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Financial Institutions

CREDIT OPINION

11 June 2026

Update

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RATINGS

KBC Group N.V.

Domicile	Brussels, Belgium
Long Term CRR	Not Assigned
Long Term Debt	A3
Type	Senior Unsecured - Fgn Curr
Outlook	Stable
Long Term Deposit	Not Assigned

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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KBC Group N.V.

Update following downgrade of KBC IFIMA's backed senior unsecured debt to A2, outlook stable

Summary

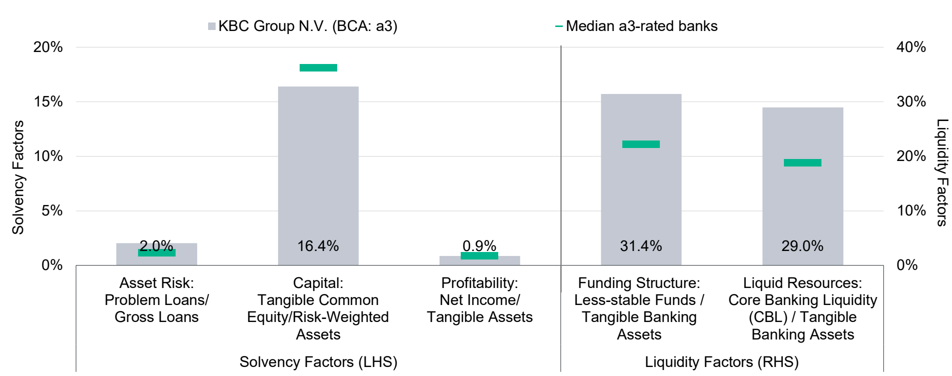
KBC Group N.V.'s (KBC; A3 stable[1]) long-term senior unsecured debt rating reflects KBC Bank N.V.'s (KBC Bank; Aa3/A2 stable, a3[2]) Baseline Credit Assessment (BCA) of a3 and our Advanced Loss Given Failure (LGF) analysis applied to KBC Group that results in no uplift, reflecting a moderate loss given failure for the instrument.

KBC Bank's a3 BCA reflects KBC's strong franchise, supported by its solid presence in Belgium and countries in Central and Eastern Europe (CEE), and its diversified businesses, spanning banking activities, insurance and asset management. It also reflects its well-contained asset quality, its comfortable capitalisation, its track record of strong and resilient profitability, and its robust funding and liquidity.

KBC Bank's Aa3 long-term deposit rating and IFIMA's A2 backed senior unsecured debt rating benefit from an extremely low and low loss given failure, respectively, leading to a three-notch and one-notch uplift, respectively, from the bank's Adjusted BCA. Our support assumption from the Government of Belgium (A1 stable) is moderate for both instruments, but does not result in any rating uplift.

Exhibit 1

Key financial ratios



The data is as of year-end 2025.
Source: Moody's Ratings

Credit strengths

» Strong earnings power, supported by the group's solid presence in Belgium and CEE countries, and diversified businesses, spanning banking activities, insurance and asset management

» Comfortable capital, commensurate with the group's risk profile, as shown by the strong performance of the loan portfolio

» Low refinancing risk, underpinned by a strong deposit base and a significant share of mostly liquid assets

Credit challenges

» Some pockets of risk in the corporate loan portfolio

» Tight margin on mortgage loans

Outlook

The stable outlooks on KBC Bank's long-term deposits, KBC's senior unsecured debt and long-term issuer ratings reflect our expectation of a broadly unchanged standalone credit quality of KBC Group.

The stable outlook for IFIMA's backed senior unsecured debt reflects our expectation that the increased loss severity for these liabilities, stemming from the implementation of depositor preference in the EU, will not change significantly over the outlook horizon.

Factors that could lead to an upgrade

» Although unlikely in the short term, an upgrade of KBC Bank's BCA would likely lead to an upgrade of IFIMA's backed senior unsecured ratings. KBC Bank's BCA could be upgraded if the group's asset risk, capital and profitability were all to improve substantially.

» IFIMA's backed senior unsecured ratings could also be upgraded if the loss given failure of the group were to reduce through higher subordination or instrument volume.

Factors that could lead to a downgrade

» A downgrade of KBC Bank's BCA could result from a sustained reduction in profitability, should both fees and net interest income decline substantially; a significant decline in regulatory capital ratios; or a substantial deterioration in asset quality.

» A downgrade of the BCA would typically result in a downgrade of KBC's issuer and senior unsecured debt ratings and KBC Bank's long-term deposit rating. A downgrade of IFIMA's backed senior unsecured rating due to a downgrade of KBC Bank's BCA or reduced subordination or instrument volume is unlikely, as these instruments could then benefit from a rating uplift from the Belgian government, provided that this remains rated at its current level.

» The long-term deposit ratings of KBC Bank and the long-term senior unsecured debt of KBC Group could also be downgraded if their respective loss given failure were to increase through reduced subordination or lower instrument volume.

Key indicators

Exhibit 2
KBC Group N.V. (Consolidated Financials) [1]

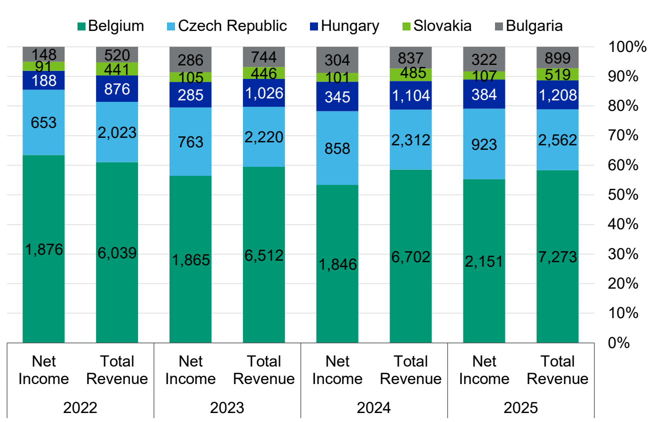
	12-25 [2]	12-24 [2]	12-23 [2]	12-22 [2]	12-21 [2]	CAGR/Avg. [3]
Total Assets (EUR Million)	392,379.0	368,174.0	341,241.0	347,142.0	333,488.0	4.1 [4]
Total Assets (USD Million)	460,830.8	381,243.0	376,953.6	370,486.3	377,877.2	5.1 [4]
Tangible Common Equity (EUR Million)	21,209.0	19,256.0	18,913.0	17,850.0	19,648.0	1.9 [4]
Tangible Common Equity (USD Million)	24,909.0	19,939.5	20,892.3	19,050.4	22,263.3	2.8 [4]
Problem Loans / Gross Loans (%)	1.9	2.0	2.2	2.2	2.5	2.2 [5]
Tangible Common Equity / Risk Weighted Assets (%)	16.4	16.1	16.7	16.2	18.8	16.8 [6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	16.4	17.9	19.2	19.8	18.4	18.3 [5]
Net Interest Margin (%)	1.6	1.5	1.5	1.5	1.3	1.5 [5]
PPI / Average RWA (%)	3.8	3.4	3.4	3.4	3.0	3.4 [6]
Net Income / Tangible Assets (%)	0.9	0.9	0.9	0.7	0.9	0.9 [5]
Cost / Income Ratio (%)	49.8	53.4	54.8	53.9	58.7	54.1 [5]
Gross Loans / Due to Customers (%)	88.0	84.5	85.4	80.2	81.6	83.9 [5]
Core Banking Liquidity (HQLA) / Tangible Banking Assets (%)	29.0	30.7	--	--	--	31.0 [5]
Less-stable Funds (LCR) / Tangible Banking Assets (%)	31.4	29.1	--	--	--	22.4 [5]

