Prospectus dated 13 September 2024

KBC Group NV

(incorporated with limited liability in Belgium)

EUR 750,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities

This prospectus (the "**Prospectus**") constitutes a prospectus in relation to the issue of EUR 750,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities (the "**Securities**") by KBC Group NV (the "**Issuer**").

The issue price of the Securities is 100.00 per cent. of their principal amount.

The Securities will, subject to certain interest cancellation provisions as described below, bear interest on their Prevailing Principal Amount (as defined in Condition 18 (*Definitions*)) on a non-cumulative basis. Interest will be payable semi-annually in arrear in equal instalments on 17 March and 17 September of each year (each an "**Interest Payment Date**") and will accrue from (and including) 17 September 2024 (the "**Issue Date**") to (but excluding) 17 September 2031 (the "**First Reset Date**") at a fixed rate of 6.250 per cent. *per annum*. The rate of interest will reset on the First Reset Date and each date which falls five, or a multiple of five, years after the First Reset Date (each, a "**Reset Date**").

The Issuer may, in its sole and absolute discretion, at any time on or before the scheduled payment date elect to cancel (in whole or in part) the payment of interest on the Securities otherwise scheduled to be paid on any date. Furthermore, interest shall be cancelled (in whole or in part) if, and to the extent that (a) the payment of such interest (together with any additional amounts payable in accordance with Condition 8 (*Taxation*), if applicable), when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Securities or on any other own funds items in the then current financial year (excluding any such interest payments or other distributions which (A) are not required to be made out of Distributable Items (as defined in Condition 3.2 (*Interest cancellation*)) or (B) have already been provided for, by way of deduction, in the calculation of Distributable Items) and any other amounts which the Competent Authority (as defined in Condition 18 (*Definitions*)) may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded; (b) the payment of such interest (together with any additional amounts payable in accordance with Condition 8 (*Taxation*), if applicable) would cause, when aggregated together with other distributions of the kind referred to in Article 101, §1 of the Belgian Banking Law (as defined in Condition 18 (*Definitions*)) (transposing Article 141(2) of the Capital Requirements Directive (as defined in Condition 18 (*Definitions*))) or any other relevant provisions of the Belgian Banking Law, the Maximum Distributable Amount (as defined in Condition 3.2 (*Interest cancellation*)) (if any) then applicable to the Issuer to be exceeded; (c) the payment of such interest (together with any additional amounts payable in accordance with Condition 8 (*Taxation*), if applicable) has been limited or suspended by the Relevant Resolution Authority (as defined in Condition 18 (*Definitions*)) in accordance with Article 10a of the SRM Regulation (as defined in Condition 18 (*Definitions*)) and/or Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD (as defined in Condition 18 (*Definitions*)) or any other relevant provisions of the Belgian Banking Law due to such payment exceeding the MREL-Maximum Distributable Amount Provision (as defined in Condition 3.2 (*Interest cancellation*)) (if any) then applicable to the Issuer; or (d) the Competent Authority orders the Issuer to cancel the payment of interest. Any interest (or part thereof) that has been cancelled is no longer payable by the Issuer or considered accrued or owed to the holders of Securities. Holders of Securities shall have no right thereto whether in a bankruptcy (*failissement/faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise. See Condition 3.2 (*Interest cancellation*).

The Prevailing Principal Amount of the Securities will be written down if, at any time, the Consolidated CET1 Ratio (as defined in Condition 18 (*Definitions*)) is less than 5.125 per cent. Holders of Securities may lose some or substantially all of their investment in the Securities as a result of such a write-down. Following such write-down, the Prevailing Principal Amount may, at the Issuer's discretion, be written-up to the Original Principal Amount (as defined in Condition 18 (*Definitions*)) if certain conditions are met. See Condition 7 (*Principal Write-down and Principal Write-up*).

The Securities will constitute direct, unconditional, unsecured, unguaranteed and deeply subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves. The Securities shall, subject to applicable law, rank (a) junior to the claims of all unsubordinated creditors of the Issuer; (b) junior to the rights and claims of holders of all subordinated indebtedness of the Issuer (including Tier 2 Capital Instruments (as defined in Condition 18 (*Definitions*)) other than: (i) any Junior Obligations (as defined in Condition 18 (*Definitions*)), and (ii) any Parity Securities (as defined in Condition 18 (*Definitions*)); (c) *pari passu* without any preference among themselves and *pari passu* with any Parity Securities; and (d) senior only to the rights and claims of holders of any Junior Obligations (as defined in Condition 18 (*Definitions*)). See Condition 2 (*Status of the Securities*).

The Securities are perpetual and have no fixed maturity date and holders of Securities do not have the right to call for their redemption. As a result, the Issuer is not required to make any payment of the principal amount of the Securities at any time prior to its winding-up. The Issuer may, at its option, redeem the Securities on the First Reset Date and on every Interest Payment Date thereafter (each, an "**Issuer Call Date**") in whole, but not in part, at their Prevailing Principal Amount together with any accrued and unpaid interest (excluding any interest which has been cancelled in accordance with the Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8 (*Taxation*). The Issuer may not redeem the Securities on any Issuer Call Date if the Prevailing Principal Amount of the Securities is lower than the Original Principal Amount at such time. The Issuer may also, at its option, redeem the Securities in whole, but not in part, at any time at their Prevailing Principal Amount together with any accrued and unpaid interest (excluding any interest which has been cancelled in accordance with the Conditions) to (but excluding) the date of redemption and any additional amounts payable in accordance with Condition 8 (*Taxation*), upon the occurrence of a Tax Gross-up Event, a Tax Deductibility Event or a Regulatory Event (each as defined in Condition 5 (*Redemption and Purchase*)). See Condition 5 (*Redemption and Purchase*). In addition, the Issuer may, if a Tax Gross-up Event, a Tax Deductibility Event or a Regulatory Event has occurred and is continuing, substitute all of the Securities or vary the terms of all of the Securities so that they remain or, as appropriate, become Qualifying Securities (as defined in Condition 6 (*Substitution and Variation*)).

This Prospectus has been approved by the Financial Services and Markets Authority (*Autoriteit voor Financiële Diensten en Markten/Autorité des services et marchés financiers*) (the "**Belgian FSMA**") in its capacity as competent authority under Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") as a prospectus

within the meaning of article 6.3 of the Prospectus Regulation for the purpose of giving information relating to the issue by the Issuer of the Securities. It must be read in conjunction with all information incorporated by reference herein. The Belgian FSMA has only approved this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. This approval should not be considered as an endorsement of the Issuer or of the quality of the Securities. Investors should make their own assessment as to the suitability of investing in the Securities.

The Prospectus is valid for twelve months as from its date. The obligation to supplement this Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Prospectus is no longer valid.

Application has been made for the Securities to be listed on Euronext Brussels ("**Euronext Brussels**") and to be admitted to trading, as of the Issue Date, on the regulated market of Euronext Brussels. The regulated market of Euronext Brussels is a regulated market for the purposes of Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU, as amended ("**MiFID II**").

The Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the securities settlement system operated by the National Bank of Belgium (the "NBB") or any successor thereto (the "NBB-SSS").

The Securities are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available (i) to retail clients (as defined in MiFID II) in the European Economic Area, (ii) to retail clients (as defined in the UK Financial Conduct Authority Conduct of Business Sourcebook) in the United Kingdom or (iii) in Belgium to "consumers" (*consumenten/consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended (the "Belgian Code of Economic Law"). Investors in Hong Kong should not purchase the Securities in the primary or secondary markets unless they are professional investors (as defined in the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and its subsidiary legislation) only and understand the risks involved. The Securities are generally not suitable for, and are not intended to be offered, sold, distributed or otherwise made available to, retail investors. Prospective investors are referred to the section headed "*Restrictions on marketing and sales*" for further information.

The Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors. Prospective investors should have regard to the factors described under the section headed "*Risk Factors*" in this Prospectus, setting out certain risks in relation to the Securities. In particular, holders of the Securities may lose their investment if the Issuer were to become non-viable or the Securities were to be written down. The Securities include certain risks specific to the nature of such instruments, such as subordination, write-down, interest cancellation, increased illiquidity, conflicts of interest and redemption. See as from page 13.

The Securities will be issued in minimum denominations of EUR 200,000 and integral multiples in excess thereof. The Securities will be issued in dematerialised form in accordance with the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen*/*Code des Sociétés et des Associations*), as amended (the "**Belgian Companies and Associations Code**") and will be represented by a book-entry in the records of the NBB-SSS. The Securities will only be placed with investors holding their Securities in an exempt securities account ("**X-Account**") that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS. The Securities and any non-contractual obligations arising therefrom or in connection therewith shall be governed by, and construed in accordance with, Belgian law.

The Securities are expected to be rated BB+ by S&P Global Ratings Europe Limited ("**S&P**"), BBB- by Fitch Ratings Ireland Limited ("**Fitch**") and Baa3 by Moody's France SAS ("**Moody's**"). **A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.** S&P, Fitch and Moody's are established in the European Union and are included in the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 on Credit Rating Agencies, as amended (the "**CRA Regulation**"). This list is available on the ESMA website (http://www.esma.europa.eu/page/List-registered-and-certified-CRAs).

Amounts payable under the Securities are calculated by reference to the mid-swap rate for euro swaps with a term of 5 years which appears on the Reuters screen "ICESWAP2" or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters as of 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date (as defined in Condition 18 (*Definitions*)) which is provided by ICE Benchmark Administration. As at the date of this Prospectus, ICE Benchmark Administration Limited is not included in ESMA's register of administrators and benchmarks under Article 36 of the Regulation (EU) 2016/1011, as amended (the "**EU Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the EU Benchmarks Regulation apply such that ICE Benchmark Administration Limited is not currently required to obtain recognition, endorsement or equivalence.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") or the securities laws of any State or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Global Coordinator

J.P. Morgan

Joint Bookrunners and Joint Lead Managers

BNP Paribas	**BofA Securities**
J.P. Morgan	**KBC Bank**
Morgan Stanley	**Natixis**

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RISK FACTORS

An investment in the Securities involves a degree of risk. This section sets out risks which the Issuer believes are specific to it, the Group and/or the Securities and which are deemed to be material to investors for taking an informed investment decision in respect of the Securities. Any such factors may affect the Issuer's ability to fulfil its obligations under such Securities. All of these factors are contingencies which may or may not occur.

The Securities are being offered to professional investors only and are not suitable for retail investors.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Securities, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with the Securities may occur for other reasons which may not be considered significant risks by the Issuer based on the information currently available to it or which it may not currently be able to anticipate. The Issuer does not represent that the statements below regarding the risks of holding the Securities are exhaustive. Prospective investors should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision and consult with their own professional advisors (if they consider it necessary).

The Issuer has assessed the materiality of the risks factors based on the expected magnitude of their negative impact on the Issuer and/or the Group (including any relevant mitigation measures) and the probability of their occurrence. For the risks relating to the Issuer and the Group set out below, the result of this assessment is mentioned after the title of each risk factor, using a scale of "low", "medium" or "high". The qualitative scale of the materiality of a risk factor using the labels "low", "medium" or "high" is only intended to compare the expected magnitude of the negative impact of such risks on the Issuer and/or the Group (including any relevant mitigation measures) and the probability of their occurrence among the risk factors included in this section. These labels do not correspond to certain amounts or percentages and are based on an assessment in good faith by the Issuer.

In accordance with the requirements of the Prospectus Regulation, the most material risk factors within each category have been presented first according to an assessment made by the Issuer based on the probability of their occurrence and the expected magnitude of their potential negative impact. The exact order in which the remaining risk factors are presented is not necessarily indicative of the probability of those risks actually occurring or of the scope of any potential negative impact thereof.

The "Group" refers to KBC Group NV and its subsidiaries from time to time (including KBC Bank NV and KBC Insurance NV).

Capitalised terms used herein and not otherwise defined shall bear the meanings ascribed to them in the "Terms and Conditions of the Securities" or elsewhere in this Prospectus. Any reference to any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated and/or replaced from time to time.

RISKS RELATING TO THE ISSUER AND THE GROUP

The overall management responsibility of a financial institution can be defined as managing capital, liquidity, return (income versus costs) and risks, which in particular arise from the special situation of banks as risk transformers. Taking risks and transforming risks is an integral part – and, hence, an inevitable consequence – of the business of a financial institution. Therefore, the Group does not aim to eliminate all the risks involved (risk avoidance), but instead looks to identify, control and manage these in order to make optimal use of its available capital (i.e., risk-taking as a

means of creating value). This approach may leave the Group exposed to unidentified, unanticipated or incorrectly quantified risks.

Geopolitical and emerging risks (high risk)

In recent years, geopolitical risks have become increasingly important, due to i.a. the start of the Russia-Ukraine war in 2022, which sharpened geopolitical tensions and triggered a mix of complex societal, economic and financial issues, including disruption of trade, energy & commodity supplies, inflation and higher interest rates. The (indirect) impacts on financial institutions include increased and sustained market uncertainty, reduced investor confidence, higher credit risk (especially given already elevated public and private debt levels), and lower growth prospects.

On top of that, the banking turmoil in spring 2023 caused broader market volatility and contagion risks across the financial system, leading to stricter credit conditions and fears of recession. While the turmoil has subsided, underlying weaknesses remain, in particular in the US financial sector. Events also provided a strong warning on the potential of social media to undermine trust and fuel a sudden change in customer behaviour, including by triggering and exacerbating a (digital) bank-run. Trust is the license to operate for the financial sector, and losing it is easier than gaining trust again.

Until now, the impact on the Group of the above mentioned events remained confined.

The year 2024 is expected to be another year of extraordinary geopolitical volatility, which started in the fourth quarter of 2023 with the conflicts in the Middle East. The development of the Israeli-Hamas conflict (and further evolution of the tensions between Israel and Iran) and other issues (for example in the Red Sea) might also escalate into a broader (regional) conflict with larger and more prolonged consequences, such as an increase in oil prices.

Ongoing tensions between Russia and the NATO, strategic competition between the US and China, anti-/deglobalisation trends and a busy global electoral cycle are expected to continue to fuel geopolitical tensions as well. Especially the outcome of the US elections in November might have important repercussions on e.g. the US participation in the NATO, the US support towards Ukraine and tarrifs. The uncertainty the Group currently experiences, might lead to instability and disruption.

The Group is aware of these geopolitical risks and executes “what if” sensitivity analysis to inform senior management about possible adverse scenarios and discuss potential mitigating actions.

Emerging risks are mainly related to the digital transformation (a.o. resulting in more and more intense cyber risks), climate change and other environmental, social and governance (ESG) challenges that have an important impact on the Group’s banking, insurance and asset management activities. These topics have become highly regulated and supervised in the meantime (see also below “Legal and Regulatory risks”).

The financial industry is undergoing a major transition, with digital transformation bringing new opportunities (e.g., the opportunity to embed artificial intelligence (AI), big data analysis and automation technologies in the Issuers operations to make its interactions with its clients instant, straight-through and friction-free) and challenges (including in the areas of cyber risk, ethical AI and new digital competitors & new emerging business models). The Group has taken measures to deal with and mitigate these risks in a actively managed way.

At the same time the financial sector plays a crucial role in the transition to a greener and more sustainable economy. Also within the Group, ESG risk management gets a lot of attention and efforts are made to implement all related regulatory requirements and to inform the clients about newly created opportunities and to help them to make the transition. Overall, the management of climate related risks is embedded within the entire organisation and within each risk type whereby most impact is expected on credit and insurance risks.

More information on recent events in relation to the Issuer can be found in the section “*Recent Events*” in the section entitled “*Description of the Issuer*”.

The Issuer also refers to the annual report and the extended quarterly reports of the Issuer which are incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*", and which include the financial reporting for the financial year 2023 and the first and second quarters of the financial year 2024.

Performance risk (medium risk)

The Issuer, and the financial markets as a whole, operate in a rapidly changing environment characterised by volatility, uncertainty, complexity and ambiguity.

Since the Russian invasion of Ukraine, a reserve for geopolitical and emerging risks has been maintained, and a selection of vulnerable portfolios and sub-portfolios have been earmarked for increased risk potential. For related figures, including the methodology and development of this reserve, please refer to Note 3.9 ('Consolidated financial statements') of the Issuer's 2023 annual report.

The geopolitical and emerging risks that have arisen in the course of 2022 continue to limit the ability of the credit models to adequately reflect all the consequences of the resulting economic conditions. As such, post-model adjustments might need to be recognised in addition to the expected credit loss provisions produced by the models.

On top of this, the industry and the Issuer continue to face major macroeconomic, financial and operational challenges and instability, whereby regulatory and supervisory pressure and uncertainty are rising to unprecedented levels:

- Although the Group's net result at the end of the financial year 2023 increased with 21% compared to 2022 (please note that IFRS 17 came into force in 2023, resulting in retroactive restatement of 2022 figures), and while its capital position and liquidity position remained strong throughout the crisis, the current geopolitical and emerging risks may continue to have an impact on the profitability and performance of the Group.
- Overall the geopolitical tensions and the uncertainties surrounding the timing and the extent of the central banks' monetary actions lead to more volatility in the markets and in the profits and losses of dealing rooms.
- Credits granted in times of high interest rates bear a larger prepayment risk.
- The interest rate environment leads to shifts in deposit flows from current and savings accounts to more expensive funding sources such as term deposits.
- Strong regulatory pressure and uncertainty, with continued challenges in terms of level playing field requires a lot of attention and even more staff being involved in regulatory reporting activities.
- M&A activities as well as change projects in line with the Group's strategy could also negatively impact the performance of the Group if these are not managed and implemented well.

The Issuer is therefore keeping a very close eye on these risks and the impact on the Group and its clients, both financially and operationally.

Credit risk (medium risk)

Credit risk is the potential negative deviation from the expected value of a financial instrument arising from the non-payment or non-performance by a contracting party (for instance a borrower), due to that party's insolvency, inability or lack of willingness to pay or perform, or to events or measures taken by the political or monetary authorities of a particular country (country risk). Credit risk thus encompasses default risk and country risk, but also includes migration risk, which is the risk for adverse changes in credit ratings.

The main source of credit risk is the Group's loan portfolio. It includes all the loans and guarantees that the Group has granted to individuals, companies, governments and banks (including debt securities if they are issued by companies or banks). The aggregate outstanding amount of the Group's loan portfolio amounted to EUR 207 billion on 30 June 2024. Most counterparties were private individuals (40.6% of outstanding portfolio) and corporates (50.7% of outstanding portfolio). Most counterparties are located in Belgium (54.8% of outstanding portfolio) or in

the Czech Republic (18.5% of outstanding portfolio). Impaired loans (i.e., loans where it is unlikely that the full contractual principal and interest will be repaid/paid) constituted 2.1% of this portfolio.

A more detailed breakdown of the Group's loan portfolio, including information on impairments, can be found on pages 98 and following of the Issuer's 2023 annual report. More information on impairments (including impairments linked to geopolitical & emerging risks and the coronavirus crisis) can be found in Note 3.9 ("Impairment (income statement)") of the consolidated financial statements of the Issuer's 2023 annual report and on page 39 and following of the Issuer's extended quarterly report for the second quarter of 2024.

