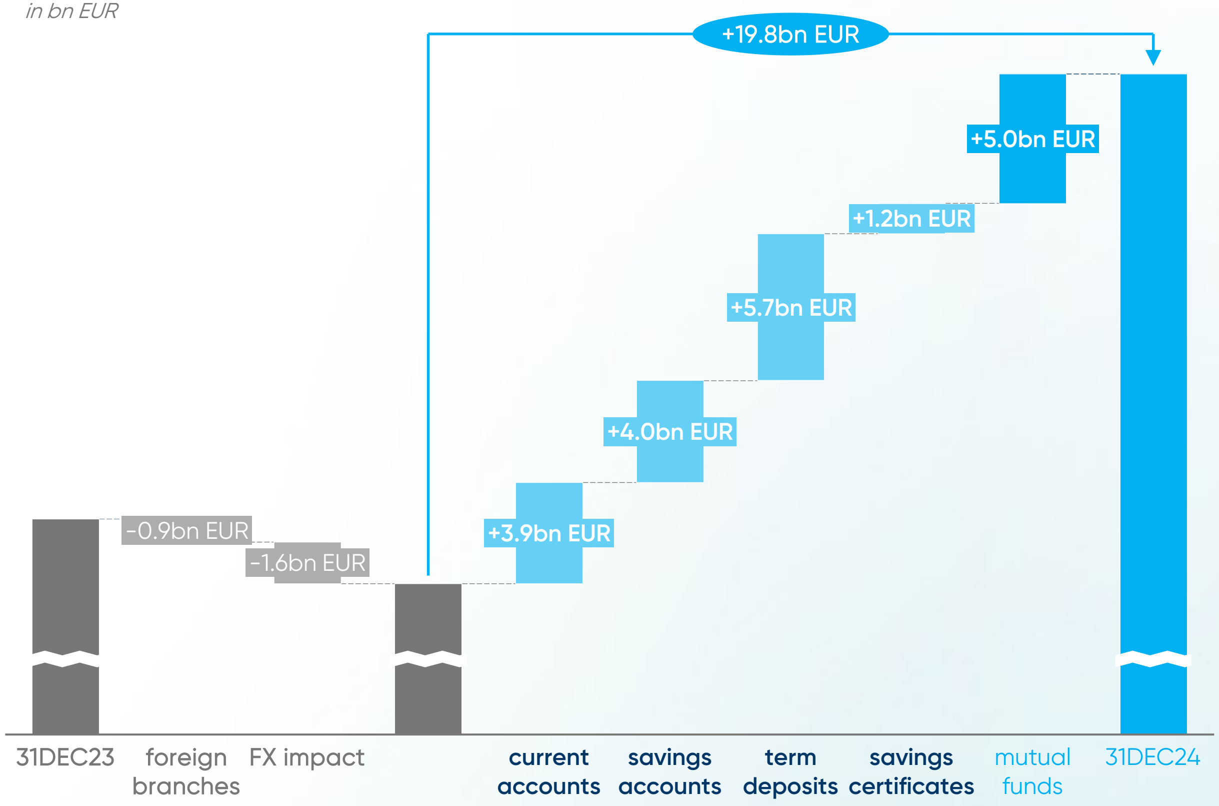
Customer money dynamic over 4Q24

in bn EUR



Customer money dynamic over FY24

in bn EUR

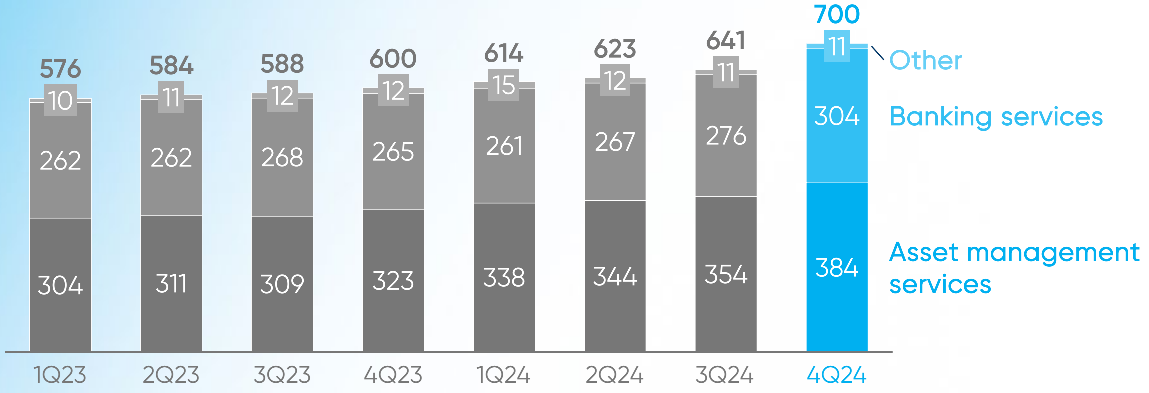


- **4Q24** saw an inflow of core customer money of **+5.4bn EUR** (+5.0bn EUR incl. FX impact)
- Disregarding volatile items, **FY24** saw an inflow of core customer money of **+19.8bn EUR** (+18.2bn EUR incl. FX impact)

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

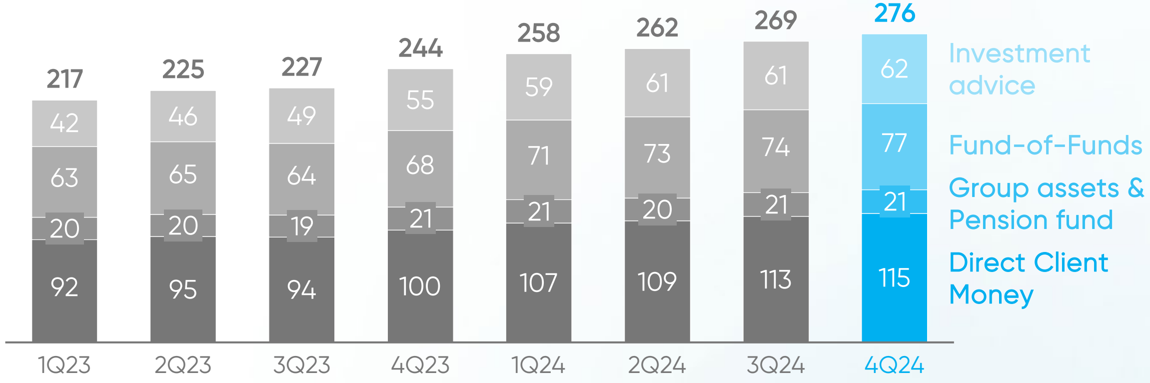
Net fee & commission income

in m EUR



Assets under management

in bn EUR



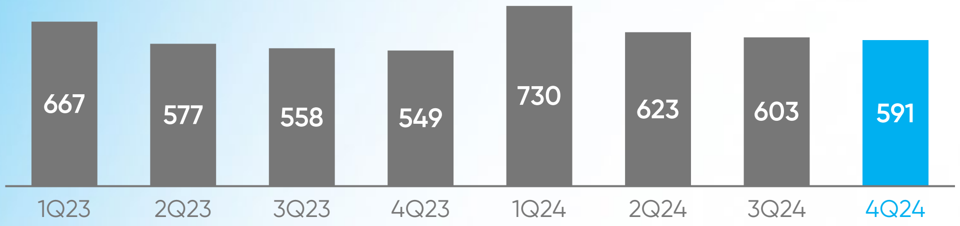
- **Up by 9% q-o-q and by 17% y-o-y (+10% q-o-q and +18% y-o-y excluding FX).**
- Q-o-q increase was mainly the result of:
  - Net F&C income from Asset Management Services increased by 9% q-o-q due mainly to higher management & entry fees
  - Net F&C income from banking services rose by 10% q-o-q. Higher 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

- **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

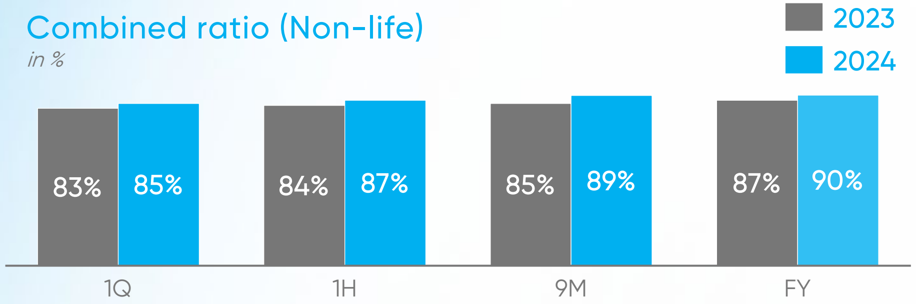
in m EUR



- **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)