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Further to the publication of our revised methodology in November 2025, only ratios from annual 2024 onwards included in this report apply reported risk weights for all exposures, discontinuing our previously applied standard adjustment for certain government securities.
Sources: Moody's Ratings and company filings

Profile

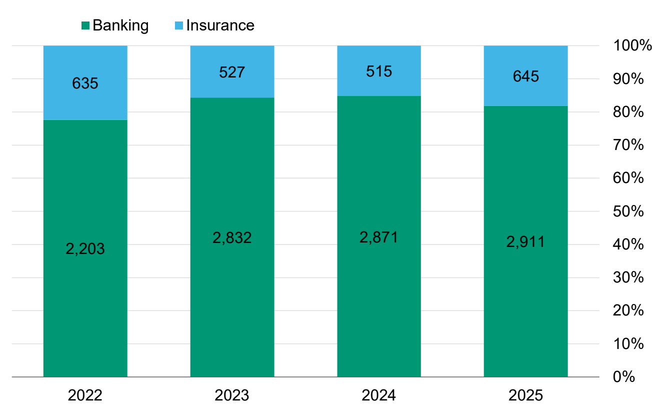
KBC Group N.V. (KBC) is a leading bank insurance group based in Belgium with total assets of €397 billion (€392 billion after our own adjustments) as of year-end December 2025. The group is active in Belgium (in 2025, almost 60% of consolidated revenue or 55% of its net profit), and several CEE countries (namely the Czech Republic, Slovakia, Hungary and Bulgaria, together accounting for around 40% of revenue or 45% of net income in 2025)[3] (see Exhibit 3). KBC runs its banking operations through KBC Bank N.V. (accounting for about 80% of the group's net profit) and its insurance activities through KBC Insurance N.V. (around 20% of net profit), active in both life and non-life activities (see Exhibit 4).

Exhibit 3
CEE accounts for over one-third of the group's consolidated total revenue and net income
Breakdown of total revenue and net income by market in percentage terms and € millions



The figures are by business unit/market, excluding the Corporate Center.
Sources: KBC Group and Moody's Ratings

Exhibit 4
Insurance business accounts for about 20% of the net income of the group
Breakdown of net income by business in percentage terms and € millions



The figures exclude the Corporate Center.
Sources: KBC Group and Moody's Ratings

KBC has thus far delivered on its strategic plan's objectives, aiming to gain market shares in its core markets and develop its highly integrated bancassurance model in Belgium and the Czech Republic. KBC's goal to secure a sizable presence in Slovakia, Hungary and Bulgaria through organic growth and acquisitions is also on track.

In Belgium, KBC reported market shares of 21% in loans and deposits and 27% in investment funds as of year-end 2025. In CEE, the bank reported estimated market shares on banking products of 20% in the Czech Republic, 11% in Hungary, 12% in Slovakia and 19% in Bulgaria.

In Bulgaria, KBC has completed a series of acquisitions to expand its cross-selling opportunities and gain scale in the local market. UBB, KBC's earlier acquired Bulgarian subsidiary that now consolidates all subsequent acquisitions in the country, is the largest domestic bank.

In January 2026, KBC announced that it had completed the acquisition of 365.bank (A3/Baa1 positive, ba1[4]), the seventh-largest bank in Slovakia, which is focused on retail banking and has subsidiaries in both asset management and consumer finance. The group's intention is to eventually merge it with Ceskoslovenska Obchodni Banka, a.s. (CSOB), thereby reaching the number three position in Slovakia, with market shares ranging from 14% to 21%, depending on products. This transaction, therefore, fits KBC's strategy to be part of the top three companies in both banking and insurance in all its core markets.

Detailed credit considerations

Overall asset quality is good, despite some pockets of risk in the corporate loan portfolio

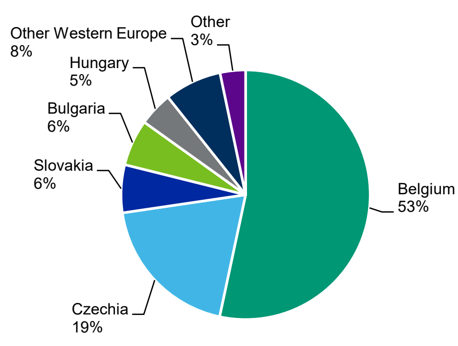
We assign a baa1 Asset Risk score, reflecting a Problem Loans/Gross Loans of 2%[5], which we consider to be good, and is adjusted downward for the risks stemming from a few industry concentrations in the corporate portfolio, including the real estate, retail distribution and manufacturing sectors.

The assigned score reflects our through-the-cycle view of its asset risk, which incorporates the bank's asset quality strengths and its careful provisioning policy. Despite the uncertainties related to the geopolitical risks, we expect the level of the NPL ratio to remain relatively stable in the foreseeable future.

KBC's credit exposures[6] reflect the group's solid franchise in its core markets (see Exhibit 5).