The mortgage portfolio of the Group amounted to EUR 76.2 billion as at 30 June 2024, which was 40.7% of the Group's loans and advances to customers being EUR 187.5 billion as at 30 June 2024, excluding reverse repos (see page 49 of the Issuer's extended quarterly report for the second quarter of 2024).

The main sources of other credit risks in the banking activities of the Group are those stemming from (i) trading book securities, (ii) counterparty risks under derivatives and (iii) government securities.

More information on credit risks relating to trading book securities, counterparty risk of derivatives and government securities can be found on page 106 of the Issuer's 2023 annual report. The Issuer's 2023 annual report and extended quarterly reports for the first quarter of 2024 and the second quarter of 2024 are incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

Operational & compliance risk (medium risk)

The Group is exposed to a large array of operational risks, which are defined as risk of loss resulting from inadequate or failed internal processes, people and systems or arising from human errors or sudden man-made or natural external events that could give rise to material losses in services to customer and to loss or liability to the Group. Such events may potentially result in financial loss, liability to clients, administrative fines, penalties and/or reputational damages.

The Group endeavours to hedge such risks by implementing adequate systems, controls and processes tailored to its business. Nevertheless, it is possible that these measures prove to be ineffective in relation to operational risks to which the Group is exposed.

Since the beginning of 2022, the Issuer has been warned about an increased risk of disruptive cyber-attacks on critical infrastructure and institutions such as telecoms, energy, financial markets infrastructure, etc. Following the Russian invasion in Ukraine and the sanctions imposed on Russia, the European Union has faced an increased risk of disruptive, state sponsored cyber-attacks towards critical (financial markets) infrastructure and institutions. Also, some of the cyber-attacks (e.g., DDoS and password spraying) targeting Group entities can be attributed to pro-Russian hacker groups, until now, with relatively limited impact on the targeted entities and their clients. The Issuer as well as the local entities remain vigilant, with constant monitoring procedures in place.

The nature of the Group's business inherently generates operational risks. The main operational risks of the Group are as follows:

- Conduct and compliance risk: The risk of fines or sanctions due to the Group's failure (or the perceived failure) to comply with laws and regulations relating to integrity, and with internal policies and codes of conduct reflecting the institution's own values and codes of conduct in relation to the integrity of its activities. This also includes the current or prospective risk of losses arising from the inappropriate supply of financial services, including cases of wilful or negligent misconduct. Conduct risk covers many "hard" legal aspects, such as informing customers, providing the required transparency, avoiding misleading information and forced tying of products, selling the right product to the right customer and at the right time, avoiding conflicts of interest in doing business, manipulation of benchmarks, obstacles to changing financial products during their lifetime, automatic provision of products or unfair treatment of customers' complaints. There are also

softer aspects to include in conduct risk. These are based specifically on behaviour and are linked to people, culture and mindset.

- Information security risk: The risks arising from the loss, misuse, unauthorised disclosure or modification, inaccessibility, inaccuracy and damage of information.
- Information Technology ("**IT**") risk: The risk associated with the use, ownership, operation, involvement and adoption of IT within an enterprise. IT risk consists of IT-related events (such as IT unavailability or software malfunctioning) that impact the company and its customers, creating challenges in meeting strategic goals and objectives.
- Process risk: Risks of losses caused by insufficient, badly designed or poorly implemented processes and processing controls and unintentional human errors or omissions during normal (transaction) processing.
- Outsourcing risk and third party risk: Risks stemming from problems regarding the continuity, integrity and/or quality of the activities outsourced to or partnered with third parties (whether or not within a group) or from the equipment or staff made available by these third parties. In view of the digital transformation trends, a lot of attention is given to the mitigation of this increasing risk.
- Model risk: The risk of losses or the potential for adverse consequences arising from decisions based on incorrect or misused model outputs and model reports. A distinction is made between model errors and wrong application of the model (e.g. the use of outdated models).
- Fraud risk: Risks of deliberate abuse of procedures, systems, assets, products and/or services by one or more persons who intend to deceitfully or unlawfully benefit themselves or others.
- Legal risk: Risks of losses caused by bad management of disputes, the inability of the Group to protect its intellectual property (IP), the failure to manage (non-)contractual obligations or the failure to timely and correctly detect, assess and implement legislation and regulations.
- Business continuity risk: The risk that business activities cannot be continued at an acceptable pre-defined level resulting from the lack of a strategic and tactical capability of the Group to plan for and respond to serious (business) disruptions, crises or disasters.
- Personal and physical security risk: Risks of losses to physical assets and those arising from acts inconsistent with employment, health or safety laws or agreements, from personal injury claims, or from diversity / discrimination events.

Market risk in non-trading activities (medium risk)

Market risk is generally defined as the potential negative deviation from the expected value of a financial instrument (or portfolio of such instruments) due to changes in the level or in the volatility of market prices (e.g. interest rates, exchange rates and equity or commodity prices). Market risk is related to trading (which can be found in the risk factor entitled "*Market risk in trading activities*" below) and non-trading activities. In the latest case, and for banking activities, the notion of interest rate risk is also extended to the potential negative impact on the generation of Net Interest Income ("**NII**").

In respect of its non-trading activities (comprising the Group's banking activities, life insurance activities and other business operations), the Group is primarily exposed to interest rate risk, credit spread risk and equity price risk:

- Interest rate risk is the potential negative deviation from the expected value of a financial instrument or portfolio due to changes in the level or in the volatility of interest rates. The value of interest bearing positions will decrease when market interest rates increase and vice-versa, unless the position contains inherent protection against such decrease, such as a variable or floating interest rate mechanism. Over the last years,

the notion of interest rate risk for banking activities has been progressively extended to the impact of interest rate movements on the NII generation, which is an important driver supporting the sustainability of banking activities. The Group estimates that, as at 31 December 2023, an increase of market interest rates (through a parallel increase in the swap curve) by 10 basis points would lead to a decrease in the economic value of the Group's total portfolio with EUR 33 million. The sensitivity of NII is measured according to the EBA's Regulatory Technical Standards on IRRBB supervisory outlier tests ("**SOT**"), where the worst-case among two scenarios (parallel up and parallel down) on NII is also set off against tier-1 capital. According to this measure, the interest rate sensitivity of the Group is limited: it came to -1.27% at year-end 2023, compared to the 5% outlier threshold used by the supervisory authority.

- The SOT regarding NII complements the supervisory outlier tests for economic value of equity ("**SOT EVE**"). Six different scenarios are applied to the banking books. These scenarios comprise material parallel shifts up and down, steepening or flattening of the swap curves or shifts in the short-term rates only. The worst-case scenario impact (the most negative impact on the economic value of equity) is set off against tier-1 capital. For the banking book at the Group level, the SOT EVE came to -3.91% of tier-1 capital at year-end 2023. This is well below the -15% threshold, which is monitored by the ECB.

- Credit spread risk is the risk arising from changes in the level or in the volatility of credit spreads. The value of the Group's positions will decrease when credit spread increases, and vice-versa. This is mainly relevant for the Group's portfolio of sovereign and non-sovereign bonds. As at 31 December 2023, the total carrying value (i.e., the amount at which an asset or liability is recognised in the Group's accounts) of the Group's sovereign and non-sovereign bond portfolio combined was approximately EUR 71 billion. The Group estimates that an increase in credit spread of 100 basis points across the entire curve would lead to a negative economic impact of approximately EUR 3.1 billion on the value of both portfolios combined.

- Equity risk is the risk arising from changes in the level or in the volatility of equity prices. The total value of the Group's equity portfolio as at 31 December 2023 was approximately EUR 1.6 billion, mainly at KBC Insurance NV.

- More information regarding market risks in non-trading activities generally, and interest rate risk, credit spread risk and equity risk specifically, can be found on pages 109 to 116 of the Issuer's 2023 annual report.

Legal and regulatory risk (medium risk)

The Group's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates.

Recent regulatory and legislative developments applicable to credit institutions, such as KBC Bank NV, or insurance undertakings, such as KBC Insurance NV, may adversely impact the Group, its business, financial condition or results of operation. A non-exhaustive overview of certain important regulatory and legislative developments, such as changes to the prudential requirements for credit institutions, capital adequacy rules, recovery and resolution mechanisms, is set out in the sections entitled "*Banking supervision and regulation*" and "*Insurance supervision and regulation*" in the section entitled "*Description of the Issuer*".

Moreover, there seems to have been an increase in the level of scrutiny and short implementation timelines applied by governments and regulators to enforce applicable regulations and calls to impose further charges on the financial services industry in recent years. Such increased scrutiny or charges may require the Group to take additional measures which, in turn, may have adverse effects on its business, financial condition and results of operations. Implementation of related regulation and supervisory guidance can result in a crowding out-effect on the Group's business and strategic transformation and might drive up the capital and liquidity requirements. Not complying with increasingly complex regulation is punished with heavy supervisory measures (on capital) and possible fines, which are recently more often used by the supervisory authorities. Regulatory complexity is further increased by the fact

that regulatory frameworks are not always aligned (banking vs insurance, ECB vs SRB, national vs European regulation).

Environmental, social and governance ("**ESG**") risks remain high on the agenda of the regulators leading to a number of directives, guidelines and disclosure requirements. These have to be gradually implemented in the coming years with the main focus on strategy, governance, risk management and internal & external reporting. The Group is taking the necessary actions to implement and to be compliant with all new regulation. The disclosures' requirements towards market participants, investors and society in general will further increase (substantially) in the coming years: i.e. based upon the disclosures, financial institutions and the Group in particular will be judged on how well they adapt to climate change and other ESG related aspects. To deliver the required data quality on ESG is an important challenge not only for KBC but for the entire financial sector.

As operational resilience is a focus point of regulators, this will have a significant impact on the years ahead: the Digital Operational Resilience Act (DORA) is an example in this respect. The ECB is engaging with institutions to ensure that operational disruptions are properly planned for, managed, and mitigated. Within the Group, key building blocks (such as business continuity management, cyber security and outsourcing risk management) are in place but further improvements are needed to fully comply with the regulation.

Liquidity risk (low risk)

Liquidity risk is the risk that the Group will be unable to meet its liabilities and obligations as they come due, without incurring higher-than-expected costs.

CRD IV requires the Group to meet targets set for the Basel III liquidity related ratios, i.e., (i) the liquidity coverage ratio ("**LCR**") which requires banks to hold sufficient unencumbered high quality liquid assets to withstand a 30-day stressed funding scenario and (ii) the net stable funding ratio ("**NSFR**") which is calculated as the ratio of an institution's amount of available stable funding to its amount of required stable funding. Any failure of the Group to meet the liquidity ratios could result in administrative actions or sanctions or it ultimately being subject to any resolution action.

Please also refer to the section entitled "*Liquidity risk*" on pages 124 to 126 of the Issuer's 2023 annual report. The Issuer's 2023 annual report is incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

Liquidity risk can be sub-divided in contingency liquidity risk, structural liquidity risk and day-to-day liquidity risk:

- Contingency liquidity risk is the risk occurring when the Group may not be able to attract additional funds or replace maturing liabilities under stressed market conditions. This risk, assessed on the basis of liquidity stress tests, relates to changes to the liquidity buffer of a bank under extreme stressed scenarios.
- Structural liquidity risk is the risk occurring when the Group's long-term assets and liabilities might not be (re)financed on time or can only be refinanced at a higher-than-expected cost. Typical for banking operations, funding sources generally have a shorter maturity than the assets that are funded, leading to a negative net liquidity gap in the shorter time buckets and a positive net liquidity gap in the longer-term buckets. This creates liquidity risk if the Group would be unable to renew maturing short-term funding.
- Day-to-day liquidity risk is the risk occurring when the Group's operational liquidity management cannot ensure that a sufficient buffer is available at all times to deal with extreme liquidity events in which no wholesale funding can be rolled over.

Notwithstanding the changes in central bank policies and increased market volatility, the Issuer continues to operate with a strong funding and liquidity position thanks to its loyal customer base. But in view of rapidly changing market circumstances and increased mobility of funding sources (because of digitalisation and social media), the liquidity positions can rapidly deteriorate.

Market risk in trading activities (low risk)

The Group is exposed to market risks via the trading activities of its dealing rooms in Belgium, the Czech Republic, Slovakia, Bulgaria and Hungary, as well as via a minor presence in the United Kingdom and Asia. Wherever possible and practical, the residual trading positions of the Group's foreign entities are systematically transferred to KBC Bank NV, reflecting that the Group's trading activity is managed centrally both from a business and a risk management perspective. Consequently, KBC Bank NV holds about 98% of the trading-book-related regulatory capital of the Issuer.

Market risk exposures in the trading book are measured by the Historical Value-at-Risk ("**HVaR**") method, which is defined as an estimate of the amount of economic value that might be lost due to market risk over a defined holding period. The Group uses the historical simulation method, based on patterns of experience over the previous two years. The Group's HVaR estimate, calculated on the basis of a one-day holding period, was EUR 8 million as at 31 December 2023, and varied between EUR 4 million and EUR 10 million during the financial year of 2023.

Technical insurance risk (low risk)

KBC Insurance NV, a subsidiary of the Issuer, is confronted with risks related to economic (such as lapse rates, expenses) and non-economic (such as mortality, longevity, disability) parameters in the life insurance business and catastrophe and non-catastrophe risks in the non-life insurance business. In order to manage these risks, KBC Insurance NV strives for a balanced spread of life, non-life and health insurance (and its related lines of business, such as insurance with profit-sharing, unit-linked insurance, fire insurance, motor insurance and workers' compensation insurance) over the different insurance branches in its portfolio. Furthermore, the underwritten risks are mostly reinsured under reinsurance contracts.

Technical insurance risks stem from uncertainty regarding the frequency and severity of insured losses. Changes in the frequency of the underlying risk factors may affect the level of liabilities of KBC Insurance NV and its realised technical income, which may have an adverse impact on the business, financial condition and results of operations of the Group.

Please also refer to the section entitled "*Technical insurance risk*" on pages 127 to 131 of the Issuer's 2023 annual report. The Issuer's 2023 annual report is incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

Credit ratings (low risk)

The credit ratings of the Group are important to maintain access to key markets and trading counterparties. Please also refer to the section entitled "*Credit ratings*" in the section entitled "*Description of the Issuer*" for an overview of the Group's current credit ratings.

Any failure by the Group to maintain its credit ratings could adversely impact the competitive position of the Group, make entering into hedging transactions more difficult and increase borrowing costs or limit access to the capital markets or the ability of the Group to engage in funding transactions. In connection with certain trading agreements, the Group might also be required, if its current ratings are not maintained, to provide additional collateral.

Capital adequacy (low risk)

As a bank-insurance group, the Group and certain Group entities are currently subject to the capital requirements and capital adequacy ratios imposed by Directive 2013/36/EU ("**CRD IV**") and Regulation 575/2013 ("**CRR**") and certain Group entities are currently subject to the capital requirements and capital adequacy ratios imposed by Directive 2009/138/EC ("**Solvency II**").

CRD IV imposes capital requirements that are in addition to the Common Equity Tier 1 capital requirement. This combined buffer requirement includes a capital conservation buffer, a buffer for other systemically important banks, a countercyclical buffer in times of credit growth and a systemic risk buffer set as an additional loss absorbency

buffer to prevent and mitigate non-cyclical system or macro prudential risk not covered in CRD IV. These additional requirements have an impact on the Group and its operations, as they impose higher capital requirements. In addition, capital requirements could increase if economic conditions or trends in the financial markets worsen and, as such, capital increases may be difficult to achieve or only be raised at high costs in the context of adverse market circumstances. The Basel III post-crisis reforms (commonly referred to as Basel IV) will apply when these are transposed into the CRR. The Basel IV impact on Risk-Weighted Assets ("**RWA**") will be phased in.

Banks are also subject to the Directive 2014/59/EU (the "**BRRD**"), as implemented in the Belgian Banking Law, which imposes a.o. minimum requirements for own funds and eligible liabilities ("**MREL**"): Banks need to hold a certain amount of MREL instruments vs. their RWA (MREL in % of RWA) and vs. the size of their balance sheet (MREL in % of leverage ratio exposure). The nominal amount of required MREL instruments therefore fluctuates with changes in RWA or leverage ratio exposure, or because resolution authorities impose different MREL targets on institutions. Finally, MREL instruments have a maturity date. This all implies that banks have a continuous need to issue MREL instruments in order to maintain compliance with regulatory requirements in this respect.

Solvency II includes requirements for the in-scope insurance entities of the Group to keep adequate capital buffers (eligible own funds) to absorb the impact of adverse circumstances including (but not limited to) deteriorated market conditions, counterparty defaults and specific risks linked to insurance policies. Distinction is made between the Solvency Capital Requirement ("**SCR**") and the Minimum Capital Requirement ("**MCR**"), which are both calculated on a quarterly basis. If the SCR exceeds the eligible own funds, this is an early warning indicator to the supervisory authority and insurance company to better manage the risks. If the MCR exceeds the eligible own funds, this means the insurance company is technically insolvent.

In the event that the capital position of KBC Insurance NV would decrease below the capital requirements stipulated in Solvency II, KBC Insurance NV could raise additional capital, e.g. by way of a capital increase, to which the Issuer would subscribe.

The Group may also be impacted by the implementation of further regulations which have been or are currently under consultation or are yet to be finalised. For example, in December 2023 the EU countries approved the agreement on the implementation of the final parts of the Basel IV recommendations in the EU. The new rules are aimed at ensuring that EU banks become more resilient to potential future economic shocks, while contributing to Europe's recovery from the Covid-19 pandemic and the transition to climate neutrality. The regulatory changes include a new standardised approach for calculating capital requirements for credit risk and a new capital requirement floor for banks using internal models, as well as new requirements for ESG risk assessments and enhanced supervision. The new CRR rules will apply from 1 January 2025 (subject to certain transitional provisions), while the new provisions included in the CRD will need to be transposed by Member States into national law within eighteen months as from publication of the legal texts in the Official Journal of the EU (which took place on 19 June 2024). The obligation to comply with, implement and monitor these new regulatory requirements may have an adverse impact on the Group.

Please refer to the risk factor entitled "*CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments*" and "*Banking supervision and regulation*" in the section entitled "*Description of the Issuer*" in which a broader overview of the capital adequacy requirements and their impact on the Securities is provided.

RISKS RELATING TO THE SECURITIES

1 RISKS RELATING TO THE CONDITIONS

1.1 The Securities constitute deeply subordinated obligations

Condition 2.1 (*Status*) states that the Securities are direct, unconditional, unsecured, unguaranteed and deeply subordinated obligations of the Issuer that are subordinated in accordance with Condition 2.2 (*Subordination*). This Condition states that, in the event of a dissolution or liquidation of the Issuer (including the following events creating a competition between creditors (*samenloop van schuldeisers*/*concours de créanciers*): bankruptcy (*faillissement*/*faillite*), judicial liquidation (*gerechtelijke vereffening*/*liquidation forcée*) or voluntary liquidation (*vrijwillige vereffening*/*liquidation volontaire*)) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), the rights and claims of the holders of the Securities against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the Securities shall, subject to applicable law, rank (a) junior to the claims of all unsubordinated creditors of the Issuer; (b) junior to the rights and claims of holders of all subordinated indebtedness of the Issuer (including Tier 2 Capital Instruments) other than: (i) any Junior Obligations and (ii) any Parity Securities; (c) *pari passu* without any preference among themselves and *pari passu* with any Parity Securities; and (d) senior only to the rights and claims of holders of any Junior Obligations.