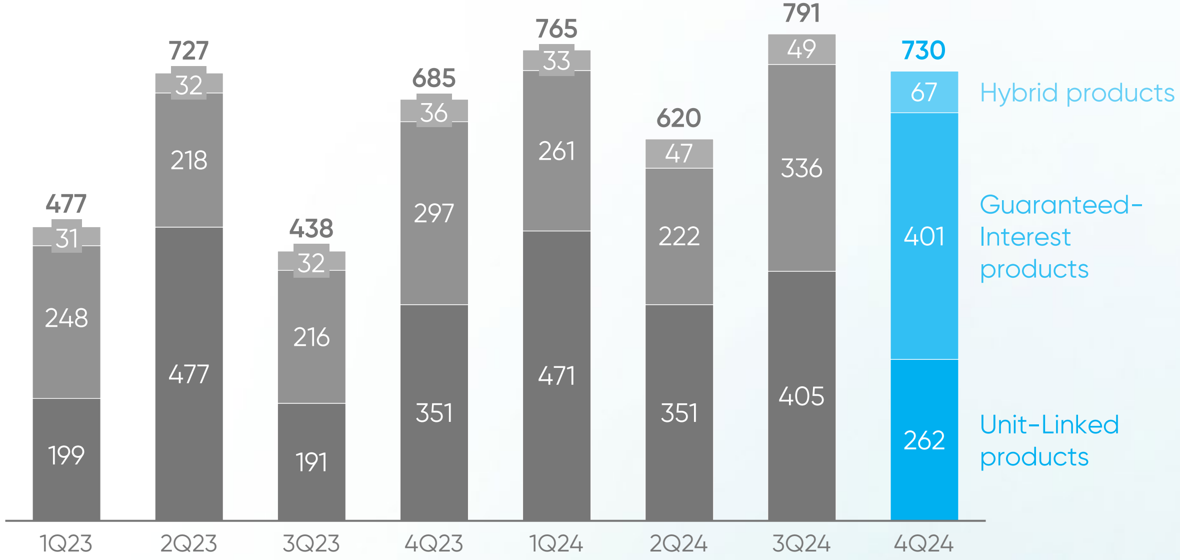
in %



- **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

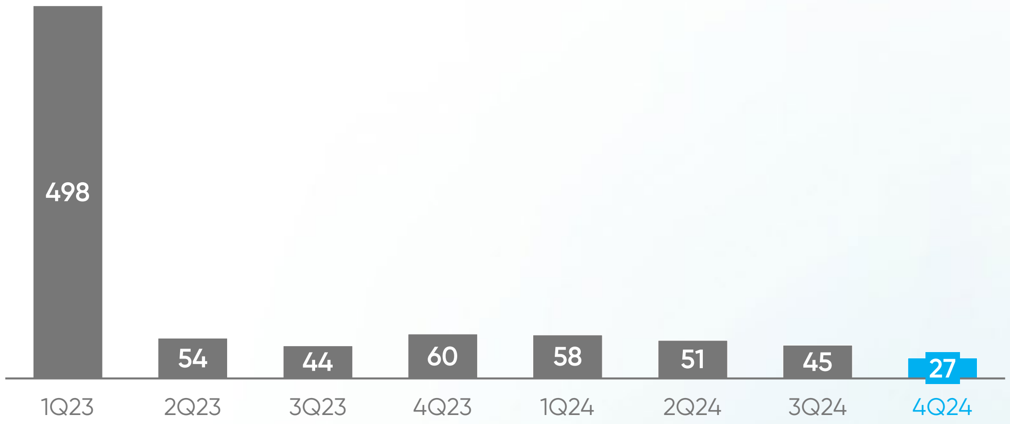
FIFV & IFIE

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:

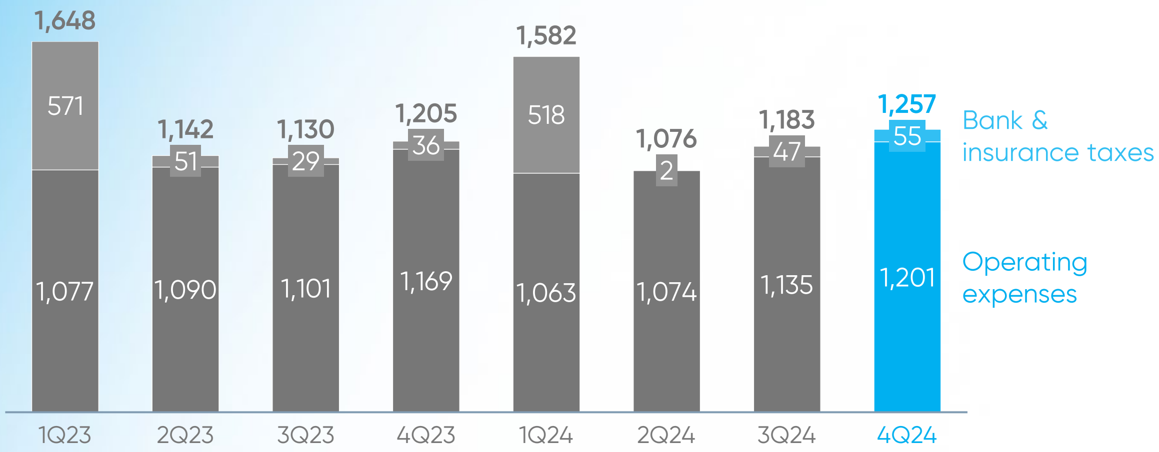
  - Less negative credit, funding and market value adjustments, mainly the result of increased CZK interest rates and counterparties' creditworthiness
  - Slightly higher dealing room result

- **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

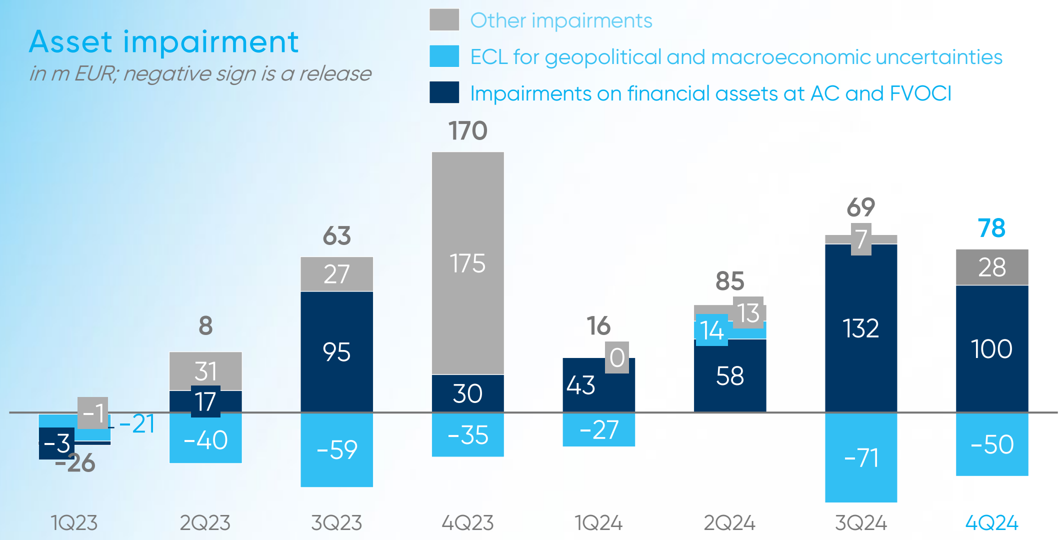
- **FY24 cost/income ratio**
  - 47% when excluding certain non-operating items** (49% in FY23)
  - 43% excluding all bank & insurance taxes (43% in FY23)

- 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

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

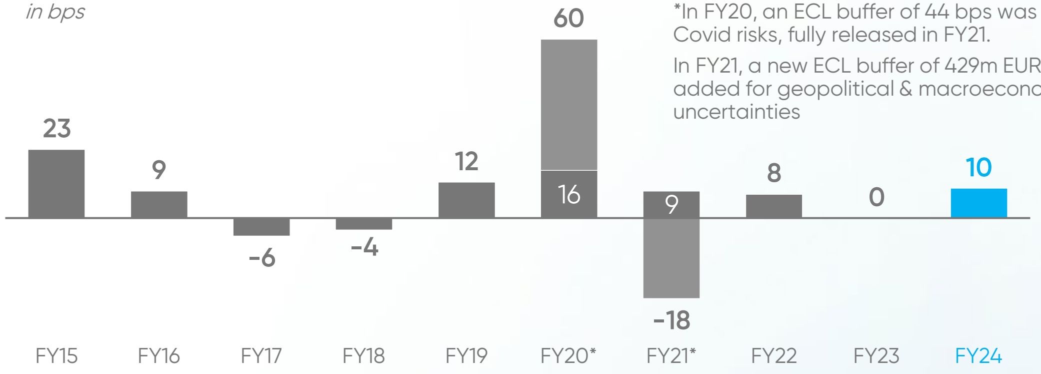
Asset impairment
in m EUR; negative sign is a release



- **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

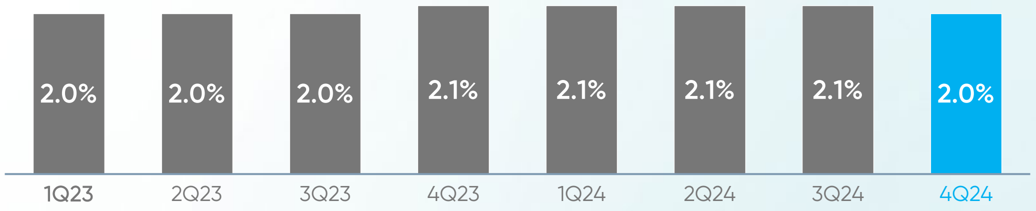
Credit cost ratio
in bps



*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)

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

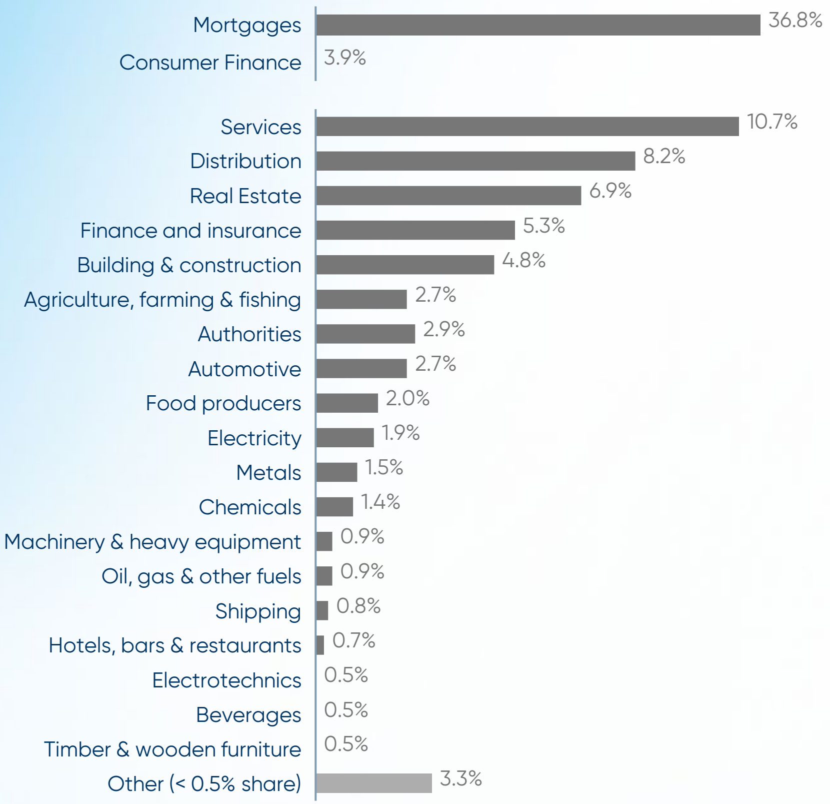
Diversified loan portfolio

Total loan portfolio outstanding | FY24

Total loan portfolio outstanding
211bn EUR*
Group level

Total loan portfolio outstanding | by sector

*as % of total Group loan portfolio outstanding**

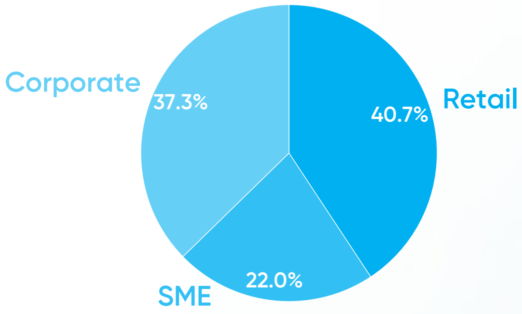


Retail

SME & Corporate

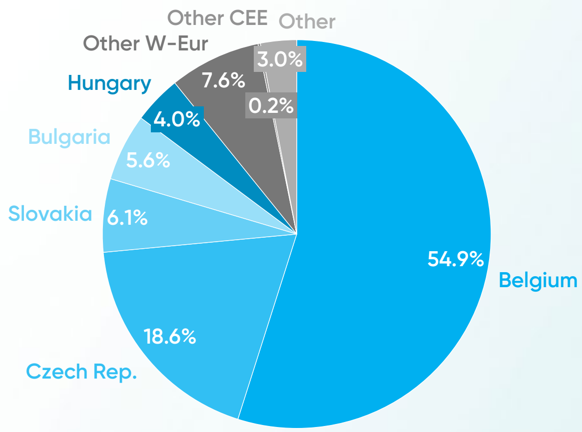
Total loan portfolio outstanding | by segment