Exhibit 5

The group's exposures reflect its franchises in Belgium and core markets in CEE
Geographic breakdown of loan portfolio by geography



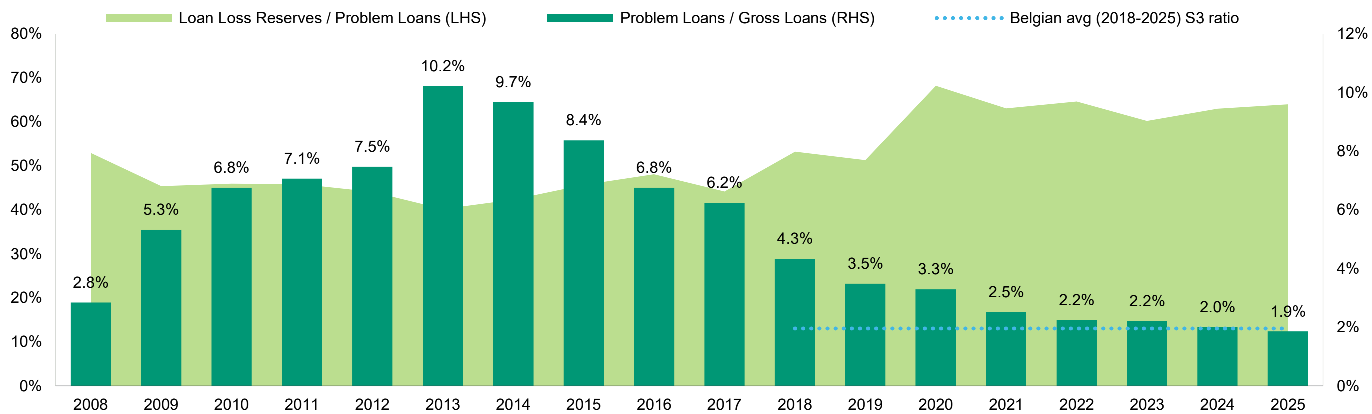
The figures are as of year-end 2025.
Source: KBC Group

By the end of December 2025, about 41% of the loan portfolio was made up of exposures to private individuals, mainly mortgages that generally have a low risk profile. Around 37% was allocated to corporates, which tend to carry higher risk, including sectors facing recovery difficulties, with 22% allocated to SMEs.

KBC's nonperforming loan (NPL) ratio is good, in line with the Belgium (see Exhibit 6) and EU average.[7] The coverage of problem loans by total reserves[8] remains comfortable at 64% as of year-end 2025.

The bank's asset risk has gradually improved following the disposal of KBC Ireland's legacy nonperforming mortgage in February 2022. The bank's NPL ratio has been on a declining trend since 2020 in all its core markets.

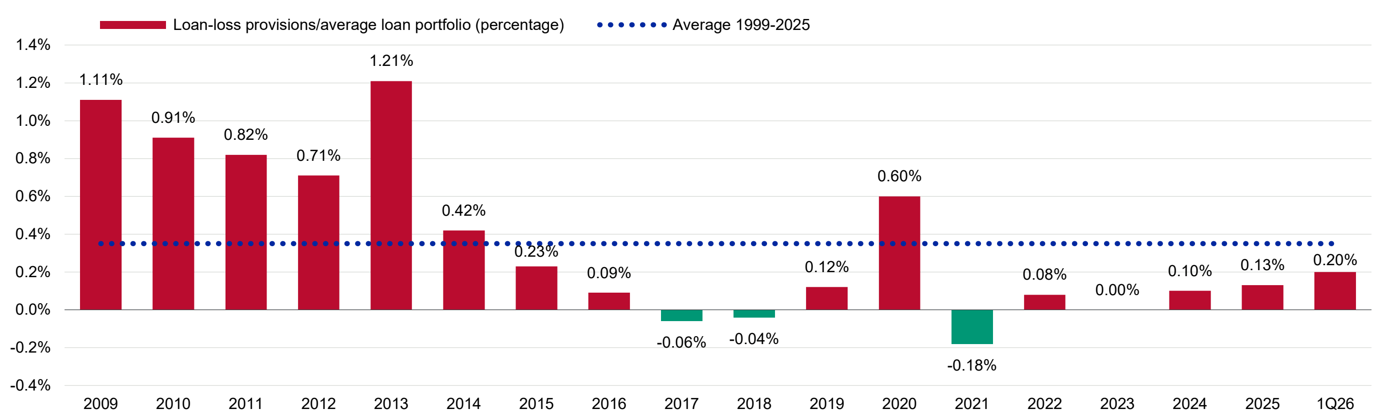
Exhibit 6
KBC's loan book quality has steadily improved close to Belgian peer level after the NPL peak of 2013
Asset quality metrics of KBC versus Belgian banking system



Sources: KBC Group, European Banking Authority and Moody's Ratings

We expect the bank's cost of risk to gradually return to slightly higher levels over the next few quarters, generally aligning with management's goal to stay well below the 25-30 basis point (bp) range by 2026. With the exception of 2020, where the rise in Stage 1 and Stage 2 provisions in the context of the pandemic drove the group's cost of risk to 60 bp of outstanding loans[9], loan loss charges have been consistently low since 2015 (see Exhibit 7).

Exhibit 7
The cost of risk remains at historical lows
Loan loss provisions/average loan portfolio (in percentage terms)