Therefore, if the Issuer were to be liquidated or dissolved, any payment by the liquidator would by virtue of such subordination only be made after all obligations of the Issuer resulting from unsubordinated claims with respect to the repayment of borrowed money, its depositors, other unsubordinated rights and claims and higher-ranking subordinated claims have been satisfied in full. If the Issuer does not have sufficient assets to settle such claims in full, the claims of the holders of Securities will not be met and, as a result, the holders will lose the entire amount of their investment in the Securities.

In addition, the Securities will share equally in payment with Parity Securities. In the event of a liquidation or dissolution of the Issuer, to the extent the Issuer has assets remaining after paying its creditors who rank senior to the claims under the Securities, payments relating to holders of other obligations or capital instruments of the Issuer that rank or are expressed to rank *pari passu* with the Securities may, if there are insufficient assets to satisfy the claims of all of the Issuer's *pari passu* creditors, further reduce the assets available to pay amounts due under the Securities on a liquidation or dissolution of the Issuer.

Moreover, before any such liquidation or dissolution occurs, holders of the Securities may already have lost the whole or part of their investment in the Securities as a result of a write-down of the principal amount of the Securities following a Trigger Event and/or a write-down or conversion into equity of the principal amount of the Securities following the exercise of Statutory Loss Absorption Powers by the Relevant Resolution Authority (see the risk factors "*The principal amount of the Securities may be reduced (Written Down) to absorb losses*" and "*A Holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*" below).

According to Article 48(7) of the BRRD (as transposed into Belgian law by an amendment to Article 389/1 of the Belgian Banking Law), liabilities resulting from fully or partially recognised own funds instruments (within the meaning of the CRR and including the Securities) shall rank

junior to all other liabilities. This entails that, regardless of their contractual ranking, liabilities that are no longer at least partially recognised as an own funds instrument for the purpose of the CRR shall rank senior to any liabilities fully or partially recognised as an own funds instrument. Accordingly, in the event of a liquidation or dissolution of the Issuer, the Issuer will, *inter alia*, be required to pay subordinated creditors of the Issuer, whose claims arise from liabilities that are no longer fully or partially recognised as an own funds instrument (within the meaning of the CRR, and which could include securities expressed to be ranking *pari passu* if they are no longer so recognised) in full before it can make any payments on the Securities which continue to be at least partially recognised as own fund instruments at the time of the opening of the liquidation or dissolution procedure.

Although the Securities may pay a higher rate of interest than securities which are not, or not as deeply, subordinated, there is a real risk that an investor in deeply subordinated securities such as the Securities will lose all or some of its investment should the Issuer be liquidated or dissolved, or encounter financial difficulties.

1.2 The Issuer may elect not to pay interest on the Securities or in certain circumstances be required not to pay such interest

1.2.1 Discretionary cancellation of interest

The Issuer may at any time on or before the scheduled payment date elect, in its sole and absolute discretion, to cancel the payment of any interest in whole or in part at any time for any reason and without any restriction on the Issuer thereafter.

The obligations of the Issuer under the Securities are senior in ranking to the ordinary shares of the Issuer. It is the Issuer's current intention that, whenever exercising its discretion to propose any dividend or distributions in respect of the ordinary shares of the Issuer, or its discretion to cancel any payment of interest under the Securities, it will take into account the relative ranking of these instruments in its capital structure. However, the Issuer may at any time depart from this policy at its sole discretion, and as further set out in this risk factor, in accordance with the Applicable Banking Regulations and the Conditions, it may in its sole and absolute discretion elect to cancel any payment of interest at any time and for any reason.

1.2.2 Mandatory cancellation of interest

The Issuer will be required to cancel the payment of all or some of the interest otherwise falling due on the Securities in circumstances where the relevant interest payment (together with any additional amounts payable in accordance with Condition 8 (*Taxation*), if applicable):

- would cause the Distributable Items then available to the Issuer to be exceeded;
- would, if certain capital buffers are not maintained and such payment (when aggregated together with other distributions referred to in Article 101, §1 of the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) and Article 101, §2 of the Belgian Banking Law (referring to the payment of variable remuneration or discretionary pension benefits pursuant to an obligation to pay created at a time when the institution met its combined buffer requirement) or any other relevant provisions of the Belgian Banking Law, cause

the Maximum Distributable Amount (if any) then applicable to the Issuer to be exceeded, or

- has been limited or suspended by the Relevant Resolution Authority in accordance with Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD) or any other relevant provisions of the Belgian Banking Law or Article 10a of the SRM Regulation due to such payment exceeding the MREL-Maximum Distributable Amount Provision (if any) then applicable to the Issuer,

all as more fully set out in the Conditions.

In addition, the Competent Authority may order the Issuer to cancel interest payments on Additional Tier 1 Capital Instruments such as the Securities. Any accrued but unpaid interest will be cancelled up to the Trigger Event Write-down Date following the occurrence of a Trigger Event.

1.2.3 Distributable Items

Distributable Items relate to the Issuer's profits and distributable reserves determined on the basis of the Issuer's non-consolidated accounts as further described in Condition 3.2(b) (*Mandatory cancellation of interest*). The amount of Distributable Items available to pay interest on the Securities may be affected, *inter alia*, by other discretionary interest payments on other (existing or future) capital instruments, including Common Equity Tier 1 ("**CET1**") distributions and any write-ups of principal amounts of Discretionary Temporary Write-down Instruments (if any).

In addition, the amount of Distributable Items may potentially be adversely affected by the performance of the business of the Issuer in general, factors affecting its financial position (including capital and leverage ratios and requirements), the economic environment in which the Issuer operates and other factors outside of the Issuer's control. Adjustments to earnings, as determined by the Board of Directors of the Issuer, may furthermore fluctuate significantly and may materially adversely affect Distributable Items of the Issuer.

Furthermore, the level of the Issuer's Distributable Items may be impacted by the fact that the Issuer is the holding company of the Group. The main sources of operating funds for the Issuer are the dividends, distributions, interest payments and any advances it receives from its subsidiaries and the amounts raised through the issuance of debt instruments such as the Securities. The Issuer's subsidiaries are separate and distinct legal entities and have no obligation to pay any amounts due, or to provide the Issuer with funds to meet any of the Issuer's payment obligations, under the Securities. Consequently, the Issuer's future Distributable Items, and therefore the Issuer's ability to make interest payments under the Securities, are dependent on the existing Distributable Items, future Group profitability and the ability to distribute (by way of dividend or otherwise) profits from its subsidiaries up to the Issuer. In this respect, please also refer to the risk factor entitled "*As the Issuer is a holding company, the holders of the Securities will be structurally subordinated to other creditors who hold debt instruments at the level of one or more of the subsidiaries of the Issuer*".

As at 30 June 2024, the Issuer's Distributable Items (under Belgian GAAP) were approximately EUR 8.7 billion.

1.2.4 Maximum Distributable Amount

The Maximum Distributable Amount is a concept which will apply in circumstances where the Issuer does not meet certain combined capital buffer requirements (see also below and in the risk factors "*The Consolidated CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the holders of Securities*" and "*CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments*").

Under Article 141(2) (*Restrictions on distributions*) of the Capital Requirements Directive, Member States of the European Union must require that institutions that fail to meet the combined buffer requirement will be subject to restricted discretionary payments (which are defined broadly by CRD IV as distributions in connection with CET1 capital, payments on Additional Tier 1 Capital Instruments (including interest amounts on the Securities and any write-ups of principal amounts (if applicable) and payments of discretionary staff remuneration)). These rules were transposed into Belgian law under Articles 100 and 101 of the Belgian Banking Law, read together with Schedule 5 (*Restrictions on distributions*) of the Belgian Banking Law.

In the event of a breach of the combined buffer requirement, the restrictions under Article 141 of the CRD will be scaled according to the extent of the breach of the combined buffer requirement and calculated as a percentage of the institution's profits for the most recent relevant period. Such calculation will result in a maximum distributable amount ("**Maximum Distributable Amount**" or "**MDA**") in each relevant period.

As at the date of this Prospectus, restrictions with respect to the Maximum Distributable Amount following a breach of the combined buffer requirement should be calculated at a consolidated level. Such calculation will result in a Maximum Distributable Amount in each relevant period. As an example, the scaling is such that in the bottom quartile of the combined buffer requirement, no discretionary distributions will be permitted to be paid. As a consequence, in the event of a breach of the combined buffer requirement it may be necessary to reduce payments that would, but for the breach of the combined buffer requirement, be discretionary, including interest payments in respect of the Securities. In such circumstances, the aggregate amount of distributions which the Issuer can make on account of dividends, interest payments, write-up amounts and redemption amounts on its instruments constituting Tier 1 Capital (including the Securities) and certain variable staff remuneration (such as bonuses) or discretionary pension benefits will be limited.

Holders of the Securities may not be able to predict accurately the proximity of the risk of discretionary payments (of interest and/or principal) on the Securities being restricted from time to time as a result of the operation of the Maximum Distributable Amount. In any event, the Issuer will have discretion as to how the Maximum Distributable Amount will be applied if insufficient to meet all expected distributions and is not obliged to take the interest of holders of Securities into account.

1.2.5 MREL-Maximum Distributable Amount Provision

In addition to the minimum capital requirements under the Capital Requirements Directive, the regime provided for by the BRRD and the SRM Regulation prescribes a minimum requirement for own funds level and eligible liabilities ("**MREL**") of banks and groups, including the Issuer. The Group's MREL position shall be calculated as the amount of own funds and eligible liabilities in accordance with the BRRD and expressed as a percentage of the total risk exposure amount and of the total exposure measure of the institution, calculated in each case in accordance with the Capital Requirements Regulation. The level of capital and eligible liabilities required under MREL is set by the Relevant Resolution Authority.

According to Article 16a of the BRRD, as implemented in Belgium by Article 230/1 of the Belgian Banking Law, and Article 10a of the SRM Regulation, any failure by the Issuer to meet the "combined buffer requirement" when considered in addition to the applicable MREL requirements could result, among other things, in the imposition of restrictions or prohibitions on discretionary payments by the Issuer according to the MREL-Maximum Distributable Amount Provision, including the payment of interest on Additional Tier 1 Capital Instruments, such as the Securities. The prohibition under the MREL-Maximum Distributable Amount Provision may be imposed if the Issuer meets the combined buffer requirement but fails to meet the combined buffer requirement when considered in addition to the MREL requirements, and the Relevant Resolution Authority shall exercise its power in case it finds that the Issuer still fails to meet such requirement nine months after such situation has been notified (during which period the Relevant Resolution Authority will assess whether to impose the prohibition under the MREL-Maximum Distributable Amount Provision), except if the conditions set out in the BRRD and the SRM Regulation for not exercising such power are met.

The interplay between the capital requirements applicable to the Issuer following the SREP and the Maximum Distributable Amount and the MREL-Maximum Distributable Amount Provision as well as the determination of these maximum distributable amounts are complex. The maximum distributable amounts impose caps on the Issuer's ability to make discretionary payments (including payments of interest on the Securities) and on its ability to redeem or repurchase the Securities. There are a number of factors for the complexity of the determination of the maximum distributable amounts, including the following:

- The Maximum Distributable Amount applies when certain capital buffers are not maintained. The buffer requirements are set by the competent authorities and are subject to change over time. As a result, it is difficult to predict when or if the Maximum Distributable Amount will apply to the Securities, and to what extent.
- In addition, any increase in the applicable requirements, for instance as a result of the imposition by supervisors of additional capital or MREL requirements increases the likelihood of the Issuer not being permitted to make payments of interest on the Securities due to the operation of the Maximum Distributable Amount or MREL-Maximum Distributable Amount Provision. Holders may not be able to predict accurately the proximity of the risk of discretionary payments (of interest) on the Securities being prohibited from time to time as a result of the operation of limitations on distributions or payments.

This uncertainty and the resulting complexity may adversely impact the trading price and the liquidity of the Securities.

Please refer to the paragraph "*Bank Recovery and Resolution*" in the section entitled "*Banking supervision and regulation*" as from page 117 of this Prospectus for an overview of the MREL requirements applicable to the Issuer.

1.2.6 Interest cancellation by the Competent Authority

Furthermore, Article 104 of the Capital Requirements Directive gives the Competent Authority certain supervisory measures and powers which would apply if the Issuer fails (or is likely to fail) to comply with applicable regulations. There are no ex-ante limitations on the discretion to use this power. In such circumstances, the Competent Authority could require the Issuer to suspend payments of interest on Additional Tier 1 Capital Instruments (including the Securities).

1.2.7 No assurance that interest is paid

It follows from the above that there can be no assurance that an investor will receive payments of interest in respect of the Securities, and the Issuer's ability to make interest payments on the Securities will depend on a combination of factors including (i) the level of distributable reserves and the profits the Issuer has accumulated in the financial year preceding any interest payment date, (ii) the amount of outstanding capital instruments with interest cancellation provisions similar to the Securities and other discretionary distributions, (iii) the combined buffer requirement of the Issuer and any other capital requirement applicable to the Issuer, as the case may be in addition to the applicable MREL requirements and (iv) the application of certain discretionary powers of the Competent Authority in respect of the Issuer. Even if there were to be sufficient funds to make interest payments on the Securities, the Issuer may still elect to cancel such interest payment for any reason and for any length of time. Furthermore, no interest will be paid on any principal amount that has been written down following a Trigger Event in accordance with the Conditions of the Securities and no interest may be paid on any principal amount that has been written down following any Statutory Loss Absorption in accordance with the Statutory Loss Absorption Powers.

Any interest not paid shall be deemed cancelled and shall not accumulate or be payable at any time thereafter. Cancellation of interest shall not constitute a default under the Securities for any purpose. Holders of Securities shall have no further rights in respect of any interest not paid and shall not be entitled to any compensation or to take any action to cause the liquidation or dissolution of the Issuer in the event any interest is not paid. Furthermore, cancellation of interest payments shall not in any way impose restrictions on the Issuer, including restricting the Issuer from making distributions or equivalent payments in connection with Junior Obligations or Parity Securities.

Any actual or anticipated cancellation of interest on the Securities will likely have an adverse effect on the market price of the Securities. Furthermore, the Securities may trade with accrued interest, which may be reflected in the trading price of the Securities. However, if a payment of interest on any Interest Payment Date is cancelled (in whole or in part) as described herein and thus is not due and payable, purchasers of such Securities will not be entitled to such interest payment on the relevant Interest Payment Date.

In addition, as a result of the interest cancellation provisions of the Securities, the market price of the Securities may be more volatile than the market prices of other debt securities on which interest accrues which is not subject to such cancellation and may be more sensitive generally to adverse changes in the Issuer's financial condition. Any indication or perceived indication that the Consolidated CET1 Ratio is trending towards the write-down trigger of 5.125 per cent., or that the Issuer may be unable to meet the combined buffer requirements, taking into account MREL requirements, may have an adverse effect on the market price of the Securities.

Finally, the circumstances in which the applicable prudential rules require the Issuer to reduce or cancel interest payments may change. The ECB has in the past commented on the operation of the buffer framework. In the context of Additional Tier 1 Capital Instruments, the ECB stated that it supports the strengthening of the features of AT1 capital to reduce the stigma effects associated with banks cancelling AT1 interest payments when they fall beneath the level of their combined buffer requirements. Additionally, the ECB stated that they believe that there is a need to strengthen the ability of AT1 to act as going concern capital, specifically regarding the flexibility of payments. As such, there can be no assurance that any changes to the prudential regime applicable to the Issuer will not affect the circumstances in which the Issuer is required to cancel interest payments on the Securities. Any such changes could have a material adverse impact on the market price or value of the Securities.

1.3 The principal amount of the Securities may be reduced (Written Down) to absorb losses

The Securities are being issued for capital adequacy regulatory purposes with the intention and purpose of being eligible as Additional Tier 1 Capital of the Issuer. Such eligibility depends upon a number of conditions being satisfied, which are reflected in the Conditions and which, in particular, require the Securities and the proceeds of their issue to be available to absorb any losses of the Issuer.

Accordingly, if at any time the Consolidated CET1 Ratio falls below 5.125 per cent. as determined by the Issuer, the Competent Authority or any entity appointed by or acting on behalf of the Competent Authority (a "**Trigger Event**"), the Prevailing Principal Amount of the Securities will (without the consent of the holders of the Securities) be reduced by the Write-down Amount, being the lower of (i) the amount per Security (together with, subject to Condition 7.1(e), the concurrent pro rata Principal Write-down of the other Securities and the write-down or conversion into equity of the prevailing principal amount of any other Loss Absorbing Instruments) that would be sufficient to immediately restore the Consolidated CET1 Ratio to at least 5.125 per cent. or (ii) the amount necessary to reduce the Prevailing Principal Amount of the Security to one cent, and any accrued but unpaid interest up to (and including) the Trigger Event Write-down Date will be automatically and irrevocably cancelled.

A Principal Write-down may occur at any time on one or more occasions (provided, however, that the principal amount of a Security shall never be reduced to below one cent). Any Principal Write-down of the Securities shall not constitute a default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever. Holders of Securities shall not be entitled to any compensation or to take any action to cause the liquidation or dissolution of the Issuer in the event of a Principal Write-down (without prejudice to any principal amount subsequently written-up at the discretion of the Issuer in accordance with the Principal Write-up mechanism as set out in Condition 7.2 (*Principal Write-up*)).

A Principal Write-down is expected to occur simultaneously with the concurrent pro rata write-down or conversion into equity of the prevailing principal amount of any Loss Absorbing Instruments (being any instrument, other than the Securities, issued directly or indirectly by the Issuer which qualifies as Additional Tier 1 Capital of the Issuer on a consolidated basis and has terms pursuant to which all or some of its principal amount may be written down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of the Consolidated CET1 Ratio falling below a certain trigger level).

However, this will not necessarily be the case. In particular, to the extent such write-down or conversion into equity of any Loss Absorbing Instruments is not possible for any reason, this shall not invalidate the Principal Write-down of the Securities and it is possible that the Write-down Amount of the Securities shall be increased as a consequence thereof.

It is possible that a Trigger Event in relation to the Securities occurs simultaneously with a trigger event in relation to other Loss Absorbing Instruments that may be written down or converted into equity in full but not in part. For the purposes of determining the relevant pro rata amounts to be taken into account when determining the Write-down Amount in accordance with the Conditions, such instruments shall be treated (but only for the purposes of determining the Write-down Amount) as if their terms permitted partial write-down or conversion into equity. Accordingly, the write-down or conversion of such other Loss Absorbing Instruments shall occur in two concurrent stages; the principal amount of such other Loss Absorbing Instruments shall be written down and/or converted pro rata with the Securities and all other Loss Absorbing Instruments to the extent necessary to restore the Consolidated CET1 Ratio to 5.125 per cent., with the balance (if any) of such other Loss Absorbing Instruments remaining being written off and/or converted with effect of increasing the Consolidated CET1 Ratio above 5.125 per cent.