*as % of total Group loan portfolio outstanding**



Total loan portfolio outstanding | by geography

*as % of total Group loan portfolio outstanding**

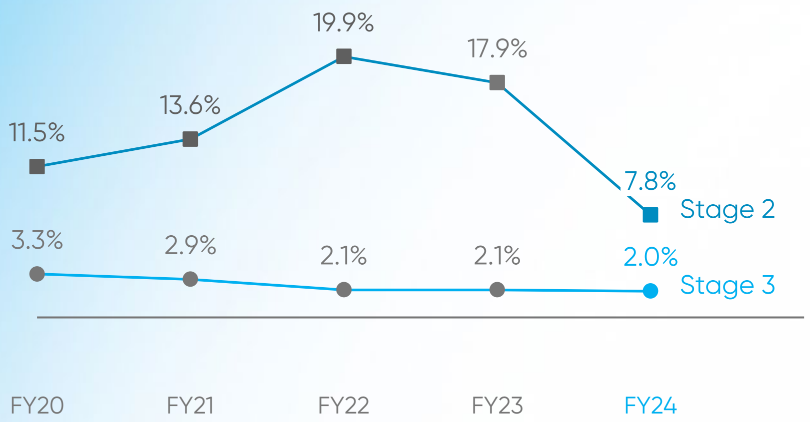


- Aligned with the credit risk view of our loan portfolio outstanding as reported in the quarterly financial statements.

Loan portfolio breakdown by IFRS 9 ECL stage

Total loan portfolio outstanding | by IFRS9 ECL Stage*

as % of total Group loan portfolio outstanding

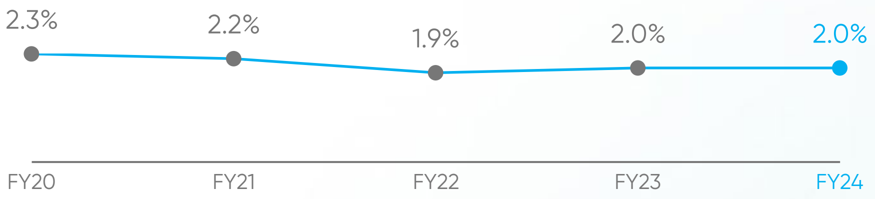


- Drop of **Stage 3 ratio over the years** is driven mainly by the sale of the Irish loan portfolio
- The **increase of Stage 2 portfolio in 2022** resulted mainly from collective transfer to Stage 2 of Stage 1 portfolios, linked to the geopolitical and macroeconomic uncertainties (in line with strict 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

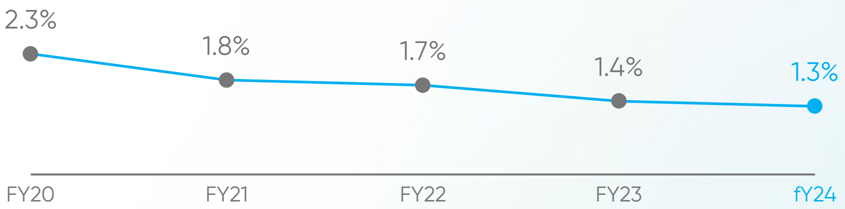
Stage 3 ratio | Belgium BU

in %



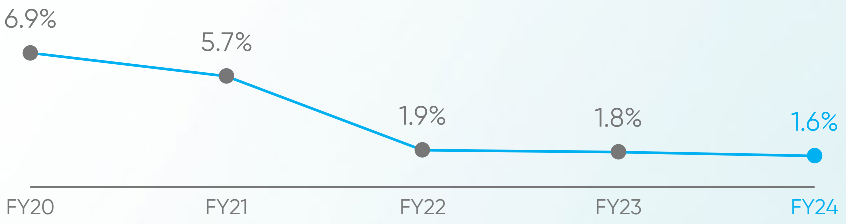
Stage 3 ratio | Czech Republic BU

in %



Stage 3 ratio | International Markets BU

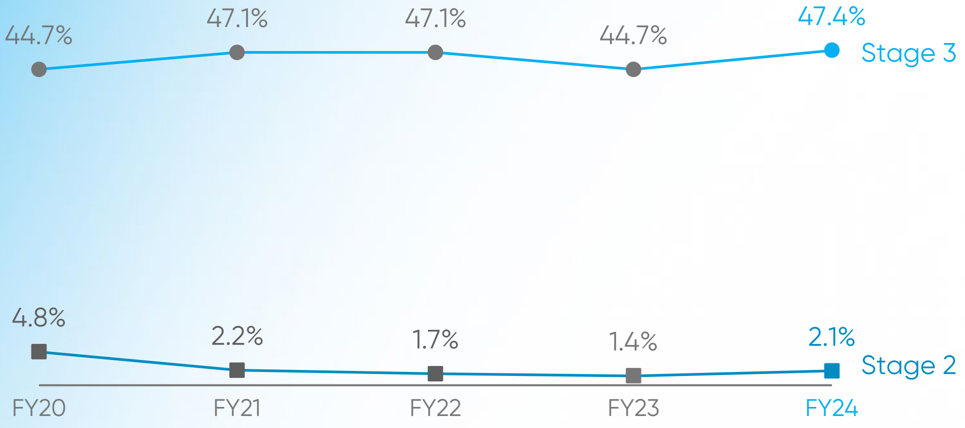
in %



Cover ratios

Cover ratio | by IFRS9 ECL Stage*

in %

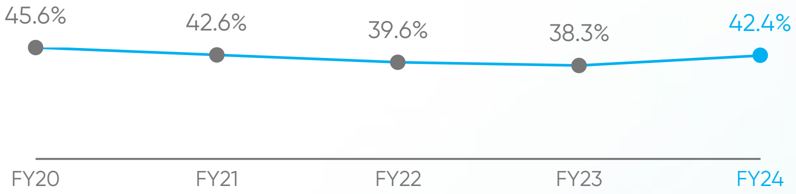


- The increasing trend of the **Stage 3 cover ratio is** driven mainly by additional provisions lowering the backstop shortfall for old non-performing loans in Belgium. Furthermore, for International Markets there were additional provisions on existing Stage 3 files, partly compensated by a release of 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

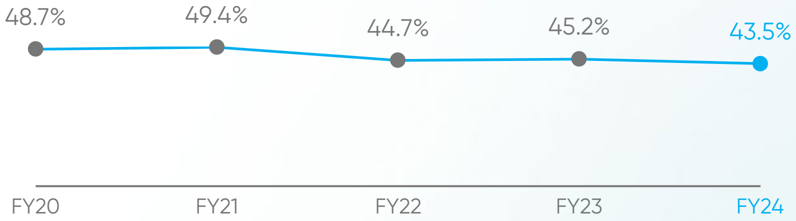
Stage 3 cover ratio | Belgium BU

in %



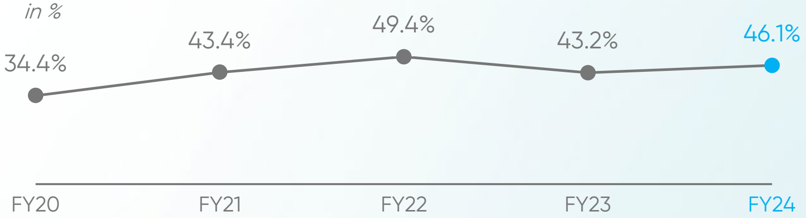
Stage 3 cover ratio | Czech Republic BU

in %



Stage 3 cover ratio | International Markets BU

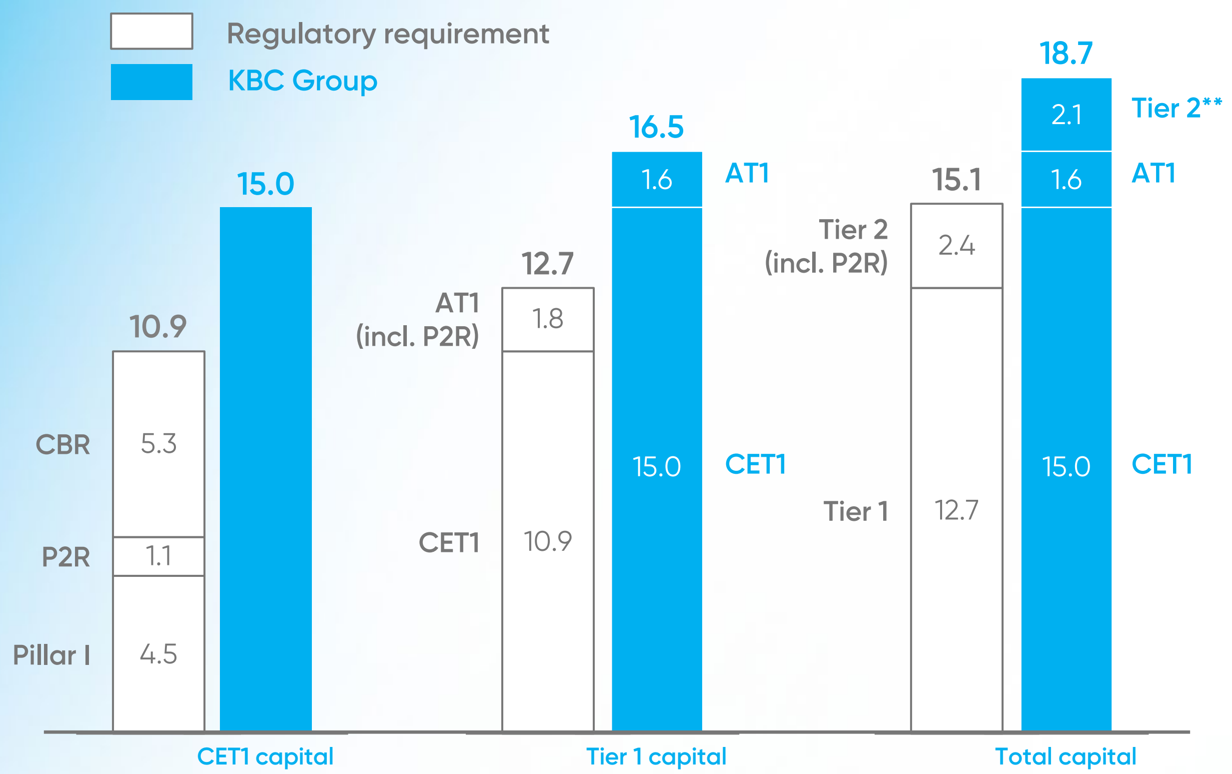
in %



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

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

in %



Total distributable items (under Belgian Gaap) KBC Group 9.3bn EUR at FY24, of which:

- Accumulated profits: 6.8bn EUR

Fully loaded B3 common equity ratio amounted to 15.0%* **based on the Danish Compromise**

- **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
- **MDA 11.5%**
  i.e. the net of the CET1 ratio of 15.0% and the **MDA buffer of 3.5%**

(*) 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.