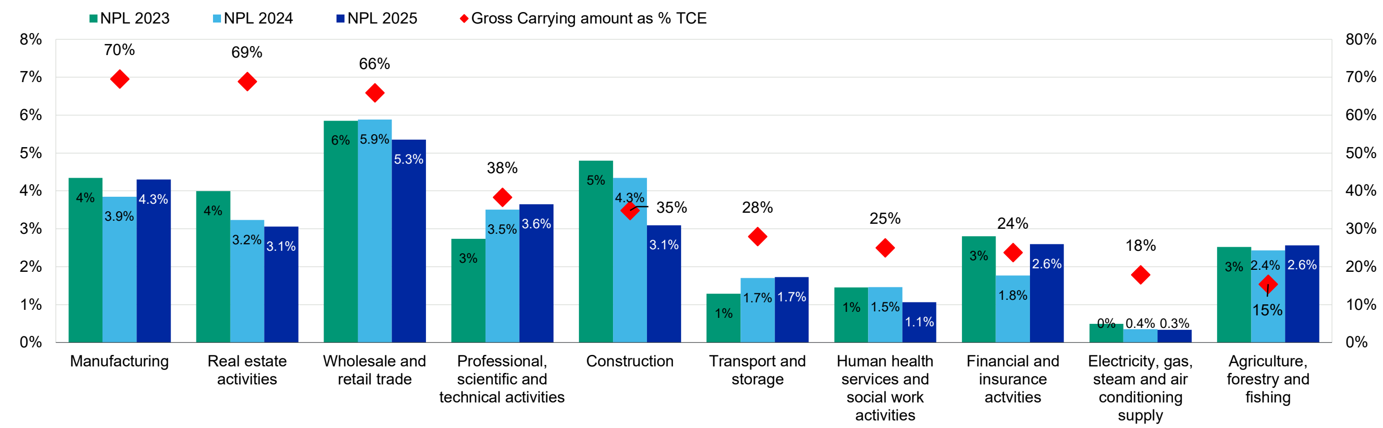


Sources: KBC Group and Moody's Ratings

Although globally well diversified, the corporate loan portfolio contains some substantial industry concentrations in volatile sectors, the largest of which is the real estate and construction sector, at over 104% of the group's adjusted tangible common equity (TCE) as of year-end 2025. The NPL ratios of these sectors are relatively high (see Exhibit 8), yet there has been no substantial deterioration in these ratios over the past three years. The commercial real estate portfolio is essentially located in Belgium (about two-thirds of the outstanding amount) and the Czech Republic (about one-fifth). The exposure to real estate development is relatively limited and represents around 20% of the total CRE exposure. KBC has very limited exposures that are vulnerable to US import tariff uncertainty and the Middle East conflict.

Exhibit 8

The corporate loan portfolio contains some significant industry concentrations in volatile sectors
Credit quality of loans to non-financial corporations by industry



Sources: KBC Group Pillar III disclosures and Moody's Ratings calculations

Good capitalisation and strong earnings generation provide comfortable buffers

We assign a baa1 score for Capital, reflecting Tangible Common Equity/Risk-Weighted Assets (RWAs) of above 16%, which we consider to be sound, and is adjusted downward to reflect the bank's extensive use of internal models for calculating RWAs and setting management's capital targets.

Our view of capital, as encapsulated by the assigned score, reflects our perspective on capital, considering KBC Group's solid capital position and its strong ability to generate capital. The assigned score also reflects the significant portion of its exposures computed by internal models, which require less capital than the standardised approach. At year-end 2025, based on our calculations, the application of these models reduced RWAs by 30%, which corresponds to a gain of 445 bp in the Common Equity Tier 1 (CET1) capital ratio.

Our approach to capital also incorporates the bank's planned dividend distributions. We expect the regulatory CET1/RWA to remain at least in the range of 13% to 14% during the next 12-18 months; it was 14.9% as of December 2025.

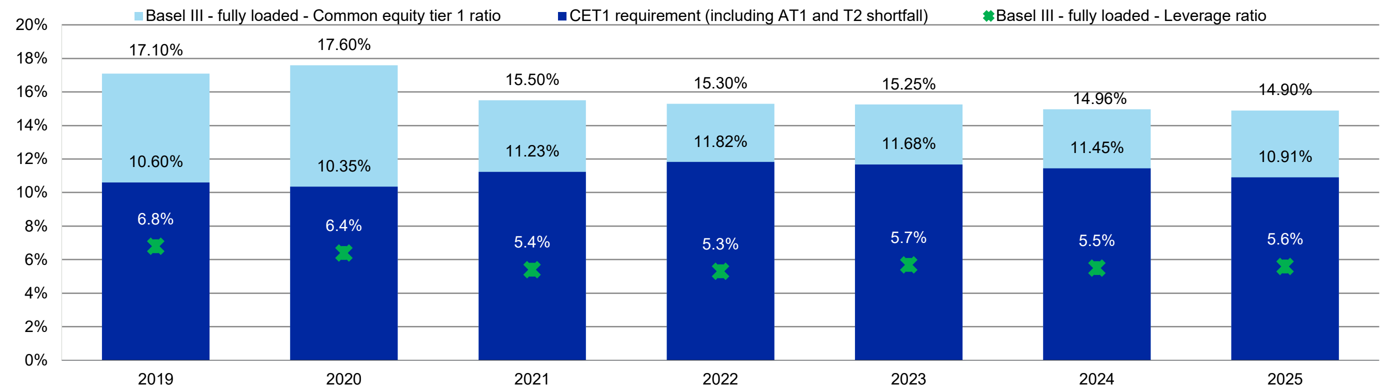
The Basel IV impact of €5.3 billion, to be phased in between 2026 and 2033, is equivalent to an about 60 bps strain on the CET1 ratio as of year-end 2025, and will be absorbed because of KBC's strong earnings generation and on-going significant risk transfer (SRT) transactions.

KBC's payout ratio policy ranges from 50% to 65% of consolidated profit. The upper limit of this range is consistent with the actual average distribution rate over the past decade (including share buybacks and AT1 coupon payments).

The 14.9% CET1 ratio reported as of year-end December 2025 is well above the regulatory requirement of 10.9%[10]. The estimated impact on the fully loaded CET1 ratio of the acquisition of 365.bank is a negative 50 bp, completed in January 2026.

The group's fully loaded Tier 1 leverage ratio was 5.6% as of year-end 2025. This is well above the requirement of 3.1% and even comfortably above the management target of at least 4.6%.

Exhibit 9
Capitalisation of KBC is solid and includes a comfortable buffer



Sources: KBC Group and Moody's Ratings

At year-end 2025, the group's MREL — composed of KBC's holding company's senior debt, its Tier 2 and Additional Tier 1 debt, and its CET1 capital — was at 31.4% of RWA and 10.4% of the leverage ratio exposure, comfortably above the current requirements of 27.6% (including the combined buffer requirement of 5.3%) and 7.4%, respectively.