Finally, the Issuer may be required to write down the Prevailing Principal Amount of the Securities following the occurrence of a Trigger Event such that the Consolidated CET1 Ratio is restored to a level higher than 5.125 per cent. to the extent required by the relevant Competent Authority or Resolution Authority. In such event, the Write-down Amount will be greater than the amount by which the then Prevailing Principal Amount would have been written down if the Issuer had been required to write down the Prevailing Principal Amount of the Securities to restore the Consolidated CET1 Ratio to 5.125 per cent.

Any reduction in the Prevailing Principal Amount of the Securities shall not constitute a default by the Issuer for any purpose, and the holders of the Securities shall have no right to claim for amounts written down in a liquidation or dissolution of the Issuer or otherwise, subject to Principal Write-up in accordance with the Conditions.

Following any Principal Write-down of the Securities, interest will only accrue on the Prevailing Principal Amount of the Securities following such write down, which principal amount is lower than the Original Principal Amount of the Securities or, as the case may be, the Prevailing Principal Amount immediately prior to such write down. Any redemption of the Securities by the Issuer upon a Tax Deductibility Event or a Tax Gross-up Event in accordance with Condition 5.3 (*Redemption for Taxation Reasons*) or upon the occurrence of a Regulatory Event in accordance with Condition 5.4 (*Redemption upon a Regulatory Event*) shall be made at their Prevailing Principal Amount (and shall not entitle the holders of Securities to any claim for the amount written down).

The Issuer's future outstanding junior and *pari passu* ranking securities may not be written down or converted in conjunction with a write down of the Securities, and the Issuer may be entitled to continue to make payments or distributions in respect of such securities.

Although (in case of a Principal Write-down following a Trigger Event, and not in the case of any Statutory Loss Absorption) the Conditions allow for the principal amount to be written-up again in certain circumstances at the Issuer's discretion, the Issuer will not at any time be obliged to write-up the principal amount of the Securities, and the written down principal amount will not be automatically reinstated if the Consolidated CET1 Ratio is restored above a certain level.

It is the extent to which the Issuer makes a profit (on a consolidated basis) from its operations (if any) that will affect whether the principal amount of the Securities may be reinstated to its Original Principal Amount. The Issuer's ability to write-up the principal amount of the Securities will depend on certain conditions, such as there being sufficient Consolidated Net Profit and, if applicable, the Maximum Distributable Amount and the MREL-Maximum Distributable Amount Provision not being exceeded. Even if these conditions are all met, the Competent Authority still has the power to prohibit a write-up if the Issuer fails (or is likely to fail) to comply with Applicable Banking Regulations. However, if any write-up were to occur, it will have to be undertaken on a pro rata basis with any other instruments qualifying as Additional Tier 1 Capital providing for a reinstatement of principal amount in similar circumstances that have been subject to a write-down (see Condition 7.2(a) (*Principal Write-up*)).

The risk of a write-down is to be appreciated by potential investors in the Securities and is not limited to the liquidation or dissolution of the Issuer. It may result in the holders of the Securities losing some or all of their investment and due to the limited circumstances in which a Principal Write-up may be undertaken, any reinstatement of the Prevailing Principal Amount of the Securities and recovery of such investment may take place over an extended period of time or not at all (including as a result of any prior redemption of the Securities at their then Prevailing Principal Amount). Any Principal Write-down of the Securities or any suggestion of a Principal Write-down could, therefore, materially adversely affect the price or value of the Securities and/or the amounts payable by the Issuer in respect of the Securities.

The market price of the Securities could be affected by fluctuations in the Consolidated CET1 Ratio of the Issuer. Any indication that the Consolidated CET1 Ratio of the Issuer is approaching 5.125 per cent. may have an adverse effect on the market price of the Securities. The level of the Consolidated CET1 Ratio of the Issuer may significantly affect the trading price of the Securities.

Holders of Securities may lose all or some of their investment as a result of a Principal Write-down or of reaching the point of non-viability or of the application of certain resolution tools (see also below in the risk factor "*A holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*").

1.4 The Issuer is not prohibited from issuing additional debt, which may rank *pari passu* with or senior to the Securities, and which may reduce the recovery by Securityholders upon a liquidation or dissolution of the Issuer

There is no restriction on the amount of debt ranking *pari passu* with or senior to the Securities, nor is there a restriction on the issuance by the Issuer of Additional Tier 1 Capital Instruments with other write-down mechanisms or trigger levels or that convert into shares upon a trigger event. The issuance of any such debt or securities may reduce the amount recoverable by holders of Securities upon a liquidation or dissolution of the Issuer.

If the Issuer's financial condition were to deteriorate, the holders could suffer direct and materially adverse consequences, including cancellation of interest and write down of principal and, if the Issuer were liquidated or dissolved (whether voluntarily or involuntarily), the holders could suffer loss of their entire investment. Also, the issuance of Additional Tier 1 Capital Instruments with interest cancellation provisions similar to the Securities may increase the likelihood of (partial) interest payment cancellations under the Securities if the Issuer is not able to generate sufficient Distributable Items or to maintain adequate buffers under the applicable regulatory capital requirements and the minimum requirement for own funds level and eligible liabilities to make interest payments falling due on all outstanding capital instruments of the Issuer with such interest cancellation provisions in full. See the risk factor "*The Issuer may elect not to pay interest on the Securities or in certain circumstances be required not to pay such interest*" above.

1.5 As the Issuer is a holding company, the holders of the Securities will be structurally subordinated to other creditors who hold debt instruments at the level of one or more of the subsidiaries of the Issuer

The Issuer is the financial holding company of the Group and has two important subsidiaries, KBC Bank NV and KBC Insurance NV. The main sources of operating funds for the Issuer are the dividends, distributions, interest payments and any advances it receives from its subsidiaries and the amounts raised through the issuance of debt instruments such as the Securities. The ability of the subsidiaries to make dividend and other payments to the Issuer may depend on their profitability and may be subject to certain legal or contractual restrictions. The extent to which the Issuer is able to receive such payments will, in turn, affect its ability to make payments on the Securities and any other debt instruments of the Issuer, which, in addition, may rank senior to the Securities. The Securities do not benefit from any guarantee from any of the subsidiaries.

Moreover, the holders of the Securities will be structurally subordinated to other creditors who hold debt instruments at the level of one or more of the subsidiaries of the Issuer. The subsidiaries of the Issuer generally hold more operational assets than the Issuer. If the assets of the Issuer's subsidiaries were to be realised, it is possible that, after such realisation, insufficient assets would remain available for distribution to the Issuer in order to enable it to fulfil any payment obligations under the Securities.

1.6 The Consolidated CET1 Ratio will be affected by a number of factors, any of which may be outside the Issuer's control, as well as by its business decisions and, in making such decisions, the Issuer's interests may not be aligned with those of the holders of Securities

The market price of the Securities is expected to be affected by fluctuations in the Consolidated CET1 Ratio of the Issuer. Such fluctuations, and the occurrence of a Trigger Event, are inherently unpredictable and depend on a number of factors, many of which may be outside the Issuer's control. Because the Consolidated CET1 Ratio may be calculated as at any date, a Trigger Event could occur at any time.

The calculation of the Consolidated CET1 Ratio could be affected by a wide range of factors, many of which may be outside the control of the Issuer. These include, among other things, events affecting its earnings, accounting changes and regulatory changes (including the imposition of additional minimum capital or capital buffer requirements or changes to definitions and calculations of regulatory capital ratios and their components or the changes to the interpretation thereof by the relevant authorities or case law, and the availability of transitory or grandfathering regimes) and the Issuer's ability to manage risk-weighted assets in both its ongoing businesses

and those which it may seek to exit or enter. Currently, the Issuer makes (i) use of transitional measures regarding Tier-2 instruments issued under third-country law without a contractual bail-in recognition clause, (ii) the transitional measures (applied as from the second quarter of 2020) of IFRS 9 that make it possible to add back a portion of the increased impairment charges to CET1 when provisions unexpectedly rise due to a worsening macroeconomic outlook, during the transitional period until 31 December 2024, and (iii) an authorisation by the ECB in accordance with Article 49 of the Capital Requirements Regulation to account for its insurance business through risk weighted assets (as mentioned above) and not by means of a deduction from common equity. Any of these items could change in the future, which could result in a reduction of the Issuer's Consolidated CET1 Ratio.

The Consolidated CET1 Ratio will also depend on the Issuer's decisions relating to its businesses and operations, as well as the management of its capital position including its distribution policy. Also, the Issuer may decide not to raise capital at a time when it is feasible to do so, or may be unable to raise capital, even if that would result in the occurrence of a Trigger Event. See also the risk factors related to the Issuer's business set out above for further developments, circumstances and events which may impact the Consolidated CET1 Ratio.

1.7 The Issuer will have no obligation to consider the interests of holders of Securities in connection with its strategic decisions, including in respect of its capital management. Holders of Securities will not have any claim against the Issuer relating to decisions that affect the business and operations of the Issuer, including its capital position, regardless of whether they result in the occurrence of a Trigger Event. Such decisions could cause holders of Securities to lose all or part of the value of their investment in the Securities.

The Issuer currently publishes the Consolidated CET1 Ratio on a quarterly basis. This may mean that holders of Securities are given limited warning of any deterioration in the Consolidated CET1 Ratio. Moreover, the Consolidated CET1 Ratio can be calculated on any other date, as a consequence of which a Trigger Event may occur at dates other than the dates as at which the Consolidated CET1 Ratio is ordinarily determined.

Due to the uncertainty regarding whether a Trigger Event will occur, it will be difficult to predict when, if at all, the Prevailing Principal Amount of the Securities may be written down. Accordingly, the trading behaviour of the Securities may not necessarily follow the trading behaviour of other types of subordinated securities. Any indication or perceived indication that the Consolidated CET1 Ratio is trending towards the write-down trigger of 5.125 per cent., or that the Issuer may be unable to meet the combined buffer requirements, taking into account MREL requirements, may have an adverse effect on the market price of the Securities. Under such circumstances, holders of Securities may not be able to sell their Securities easily and may only be able to sell their Securities at a loss, which may be significant.

1.8 CRD IV includes capital requirements that are in addition to the minimum regulatory Common Equity Tier 1 capital requirement. These additional capital requirements will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments.

CRD IV imposes capital requirements that are in addition to the minimum Common Equity Tier 1 capital requirement (the "**Pillar 1 Capital Requirement**"). As at 30 June 2024, the combined buffer requirements (fully loaded) for the Issuer consisted of:

- a capital conservation buffer set at 2.5 per cent. of risk weighted assets;

- a buffer for other systemically important banks ("**O-SII**" and the "**O-SII buffer**"), to be determined by the national competent authority, and currently set at 1.5 per cent. of risk weighted assets; the systemic relevance buffer imposes higher capital requirements for institutions, such as the Issuer, that, due to their systemic importance, are more likely to create risks to financial stability than other, less systemically important, institutions[1];

- a countercyclical buffer in times of credit growth (the fully loaded weighted-average institution specific counter-cyclical buffer of the Issuer at consolidated level is 1.16 per cent. as at 30 June 2024); and

- a systemic risk buffer set as an additional loss absorbency buffer to prevent and mitigate long term non-cyclical systemic or macro prudential risk not covered in CRD IV. On 1 May 2022, the NBB introduced a sectoral systemic risk buffer. The amount of the sectoral systemic risk buffer as from 1 April 2024 corresponds to 6 per cent. of the risk weighted assets for exposures secured by residential real estate in Belgium (down from 9 per cent. until 1 April 2024), which corresponds to 0.14 per cent. of total risk weighted assets of the Issuer at consolidated level.

Please refer to the section entitled "*Solvency supervision*" on pages 121 and further for more detail with regard to the combined buffer requirements.

In addition to the minimum Pillar 1 Capital Requirement and the minimum combined buffer requirement, the Competent Authority (in the case of the Issuer, the ECB) can require the Issuer to maintain higher minimum ratio's (i.e., the Pillar 2 requirements or "**P2R**") where it considers that not all risks are properly reflected in the regulatory Pillar 1 minimum requirements as part of the supervisory review and evaluation process ("**SREP**"). The SREP is carried out by the Competent Authority on a continuous basis. Following the SREP cycle for 2023, the ECB formally notified the Issuer that the P2R remains unchanged at 1.86%. The pillar 2 guidance (P2G, as defined below) has been increased from 1.0% to 1.25% of CET1 following the SREP performed by the ECB for 2023.

In addition to the Pillar 1 Capital Requirement, the P2R and the "combined buffer requirement", the Competent Authority can also set a "Pillar 2 Capital Guidance" ("**P2G**"). The Issuer is expected to meet the P2G with CET1 capital on top of the level of binding capital requirements. P2G is not directly binding and a failure to meet it does not automatically trigger legal action, even though the ECB expects credit institutions and holding companies to meet the P2G. Consequently, the P2G is not relevant for the purposes of triggering the automatic restriction of discretionary payments and calculation of the Maximum Distributable Amount, but CRD IV provides that when an institution repeatedly fails to meet the P2G, the competent authority should be entitled to take supervisory measures and, where appropriate, to impose additional own funds requirements.

In the future, the Issuer may need to comply with a higher combined buffer requirement and/or higher P2R and/or be confronted with increased "Pillar 2 Capital Guidance". Moreover, part of the combined buffer requirement is determined by various local authorities in the Issuer's core markets and may therefore be dependent on local circumstances. Most of these requirements relate to items outside of the control of the Issuer. Changes to the combined buffer requirement

[1] To the extent the Issuer would become a global systemically important institution ("**G SII**"), a different buffer would apply, which can be between 1 per cent. and 3.5 per cent. of risk weighted assets. The competent authority periodically reviews the identification of G SIIs and O SIIs as well as the applicable buffer rate. The Issuer is currently not a G SII but is an O SII.

and the capital requirements generally may have an adverse effect on the market price of the Securities. These additional capital requirements will restrict the Issuer from making interest payments on the Securities in certain circumstances, in which case the Issuer will automatically cancel such interest payments.

1.9 A holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs

Securityholders may be required to absorb losses, and may lose their investment, in the event the Issuer becomes non-viable or fails. In such circumstances, resolution authorities may require the Securities to be written down or converted pursuant to the BRRD and the SRM Regulation, as implemented in the Belgian Banking Law.

In addition to the write-down and conversion powers of eligible liabilities mentioned below, the BRRD, the SRM Regulation and the Belgian Banking Law contain four resolution tools and powers which may be used alone or in combination where the Relevant Resolution Authority considers that a relevant entity meets the conditions for resolution specified in Article 18 of the SRM Regulation or Article 244, §1 of the Belgian Banking Law, i.e., (a) a relevant entity is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such relevant entity within a reasonable timeframe, and (c) a resolution action is required in the public interest. The four resolution tools are: (i) sale of business – which enables resolution authorities to direct the sale of the relevant entity or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the relevant entity to a "bridge institution" (an entity created for this purpose that is wholly or partially under public control), which may limit the capacity of the relevant entity to meet its repayment obligations; (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing relevant entity (which write-down may result in the reduction of such claims to zero) and to convert certain unsecured debt claims to equity or other instruments of ownership (the "**bail-in power**"), which equity or other instruments could also be subject to any future cancellation, transfer or dilution.

The SRM Regulation and the BRRD require the Relevant Resolution Authority to write down the principal amount of Additional Tier 1 Capital Instruments (including the Securities) or to convert such principal amount into common equity tier 1 of the Issuer so as to ensure that the regulatory capital instruments (including the Securities) fully absorb losses at the point of non-viability of the issuing institution or the group of which it forms part (the "**Statutory Loss Absorption**"). Accordingly, the Relevant Resolution Authority shall be required to write down or convert such capital instruments (including the Securities) immediately before taking any resolution action, together with such resolution action or independently from any resolution action, if the Issuer or the Group were deemed to have reached the point of non-viability.

An institution will be deemed to be no longer viable if (i) it is failing or likely to fail and (ii) there is no reasonable prospect that a private action would prevent the failure within a reasonable timeframe.

The resolution authorities have to exercise the write down and conversion powers in accordance with the priority of claims under normal insolvency proceedings, in a way that results in (i)

Common Equity Tier 1 instruments of the Issuer are reduced first in proportion to the losses and to the extent of their capacity; (ii) second the principal amount of Additional Tier 1 Capital Instruments (including the Securities) is written down or converted into CET 1 Capital or both, to the extent required or to the extent of the capacity of the relevant capital instruments; (iii) thereafter, to the extent required, the principal amount of Tier 2 Capital Instruments is written down, converted into CET1 Capital, or a combination of the above, (iv) after that, certain eligible liabilities are written down, converted into CET1 Capital, or a combination of the above.

More specifically, Article 267/8, §1 of the Belgian Banking Law provides the order in which eligible liabilities should be converted or written down in case the Relevant Resolution Authority decides to apply the bail-in tool. Additional Tier 1 Capital Instruments of the Issuer (including the Securities) will only be converted or written down following write-down of the CET1 Capital of the Issuer, but before all subordinated debt and other eligible liabilities of the Issuer that are not Additional Tier 1 Capital Instruments of the Issuer at the time of resolution.

In circumstances of financial distress (whether related to the economy or markets generally or events specific to the Group), there may be uncertainty as to the likelihood that resolution authorities could in the future decide to write down or convert Additional Tier 1 Capital Instruments. Due to the uncertainty as to whether any such write down or conversion could occur, the trading price of the Securities could drop significantly.

Any indication that the Issuer's securities may run the risk of being required to absorb losses in the future is likely to have an adverse effect on the market price of the Securities. Under such circumstances, holders of Securities may not be able to sell their Securities at prices comparable to the prices of more conventional investments or at all.

1.10 The Securities do not have a scheduled redemption date

The Securities are perpetual securities which have no fixed repayment or maturity date. The Issuer is under no obligation to redeem the Securities at any time, and the holders of the Securities have no ability to require the Issuer to redeem their Securities.

While the Conditions include several options for the Issuer to redeem the Securities, such options are subject to certain conditions, and there is no contractual obligation for the Issuer to exercise any of these options and the Issuer has full discretion under the Conditions of the Securities not to do so for any reason. In addition, the Conditions do not provide for any option for the holders of the Securities to request the early redemption of their Securities.

This means that holders of Securities have no ability to cash in their investment, except:

- if the Issuer exercises its rights to redeem or purchase the Securities;
- by selling their Securities; or
- by claiming for any principal amounts due and not paid in any dissolution or liquidation (other than as set out in the Conditions of the Securities) of the Issuer.

Accordingly there is uncertainty as to when (if ever) an investor in the Securities will receive repayment of the Prevailing Principal Amount of the Securities and an investor in the Securities may not be able to reinvest the amount received upon redemption at a rate that will provide the same rate of return as their investment in the Securities.