(**) The EBA Monitoring report on AT1, Tier 2 and TLAC / MREL eligible liabilities instruments (27 June 2024) recommends to use the carrying amounts (including accrued interest and hedge adjustments) instead of nominal amounts for own funds calculation. KBC has applied this EBA recommendation as at 30-09-2024. Implementation of this approach increases the volatility in the Tier 2 capital: as at 31-12-2024 it has a 47m EUR positive impact on Tier 2 capital at KBC Group level (compared to 17m EUR on 30-09-2024).

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

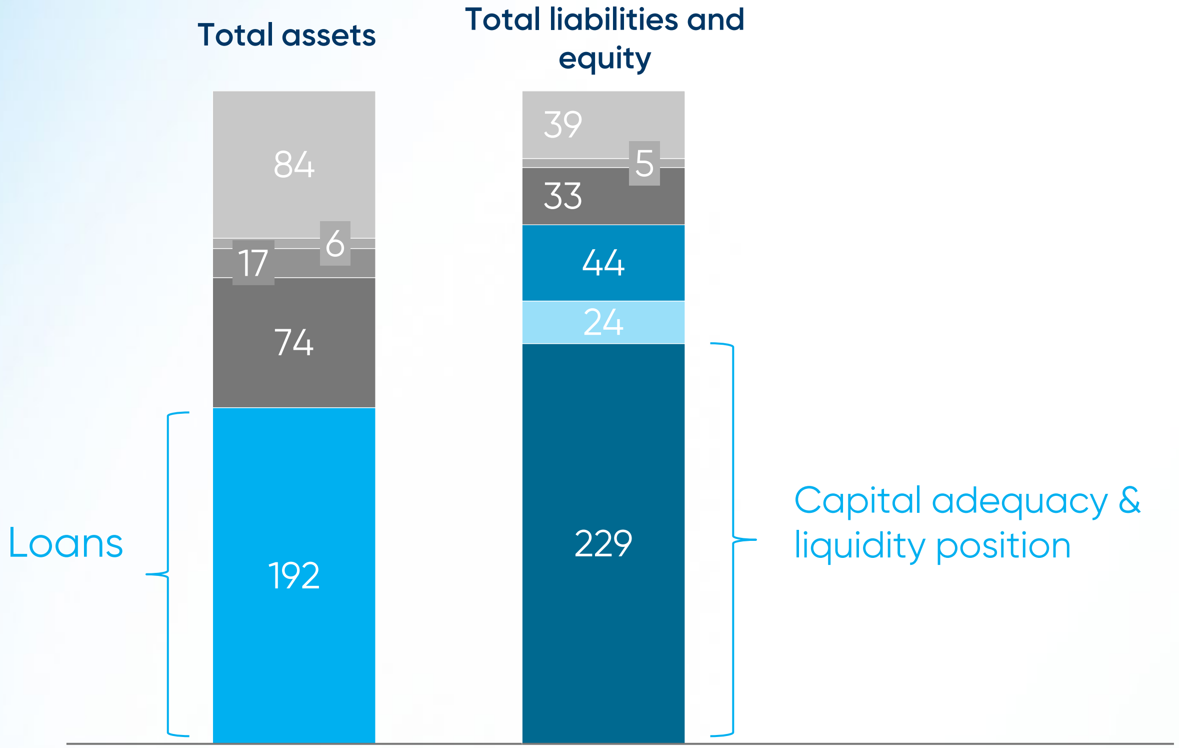
* Net Stable Funding Ratio (NSFR) is based on KBC Bank's interpretation of the proposal of CRR amendment.
** Liquidity Coverage ratio (LCR) is based on the Delegated Act requirements. From EOY2017 onwards, KBC Bank discloses 12 months average LCR in accordance with EBA guidelines on LCR disclosure.

KBC Group consolidated balance sheet

373bn EUR Total balance sheet

FY 2024

84% Loans/ Deposits



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

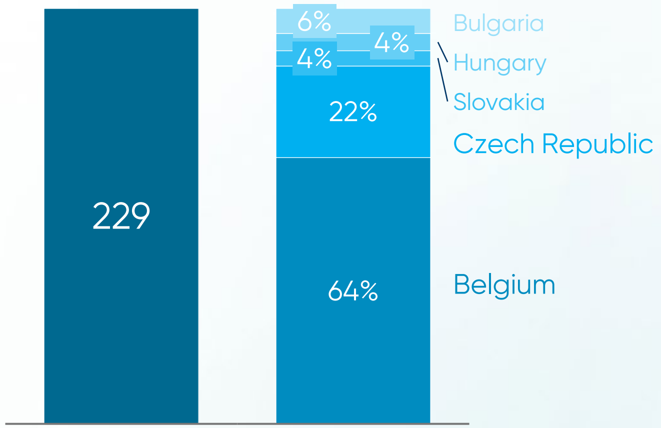
- Other (incl. liabilities associated with disposal groups, interbank deposits, etc…)
- Trading liabilities
- Insurance related liabilities
- Other MREL instruments and debt certificates
- Equity (including AT1)
- Deposits from customers