Profitability will remain sound underpinned by diversification and strong franchises in the core markets

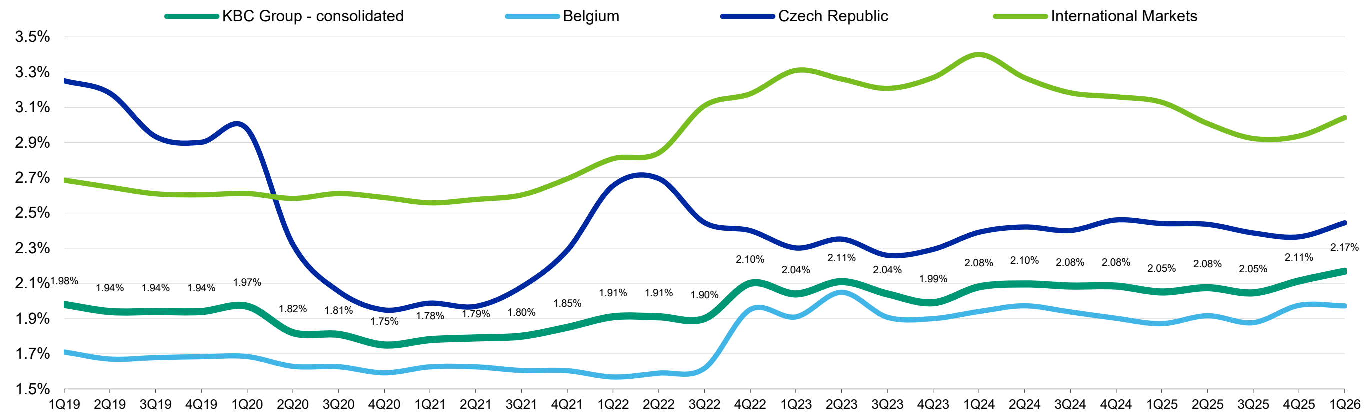
We assign a baa2 score for Profitability, which reflects our Net Income/Tangible Assets of 0.9%, which we consider to be good.

Our view of KBC's profitability reflects a solid earnings diversification. We also expect net interest income to remain supported by organic loan book growth and stable net interest margins in the next 12 to 18 months, which should help offset increased operating expenses. Additionally, we expect the cost of risk to normalise at slightly higher levels in the coming quarters due to pressures in various economic sectors (like building and construction, automotive or substandard commercial real estate) and limited reserves available for geopolitical and emerging risks.

KBC has strong earnings power, supported by its solid franchise in Belgium and CEE countries, and diversified businesses spanning banking activities, insurance and asset management. The group's profitability is among the highest in the Belgian banking system. With the exception of 2020, when the group's results were hit by higher loan loss provisions in the context of the pandemic, KBC's overall profitability has proven resilient and stable through the period, demonstrating its ability to preserve solid margins under both low and higher interest-rate environments.

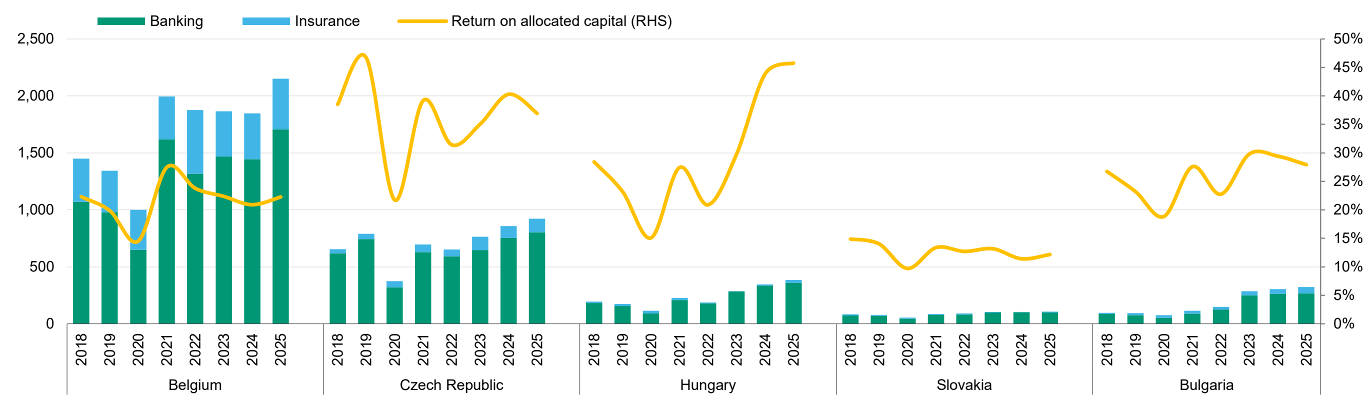
Subsidiaries in CEE continue to benefit from higher net interest margins (NIM) compared with Belgium (see Exhibit 10), which supports the group's strong profitability. KBC's Belgian operations also deliver a solid profit (see Exhibit 11). Over the past four years, banking and insurance activities have contributed about 80% and 20%, respectively, to the group's consolidated net profit. For the banking segment, net interest income (NII) made up roughly two-thirds of the total revenue during the four years that ended 31 December 2025, while net fee and commission income represented the remaining share.

Exhibit 10
The consolidated NIM of the bank benefits from its presence in CEE, and it has been stable throughout 2024 and 2025, despite declining policy rates
Net interest margins by business unit



International Markets comprise Hungary, Bulgaria and Slovakia.
Source: KBC Group

Exhibit 11
The Belgian business also generates sound levels of profit
Breakdown of net profit by business unit and activity (in € millions) versus business units' return on allocated capital



Excluding Group Center and the historical Ireland contribution.
Sources: KBC Group and Moody's Ratings calculations

For a detailed review of 2025 performance, please refer to the report [Issuer Comment: KBC Group N.V. - Good momentum across business units in 2025 will continue to support strong profitability in 2026, 16 February 2026].

KBC's operating expenses slightly increased, mainly driven by higher staff costs due to wage inflation, as well as higher bank and insurance levies. The increase only partly offset the positive impact of higher revenue. The cost-to-income ratio improved to 41% from 43% the previous year, nearing KBC's 2026 target of about 40%. Moody's data shows that KBC's cost efficiency has consistently outperformed the overall Belgian banking sector, and we expect this trend to continue.

Funding is robust because of the maturity schedule and solid core deposit base

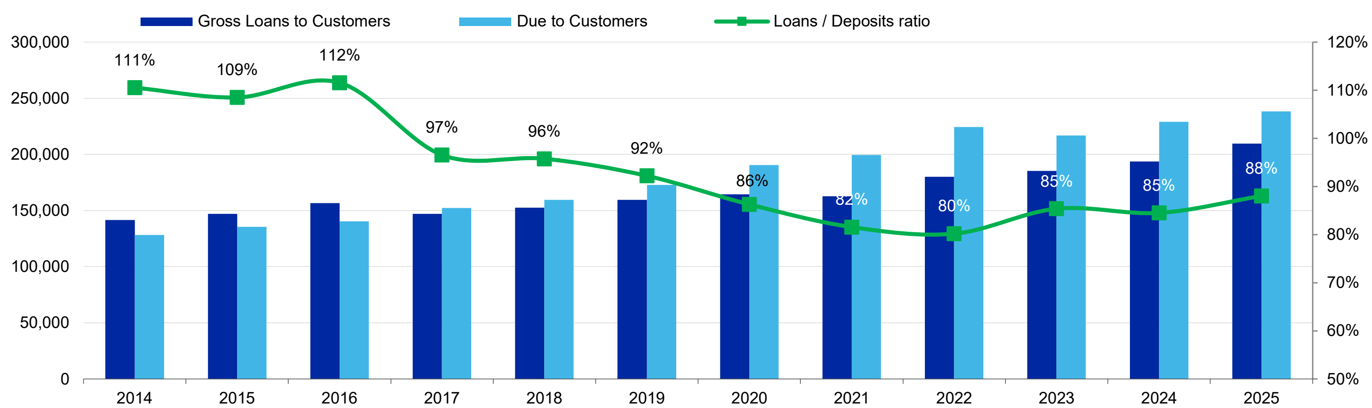
We assign a baa1 score for Funding Structure, reflecting a Less Stable Funds/Tangible Banking Assets of 31%, which we consider to be good, and is adjusted upward for the term structure of the liabilities, which provides a favourable redemption profile[11] and helps limit refinancing risk.