1.11 The Securities are subject to optional early redemption on the First Reset Date (17 September 2031), on each Interest Payment Date thereafter or at any time upon the occurrence of a Tax Gross-up Event, a Tax Deductibility Event or a Regulatory Event, subject to certain conditions

The Issuer has an optional redemption right and may, at its option, redeem all, but not some only, of the Securities on the First Reset Date or on each Interest Payment Date thereafter (the "**Issuer Call Option**").

Any such redemption shall be subject to Condition 5.5 (*Conditions to Redemption and Purchase*) which provides, among other things, that (i) the Competent Authority and/or the Relevant Resolution Authority must give its prior approval (if required) and (ii) the Issuer must comply with Applicable Banking Regulations. As at the date of this Prospectus, the Issuer must demonstrate to the satisfaction of the Competent Authority that the Issuer complies with Article 78 of the Capital Requirements Regulation (or any equivalent or substitute provision under Applicable Banking Regulations), which may include (a) the replacement of the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer or (b) that the own funds of the Issuer would, following such redemption or purchase, exceed its minimum own funds requirements (including any capital buffer requirements) or the minimum own funds and eligible liabilities requirements, in each case by a margin that the Competent Authority considers necessary at such time. However, if a Principal Write-down has occurred, the Issuer shall not be entitled to redeem the Securities by exercising the Issuer Call Option until the reduced principal amount of the Securities is increased up to their Original Principal Amount pursuant to the conditions for a Principal Write-up.

The Securities are also redeemable at the option of the Issuer (in whole but not in part) following a Tax Gross-up Event, a Tax Deductibility Event or a Regulatory Event at their then Prevailing Principal Amount (which may be lower than the Original Principal Amount, if a Principal Write-down has occurred) subject to Condition 5.5 (*Conditions to Redemption and Purchase*), including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required) and in compliance with the Applicable Banking Regulations. The Capital Requirements Regulation further provides that the Competent Authority may only approve any such redemption or repurchase of the Securities before the fifth anniversary of the Issue Date if, in addition to the conditions applicable to the exercise of the Issuer Call Option, the following conditions are also met:

- in the case of any such redemption upon the occurrence of a Regulatory Event, (x) the Competent Authority considers the change in the regulatory classification of the Securities to be sufficiently certain and (y) the Issuer demonstrates to the satisfaction of the Competent Authority that such change in the regulatory classification of the Securities was not reasonably foreseeable at the Issue Date;

- in the case of any such redemption upon the occurrence of a Tax Gross-up Event or a Tax Deductibility Event, the Issuer demonstrates to the satisfaction of the Competent Authority that such change in applicable tax treatment of the Securities is material and was not reasonably foreseeable at the Issue Date; or

- in the case of a purchase pursuant to Condition 5.6 (*Purchase*), the Issuer before or at the same time as such purchase, replaces the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority permits such action on the basis of the demonstration that it would be beneficial from a prudential point of view and justified by exceptional

circumstances; or the Securities being purchased for market-making purposes in accordance with prevailing Applicable Banking Regulations.

An optional redemption feature is likely to limit the market value of the Securities. During any period when the Issuer may elect, or in case of an actual or perceived increased likelihood that the Issuer may elect, to redeem the Securities, the market value of the Securities generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period. In addition, holders of Securities will not receive any make-whole amount or any other compensation in the event of any early redemption of Securities.

If the Issuer redeems the Securities in any of the circumstances mentioned above, there is a risk that the Securities may be redeemed at times when the redemption proceeds are less than the current market value or the Original Principal Amount of the Securities or when prevailing interest rates may be relatively low, in which latter case holders of Securities may only be able to reinvest the redemption proceeds in securities with a lower yield. Potential investors should consider reinvestment risk in light of other investments available at that time.

1.12 There is variation or substitution risk in respect of the Securities

The Issuer may, if a Tax Gross-up Event, a Tax Deductibility Event or a Regulatory Event has occurred and is continuing, subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required at the relevant time), but without any requirement for the consent or approval of the holders, substitute the Securities or vary the terms of the Securities so that they remain or, as appropriate, become Qualifying Securities.

The Competent Authority has discretion as to whether or not it will approve any substitution or variation of the Securities, if such permission is prescribed under the then Applicable Banking Regulations. Any such substitution or variation which is considered by the Competent Authority as the issuance of a new instrument will require the Securities, as so substituted or varied, to be eligible as Additional Tier 1 Capital in accordance with the then prevailing Applicable Banking Regulations, which may include a requirement that (save in certain prescribed circumstances) the Securities may not be redeemed or repurchased prior to five years after the effective date of such substitution or variation.

It is possible that any varied or substitution Securities will contain conditions that are contrary to the investment criteria of certain potential investors. In addition, the tax and stamp duty consequences of holding such varied or substitution Securities could be different for some categories of potential investors from the tax and stamp duty consequences of their holding the Securities prior to such variation or substitution. Any resulting sale of the Securities, or of the varied or substitution securities, may be adversely affected by market perception of and price movements in the terms of the varied or substitution securities.

1.13 In certain instances the Securityholders may be bound by certain amendments to the Conditions to which they did not consent, which may result in less favourable terms of the Securities.

Condition 12 (*Meetings of holders and Modification*) and Schedule 1 (*Provisions on Meetings of Securityholders*) to the Conditions contain provisions for Securityholders to consider matters affecting their interests generally, including modifications to the Conditions. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority or, as the case may

be, who did not sign the relevant written resolution or provide their electronic consents for the passing of the relevant resolution.

Further, Condition 12 (*Meetings of holders and Modification*) provides that the Issuer may, without the consent or approval of the Securityholders, make such amendments to the Agency Agreement or the Clearing Services Agreement which are of a formal, minor or technical nature or made to correct a manifest error or comply with mandatory provisions of law or such amendments to the Agency Agreement or the Clearing Services Agreement which are not prejudicial to the interests of the holders (except those changes in respect of which an increased quorum is required).

In addition, pursuant to Condition 3.1(g) (*Benchmark replacement*), if a Benchmark Event occurs, certain changes may be made to the manner in which the Rate of Interest of the Securities is determined, as well as the Agency Agreement in the circumstances and as otherwise set out in such Condition, without the consent or approval of the Securityholders. Please also refer to the risk factor entitled "*The occurrence of a Benchmark Event may adversely affect the value of the Securities*".

Finally, the Issuer will, subject to certain conditions, be entitled to substitute and/or vary the terms of the Securities upon the occurrence and continuation of a Regulatory Event, a Tax Gross-up Event or a Tax Deductibility Event, as applicable, so as to ensure that they remain or become, as appropriate, Qualifying Securities. Please also refer to the risk factor entitled "*There is variation or substitution risk in respect of the Securities*".

Accordingly, there is a risk that the Conditions may be modified, waived or varied in circumstances where a holder does not agree to such modification, waiver or variation, which may adversely impact the rights of such holder. It is possible that any varied or substitution Securities will contain conditions that are contrary to the investment criteria of certain potential investors. Any resulting sale of the Securities, or of the varied or substitution securities, may be adversely affected by market perception of and price movements in the terms of the varied or substitution securities.

1.14 No events of default apply to the Securities allowing acceleration of payment. Acceleration of payment will only be possible in the case of dissolution or liquidation of the Issuer.

The Conditions of the Securities do not provide for events of default allowing for acceleration of the Securities if certain events occur. Accordingly, if the Issuer fails to meet any obligations under the Securities, including the payment of any interest, holders of Securities will not have the right to accelerate payment of principal, which shall only be due in the event of the Issuer's dissolution or liquidation.

Upon a payment default, the sole remedy available to holders of Securities for recovery of amounts owing in respect of any payment of principal or interest on the Securities will be the institution of dissolution or liquidation proceedings to the extent permitted under Belgian law in order to enforce such payment.

Holders should further be aware that, in or prior to any such dissolution or liquidation scenario, the Relevant Resolution Authority could decide to write down the principal amount of the Securities to zero or convert such principal amount into common equity tier 1 instruments. Please also refer to the risk factor entitled "*A holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*".

1.15 A reset of the interest rate could affect the market value of an investment in the Securities

The Securities will initially bear interest at the Initial Rate of Interest until (but excluding) the First Reset Date. On the First Reset Date and on each date which falls five, or an integral multiple of five, years after the First Reset Date, the interest rate will be reset to the sum, converted from an annual basis to a semi-annual basis, of the applicable Mid-Swap Rate and the Margin as determined by the Calculation Agent on the relevant determination date (each such interest rate, a "**Reset Rate**"). The Reset Rate for any Reset Period could be less than the Initial Rate of Interest or the Reset Rate for prior Reset Periods and could affect the market value of an investment in the Securities.

1.16 The occurrence of a Benchmark Event may adversely affect the value of the Securities

Reference Rates and indices, including interest rate benchmarks, which are used to determine the amounts payable under financial instruments or the value of such financial instruments ("**Benchmarks**"), have, in recent years, been the subject of political and regulatory scrutiny as to how they are created and operated. This has resulted in regulatory reform and changes to existing Benchmarks. These reforms and changes may cause a Benchmark to perform differently than it has done in the past, to be discontinued, or have other consequences which cannot be predicted. Any change in the performance of a Benchmark or its discontinuation, could have a material adverse effect on any Securities referencing or linked to such Benchmark.

Regulation (EU) 2016/1011, as amended (the "**EU Benchmarks Regulation**") applies, subject to certain transitional provisions, to the provision of benchmarks, the contribution of input data to a benchmark and the use of a benchmark within the EU. Among other things, it (i) requires benchmark administrators to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and (ii) prevents certain uses by EU supervised entities (such as the Issuer) of benchmarks of administrators that are not authorised or registered (or, if non-EU based, not deemed equivalent or recognised or endorsed). Regulation (EU) 2016/1011 as it forms part of domestic law by virtue of the EUWA (the "**UK Benchmarks Regulation**") among other things, applies to the provision of benchmarks and the use of a benchmark in the UK. Similarly, it prohibits the use in the UK by UK supervised entities of benchmarks of administrators that are not authorised by the FCA or registered on the FCA register (or, if non-UK based, not deemed equivalent or recognised or endorsed).

The EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable, could have a material impact on any securities linked to or referencing a benchmark in particular, if the methodology or other terms of the benchmark are changed in order to comply with the requirements of the EU Benchmarks Regulation and/or the UK Benchmarks Regulation, as applicable. Such changes could, among other things, have the effect of reducing, increasing or otherwise affecting the volatility of the published rate or level of the relevant benchmark.

More broadly, any of the national or international reforms, or the general increased regulatory scrutiny of Benchmarks, could increase the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

Condition 3.1(g) (*Benchmark replacement*) provides for certain fallback arrangements in the event that a Benchmark Event occurs with respect to the 5-year Mid-Swap Rate, for example where the 5-year Mid-Swap Rate ceases to exist or be published on a permanent or indefinite basis as a result of the 5-year Mid-Swap Rate ceasing to be calculated or administered. If a Benchmark Event occurs, the Issuer may, after appointing and consulting with an Independent

Adviser, determine a Successor Rate or Alternative Reference Rate to be used in place of the 5-year Mid-Swap Rate to determine the Rate of Interest. The use of any such Successor Rate or Alternative Reference Rate to determine the Rate of Interest may result in the Securities performing differently (including paying a lower Rate of Interest) than they would do if the 5-year Mid-Swap Rate were to continue to apply in its current form.

Furthermore, if a Successor Rate or Alternative Reference Rate for the 5-year Mid-Swap Rate is determined by the Issuer, the Conditions provide that the Issuer may vary the Conditions and the Agency Agreement, as necessary, to ensure the proper operation of such Successor Rate or Alternative Reference Rate, without any requirement for consent or approval of the Securityholders. Please also refer to the risk factor entitled "*In certain instances the Securityholders may be bound by certain amendments to the Conditions to which they did not consent, which may result in less favourable terms of the Securities*". No adjustments or amendments will be applied if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Securities giving rise to a Regulatory Event.

If a Successor Rate or Alternative Reference Rate is determined by the Issuer, the Conditions also provide that an Adjustment Spread will be determined by the Issuer to be applied to such Successor Rate or Alternative Reference Rate. The aim of the Adjustment Spread is to reduce or eliminate, so far as is practicable, any economic prejudice or benefit (as the case may be) to Securityholders as a result of the replacement of the 5-year Mid-Swap Rate with the Successor Rate or the Alternative Reference Rate. However, it is possible that the application of an Adjustment Spread will not reduce or eliminate economic prejudice to Securityholders.

In addition, if the 5-year Mid-Swap Rate is discontinued permanently and the Issuer, for any reason, is unable to determine the Successor Rate or Alternative Reference Rate, the Rate of Interest may be determined by reference to the last observable Screen Rate of the 5-year Mid-Swap Rate before the relevant Benchmark was discontinued and such Rate of Interest will continue to apply until maturity. This would result in the effective application of the Rate of Interest determined on such basis as a fixed rate.

Any such consequences could have a material adverse effect on the value of, and return on, any Securities. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could adversely affect the ability of the Issuer to meet its obligations under the Securities and could have a material adverse effect on the value or liquidity of, and the amount payable under, the Securities.

1.17 Changes in law or the application, interpretation or administrative practice may affect the rights of Securityholders

As set out in Condition 16 (*Governing Law and Submission to Jurisdiction*), the Conditions are governed by, and construed in accordance with, Belgian law as is in effect as of the date of this Prospectus. Any change in law or in the official application, interpretation or administrative practice after the date of this Prospectus may affect the enforceability of the Securityholders' rights under the Conditions or render the exercise of such rights more difficult and, hence, materially adversely impact the value of any Securities affected by it. This may for example relate to the implementation of statutory resolution and loss-absorption tools. Please also refer to the risk factor entitled "*A holder may lose all of its investment in the Securities, including the principal amount plus any accrued but unpaid interest, in the event that Statutory Loss Absorption occurs*".

1.18 There are no rights of set-off, compensation, retention or netting for the Securities

Subject to applicable law, no holder of a Security may exercise or claim any right of set-off, compensation, retention or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each holder of a Security shall, by virtue of its subscription, purchase or holding of a Security (or any beneficial interest therein), be deemed to have waived all such rights of set-off, compensation, retention or netting. To the extent any holder of Securities is owing any amount to the Issuer, such holder will not be able to set-off, compensate, retain or net any such amount against the amounts owed to it by the Issuer under the Securities, which may increase the loss sufferance by an investor in case of non-payment by the Issuer under the Securities.

Notwithstanding the above, if any of the amounts owing to any holder by the Issuer in respect of, or arising under or in connection with, the Securities is discharged by set-off, compensation, retention or netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount for the benefit of the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

2 RISKS RELATING TO THE SUBSCRIPTION OF THE SECURITIES, THE LISTING AND SETTLEMENT OF THE SECURITIES AND THE MARKET IN THE SECURITIES

2.1 An active secondary market in respect of the Securities may never be established or may be illiquid and this could adversely affect the value at which holders of Securities could sell their Securities

Securities may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, potential investors may not be able to sell their Securities easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for the Securities that are designed for specific investment objectives or strategies and have been structured to meet the investment requirements of limited categories of investors. The Securities would generally have a more limited secondary market and more price volatility than conventional debt securities.

Moreover, although pursuant to Condition 5.6 (*Purchases*) the Issuer or any of its subsidiaries can purchase Securities at any time, neither the Issuer nor or any of its subsidiaries is obliged to do so. Purchases made by the Issuer or its subsidiaries could affect the liquidity of the secondary market of the Securities and thus the price and the conditions under which a holder of Securities can negotiate these Securities on the secondary market. The Issuer and its subsidiaries will generally be prohibited from purchasing any Securities during the first five years of their issue, subject to limited exceptions relating to market making purposes in accordance with the Applicable Banking Regulations in respect of the Securities.

If the Securities are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Market liquidity in hybrid financial instruments similar to the Securities has historically been limited. In the event a trigger event occurs in relation to an Additional Tier 1 Capital Instrument of another issuer or interest payments on such instruments are suspended, potential price contagion and volatility to the entire asset class is possible.

Any indication or perceived indication that the Consolidated CET1 Ratio is trending towards the write-down trigger of 5.125 per cent., or that the Issuer may be unable to meet the combined buffer requirements, taking into account MREL requirements, may have an adverse effect on the market price of the Securities. Similarly, any indication or perceived indication that the amount of Distributable Items available to pay interest on the Securities is decreasing may have an adverse effect on the market price of the Securities. Moreover, the Issuer's discretion regarding the payment of interest significantly increases uncertainty in the valuation of Additional Tier 1 Capital Instruments, this uncertainty might have a negative impact on liquidity and volatility of the Securities.

2.2 A Securityholders' actual return on the Securities may be adversely impacted by transaction costs and/or fees

When Securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Securities which is initially determined to be received by potential investors in such Securities. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. Securityholders must furthermore take into account that they may be charged for the brokerage fees, commissions and other fees and expenses of third parties which are involved in the execution of an order (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), holders must also take into account any follow-up costs (such as custody fees). The incurrence of any such costs and/or fees will impact the return an investor receives on its Securities.

2.3 Holders of Securities are exposed to the risks of a downgrade of any credit ratings assigned to the Issuer and/or the Securities.

S&P, Fitch and Moody's have assigned or are expected to assign a rating to the Securities. In addition, each of S&P, Fitch and Moody's has assigned credit ratings to the Issuer. These ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Securities or the standing of the Issuer. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In addition, it is possible that any rating of the Issuer and/or the Securities will not be maintained by the Issuer following the date of this Prospectus. If any rating assigned to the Issuer and/or the Securities is revised lower, suspended, withdrawn or not maintained by the Issuer, the market value of the Securities may be negatively influenced.

In addition to ratings assigned by any hired rating agencies, rating agencies not hired by the Issuer to rate the Securities may assign unsolicited ratings. If any non-hired rating agency assigns an unsolicited rating to the Securities, there can be no assurance that such rating will not differ from, or be lower than, the ratings provided by a hired rating agency. The decision to decline a rating assigned by a hired rating agency, the delayed publication of such rating or the assignment of a non-solicited rating by a rating agency not hired by the Issuer could adversely affect the market value and liquidity of the Securities.

2.4 The transfer of any Securities, any payments made in respect of any Securities and all communications with the Issuer will occur through the NBB-SSS.

A Securityholder must rely on the procedures of the NBB-SSS for transfers of Securities and to receive payment under its Securities. Furthermore, pursuant to Condition 11 (*Notices*), notices to Securityholders shall be valid, among others, if delivered by or on behalf of the Issuer to the NBB (in its capacity as operator of the NBB-SSS) for onward communication by it to the participants of the NBB-SSS. It is expected that notices will in principle be disseminated to Securityholders in this way. A Securityholder will therefore also need to rely on the procedures of the NBB-SSS to receive communications from the Issuer.

None of the Issuer or the Agent will have any responsibility or liability for the records relating to, or payments made in respect of, the Securities within the NBB-SSS, issues with the dissemination of notices through the NBB-SSS, or any other improper functioning of, the NBB-SSS and Securityholders should in such case make a claim against the NBB-SSS through participants in the NBB-SSS. Any such risk may adversely affect the rights and/or return on investment of a Securityholder, for example where the Securityholder would not receive a payment or notification in due time following a malfunction of the NBB-SSS.