Deposits from customers

9M 2024

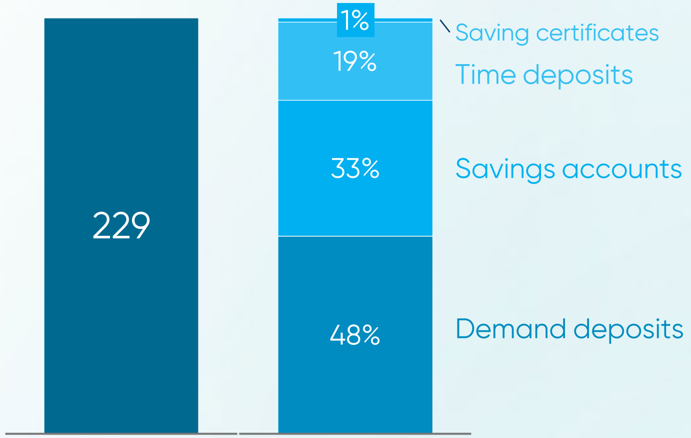
by core countries

as % of total deposits from customers



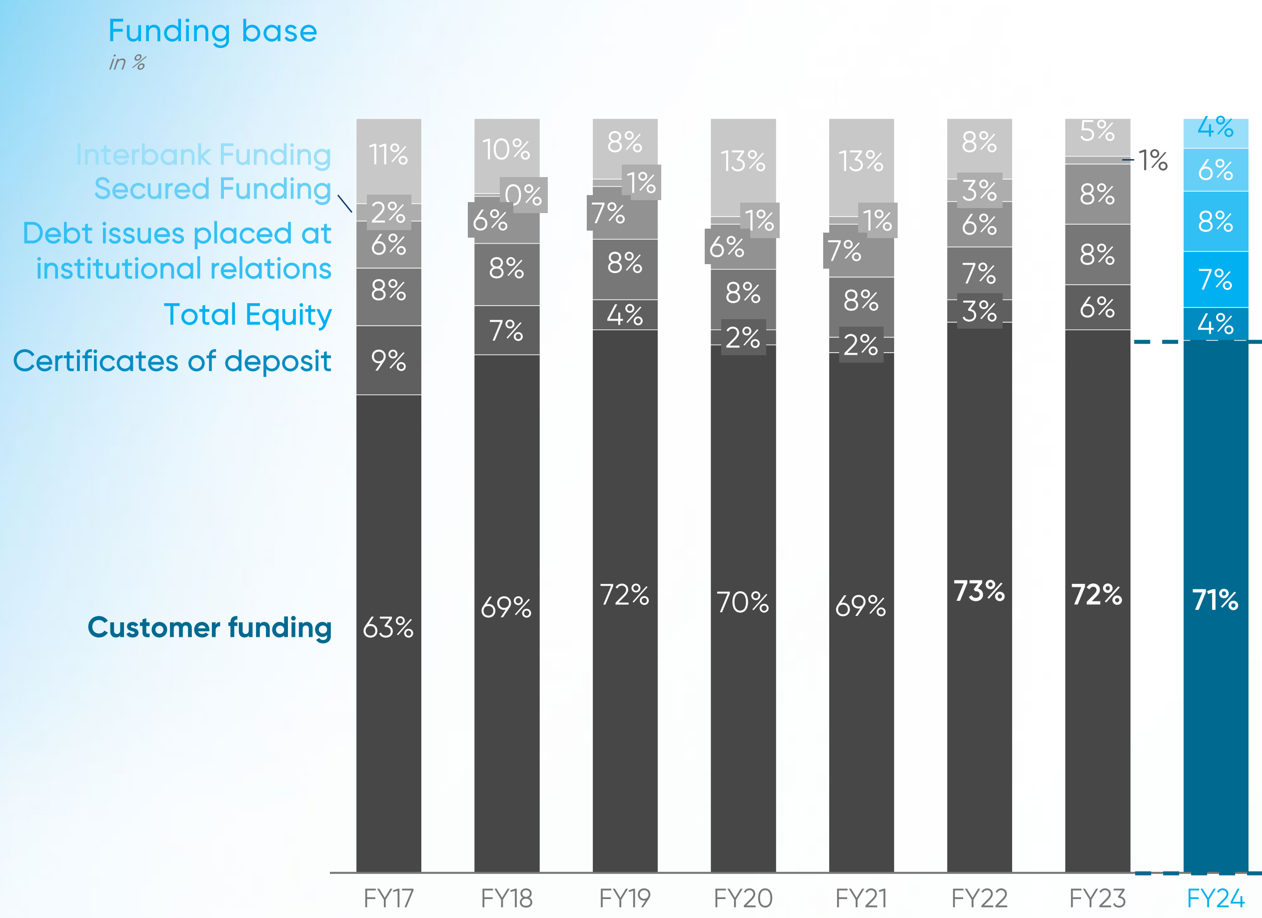
by product type

as % of total deposits from customers

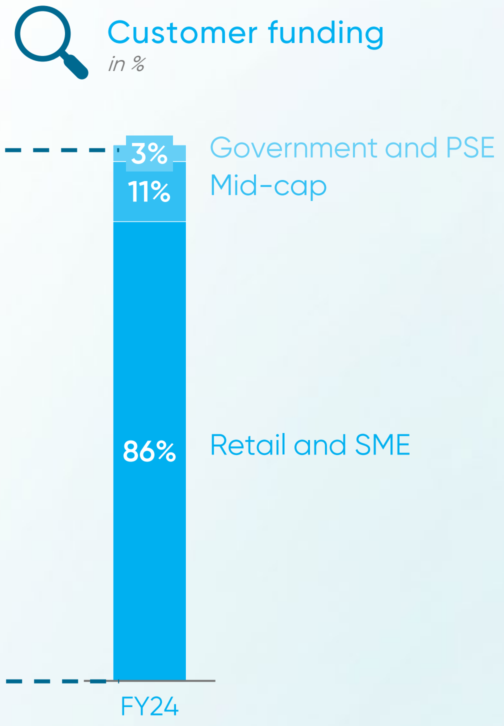


Strong customer funding base

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



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

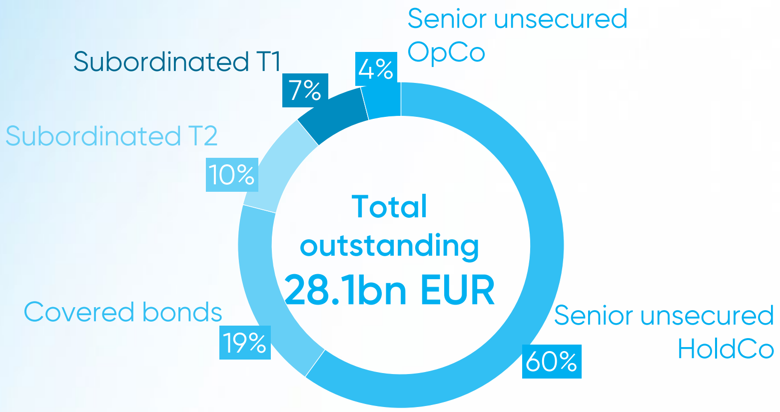


Upcoming mid-term funding maturities

Total outstanding | FY24

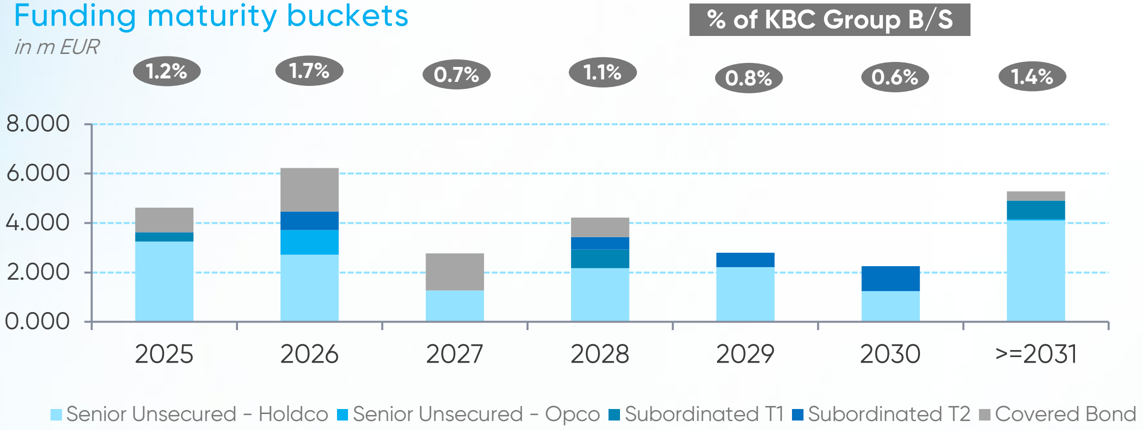
in %

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

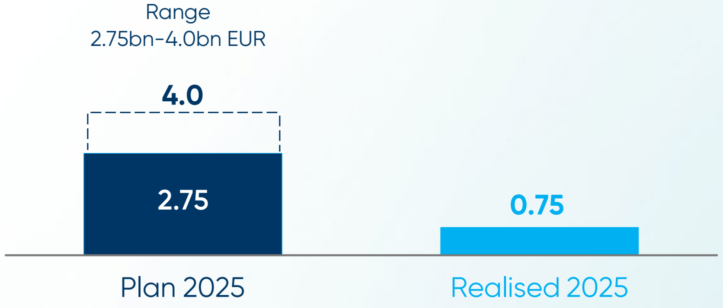


Recent deals

- 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

Above resolution requirements in terms of MREL

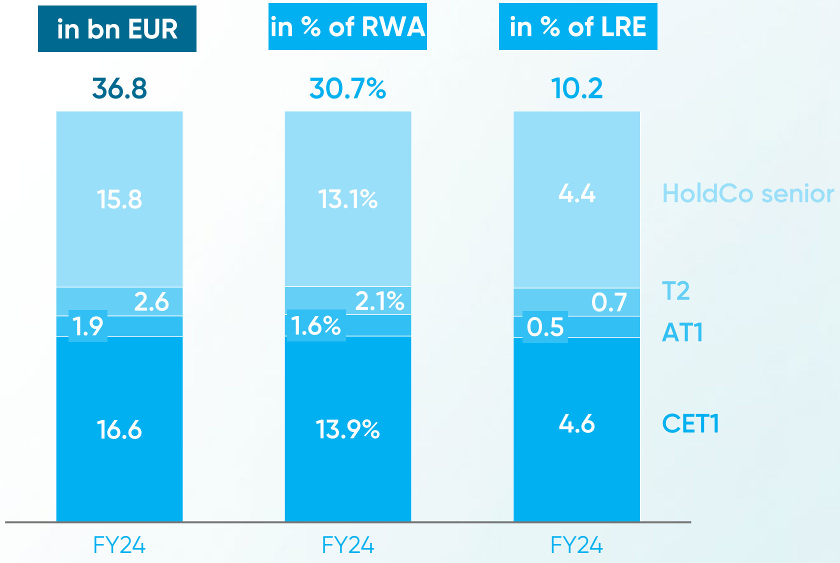
MREL targets

- 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)

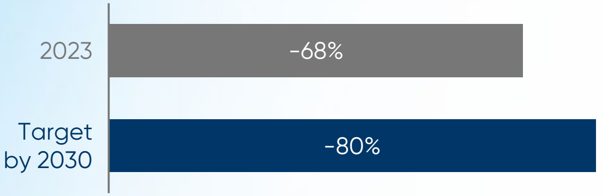


ESG I Direct environmental impact
Our progress in brief

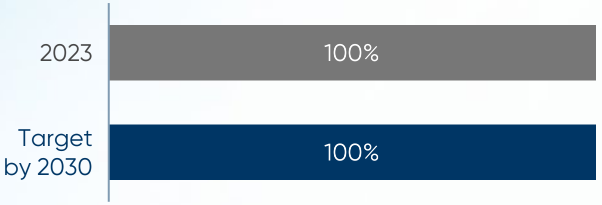
DIRECT environmental footprint (FY 2023)

- Since 2015, we have been calculating the **GHG emissions arising from our own operations** at group level, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard
- We set group-wide GHG reduction targets in 2016, and we have tightened them over the years
- **In 2020 the most 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

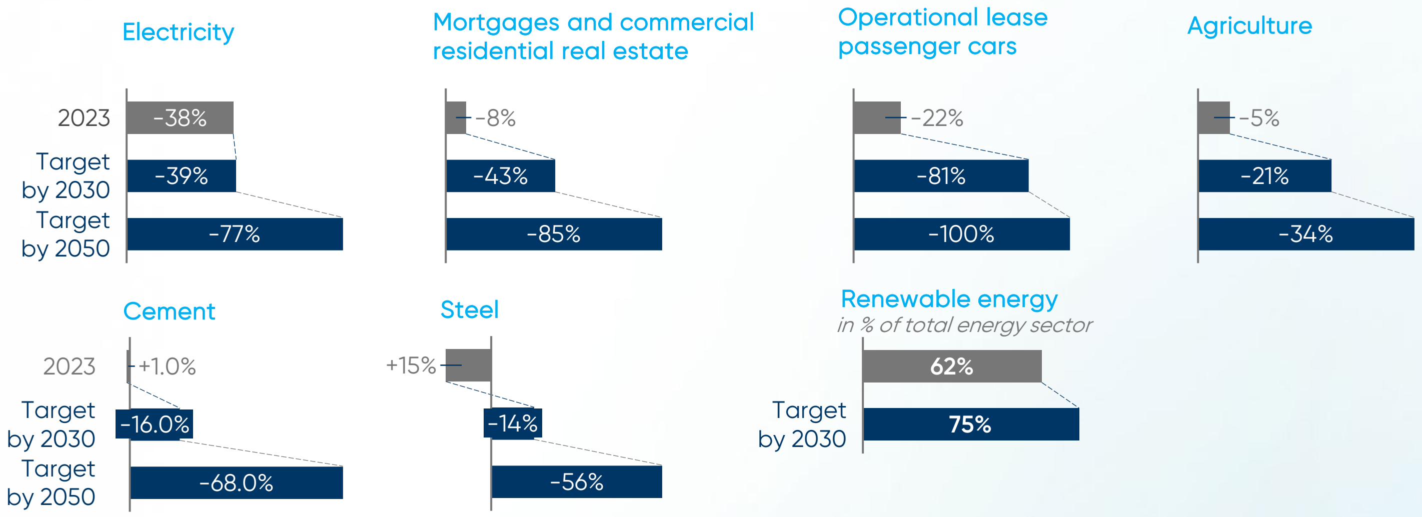
INDIRECT environmental footprint (FY 2023)