We view KBC as having a strong retail deposit franchise that underpins the quality and reliability of its funding sources, as shown by its granular deposit base, over half of which is insured under the national deposit insurance schemes.

Customer deposits will remain the main source of funding, although we expect that additional loan growth may slightly affect the group's robust loan-to-deposit (LTD) ratio. Customer deposits consistently represented around 70% of the bank's funding base[12] over the past five years. The group's LTD ratio has been at a comfortable level over the past years, yet it increased to 88% as of year-end 2025 from 85% a year earlier (see Exhibit 12). Despite the temporary outflow of deposits experienced in Belgium in 2023[13], KBC's customer deposits are a stable funding source. The group benefits from strong customer deposit bases in each core market. The vast majority of customer funds consists of deposits from private individuals and SMEs, while the rest relates to mid-cap companies and government and public sector entities.

Exhibit 12

KBC's funding benefits from its substantial customer deposits
Customer loans and deposits evolution



Sources: KBC Group and Moody's Ratings

Wholesale funding base has represented around 20% of KBC's funding base[14] over the past five years. This has been almost evenly balanced between the medium-to-long-term (MLT) funding and shorter-term funds.

Short-term wholesale funding consists of interbank funding and certificates of deposits with typical maturities between three and six months. KBC primarily uses these instruments to steer its liquidity coverage ratio.

Thanks to its large and stable deposit base, KBC's reliance on MLT wholesale funding is relatively modest and driven by MREL needs to a large extent. The redemption profile of the MLT debt is well distributed over time.

KBC undertakes relatively sizeable repo transactions, but for purposes other than funding[15]. The bank uses a portion of its large securities portfolio to carry out repos on an opportunistic basis and capture the difference between the interest rate on the repo market and that of the cash deposited at the central bank. A portion of the repo transactions can also be back-to-back operations with reverse repo transactions, generating some spread revenue for KBC.

Liquidity is ample

We assign an a2 score for Liquid Resources, reflecting a Core Banking Liquidity/Tangible Banking Assets of 29%, which we consider to be strong, and is adjusted upward to account for the inflationary impact on the balance sheet resulting from repo transactions, as explained above.

KBC has a significant amount of high-quality liquid assets (HQLA), which acts as a buffer against its less stable and short-term funding.

The liquidity buffer amounted to about €103 billion as of year-end 2025. It consisted of roughly one quarter in cash and withdrawable central bank receivables, and about three quarters in high-quality debt securities, mostly composed of government bonds. As of year-end 2025, the liquidity buffer represented 1.6 times the group's short-term wholesale funding.

KBC books the majority of its securities portfolio at amortised cost. A significant increase in interest rates or credit spreads could result in substantial unrealised losses that remain unrecognised in its regulatory capital. As of year-end 2025, the unrealised losses on KBC's securities portfolio amounted to €1.5 billion or 7% of the TCE, which is an improvement compared with the past few years. We nonetheless believe that, given the high quality of the group's deposits, the substantial size of the liquidity buffer compared with the risk of funding outflows, and the fact that the bonds can be repoed in the markets or at central banks, the risk for such unrealised losses to crystallise for liquidity purposes remains limited.

The group's average LCR for 2025 was 159%. Its net stable funding ratio (NSFR) was 138% at year-end 2025. These ratios compare well with the EU averages as of December 2025 of 163% and 127%, respectively.[16]

The credit quality benefits from good business and geographic diversification

We assign a BCA of a3 that includes an upward one-notch qualitative adjustment for business diversification because KBC has a well-balanced business portfolio with a highly integrated bank-insurance model and leading or sizeable market positions in each of its core markets, namely Belgium, the Czech Republic, Bulgaria, Slovakia and Hungary, together with a strong funding franchise. This has led to more stable earnings through interest rate cycles versus a typical bank, low earnings volatility as indicated by the standard deviation on net income, and a track record of sustained capital generation.

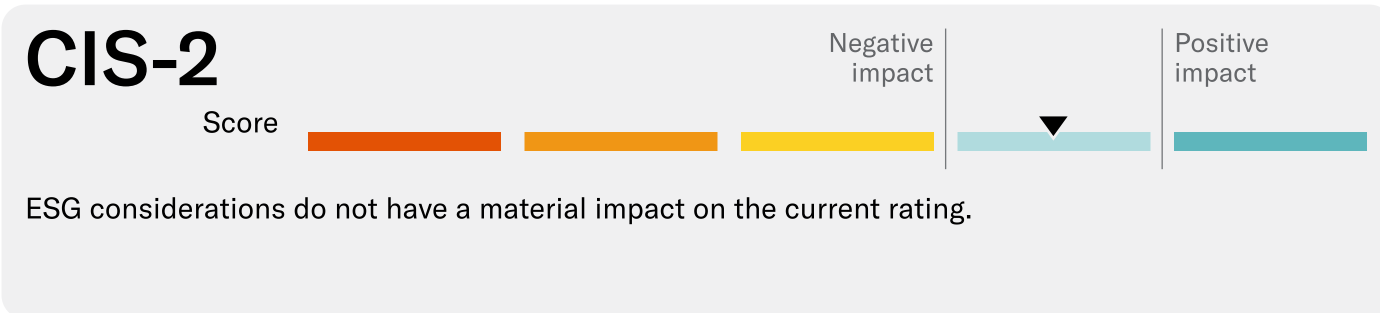
Macro profile

We assign a Strong Macro Profile to KBC, reflecting its predominant exposure to the home market of Belgium (55%), which has a Strong+ Macro Profile. However, this is offset by its exposure to weaker CEE macro profiles, such as the Czech Republic (19%), which has a Strong Macro Profile.