2.5 Potential conflicts of interest

The Issuer may from time to time be engaged in transactions which may affect the market price, liquidity or value of the Securities and which could be deemed to be adverse to the interests of the Securityholders.

Potential investors should be aware that the Agent, some of the Joint Lead Managers and their respective affiliates have engaged in, and may in the future engage in, investment banking and other commercial dealings in the ordinary course of business with the Issuer or its affiliates. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Joint Lead Managers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. The Joint Lead Managers and their respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. They might therefore have conflicts of interest which could have an adverse effect on the interests of the Securityholders.

Furthermore, potential investors should be aware that the Issuer is the parent company of KBC Bank NV, which acts as Joint Lead Manager, and that the interests of KBC Bank NV and the Issuer may conflict with the interests of the holders of Securities. Moreover, the holders of Securities should be aware that KBC Bank NV, acting in whatever capacity, will not have any obligations vis-à-vis the holders of any Securities and, in particular, will not be obliged to protect the interests of the holders of any Securities.

The Calculation Agent is KBC Bank NV, and potential conflicts of interest may exist between the Calculation Agent and Securityholders, including with respect to certain determinations and judgements that the Calculation Agent may make pursuant to the Conditions (such as in the case of any applicable interest rate determination) which may influence the amount receivable under the Securities. Where any such determination or judgement is to be made, there is generally no or very limited room for discretion as the Conditions stipulate the objective parameters on the

basis of which the Calculation Agent has to perform its calculations and tasks (such as, for example, determining a rate by computing a predetermined rate and a screen rate).

Potential investors should be aware that the reason for issuing the Securities is to raise Additional Tier 1 Capital which enhances the loss absorption capacity for the Issuer and of KBC Bank NV. The Issuer is the parent of KBC Bank NV, which is acting as Joint Lead Manager in respect of the Securities. Therefore, if at any given time the Issuer would face problems with regard to its regulatory capital, which may for instance be caused by financial problems at the level of KBC Bank NV, the Issuer and KBC Bank NV will act in their own best interest and will not be obliged to protect the interests of the holders of the Securities.

3 RISKS RELATING TO THE STATUS OF INVESTORS

3.1 Taxation may have an impact on the return a Securityholder may receive on its Securities.

Potential purchasers and sellers of the Securities should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country where the Securities are transferred, where the investors are resident for tax purposes and/or other jurisdictions. In addition, payments of interest on the Securities (if any), or profits realised by a Securityholder upon the sale or repayment of its Securities, may be subject to taxation in the home jurisdiction of the potential investor or in other jurisdictions in which it is required to pay taxes.

In some jurisdictions, no official statements of the tax authorities or court decisions may be available in relation to the tax treatment of financial instruments such as the Securities. Among other matters, there may be no authority addressing whether a holder would be entitled to a deduction for loss at the time of a Principal Write-down. A holder may, for example, be required to wait to take a deduction until it is certain that no Principal Write-up can occur, or until there is an actual or deemed sale, exchange or other taxable disposition of the Securities. It is also possible that, if a holder takes a deduction at the time of a Principal Write-down, it may be required to recognise a capital or income gain at the time of any future Principal Write-up.

Potential investors are advised not to rely solely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Securities. Only such adviser is in a position to duly consider the specific situation of the potential investor. This risk factor should be read in connection with the taxation sections of this Prospectus. Please refer to the section entitled "*Taxation on the Securities*".

3.2 If an investor holds Securities which are not denominated in the investor's home currency, it will be exposed to movements in exchange rates adversely affecting the value of its holding. In addition, the imposition of exchange controls in relation to any Securities could result in an investor not receiving payments on those Securities.

The Issuer will pay principal and interest on the Securities in euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than euro. These include the risk that exchange rates may significantly change (including changes due to devaluation of euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls (as some have done in the past). An appreciation in the value of the Investor's Currency relative to euro would decrease (i) the

Investor's Currency-equivalent yield on the Securities, (ii) the Investor's Currency-equivalent value of the principal payable on the Securities and (iii) the Investor's Currency-equivalent market value of the Securities. Exchange controls could adversely impact an applicable exchange rate or the ability of the Issuer to make payments in respect of the Securities, which may have an impact on the return an investor receives on its Securities.

IMPORTANT INFORMATION

GENERAL

The Issuer accepts responsibility for the information contained in this Prospectus. To the best of the knowledge of the Issuer the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Documents Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference into, and form part of, this Prospectus. Unless expressly incorporated by reference into this Prospectus, information contained on websites mentioned herein does not form part of, and is not incorporated by reference into, this Prospectus and has not been scrutinised or approved by the Belgian FSMA.

The Global Coordinator and the Joint Lead Managers (as defined in "*Subscription and Sale*") have not independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Global Coordinator and the Joint Lead Managers as to the accuracy or completeness of the information contained or incorporated by reference into this Prospectus or any other information provided by the Issuer in connection thereto. None of the Global Coordinator or the Joint Lead Managers accepts any liability in relation to the information contained or incorporated by reference in this Prospectus or any other information provided by the Issuer in connection thereto. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer under the Prospectus.

To the fullest extent permitted by law, neither the Global Coordinator nor any Joint Lead Manager accepts any responsibility for the contents of this Prospectus, and neither the Global Coordinator nor any Joint Lead Manager accepts any responsibility for any statement made, or purported to be made, by any (other) Joint Lead Manager or on its behalf in connection with the Issuer or the issue and offering of the Securities. The Global Coordinator and each Joint Lead Manager accordingly disclaims all and any liability whether arising in tort or contract or otherwise which it might otherwise have in respect of this Prospectus or any such statement.

No person is or has been authorised by the Issuer, the Global Coordinator or the Joint Lead Managers to give any information or to make any representation not contained in or not consistent with this Prospectus or any other information supplied in connection with this Prospectus or the Securities and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Global Coordinator or any of the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented, or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented, or that any other information supplied in connection with the offering of the Securities is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same. If at any time the Issuer shall be required to prepare a supplement pursuant to Article 23 of the Prospectus Regulation, the Issuer will prepare and make available an appropriate supplement to this Prospectus.

Neither this Prospectus nor any other information supplied in connection with this Prospectus or the Securities (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation (or a statement of opinion) by the Issuer, the Global Coordinator or any of the Joint Lead Managers that any recipient of this Prospectus or any other information supplied in connection with the Prospectus or the Securities should purchase the Securities. Each investor contemplating purchasing the Securities should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer.

Neither this Prospectus nor any other information supplied in connection with the issue of the Securities constitutes an offer or invitation by or on behalf of the Issuer, the Global Coordinator or any of the Joint Lead Managers to any person to subscribe for or to purchase the Securities.

FORWARD LOOKING STATEMENTS

This Prospectus contains or incorporates by reference certain statements that constitute forward-looking statements. Such forward-looking statements may include, without limitation, statements relating to the Issuer's business strategies, trends in its business, competition and competitive advantage, regulatory changes, and restructuring plans.

Words such as "believes", "expects", "projects", "anticipates", "seeks", "estimates", "intends", "plans" or similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. The Issuer does not intend to update these forward-looking statements except as may be required by applicable securities laws.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that predictions, forecasts, projections and other outcomes described or implied in forward-looking statements will not be achieved. A number of important factors could cause actual results, performance or achievements to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include: (i) the ability to maintain sufficient liquidity and access to capital markets; (ii) market and interest rate fluctuations; (iii) the strength of the global economy in general and the strength of the economies of the countries in which the Issuer or the Issuer and its subsidiaries taken as a whole (the "**Group**") conducts operations; (iv) the potential impact of sovereign risk in certain European Union countries; (v) adverse rating actions by credit rating agencies; (vi) the ability of counterparties to meet their obligations to the Issuer or the Group; (vii) the effects of, and changes in, fiscal, monetary, trade and tax policies, financial and company regulation and currency fluctuations; (viii) the possibility of the imposition of foreign exchange controls by government and monetary authorities; (ix) operational factors, such as systems failure, human error, or the failure to implement procedures properly; (x) actions taken by regulators with respect to the Issuer's and/or the Group's business and practices in one or more of the countries in which the Issuer or the Group conducts operations; (xi) the adverse resolution of litigation and other contingencies; (xii) the impact of events such as, or similar to, the Covid-19 pandemic and the conflict in Ukraine and (xiii) the Issuer's and/or the Group's success at managing the risks involved in the foregoing.

The foregoing list of important factors is not exclusive. When evaluating forward-looking statements, investors should carefully consider the foregoing factors and other uncertainties and events, as well as the other risks identified in this Prospectus.

PRESENTATION OF INFORMATION

This Prospectus contains various amounts and percentages which have been rounded and, as a result, when those amounts and percentages are added up, they may not total.

THE SECURITIES ARE COMPLEX FINANCIAL INSTRUMENTS

Potential investors are advised to exercise caution in relation to any offering of the Securities. If a potential investor is in any doubt about any of the contents of this Prospectus, it should obtain independent professional advice. Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Prospectus or incorporated by reference herein.

The Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors. Each potential investor in the Securities must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

(i) has sufficient knowledge and experience to make a meaningful evaluation of the Securities, the merits and risks of investing in the Securities and the information contained or incorporated by reference in this Prospectus, taking into account that the Securities are a suitable investment for professional and institutional investors only;

(ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Securities and the impact the Securities will have on its overall investment portfolio;

(iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Securities, including where the currency for payments in respect of the Securities is different from the potential investor's currency;

(iv) understands thoroughly the terms of the Securities, including the provisions relating to the payment and cancellation of interest, any write down of the Securities, the redemption or substitution of the Securities and any variation of their terms, and is familiar with the behaviour of financial markets; and

(v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Securities unless it has the expertise (either alone or with its financial and other professional advisers) to evaluate how the Securities will perform under changing conditions, the resulting effects on the value of the Securities and the impact this investment will have on the potential investor's overall portfolio.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (i) the Securities are legal investments for it, (ii) the Securities can be used as collateral for various types of borrowing and (iii) other restrictions apply to its purchase or pledge of the Securities. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Securities under any applicable risk-based capital or similar rules.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS PROSPECTUS AND OFFER OF THE SECURITIES GENERALLY

This Prospectus has been approved for the purposes of the listing and admission to trading of the Securities on the regulated market of Euronext Brussels and does not constitute an offer to sell or the solicitation of an offer to buy the Securities in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction.

The distribution of this Prospectus and the offer or sale of the Securities may be restricted by law in certain jurisdictions. Neither the Issuer, nor the Global Coordinator nor the Joint Lead Managers represent that this Prospectus may be lawfully distributed, or that the Securities may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Global Coordinator or the Joint Lead Managers which is intended to permit a public

offering of the Securities or distribution of this Prospectus in any jurisdiction where action for that purpose is required. Accordingly, the Securities may not be offered or sold, directly or indirectly, and neither this Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations.

The Securities have not been and will not be registered under the Securities Act or any securities laws of any State or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Persons into whose possession this Prospectus or the Securities may come must inform themselves about, and observe, any such restrictions on the distribution of this Prospectus and the offering and sale of the Securities. For a description of certain restrictions on offers and sales of the Securities and on distribution of this Prospectus, see *"Subscription and Sale"*.

The Securities may be held only by, and transferred only to, eligible investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994, holding their securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.

RESTRICTIONS ON MARKETING AND SALES

1 The Securities are complex financial instruments with high risk and are not a suitable or appropriate investment for all investors (see also "Risk Factors–*Risks related to the Securities*"), in particular retail investors. In some jurisdictions, including Belgium, the United Kingdom and Hong Kong, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of securities such as the Securities. Potential investors in the Securities should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).

2

(a) In Belgium, the Securities are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available, to "consumers" (*consumenten*/*consommateurs*) within the meaning of the Belgian Code of Economic Law.

(b) In the United Kingdom, the Financial Conduct Authority (the "**FCA**") Conduct of Business Sourcebook ("**COBS**") requires, in summary, that the Securities should not be offered or sold to retail clients (as defined in COBS 3.4 and each a "**retail client**") in the United Kingdom.

(c) In Hong Kong, the Hong Kong Monetary Authority (the "**HKMA**") issued updated guidance and a set of answers to frequently asked questions on enhanced investor protection measures on the sale and distribution of debt instruments with loss-absorption features and related products in October 2022 (the "**HKMA Circular**"). Under the HKMA Circular, debt instruments with loss absorption features, being subject to the risk of being written down or converted to ordinary shares, and investment products that invest mainly in, or whose returns are closely linked to the performance of such instruments (together, "**Loss Absorption Products**"), are to be targeted in Hong Kong at "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**") and any subsidiary legislations or rules made under the SFO ("**HK Professional Investors**").

Investors in Hong Kong should not purchase the Securities in the primary or secondary markets unless they are HK Professional Investors and understand the risks involved. The Securities are generally not suitable for retail investors in Hong Kong in either the primary or the secondary markets.

(d) Certain of the Joint Lead Managers are required to comply with the COBS and/or the HKMA Circular.

(e) By purchasing, or making or accepting an offer to purchase, any Securities (or a beneficial interest in such Securities) from the Issuer and/or the Joint Lead Managers, each prospective investor represents, warrants, agrees with and undertakes to the Issuer and each of the Joint Lead Managers that:

(i) it is not a retail client in the European Economic Area ("**EEA**") or the United Kingdom;

(ii) if it is in Hong Kong, it is a HK Professional Investor;

(iii) it is not a consumer (*consument*/*consommateur*) within the meaning of the Belgian Code of Economic Law in Belgium;

(iv) it will not sell or offer the Securities (or any beneficial interest therein) to retail clients in the United Kingdom or the EEA or to retail investors in Hong Kong; or communicate (including the distribution of this Prospectus) or approve an invitation or inducement to participate in, acquire or underwrite the Securities (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the EEA or the United Kingdom or by a client in Hong Kong who is not a HK Professional Investor;

(v) it will not sell, offer or otherwise make the Securities available to "consumers" within the meaning of the Belgian Code of Economic Law in Belgium; and

(vi) it will at all times comply with the applicable laws and regulations relating to the offering of investment instruments (such as the Securities) to "consumers" within the meaning of the Belgian Code of Economic Law in Belgium, including (without limitation) the provisions of the Belgian Code of Economic Law.

(f) In selling or offering the Securities or making or approving communications relating to the Securities, prospective investors may not rely on the limited exemptions set out in COBS.

3 The obligations in paragraph 2. above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA, the United Kingdom or Hong Kong) relating to the promotion, offering, distribution and/or sale of the Securities (or any beneficial interests therein), whether or not specifically mentioned in this Prospectus, including (without limitation) any requirements under MiFID II, the FCA Handbook Product Intervention and Product Governance Sourcebook, the HKMA Circular and any other applicable laws, regulations and regulatory guidance as to determining the appropriateness and/or suitability of an investment in the Securities (or any beneficial interests therein) for investors in any relevant jurisdiction.

4 Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Securities (or any beneficial interests therein) from the Issuer and/or the Joint Lead Managers the foregoing representations, warranties, agreements and undertakings will be given by and be binding upon both the agent and its underlying client.

5 Each potential investor should inform itself of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Securities (or any beneficial interests therein).

PRIIPs Regulation / Prohibition of sales to EEA retail investors – The Securities are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(I) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client

as defined in point (10) of Article 4(I) of MiFID II. Consequently, the Issuer has not prepared a key information document (KID) required by Regulation (EU) No. 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the EEA and therefore offering or selling the Securities or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

UK PRIIPs Regulation / Prohibition of sales to UK retail investors – The Securities are not intended to be offered, sold or otherwise made available to and shall not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a "**retail investor**" means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (the "**UK FSMA 2000**") and any rules or regulations made under the UK FSMA 2000 to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (8) of Article 2(l) of Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the EUWA ("**UK MiFIR**"). Consequently, the Issuer has not prepared a key information document (KID) required by the PRIIPs regulation as it forms part of UK domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Securities or otherwise making them available to retail investors in the UK and therefore offering or selling the Securities or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

MIFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each EU manufacturer's product approval process (i.e., each person deemed a manufacturer for purposes of MiFID II), the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the Securities are incompatible with the knowledge, experience, needs, characteristic and objectives of retail clients and accordingly the Securities shall not be offered or sold to any retail clients. Any person subsequently offering, selling or recommending the Securities (a "**distributor**") should take into consideration the EU manufacturers' target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the EU manufacturers' target market assessment) and determining appropriate distribution channels.

Nothing stated herein should be construed as limiting the protections granted to potential investors under mandatorily applicable investor protection rules, including any such rules included in MiFID II.

UK MiFIR product governance/Professional investors and eligible counterparties only target market – Solely for the purposes of each UK manufacturer's product approval process (i.e., each person deemed a manufacturer for purposes of the FCA Handbook Product Intervention and Product Governance Sourcebook), the target market assessment in respect of the Securities has led to the conclusion that: (i) the target market for the Securities is eligible counterparties, as defined in COBS, and professional clients only, as defined in the UK MiFIR; and (ii) all channels for distribution of the Securities to eligible counterparties and professional clients are appropriate. The target market assessment indicates that the Securities are incompatible with the knowledge, experience, needs, characteristic and objectives of retail clients and accordingly the Securities shall not be offered or sold to any retail clients. Any distributor should take into consideration the UK manufacturers' target market assessment. However, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Securities (by either adopting or refining the UK manufacturers' target market assessment) and determining appropriate distribution channels.

Nothing stated herein should be construed as limiting the protections granted to potential investors under mandatorily applicable investor protection rules, including any such rules included in UK MiFIR.

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**"), the Issuer has determined and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA) that the Securities are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018).

Sales to Canadian investors – The Securities may be sold only to purchasers in the Canadian provinces purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

SUPPLEMENT

Pursuant to Article 23 of the Prospectus Regulation, the Issuer will, in the event of a significant new factor, material mistake or material inaccuracy relating to information contained in this Prospectus which is capable of affecting the assessment of the Securities, and which occurs or is identified between the time of the approval of the Prospectus and the time at which trading on the regulated market of Euronext Brussels commences, have to publish a supplement to the Prospectus containing this information. This supplement will (i) need to be approved by the Belgian FSMA and (ii) be published in compliance with at least the same conditions applicable to the Prospectus. The Issuer must ensure that any such supplement is published as soon as possible after the occurrence of such significant new factor, material mistake or material inaccuracy.

STABILISATION

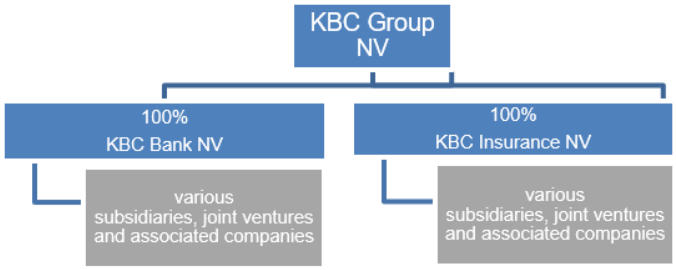
In connection with the issue of the Securities, J.P. Morgan SE (the "**Stabilising Manager**") may over-allot Securities or effect transactions with a view to supporting the market price of the Securities at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Securities is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Securities and 60 days after the date of the allotment of the Securities. Any stabilisation action or over-allotment must be conducted by the Stabilising Manager (or any person acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.