- 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

KBC Green Bond framework and issuances

Aligned with best practices and market developments

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

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

Certification

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

Verification

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

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

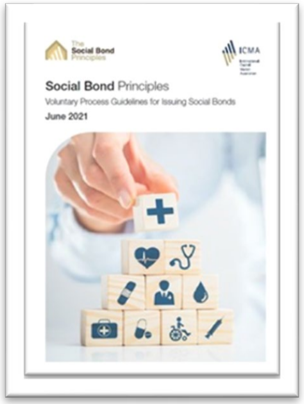
- In November 2023, KBC has amended its Green Bond Framework with updated eligibility criteria, aligned with the ICMA Green Bond Principles 2021 and further aligning it with EU Taxonomy Climate Delegated Act (June 2021)

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

KBC Social Bond framework and issuances

Aligned with best practices and market developments

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



First financial institution in Belgium

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

Clear Social Bond governance

Use of proceeds

Social Bond Eligible Assets include financing in Belgium in the following categories:
- **Access to Essential Services – Education**
- **Access to Essential Services - Health**
- **Affordable Housing**
- **Employment Generation**

Process for evaluation & selection

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

Management of proceeds

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

Reporting

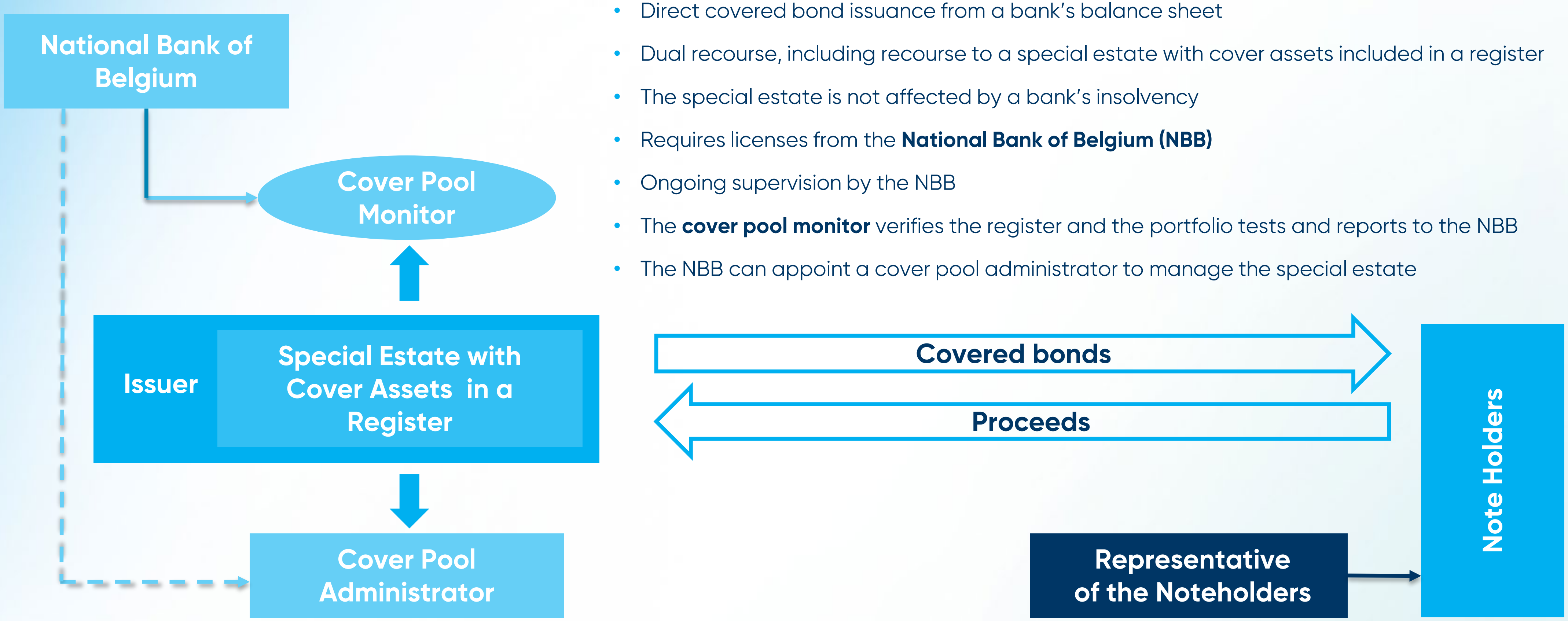
Social Report will be published annually and will include:
- **Allocation of Proceeds,** including a limited assurance report
- various **output indicators** of the allocated Eligible Assets
- See latest Social report as of EOY 2023 available on kbc.com

Covered bond programme | Overview

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

Issuer	KBC Bank NV
Main asset category	Minimum 105% of covered bond outstanding is covered exclusively by residential mortgage loans and collections thereon • Branch originated prime residential mortgages predominantly out of Flanders • Selected cover assets have low average LTV (61.52%) and high seasoning (64 months) • Disciplined origination policy
Programme size	**17.5bn EUR | Outstanding amount of 13.92 bn EUR**
Interest rate	Fixed rate, floating rate or zero coupon
Maturity	• Soft bullet: payment of the principal amount may be deferred past the final maturity date until the **extended final maturity date** if the issuer fails to pay • Extension period is 12 months for all series
Events of default	• Failure to pay any amount of principal on the extended final maturity date • A default in the payment of an amount of interest on any interest payment date
Rating agencies	• Moody's Aaa 10.5% over-collateralisation • Fitch AAA 4% over-collateralisation

Covered bond programme | Belgian legal framework



Belgian legal framework

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

Covered bond programme | Strong legal protection mechanisms

Several legal protection mechanisms are in place:

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

Looking forward | Dividend & capital deployment plan and Basel IV guidance

Dividend & capital deployment plan

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**

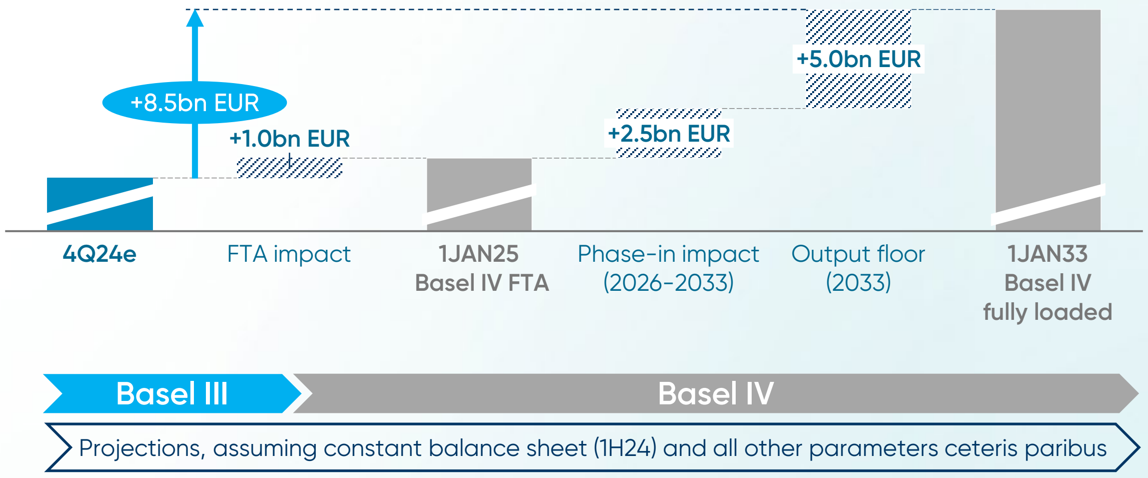
Basel IV guidance (as provided with 3Q24 result)

- **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



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

Annex 1 | Summary of the different business units' performance

FY 2024	KBC Group	Belgium BU	Czech Republic BU	Slovakia	Hungary	Bulgaria	Group Centre BU
				International Markets BU			
Net result (YTD, in euros)	3 415m	1 846m	858m	101m	345m	304m	-40m
ROAC (YTD)	25%	21%	40%	11%	44%	29%	
Allocated capital (in %)		64%	15%	6%	6%	8%	1%
Cost/Income ratio(1) (YTD)	43%	41%	43%	57%	29%	40%	
Combined ratio(2) (YTD)	90%	88%	87%	112%	100%(3)	86%	
Loans(4) (in euros) (y-o-y organic growth loans)	192bn (+5%)	124bn (+4%)	38bn (+7%)	12bn (+3%)	7bn (+9%)	11bn (+15%)	
Deposits(5) (in euros) (y-o-y organic growth deposits)	229bn (+7%)	146bn (+8%)	51bn (+2%)	9bn (+3%)	10bn (+8%)	14bn (+5%)	

(1) Cost/Income ratio without banking and insurance taxes
(2) Combined ratio, Non-life insurance
(3) Combined ratio excluding windfall tax amounted to 91%
(4) Loans to customers, excluding reverse repos and bonds (growth figures are excluding FX, consolidation adjustments and reclassifications)
(5) Customer deposits, excluding debt certificates; repos, volatility in the foreign branches but including customer savings certificates (growth figures are excluding FX, consolidation adjustments and reclassifications)

Annex 2 | Full year financial performance (1/3)

KBC Group - Income Statement

in m EUR	FY 2023	FY 2024	YTD delta incl. FX	%	excl. FX	%
Net Interest Income (1)	5,473	5,574	101	+2%	188	+3%
Insurance revenues before reinsurance (2)	2,679	2,945	266	+10%	303	+11%
Non-Life - Insurance revenue before reinsurance	*2,280*	*2,482*	202	+9%	233	+10%
Life - Insurance revenue before reinsurance	*399*	*463*	64	+16%	70	+17%
Dividend income	59	57	-2	-3%	-2	-3%
Net Result from FI at FV through P&L and IFIE	9	-168	-177	...	-172	...
Net Fee and Commission Income	2,349	2,578	230	+10%	259	+11%
Net other income	656	181	-475	-72%	-475	-73%
Total income	**11,224**	**11,167**	-57	-1%	100	+1%
Opex - Not directly attributable expenses	-4,616	-4,565	51	-1%	-11	+0%
Opex without bank & insurance tax	*-4,438*	*-4,474*	-36	+1%	-93	+2%
Bank and Insurance tax	*-687*	*-623*	64	-9%	53	-8%
MINUS: OpEx allocated to Insurance Service Expenses (ISE)	*509*	*532*	23	+4%	30	+6%
Insurance service expenses before reinsurance	-2,120	-2,475	-355	+17%	-389	+18%
O.w. Insurance commissions paid	*-340*	*-383*	-43	+13%	-47	+14%
Non-Life - Insurance service expenses before reinsurance	*-1,870*	*-2,179*	-310	+17%	-341	+18%
Life - Insurance service expenses before reinsurance	*-251*	*-296*	-45	+18%	-48	+19%
Net result from reinsurance contracts held	-90	-17	72	-81%	76	-84%
Impairment	-215	-248	-33	+15%	-31	+15%
Impairment on FA at AC and FVOCI	*16*	*-199*	-215	...	-213	...
On goodwill	*-109*	*0*	109	-100%	109	-100%
On other	*-122*	*-49*	73	-60%	72	-59%
Share in results of assoc. comp & joint-ventures	-4	80	84	...	84	...
Result before tax	**4,179**	**3,941**	-238	-6%	-171	-4%
Income tax	-778	-527	251	-32%	240	-31%
Attributable to minority interests	-1	-1	0	-9%	0	-9%
Net Result	**3,402**	**3,415**	13	+0%	69	+2%