ESG considerations

KBC Bank N.V.'s ESG credit impact score is CIS-2

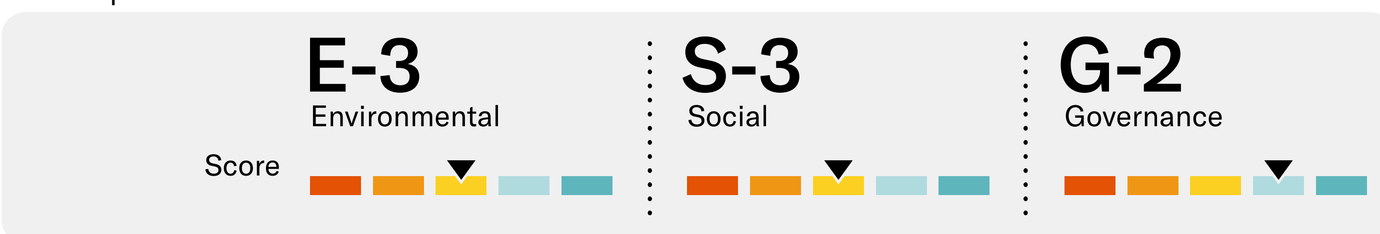
Exhibit 13
ESG credit impact score



Source: Moody's Ratings

KBC's **CIS-2** indicates that ESG considerations do not have a material impact on the current rating.

Exhibit 14
ESG issuer profile scores



Source: Moody's Ratings

Environmental

KBC faces moderate environmental risks primarily because of its portfolio exposure to carbon transition risk. In line with its peers, KBC is exposed to mounting business risks and stakeholder pressure to meet more demanding carbon transition targets. KBC is actively engaged in further developing its climate risk management and reporting frameworks, and optimizing its loan portfolio toward less carbon-intensive assets.

Social

KBC faces moderate industrywide social risks related to regulatory risk, litigation exposure and high compliance standards. The Belgian supervisor's focus on mis-selling and misrepresentation may have negative implications, which are mitigated by internal policies and procedures. KBC's high cyber and personal data risks are mitigated by technology solutions and organizational measures to prevent data breaches.

Governance

KBC has solid corporate governance practices and prudent financial policies, commensurate with its universal banking model. KBC operates in multiple jurisdictions, mainly in Central and Eastern Europe, which entails governance and risk management challenges. The group has not recorded significant failures in its risk management and controls in recent years.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Loss Given Failure (LGF) analysis

KBC Bank (together with its parent KBC Group) is subject to the EU Bank Recovery and Resolution Directive, which we consider an operational resolution regime. We assume a residual TCE of 3% and post-failure losses of 8% of tangible banking assets, a 25% run-off in junior wholesale deposits, a 5% run-off in preferred deposits and a proportion of 26% of deposits as junior, and assign a 100% probability of deposits being preferred to senior unsecured debt. These assumptions are in line with our standard assumptions. Our Advanced LGF analysis reflects the likelihood that full depositor preference over senior debt creditors will be implemented in the EU by early 2028.

Our Advanced LGF analysis indicates an extremely low loss given failure for KBC Bank's deposits and a low loss given failure for the issuing entity IFIMA's senior unsecured debt, leading us to assign a three- and one-notch uplift, respectively, above the bank's Adjusted BCA.

Our LGF analysis indicates a moderate loss given failure for KBC Group's long-term senior unsecured debt, leading to no uplift from the bank's Adjusted BCA.

Considering the bank's overseas subsidiaries, groupwide resolutions will be coordinated in a unified manner for entities required to issue internal loss-absorbing capital in jurisdictions that have an operational resolution regime for banks, leading to a likely transfer of losses from subsidiaries to parents at the point of failure. In the case of KBC, we include the tangible banking assets of its subsidiaries CSOB, Ceskoslovenska obchodna banka (Slovakia) and Kereskedelmi & Hitel Bank Rt. in the resolution perimeter of KBC Group designated as the single point of entry for the group resolution.

Government support considerations

There is a moderate likelihood of government support for KBC Bank's deposits and IFIMA's senior debt in the event of failure, reflecting the bank's systemic importance in Belgium, given its significant share of retail and corporate deposits in the country. However, this assumption does not result in any additional uplift for these instruments' ratings as is typically the case when such support would lead bank ratings to be in line with or above the sovereign debt rating.

The Group's senior unsecured debt, which is structurally subordinated to KBC Bank's deposits and debt, is assigned a low probability of government support, also leading to no uplift from the Adjusted BCA.

About Moody's Bank Scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from that suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 15
Rating Factors

Macro Factors		
Weighted Macro Profile	**Strong**	**100%**

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	2.0%	a3	↔	baa1	Sector concentration	
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - fully loaded)	16.4%	a2	↓	baa1	Recognition of risk-weighted assets	Expected trend
Profitability						
Net Income / Tangible Assets	0.9%	baa2	↔	baa2		
Combined Solvency Score		a3		baa1		
Liquidity						
Funding Structure						
Less-stable Funds / Tangible Banking Assets	31.4%	baa2	↔	baa1	Market funding quality	Term structure
Liquid Resources						
Core Banking Liquidity / Tangible Banking Assets	29.0%	a3	↑	a2	Quality of liquid assets	
Combined Liquidity Score		baa1		a3		
Financial Profile		a3		baa1		
Qualitative Adjustments				Adjustment		
Business and Geographic Diversification				1		
Complexity and Opacity				0		
Strategy, Risk Appetite and Governance				0		
Total Qualitative Adjustments				1		
Sovereign or Affiliate constraint				A1		
BCA Scorecard-indicated Outcome - Range				a2 - baa1		
Assigned BCA				a3		
Affiliate Support notching				0		
Adjusted BCA				a3		

Balance Sheet	**in-scope (EUR Million)**	**% in-scope**	**at-failure (EUR Million)**	**% at-failure**
Other liabilities	78,487	22.5%	102,749	29.4%
Deposits	237,868	68.1%	213,605	61.1%
Preferred deposits	176,022	50.4%	167,221	47.8%
Junior deposits	61,846	17.7%	46,384	13.3%
Senior unsecured bank debt	1,612	0.5%	1,612	0.5%
Senior unsecured holding company debt	15,739	4.5%	15,739	4.5%
Dated subordinated holding company debt	2,823	0.8%	2,823	0.8%
Preference shares(holding company)	2,500	0.7%	2,500	0.7%
Equity	10,485	3.0%	10,485	3.0%
Total Tangible Banking Assets	349,513	100.0%	349,513	100.0%