CURRENCIES

In this Prospectus, unless otherwise specified or the context otherwise requires, references to "**euro**", "**EUR**" and "**€**" are to the lawful currency of the member states of the European Union that have adopted or adopt the single currency in accordance with the Treaty establishing the European Union, as amended, and to "**U.S.$**" or "**USD**" are to the lawful currency of the United States.

OVERVIEW OF THE SECURITIES

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Prospectus (including any documents incorporated by reference herein). Words and expressions defined or used in "*Terms and Conditions of the Securities*" or elsewhere in this Prospectus shall have the same meaning in this overview.

Issuer	KBC Group NV ("**KBC Group**" and the "**Issuer**") KBC Group is a limited liability company (*naamloze vennootschap/société anonyme*) incorporated under Belgian law for an unlimited duration and registered with the Crossroads Bank for Enterprises under number 0403.227.515 (RLE Brussels). Its registered office is at Havenlaan 2, 1080 Brussels, Belgium.
Legal Entity Identifier (LEI) of the Issuer	213800X3Q9LSAKRUWY91.
Description of the Issuer	The Issuer is a mixed financial holding company whose purpose is the direct or indirect ownership and management of shareholdings in other companies, including but not limited to credit institutions, insurance companies and other financial institutions. The Issuer also aims to provide support services for third parties, as agent or otherwise, in particular for companies in which the Issuer, directly or indirectly, has an interest. A simplified chart of the Group's legal structure is provided below: 
Principal activities of the Group	The Issuer and its subsidiaries (the "**Group**") are an integrated bank insurance group, catering mainly for retail, private banking, small and medium-sized enterprises and mid-cap clients. Geographically, the Group focusses on its core markets of Belgium, the Czech Republic, the Slovak Republic, Hungary and Bulgaria. Elsewhere in the world, the Group is present, to a limited extent, in several other countries to support corporate clients from the Group's core markets. The Group's core business is retail and private bank-insurance (including asset management), although it is also active in providing services to corporations and market activities. Across its core markets, the Group is active in a large number of products and activities, ranging from the plain vanilla deposit, credit, asset management and life and non-life insurance businesses to specialised activities such as, but not exclusively, payments services, dealing room activities (money and debt market activities), brokerage and corporate finance, foreign trade finance, international cash management and leasing.

Global Coordinator	J.P. Morgan SE
Joint Bookrunners and Joint Lead Managers	BNP Paribas BofA Securities Europe SA J.P. Morgan SE KBC Bank NV Morgan Stanley & Co. International plc Natixis
Paying Agent	KBC Bank NV or any other entity appointed from time to time by the Issuer as the paying agent pursuant to the terms of the agency agreement dated 13 September 2024 and entered into between the Issuer and the paying agent.
Calculation Agent	KBC Bank NV or any other entity appointed from time to time by the Issuer as the calculation agent pursuant to the terms of the agency agreement dated 13 September 2024 and entered into between the Issuer and the calculation agent.
The Securities	EUR 750,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities (the "**Securities**").
ISIN	BE0390152180
Common Code	288937117
Issue Price	100.00 per cent.
Issue Date	17 September 2024.
Maturity Date	The Securities are undated and perpetual.
Denomination	EUR 200,000 and integral multiples thereof.
Form of the Securities	The Securities are in dematerialised form in accordance with the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen*/*Code des Sociétés et des Associations*), as amended. The Securities will be represented by a book entry in the records of the securities settlement system operated by the NBB or any successor thereto.
Status of the Securities	The Securities constitute direct, unconditional, unsecured, unguaranteed and deeply subordinated obligations of the Issuer, ranking *pari passu* without any preference among themselves. The Securities shall, subject to applicable law, rank: (a) junior to the claims of all unsubordinated creditors of the Issuer; (b) junior to the rights and claims of holders of all subordinated indebtedness of the Issuer (including Tier 2 Capital Instruments) other than: (i) any Junior Obligations and (ii) any Parity Securities; (c) *pari passu* without any preference among themselves and *pari passu* with any Parity Securities; and (d) senior only to the rights and claims of any Junior Obligations. Subject to applicable law, no Securityholder may exercise or claim any right of set-off, compensation, retention or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each Securityholder shall, by virtue of its subscription, purchase or holding of the Securities (or any beneficial interest therein), be deemed to have waived all

such rights of set-off, compensation, retention or netting. Notwithstanding the preceding sentence, if any of the amounts owing to any holder by the Issuer in respect of, or arising under or in connection with, the Securities is discharged by set-off, compensation, retention or netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount for the benefit of the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

"**Junior Obligations**" means all unsecured, subordinated obligations of the Issuer that rank, or are expressed to rank, junior to the Issuer's obligations under the Securities and all classes of share capital of the Issuer.

"**Parity Securities**" means any Additional Tier 1 Capital Instruments issued or guaranteed by the Issuer and any other obligations or instruments of the Issuer that rank, or are expressed to rank, equally with the Securities.

Issuer Call Option

Subject to certain conditions, as described below under "*Conditions for redemption and purchase*", the Issuer may, at its option, redeem all (but not some only) of the Securities on 17 September 2031 (the "**First Reset Date**") or on any Interest Payment Date thereafter (each an "**Issuer Call Date**") at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with the Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

The Issuer shall not be entitled to redeem the Securities on an Issuer Call Date if on the relevant redemption date the Prevailing Principal Amount of the Securities is lower than their Original Principal Amount.

"**Prevailing Principal Amount**" means, in respect of a Security at any time, the Original Principal Amount of such Security as reduced by any Principal Write-down of such Security (on one or more occasions) at or prior to such time pursuant to Condition 7 and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Security (on one or more occasions) at or prior to such time pursuant to Condition 7.

Conditions for redemption and purchase

Any optional redemption of Securities and any purchase of Securities is subject, as applicable, to the following, in each case only if and to the extent then required by Applicable Banking Regulations:

(a) compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required);

(b) in the case of redemption of the Securities upon the occurrence of a Tax Gross-up Event or a Tax Deductibility Event prior to the fifth anniversary of the Issue Date only, the Issuer having demonstrated to the satisfaction of the Competent Authority that (A) the Change in Law

was not reasonably foreseeable as at the Reference Date and (B) the relevant change in tax treatment is material;

(c) in the case of redemption of the Securities upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date only, the Issuer having demonstrated to the satisfaction of the Competent Authority that the change (or prospective change) in the regulatory classification (or reclassification) of the Securities was not reasonably foreseeable as at the Reference Date; and

(d) in the case of any purchase of the Securities prior to the fifth anniversary of the Issue Date, either (A) the Issuer has (or will, on or before the relevant purchase date, have) replaced the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (B) the relevant Securities are being purchased for market-making purposes in accordance with the Applicable Banking Regulations.

Any refusal by the Competent Authority and/or the Relevant Resolution Authority to give its approval as contemplated above shall not constitute a default for any purpose.

"**Applicable Banking Regulations**" means, at any time, the laws, regulations, rules, guidelines and policies of the Competent Authority (whether or not having the force of law), of the European Banking Authority, or of the European Parliament and Council then in effect in Belgium, relating to capital adequacy (whether on a risk-weighted, leverage or other basis), prudential supervision (including the requisite features of own funds instruments) and/or resolution, and applicable to the Issuer at such time (and, for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRD IV, BRRD and the rules contained in the Belgian Banking Law).

"**Belgian Banking Law**" means the law of 25 April 2014 on the status and supervision of credit institutions, as amended or replaced from time to time.

"**Competent Authority**" means the European Central Bank, the National Bank of Belgium, any successor or replacement to or of either of them, or any other authority having primary responsibility for the prudential and/or resolution oversight and supervision of the Issuer, as determined by the Issuer.

"**Relevant Resolution Authority**" means the Single Resolution Board established pursuant to the SRM Regulation and defined therein, the *Afwikkelingscollege / Collège de résolution* of the National Bank of Belgium, and/or any other authority entitled to exercise or to participate in the exercise of any bail-in power from time to time.

Tax Gross-up Call Option

Subject to "*Conditions for redemption and purchase*" above, the Issuer may, at its option, redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest

(excluding any interest which has been cancelled in accordance with the Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8, if:

(a) as a result of any change in, or amendment to, the laws or regulations of Belgium, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Reference Date (a "**Change in Law**"), on the next Interest Payment Date the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8; and

(b) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

(together, a "**Tax Gross-up Event"**).

Tax Deductibility Call Option

Subject to "*Conditions for redemption and purchase*" above, if, as a result of a Change in Law, on the next Interest Payment Date any interest payable by the Issuer in respect of the Securities ceases (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is reduced (a "**Tax Deductibility Event**"), the Issuer may, at its option, redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding any interest which has been cancelled in accordance with the Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

Regulatory Call Option

Subject to "*Conditions for redemption and purchase*" above, the Issuer may, at its option, redeem the Securities in whole (but not in part), at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding any interest which has been cancelled in accordance with the Conditions) to but excluding the date of redemption and any additional amounts payable in accordance with Condition 8 upon the occurrence of a Regulatory Event.

A "**Regulatory Event**" means an event that shall be deemed to have occurred if the Issuer determines, in good faith, and after consultation with the Competent Authority, that by reason of a change (or a prospective change which the Competent Authority considers to be sufficiently certain) to the regulatory classification of the Securities, at any time after the Reference Date, the Securities cease (or would cease), in whole or in part, to be included in or count towards the Additional Tier 1 Capital of the Issuer on a consolidated basis (having so counted prior to the Regulatory Event occurring). For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial exclusion of the Securities as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down.

Substitution and Variation

If a Regulatory Event, a Tax Gross-up Event or a Tax-Deductibility Event (each a "**Special Event**") has occurred and is continuing, the Issuer may, at its option, without any requirement for the consent or approval of the Securityholders, substitute all (but not some only) of the Securities or vary

the terms of all (but not some only) of the Securities so that they become or remain (as the case may be) Qualifying Securities.

Any substitution or variation of the Securities pursuant to the Conditions is subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required).

"**Qualifying Securities**" means, at any time, any securities issued by the Issuer:

(a) that:

(A) contain terms which at such time comply with the then current requirements of the Competent Authority in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the Special Event redemption events which are included in the Securities);

(B) carry the same rights to redeem as set out in Condition 5.2 and the same rate of interest from time to time applying to the Securities prior to the relevant substitution or variation;

(C) rank *pari passu* with the Securities prior to the substitution or variation;

(D) preserve any existing rights under the Conditions to any accrued interest or other amounts which have not been either paid or cancelled (but subject always to the right of the Issuer subsequently to cancel such accrued and unpaid interest in accordance with the Conditions);

(E) shall not at the time of the relevant variation or substitution be subject to a Special Event; and

(F) (have terms not materially less favourable to the holders than the terms of the Securities, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered to the Agent a certificate to that effect signed by two of its Directors; and

(b) that if (A) the Securities were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) if the Securities were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer; and

(c) where the Securities which have been substituted or varied had a published rating from a Rating Agency immediately prior to their substitution or variation and such rating was solicited by or on behalf of the Issuer, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Securities.

Interest	The Securities bear interest on their outstanding Prevailing Principal Amount: (a) from (and including) the Issue Date to (but excluding) the First Reset Date, at a fixed rate of 6.250 per cent. *per annum*; and (b) in the case of each Interest Period which commences on or after the First Reset Date, at the sum, converted from an annual basis to a semi-annual basis, of (A) the Mid-Swap Rate applicable to the Reset Period in which that Interest Period falls and (B) the Margin, all as determined by the Calculation Agent in accordance with the Conditions. The Mid-Swap Rate shall be determined by reference to Reuters Screen Page "ICESWAP2", subject to the fallback and other provisions set out in the Conditions. In addition, in the event a Benchmark Event occurs in relation to the 5-year Mid-Swap Rate (a) a Successor Rate or, failing which, an Alternative Reference Rate, and (b) in either case, an Adjustment Spread may be used for the purposes of determining the Rate of Interest (or the relevant component part thereof). Subject to cancellation of any interest payment (in whole or in part) pursuant to Condition 3.2, interest shall be payable semi-annually in arrear in equal instalments on each Interest Payment Date.
Interest cancellation	The Issuer may, in its sole and absolute discretion, at any time on or before the scheduled payment date, elect to cancel any Interest Payment (in whole or in part) which is scheduled to be paid on any date. Furthermore, the Issuer shall cancel (in whole or in part, as applicable) any Interest Payment otherwise due to be paid on any date if and to the extent that: (a) the payment of such Interest Payment (together with any additional amounts payable in accordance with Condition 8, if any), when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Securities or on any other own funds items in the then current financial year (excluding any such interest payments or other distributions which (A) are not required to be made out of Distributable Items or (B) have already been provided for, by way of deduction, in the calculation of Distributable Items) and any other amounts which the Competent Authority may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded; (b) the payment of such Interest Payment (together with any additional amounts payable in accordance with Condition 8, if any) would cause, when aggregated together with other distributions of the kind referred to in Article 101, §1 of the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or any other relevant provisions of the Belgian Banking Law, the Maximum Distributable Amount (if any) then applicable to the Issuer to be exceeded; or

(c) the payment of such Interest Payment (together with any additional amounts payable in accordance with Condition 8, if any) has been limited or suspended by the Relevant Resolution Authority in accordance with Article 10a of the SRM Regulation and/or Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD) or any other relevant provisions of the Belgian Banking Law due to such payment exceeding the MREL-Maximum Distributable Amount Provision (if any) then applicable to the Issuer, and

(d) the Competent Authority orders the Issuer to cancel the payment of interest.

Any Interest Payment (or part thereof) not paid on the scheduled payment date by reason of any of the above or "*Principal Write-down*" below, shall be cancelled, shall not accumulate and will not become due or payable at any time thereafter, whether in bankruptcy (*faillissement*/*faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

Non-payment of any Interest Payment (or part thereof) in accordance with any of the above, or "*Principal Write-down*" below, will not constitute an event of default by the Issuer for any purpose (whether under the Securities or otherwise) or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever, will not entitle holders to petition for the insolvency or dissolution of the Issuer and the Securityholders shall have no right to the Interest Payment (or part thereof) not paid, whether in a bankruptcy (*faillissement/faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise.

See Condition 3.2.

Trigger Event

A "**Trigger Event**" will occur if, at any time, the Consolidated CET1 Ratio is less than 5.125 per cent. as determined by the Issuer, the Competent Authority or any entity appointed by or acting on behalf of the Competent Authority.

See Condition 7.

Principal Write-down

Upon the occurrence of a Trigger Event, a Principal Write-down will occur.

On a Trigger Event Write-down Date:

(a) all interest accrued on each Security up to (and including) the Trigger Event Write-down Date shall be automatically and irrevocably cancelled (whether or not the same has become due at such time); and

(b) without prejudice to any Principal Write-up (as described below under "*Principal Write-up*"), the then Prevailing Principal Amount of each Security shall be automatically and irrevocably reduced by the relevant Write-down Amount with effect from the Trigger Event Write-down Date. Such Principal Write-down to be effected, save as may otherwise be required by Applicable Banking Regulations and/or the Competent Authority and subject to Condition 7.1(e), pro rata and concurrently

with the Principal Write-down of the other Securities and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any other Loss Absorbing Instruments.

"**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Security is to be Written Down and which is calculated per Security, being the lower of:

(a) the amount per Security (together with, subject to Condition 7.1(e), the concurrent pro rata Principal Write-down of the other Securities and the write-down or conversion into equity of the prevailing principal amount of any other Loss Absorbing Instruments) that would be sufficient to immediately restore the Consolidated CET1 Ratio to at least 5.125 per cent.; or

(b) the amount necessary to reduce the Prevailing Principal Amount of the Security to one cent.

In calculating any amount in accordance with paragraph (a) above, the CET1 Capital (if any) generated as a result of the cancellation of interest pursuant to Condition 7.1(c)(i) shall not be taken into account.

If the Issuer has given a notice of redemption of the Securities or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Securities and, after giving such notice or entering into such agreement but prior to the relevant redemption date or purchase of the Securities, a Trigger Event occurs, the relevant redemption notice or, as the case may be, the relevant purchase agreement shall be automatically rescinded and shall be of no force and effect, the Securities will not be redeemed on the scheduled redemption date or purchased and, instead, a Principal Write-down shall occur in respect of the Securities.

See Conditions 5.5(c) and 7.1.

Principal Write-up

Subject to compliance with the Applicable Banking Regulations, if a positive Consolidated Net Profit is recorded at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion and subject to Conditions 7.2(b), 7.2(c) and 7.2(d), increase the Prevailing Principal Amount of each Security (a "**Principal Write-up**") up to a maximum of its Original Principal Amount, on a pro rata basis with the other Securities and with any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms (based on the then prevailing principal amounts thereof), provided that the Maximum Write-up Amount is not exceeded.

The "**Maximum Write-Up Amount**" means the Consolidated Net Profit (i) multiplied by the aggregate issued original principal amount of all outstanding Written Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Issuer on a consolidated basis, and (ii) divided by the Tier 1 Capital of the Issuer calculated on a consolidated basis as at the date when the Principal Write-up is operated.

"**Discretionary Temporary Write-down Instrument**" means, at any time, any instrument (other than the Securities) issued directly or indirectly by the

	Issuer which at such time (a) qualifies as Additional Tier 1 Capital of the Issuer on a consolidated basis, (b) has had all or some of its principal amount written down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the relevant issuer's discretion, upon reporting a net profit. "**Written Down Additional Tier 1 Instrument**" means, at any time, any instrument (including the Securities) issued directly or indirectly by the Issuer and which, immediately prior to the relevant Principal Write-up of the Securities at that time, has a prevailing principal amount that, due to it having been written down, is lower than the original principal amount it was issued with. See Condition 7.
Clearing System	The NBB-SSS. Access to the NBB-SSS is available through those of the participants in the NBB-SSS whose membership extends to securities such as the Securities. Participants in the NBB-SSS include Euroclear Bank SA/NV ("**Euroclear**"), Euroclear France S.A. ("**Euroclear France**"), Clearstream Banking Frankfurt ("**Clearstream Banking Frankfurt**"), Clearstream Banking Luxembourg S.A. ("**Clearstream Banking Luxembourg**"), SIX SIS AG ("**SIX SIS**"), Monte Titoli S.p.A. ("**Euronext Securities Milan**"), Interbolsa, S.A. ("**Euronext Securities Porto**"), Iberclear-ARCO ("**Iberclear**"), OeKB CSD GmbH ("**OeKB**") and LuxCSD S.A. ("**LuxCSD**"). Accordingly, the Securities will be eligible to clear through, and will therefore be accepted by, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD or other NBB-SSS participants, and investors can hold their interests in the Securities within securities accounts in Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD. The Securities are transferred by account transfer.
Ratings	The Securities are expected to be rated BB+ by S&P, BBB- by Fitch and Baa3 by Moody's. S&P, Fitch and Moody's are established in the European Union and are included in the list of credit rating agencies registered in accordance with Regulation (EC) No. 1060/2009 on Credit Rating Agencies as amended by Regulation (EU) No. 513/2011 (the "CRA Regulation"). This list is available on the ESMA website (https://www.esma.europa.eu/). A rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the assigning rating organisation.
Withholding Tax	All payments of principal and/or interest by or on behalf of the Issuer in respect of the Securities will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Kingdom of Belgium

or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law.