1

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

NIM of 2.09% and 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)

Loan volumes increased organically by 5% y-o-y, while customer deposits excluding debt certificates and repos rose by 6% y-o-y

2

Non-life sales 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

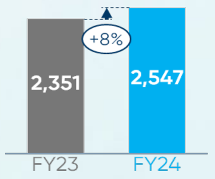
Life sales up by 25% y-o-y

- 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

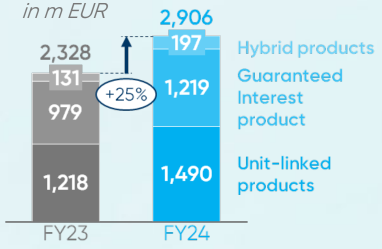
Non-life sales

in m EUR



Life sales

in m EUR



Annex 2 | Full year financial performance (2/3)

KBC Group - Income Statement			YTD delta			
in m EUR	FY 2023	FY 2024	*incl. FX*	*%*	*excl. FX*	*%*
Net Interest Income	5,473	5,574	101	+2%	188	+3%
Insurance revenues before reinsurance	2,679	2,945	266	+10%	303	+11%
Non-Life - Insurance revenue before reinsurance	2,280	2,482	202	+9%	233	+10%
Life - Insurance revenue before reinsurance	399	463	64	+16%	70	+17%
Dividend income	59	57	-2	-3%	-2	-3%
Net Result from FI at FV through P&L and IFIE	9	-168	-177	...	-172	...
Net Fee and Commission Income 3	2,349	2,578	230	+10%	259	+11%
Net other income	656	181	-475	-72%	-475	-73%
Total income 4	**11,224**	**11,167**	-57	-1%	100	+1%
Opex - Not directly attributable expenses	-4,616	-4,565	51	-1%	-11	+0%
Opex without bank & insurance tax 5	-4,438	-4,474	-36	+1%	-93	+2%
Bank and Insurance tax 6	-687	-623	64	-9%	53	-8%
MINUS: OpEx allocated to Insurance Service Expenses (ISE)	509	532	23	+4%	30	+6%
Insurance service expenses before reinsurance	-2,120	-2,475	-355	+17%	-389	+18%
O.w. Insurance commissions paid	-340	-383	-43	+13%	-47	+14%
Non-Life - Insurance service expenses before reinsurance	-1,870	-2,179	-310	+17%	-341	+18%
Life - Insurance service expenses before reinsurance	-251	-296	-45	+18%	-48	+19%
Net result from reinsurance contracts held	-90	-17	72	-81%	76	-84%
Impairment	-215	-248	-33	+15%	-31	+15%
Impairment on FA at AC and FVOCI	16	-199	-215	...	-213	...
On goodwill	-109	0	109	-100%	109	-100%
On other	-122	-49	73	-60%	72	-59%
Share in results of assoc. comp & joint-ventures	-4	80	84	...	84	...
Result before tax	**4,179**	**3,941**	-238	-6%	-171	-4%
Income tax	-778	-527	251	-32%	240	-31%
Attributable to minority interests	-1	-1	0	-9%	0	-9%
Net Result	**3,402**	**3,415**	13	+0%	69	+2%

3 **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

Assets under management of 276bn EUR 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

4 **Total Income rose by 1% y-o-y excl 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

5 **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

6 **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

Annex 2 | Full year financial performance (3/3)

KBC Group - Income Statement			YTD delta			
in m EUR	FY 2023	FY 2024	*incl. FX*	%	*excl. FX*	%
Net Interest Income	5,473	5,574	101	+2%	188	+3%
Insurance revenues before reinsurance	2,679	2,945	266	+10%	303	+11%
Non-Life - Insurance revenue before reinsurance	*2,280*	*2,482*	202	+9%	233	+10%
Life - Insurance revenue before reinsurance	*399*	*463*	64	+16%	70	+17%
Dividend income	59	57	-2	-3%	-2	-3%
Net Result from FI at FV through P&L and IFIE	9	-168	-177	…	-172	…
Net Fee and Commission Income	2,349	2,578	230	+10%	259	+11%
Net other income	656	181	-475	-72%	-475	-73%
Total income	**11,224**	**11,167**	-57	-1%	100	+1%
Opex - Not directly attributable expenses	-4,616	-4,565	51	-1%	-11	+0%
Opex without bank & insurance tax	*-4,438*	*-4,474*	-36	+1%	-93	+2%
Bank and Insurance tax	*-687*	*-623*	64	-9%	53	-8%
MINUS: OpEx allocated to Insurance Service Expenses (ISE)	*509*	*532*	23	+4%	30	+6%
Insurance service expenses before reinsurance (7)	-2,120	-2,475	-355	+17%	-389	+18%
O.w. Insurance commissions paid	*-340*	*-383*	-43	+13%	-47	+14%
Non-Life - Insurance service expenses before reinsurance	*-1,870*	*-2,179*	-310	+17%	-341	+18%
Life - Insurance service expenses before reinsurance	*-251*	*-296*	-45	+18%	-48	+19%
Net result from reinsurance contracts held	-90	-17	72	-81%	76	-84%
Impairment (8)	-215	-248	-33	+15%	-31	+15%
Impairment on FA at AC and FVOCI	*16*	*-199*	-215	…	-213	…
On goodwill	*-109*	*0*	109	-100%	109	-100%
On other	*-122*	*-49*	73	-60%	72	-59%
Share in results of assoc. comp & joint-ventures (9)	-4	80	84	…	84	…
Result before tax	**4,179**	**3,941**	-238	-6%	-171	-4%
Income tax (9)	-778	-527	251	-32%	240	-31%
Attributable to minority interests	-1	-1	0	-9%	0	-9%
Net Result	**3,402**	**3,415**	13	+0%	69	+2%

7 **Insurance service expenses before reinsurance** 17% y-o-y higher 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

8 **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

9 **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'

Annex 3 | Outstanding benchmarks as at end of January 2025

Additional tier I securities

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Call date	Maturity	Trigger	Level	Announcements
KBC Group	EUR	BE0002592708	364	4.250%	M/S+359.4bps	24/04/2018	24/10/2025	Perpetual	Temporary write-down	0.05125	TENDER
KBC Group	EUR	BE0002961424	750	8.000%	M/S+492.8bps	5/09/2023	5/09/2029	Perpetual	Temporary write-down	0.05125	
KBC Group	EUR	BE0390152180	750	6.250%	M/S+398.9bps	17/09/2024	17/09/2031	Perpetual	Temporary write-down	0.05125	

Tier II securities

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

Senior HoldCo

Issuer	Currency	Isin Code	Issued (in mio)	Coupon	Re-off spread	Settlement date	Maturity date	Tenor	Type
KBC Group	EUR	BE0002645266	500	0.625%	M/S +60bps	10/04/2019	10/04/2025	6y	
KBC Group	EUR	BE0002681626	500	0.750%	M/S +65bps	24/01/2020	24/01/2030	10y	
KBC Group	EUR	BE0974365976	500	0.500%	M/S +72bps	16/06/2020	16/06/2027	7NC6	green bond
KBC Group	EUR	BE0002728096	750	0.125%	M/S +60bps	3/09/2020	3/09/2026	6NC5	
KBC Group	EUR	BE0002766476	750	0.125%	M/S+60bps	14/01/2021	14/01/2029	8NC7	
KBC Group	EUR	BE0002799808	500 + 200	0.750%	M/S+65bps	31/05/2021	31/05/2031	10y	
KBC Group	GBP	BE0002820018	400	1.250%	M/S+52bps	21/09/2021	21/09/2027	6y	
KBC Group	EUR	BE0002832138	750	0.250%	M/S+47bps	1/12/2021	1/03/2027	5.25NC4.25	green bond
KBC Group	EUR	BE0002839208	750	0.750%	M/S+70bps	21/01/2022	21/01/2028	6NC5	
KBC Group	EUR	BE0002846278	750	1.500%	M/S+90bps	29/03/2022	29/03/2026	4NC3	
KBC Group	EUR	BE0002875566	750	3.000%	M/S+125bps	25/08/2022	25/08/2030	8y	social bond
KBC Group	GBP	BE0002879600	425	5.500%	M/S+158bps	20/09/2022	20/09/2028	6NC5	
KBC Group	EUR	BE0002900810	1,000	4.375%	M/S+170bps	23/11/2022	23/11/2027	5NC4	
KBC Group	USD	USB5341FAB79/ US48241FAB04	1,000	5.796%	T+210bps	19/01/2023	19/01/2029	6NC5	
KBC Group	EUR	BE0002935162	1,000	4.375%	M/S+138bps	19/04/2023	19/04/2030	7NC6	
KBC Group	EUR	BE0002951326	750	4.375%	M/S+145bps	6/06/2023	6/12/2031	8.5y	social bond
KBC Group	EUR	BE0002950310	1,250	4.500%	M/S+95bps	6/06/2023	6/06/2026	3NC2	
KBC Group	USD	USB5341FAC52/ US48241FAC86	1,000	6.324%	T+205bps	21/09/2023	21/09/2034	11NC10	
KBC Group	EUR	BE0002987684	500	4.250%	M/S+130bps	28/11/2023	28/11/2029	6NC5	
KBC Group	EUR	BE0390124874	750	3.750%	M/S+105bps	27/03/2024	27/03/2032	8y	green bond
KBC Group	USD	USB5341FAD36/ US48241FAD69	1,250	4.932%	T+107bps	16/10/2024	16/10/2030	6NC5	
KBC Group	EUR	BE0390179456	750	3.500%	M/S+100bps	21/01/2025	21/01/2031	7NC6	

KBC IFIMA

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

Annex 4 | KBC's covered bond programme characteristics

Portfolio data as of 31 December 2024

in EUR

Total Outstanding Principal Balance	20 565 263 617
Total value of the assets for the over-collateralisation test	19 040 136 887
No. of Loans	233 296
Average Current Loan Balance per Borrower	126 538
Maximum Loan Balance	1 006 658
Minimum Loan Balance upon selection	1 000
Number of Borrowers	162 523
Longest Maturity	303 months
Shortest Maturity	0 months
Weighted Average Seasoning	64 months
Weighted Average Remaining Maturity	192 months
Weighted Average Current Interest Rate	2.0%
Weighted Average Current LTV	60.52%
No. of Loans in Arrears (+30days)	257
Direct Debit Paying	99%