Debt Class	**De Jure waterfall**		**De Facto waterfall**		**Notching**		**LGF Notching Guidance vs. Adjusted BCA**	**Assigned LGF notching**	**Additional Notching**	**Preliminary Rating Assessment**
	Instrument volume + subordination	**Sub-ordination**	**Instrument volume + subordination**	**Sub-ordination**	**De Jure**	**De Facto**				
Counterparty Risk Rating	22.8%	22.8%	22.8%	22.8%	3	3	3	3	0	aa3
Counterparty Risk Assessment	22.8%	22.8%	22.8%	22.8%	3	3	3	3	0	aa3 (cr)
Deposits	22.8%	9.0%	22.8%	9.5%	3	3	3	3	0	aa3
Senior unsecured bank debt	22.8%	9.0%	9.5%	9.0%	3	1	1	1	0	a2

Senior unsecured holding company debt	9.0%	4.5%	9.0%	4.5%	0	0	0	0	0	a3
Dated subordinated bank debt	4.5%	3.7%	4.5%	3.7%	-1	-1	-1	-1	0	baa1
Dated subordinated holding company debt	4.5%	3.7%	4.5%	3.7%	-1	-1	-1	-1	0	baa1
Holding company non-cumulative preference shares	3.7%	3.0%	3.7%	3.0%	-1	-1	-1	-1	-2	baa3

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	3	0	aa3	0	Aa3	Aa3
Counterparty Risk Assessment	3	0	aa3 (cr)	0	Aa3(cr)	
Deposits	3	0	aa3	0	Aa3	Aa3
Senior unsecured bank debt	1	0	a2	0	A2	A2
Senior unsecured holding company debt	0	0	a3	0	A3	A3
Dated subordinated bank debt	-1	0	baa1	0	Baa1	Baa1
Dated subordinated holding company debt	-1	0	baa1	0	Baa1	Baa1
Holding company non-cumulative preference shares	-1	-2	baa3	0	Baa3 (hyb)	

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 16

Category	Moody's Rating
KBC GROUP N.V.	
Outlook	Stable
Deposit Note/CD Program -Dom Curr	--/P-2
Issuer Rating	A3
Senior Unsecured	A3
Subordinate	Baa1
Pref. Stock Non-cumulative -Dom Curr	Baa3 (hyb)
ST Issuer Rating	P-2
Other Short Term	(P)P-2
365.BANK, A.S.	
Outlook	Positive
Counterparty Risk Rating	A1/P-1
Bank Deposits	A3/P-2
Baseline Credit Assessment	ba1
Adjusted Baseline Credit Assessment	baa1
Counterparty Risk Assessment	A2(cr)/P-1(cr)
Issuer Rating	Baa1
Senior Unsecured -Dom Curr	Baa1
ST Issuer Rating	P-2
CESKOSLOVENSKA OBCHODNI BANKA, A.S.	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
KERESKEDELMI & HITEL BANK RT.	
Outlook	Negative
Counterparty Risk Rating	A3/P-2
Bank Deposits	A3/P-2
Baseline Credit Assessment	baa3
Adjusted Baseline Credit Assessment	baa2
Counterparty Risk Assessment	Baa1(cr)/P-2(cr)
KBC IFIMA S.A.	
Outlook	Stable
Bkd Senior Unsecured	A2
Bkd Subordinate MTN -Dom Curr	(P)Baa1
Bkd Other Short Term -Dom Curr	(P)P-1
KBC BANK N.V.	
Outlook	Stable
Counterparty Risk Rating	Aa3/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a3
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	Aa3(cr)/P-1(cr)
CESKOSLOVENSKA OBCHODNA BANKA (SLOVAKIA)	
Outlook	Stable(m)
Counterparty Risk Rating -Dom Curr	A1/P-1
Bank Deposits	A1/P-1
Baseline Credit Assessment	baa2
Adjusted Baseline Credit Assessment	a3
Counterparty Risk Assessment	A2(cr)/P-1(cr)
Issuer Rating	A2

Source: Moody's Ratings

Endnotes

1 The rating shown is KBC Group's senior unsecured debt rating.

2 The ratings shown are KBC Bank's deposit rating, KBC IFIMA S.A.'s senior unsecured debt rating (backed by KBC Bank) and Baseline Credit Assessment.

3 The figures are estimated excluding the Corporate Center.

4 The ratings shown correspond to long-term bank deposits, the senior unsecured debt rating and the BCA.

5 Our problem loan ratio is a 3 years average.

6 The breakdown of credit exposures (banking activities) is based on KBC's classification of loan and investment portfolio in its quarterly financial statements. The exposures include the outstanding loans (including to banks) and securities from the group's investment portfolio other than government bonds.

7 Source: European Banking Authority (EBA) Risk Dashboard, Q4 2025.

8 These include the stock of Stage 1, Stage 2 and Stage 3 provisions.

9 The loan loss ratios referred to in this section correspond to those disclosed by the issuer.

10 The regulatory requirement was composed of 4.5% pillar 1 requirement, 1.10% pillar 2 requirement to be satisfied with CET1 capital, 2.5% capital conservation buffer, 1.5% O-SII buffer, 1.28% countercyclical buffer and 0.0% systemic risk buffer.

11 In the calculation of the adjusted less stable funds ratio, we have excluded the repo transactions from both the numerator and denominator. KBC essentially uses repos for purposes other than funding, and we analyze them as implying limited liquidity risks (refer to the explanation below).

12 Funding base in this calculation includes shareholders' equity, but excludes derivatives and short trading positions.

13 In September 2023, the Belgian state issued high-yielding and fiscally advantageous one-year Treasury notes to households in Belgium, triggering an outflow of deposits at Belgian banks for an amount equivalent to 3% of their consolidated domestic deposits. For KBC, the outflow in 2023 due to the issuance of the State notes amounted to €5.7 billion. At the maturity of these notes in September 2024, KBC recovered €6.5 billion of customer money.

14 Funding base in this calculation includes shareholders' equity but excludes derivatives and short trading positions.

15 The aforementioned wholesale funding figures do not include the repo transactions.

16 Source: EBA Risk Dashboard, Q4 2025.

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Americas	1-212-553-1653
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