Interest rate type

in %

Fixed	88.55%
1 y / 1y	3.80%
3y / 3y	5.12%
5y / 5y	2.23%
10y / 5y	<1%
15y / 5y	<1%
20y / 5y	<1%

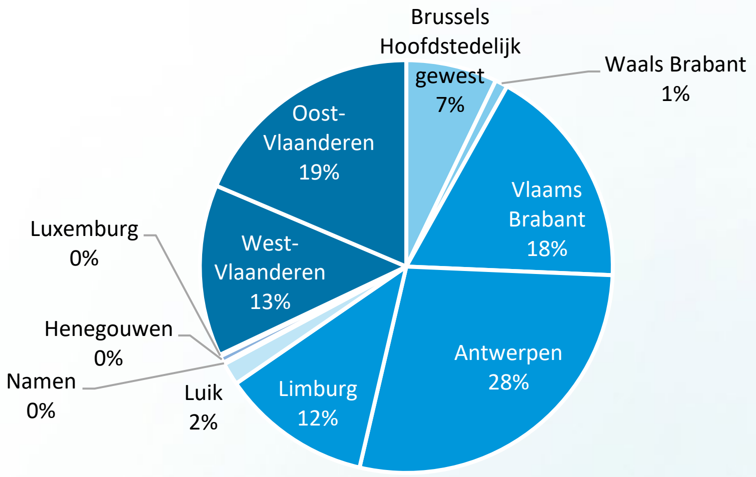
Repayment type

in %

Annuity	>99%
Linear	<1%

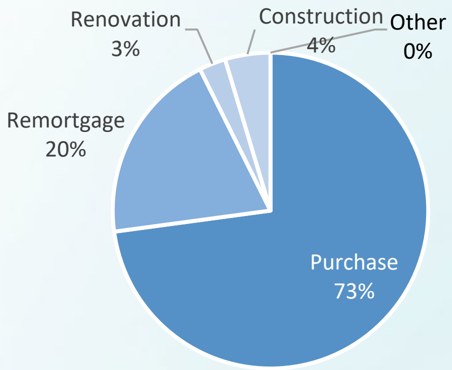
Geographical allocation

in %



Loan purpose

in %

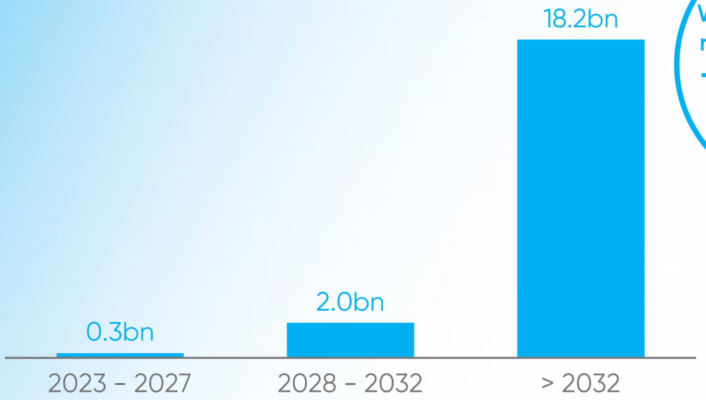


Investor reports, final terms and prospectus are available on www.kbc.com/covered bonds

Annex 4 | Key cover pool characteristics

Final maturity date

in bn EUR

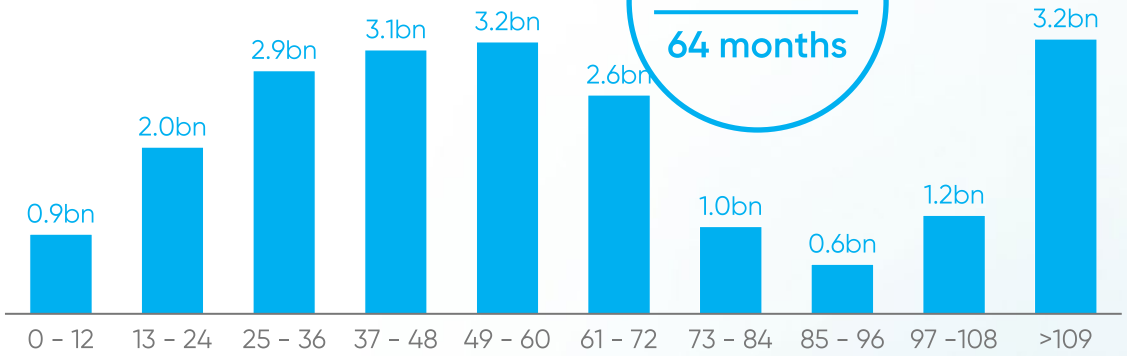


Weighted average remaining maturity

192 months

Seasoning (in months)

in bn EUR

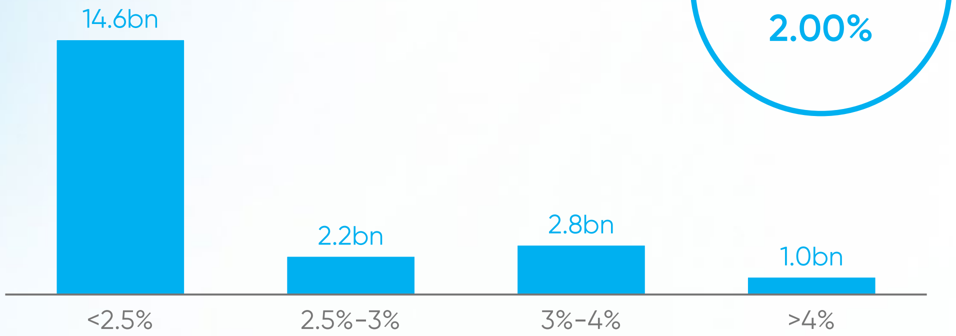


Weighted average seasoning

64 months

Interest rate

in bn EUR

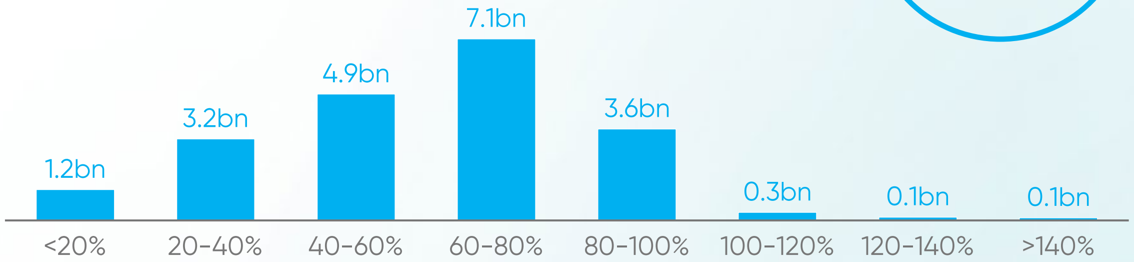


Weighted average current interest rate

2.00%

Current LTV

in bn EUR

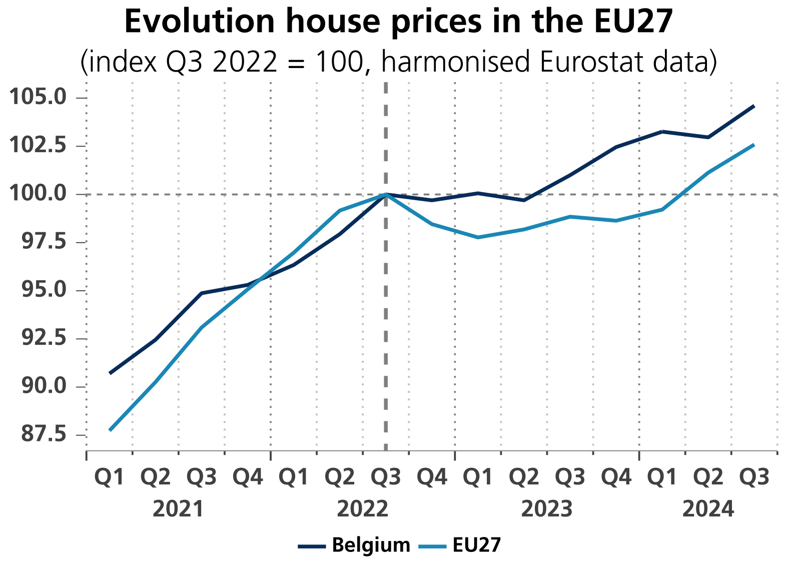


Weighted average current LTV

60.52%

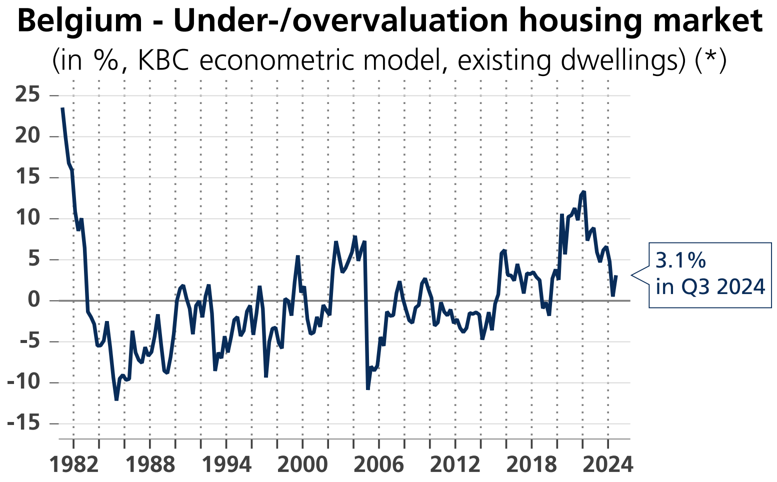
Annex 5 | Belgian real estate market – House price dynamics

Year-on-year house price dynamics in Belgium picked up again, after a cooling which has been milder than that in the EU27 as a whole



Source: KBC Economics based on Eurostat

The overvaluation of Belgian real estate has nearly been eliminated



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

Glossary

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

Contacts / questions

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

Upcoming events

19 February 2025	Credit update - London
20 February 2025	Yankee debt conference - London
11 March 2025	Debt Conference - Amsterdam
3 April 2025	Debt Conference - Frankfurt
4 April 2025	ESG virtual event
...	
25 April 2025	1Q25 black out period
15 May 2025	1Q25 Publication of results

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