In such event, the Issuer shall pay such additional amounts ("**Additional Amounts**") in respect of Interest Payments (but not, for the avoidance of doubt, in respect of payments of principal) as shall result in receipt by the holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Security:

(a) Other connection: to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of such Security by reason of its having some connection with the Kingdom of Belgium other than the mere holding of such Security; or

(b) Lawful avoidance of withholding: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security is presented for payment; or

(c) Non-Eligible Investor: to, or to a third party on behalf of, a holder who, at the time of its acquisition of the Securities, was not an Eligible Investor or to a holder who was such an Eligible Investor at the time of its acquisition of the Securities but, for reason within the holder's control, either ceased to be an Eligible Investor or, at any relevant time on or after its acquisition of the Securities, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian law of 6 August 1993 relating to transactions in certain securities; or

(d) Conversion into registered securities: to, or to a third party on behalf of, a holder who is liable to such Taxes because the Securities were upon its request converted into registered Securities and could no longer be cleared through the NBB-SSS; or

(e) Available Distributable Items and compliance with the Maximum Distributable Amount and the MREL-Maximum Distributable Amount Provision: if and to the extent that (i) the Issuer does not have sufficient Distributable Items to make such payment or (ii) such payment would cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount Provision (if any) then applicable to the Issuer to be exceeded, if required to be calculated at such time.

See "*Terms and Conditions of the Securities – Taxation*" and "*Taxation on the Securities*".

Governing Law

The Securities (and any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, Belgian law.

The holders of the Securities acknowledge and accept that, subject to the determination by the Relevant Resolution Authority and without the consent

	of the holders, the Securities may be subject to resolution measures as envisaged by the Statutory Loss Absorption Powers. "**BRRD**" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including, without limitation, by Directive (EU) 2017/2399 and by Directive (EU) 2019/879). "**SRM Regulation**" means Regulation 806/2014 establishing uniform rules and uniform procedures for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and Single Resolution Fund, and the instruments, rules and standards created thereunder. "**Statutory Loss Absorption Power**" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Belgium, relating to the transposition of the BRRD, including but not limited to the Belgian Banking Law, or pursuant to, and in accordance with, the SRM Regulation, pursuant to which (i) any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period); and (ii) any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised. See Condition 17.
Listing and Admission to Trading	Application has been made for the Securities to be listed and to be admitted to trading, as of the Issue Date, on the regulated market of Euronext Brussels ("**Euronext Brussels**"). Euronext Brussels is a regulated market for the purposes of MiFID II.
Selling Restrictions	See "*Subscription and Sale*". The Issuer is a Category 2 Issuer for the purposes of Regulation S under the Securities Act.
Risk factors	Please see "*Risk factors*" above for further details.
Use of Proceeds	The net proceeds of the issue of the Securities will be used for the general corporate purposes of the Group, which may include the refinancing of existing financial indebtedness (including the EUR 1,000,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities issued in 2018 (ISIN: BE0002592708) in respect of which the Issuer has launched a cash tender offer concurrently with the issue of the Securities). The net proceeds of the issue of the Securities will furthermore enable the Issuer to optimise its capital structure and continue to support the Issuer's leverage ratio. The Issuer will on-lend an amount equivalent to the proceeds of the Securities to KBC Bank NV under a subordinated loan agreement which will also qualify at the level of KBC Bank NV as Additional Tier 1 capital for regulatory capital purposes.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Prospectus and have been filed with the Belgian FSMA, shall be incorporated by reference into, and form part of, this Prospectus:

(a) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2023, together with the related auditors' report, set out in the Issuer's 2023 annual report (available on https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2023/jvs-2023-grp-en.pdf);

(b) the audited consolidated annual financial statements of the Issuer for the financial year ended 31 December 2022, together with the related auditors' report, set out in the Issuer's 2022 annual report (https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2022/jvs-2022-grp-en.pdf);

(c) the extended quarterly report for the first quarter of 2024 of the Issuer (available on https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/1q2024/1q2024-quarterly-report-en.pdf);

(d) the extended quarterly report for the first quarter of 2023 of the Issuer (available on https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/1q2023/1Q2023-quarterly-report-en.pdf);

(e) the extended quarterly report for the second quarter of 2024 of the Issuer (available on https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/2q2024/2q2024-quarterly-report-en.pdf); and

(f) the extended quarterly report for the second quarter of 2023 of the Issuer (available on https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/2q2023/2q2023-quarterly-report-en.pdf).

Such documents shall be incorporated by reference in and form part of this Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be modified or superseded for the purpose of this Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Following the publication of this Prospectus, a supplement may be prepared by the Issuer and approved by the Belgian FSMA in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in a document incorporated by reference therein) shall, to the extent applicable, be deemed to modify or supersede statements contained in this Prospectus or in a document which is incorporated by reference in this Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Prospectus.

Copies of the documents incorporated by reference in this Prospectus can be obtained from the website of the Issuer (www.kbc.com/en/investor-relations/debt-issuance/kbc-group.html). This Prospectus and each document incorporated by reference may also be published on the website of Euronext Brussels (www.euronext.com). The information on the website of the Issuer and on the website of Euronext Brussels does not form part of, and is not incorporated by reference into, this Prospectus, except to the extent that such information is explicitly incorporated by reference in this Prospectus, and has not been scrutinised or approved by the Belgian FSMA.

The tables below set out the relevant page references for (i) the audited consolidated financial statements of the Issuer for the financial years ended 31 December 2022 and 31 December 2023, respectively, as set out in the Issuer's 2022

and 2023 annual reports, (ii) the unaudited condensed consolidated financial statements of the Issuer for the first quarter of 2023 and for the first quarter of 2024, and (iii) the unaudited condensed consolidated financial statements of the Issuer for the second quarter of 2023 and for the second quarter of 2024. Information contained in the documents incorporated by reference other than information listed in the tables below is for information purposes only, and does not form part of, and is not incorporated by reference into, this Prospectus. Such non-incorporated parts are either deemed not relevant for investors or are covered elsewhere in this Prospectus.

Audited consolidated annual financial statements of the Issuer for the financial years ended 31 December 2022 and 31 December 2023*

	Issuer's annual report for the financial year ended 31 December 2022	**Issuer's annual report for the financial year ended 31 December 2023**
Audited consolidated annual financial statements of the Issuer		
report of the Board of Directors	page 6-179	page 6-171
income statement	page 182-183	page 174-176
balance sheet	page 186	page 177
statement of changes in equity	page 187	page 178
cash flow statement	page 188-189	page 179-180
notes to the financial statements	page 190-279	page 181-278
Auditors' report	page 280-286	page 280-288
Additional information		
ratios used	page 296-300	page 298-300

* *Page references are to the English language PDF version of the relevant incorporated documents.*

Unaudited condensed consolidated financial statements of the Issuer for the first quarter of 2023 and for the first quarter of 2024*

	Issuer's extended quarterly report for the first quarter of 2023	**Issuer's extended quarterly report for the first quarter of 2024**
Unaudited condensed consolidated financial statements of the Issuer for the first quarter of the financial year		
income statement	page 13	page 14
statement of comprehensive income	page 14	page 15
balance sheet	page 15	page 16

	Issuer's extended quarterly report for the first quarter of 2023	Issuer's extended quarterly report for the first quarter of 2024
statement of changes in equity	page 16-17	page 17-18
cash flow statement	page 18	page 19
notes to the financial statements	page 19-54	page 20-35
Auditors' report	page 55-56	page 36-37
Additional information		
ratios used	page 77-82	page 57-62

* *Page references are to the English language PDF version of the relevant incorporated documents.*

Unaudited condensed consolidated financial statements of the Issuer for the second quarter of 2023 and for the second quarter of 2024*

	Issuer's extended quarterly report for the second quarter of 2023	Issuer's extended quarterly report for the second quarter of 2024
Unaudited condensed consolidated financial statements of the Issuer for the second quarter of the financial year		
income statement	page 14	page 14
statement of comprehensive income	page 15	page 15
balance sheet	page 16	page 16
statement of changes in equity	page 17-18	page 17-18
cash flow statement	page 19	page 19
notes to the financial statements	page 20-36	page 20-35
Auditors' report	page 37-38	page 36-37
Additional information		
ratios used	page 58-63	page 58-62

* *Page references are to the English language PDF version of the relevant incorporated documents.*

TERMS AND CONDITIONS OF THE SECURITIES

The following is the text of the terms and conditions (the "**Conditions**") of the Securities:

The €750,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities (the "**Securities**", which expression shall in these Conditions, unless the context otherwise requires, include any further securities issued pursuant to Condition 13 and forming a single series with the Securities) of KBC Group NV (the "**Issuer**") are issued subject to and with the benefit of (i) an agency agreement dated the Issue Date (such agreement as amended and/or supplemented and/or restated from time to time, the "**Agency Agreement**") made between the Issuer and KBC Bank NV as paying agent and calculation agent (the "**Calculation Agent**" and the "**Agent**", which expressions shall include any successor or replacement Calculation Agent or Agent) and (ii) a service contract for the issuance of fixed income securities dated on or about the Issue Date (such agreement as amended and/or supplemented and/or restated from time to time, the "**Clearing Services Agreement**") made between the Issuer, the Agent and the National Bank of Belgium (the "**NBB**").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of the Agency Agreement and the Clearing Services Agreement. Copies of the Agency Agreement and the Clearing Services Agreement (i) are available for inspection during normal business hours by the holders at the specified office of the Agent or (ii) may be provided by email to a holder (following a written request therefor by it) from the Agent, subject in each case to the holder providing evidence of its identity and its holding of Securities satisfactory to the Agent. The holders are deemed to have notice of all the provisions of the Agency Agreement and the Clearing Services Agreement applicable to them.

References to:

- Conditions are, unless the context otherwise requires, to the numbered paragraphs below;
- Capitalised terms not otherwise defined in Conditions 1 to 17, are to such terms as defined in Condition 18 (*Definitions*);
- any code, law, decree, regulation, directive or any implementing or other legislative measure shall be construed as a reference to such code, law, decree, regulation, directive or implementing or other legislative measure as the same may be amended, supplemented, restated and/or replaced from time to time.

Any Condition may derogate either expressly or implicitly from applicable legal provisions. Even if there is no express derogation from a specific legal provision, the relevant Condition may still implicitly derogate from legal provisions (for instance by providing for a different contractual regime).

Where these Conditions refer to any computation of a term or period of time, Article 1.7 of the Belgian Civil Code (*Burgerlijk Wetboek*/*Code Civil*) of 13 April 2019 (the "**Belgian Civil Code**") shall not apply to the extent it is inconsistent with these Conditions.

1 Form, Denomination and Title

The Securities are in dematerialised form in accordance with the Belgian Companies and Associations Code (*Wetboek van Vennootschappen en Verenigingen/Code des Sociétés et des Associations*) (the "**Belgian Companies and Associations Code**"). The Securities will be represented by a book entry in the records of the securities settlement system operated by the NBB or any successor thereto (the "**NBB-SSS**"). The Securities can be held by their holders through the participants in the NBB-SSS, including Euroclear Bank SA/NV ("**Euroclear**"), Euroclear France S.A. ("**Euroclear France**"), Clearstream Banking Frankfurt ("**Clearstream Banking Frankfurt**"), Clearstream Banking Luxembourg S.A. ("**Clearstream Banking Luxembourg**"), SIX SIS AG ("**SIX SIS**"), Monte Titoli S.p.A. ("**Euronext Securities Milan**"), Interbolsa, S.A. ("**Euronext Securities Porto**"), Iberclear-ARCO ("**Iberclear**"),

OeKB CSD GmbH ("**OeKB**") and LuxCSD S.A. ("**LuxCSD**"). Accordingly, the Securities will be eligible to clear through, and therefore be accepted by, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD or other NBB-SSS participants, and investors can hold their interests in the Securities within securities accounts in Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD. The Securities are transferred by account transfer.

The Securities are accepted for settlement through the NBB-SSS and are accordingly subject to the applicable Belgian settlement regulations, including the Belgian law of 6 August 1993 on transactions in certain securities, its implementing Belgian Royal Decrees of 26 May 1994 and 14 June 1994 and the Terms and Conditions governing the participation in the NBB-SSS and its annexes, as issued or modified by the NBB from time to time (these laws, decrees and rules together, the "**NBB-SSS Regulations**"). The Securities cannot be physically delivered and may not be converted into bearer securities (*effecten aan toonder/titres au porteur*).

Holders are entitled to exercise the rights they have, including but not limited to exercising their voting rights and other associative rights (as defined for the purposes of the Belgian Companies and Associations Code) against the Issuer upon submission of an affidavit drawn up by the NBB, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB, LuxCSD or any other participant duly licensed in Belgium to keep dematerialised securities accounts showing their position in the Securities (or the position held by the financial institution through which their Securities are held with the NBB, Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB, LuxCSD or such other participant, in which case an affidavit drawn up by that financial institution will also be required).

For such purposes, each person who is from time to time shown in the records of a participant, sub-participant or the NBB as operator of the NBB-SSS as the holder of a particular amount of Securities shall be treated as the holder of those Securities and any certificate or other document issued by any participant or the NBB shall be conclusive and binding.

If, at any time, the Securities are transferred to any other clearing system which is not exclusively operated by the NBB, these Conditions shall apply *mutatis mutandis* in respect of such Securities.

The Securities are issued in denominations of €200,000 and can only be settled through the NBB-SSS in nominal amounts equal to a whole denomination (or a whole multiple thereof).

2 Status of the Securities

2.1 Status

The Securities constitute direct, unconditional, unsecured, unguaranteed and deeply subordinated obligations of the Issuer and rank *pari passu* without any preference among themselves. The rights and claims of the holders are subordinated as described in Condition 2.2.

2.2 Subordination

In the event of dissolution or liquidation of the Issuer (including the following events creating a competition between creditors (*samenloop van schuldeisers*/*concours de créanciers*): bankruptcy (*faillissement/faillite*), judicial liquidation (*gerechtelijke vereffening/liquidation forcée*) or voluntary liquidation (*vrijwillige vereffening/liquidation volontaire*)) (other than a voluntary

liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), the rights and claims of the holders of the Securities against the Issuer in respect of or arising under (including any damages awarded for breach of any obligation under) the Securities shall, subject to applicable law, rank:

(a) junior to the claims of all unsubordinated creditors of the Issuer;

(b) junior to the rights and claims of holders of all subordinated indebtedness of the Issuer (including Tier 2 Capital Instruments) other than: (i) any Junior Obligations and (ii) any Parity Securities;

(c) *pari passu* without any preference among themselves and *pari passu* with any Parity Securities; and

(d) senior only to the rights and claims of holders of any Junior Obligations.

2.3 No set-off, compensation, retention or netting

Subject to applicable law, no holder of a Security may exercise or claim any right of set-off, compensation, retention or netting in respect of any amount owed to it by the Issuer arising under or in connection with the Securities and each holder of a Security shall, by virtue of its subscription, purchase or holding of a Security (or any beneficial interest therein), be deemed to have waived all such rights of set-off, compensation, retention or netting. Notwithstanding the preceding sentence, if any of the amounts owing to any holder by the Issuer in respect of, or arising under or in connection with, the Securities is discharged by set-off, compensation, retention or netting, such holder shall, subject to applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer (or, in the event of its winding-up or administration, the liquidator or, as appropriate, administrator of the Issuer) and, until such time as payment is made, shall hold an amount equal to such amount for the benefit of the Issuer (or the liquidator or, as appropriate, administrator of the Issuer (as the case may be)) and accordingly any such discharge shall be deemed not to have taken place.

2.4 Claims subject to Principal Write-down and subsequent Principal Write-up

Any claim of any holder in respect of or arising under the Securities for any amount of principal will be for the Prevailing Principal Amount of such Securities, irrespective of whether the relevant Trigger Event Write-down Notice has been given prior to or after the occurrence of any event described in Condition 10 or any other event.

3 Interest and interest cancellation

3.1 Interest

(a) Interest rate and Interest Payment Dates

The Securities bear interest on their outstanding Prevailing Principal Amount at the applicable Rate of Interest from (and including) the Issue Date. Subject to cancellation of any interest payment (in whole or in part) pursuant to Condition 3.2, interest shall be payable semi-annually in arrear in equal instalments on each Interest Payment Date.

The amount of interest per €200,000 in Original Principal Amount of the Securities payable on each Interest Payment Date in relation to an Interest Period falling in the Initial Period will, provided there is no Principal Write-down pursuant to Condition 7 and subject to any cancellation of interest (in whole or in part) pursuant to Condition 3.2 be €6,250.

The Calculation Agent will, as soon as practicable after 11:00 a.m. (Central European time) on each Mid-Swap Rate Determination Date, determine the applicable Mid-Swap Rate.

(b) Interest Accrual

Subject always to Condition 7 and to cancellation of interest (in whole or in part) pursuant to Condition 3.2, each Security will cease to bear interest from and including its due date for redemption unless payment of the principal in respect of the Security is improperly withheld or refused or unless default is otherwise made in respect of payment.

In such event, interest will continue to accrue until whichever is the earlier of:

(i) the date on which all amounts due in respect of such Security have been paid; and

(ii) the date which is five days after the date on which the full amount of the moneys payable in respect of such Securities has been received by the Agent and notice to that effect has been given to the holders in accordance with Condition 11.

(c) Publication of Mid-Swap Rate and amount of interest

The Calculation Agent will cause each Mid-Swap Rate and the amount of interest payable per Security for each Reset Period commencing on or after the First Reset Date determined by it to be notified to each listing authority, stock exchange and/or quotation system (if any) by which the Securities have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but in any event not later than the relevant Reset Date. Notice thereof shall also promptly be given to the holders in accordance with Condition 11.

(d) Notifications etc.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 3 by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Agent and the holders and (subject as aforesaid) no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

(e) Calculation of interest amounts and any broken amounts

Save as provided above in respect of equal instalments, the amount of interest payable per Security (subject to Condition 7 and to cancellation in whole or in part pursuant to Condition 3.2) in respect of each Security for any period (an "**Accrual Period**", being the period from and including the date from which interest begins to accrue to but excluding the date on which it falls due) shall be calculated by the Calculation Agent by:

(i) applying the applicable Rate of Interest to the Security;

(ii) multiplying the product thereof by (A) the actual number of days in the Accrual Period divided by (B) two times the actual number of days in the Interest Period in which the relevant Accrual Period falls; and

(iii) rounding the resulting figure to the nearest cent (half a cent being rounded downwards) on any amount due and payable.

If the Prevailing Principal Amount of the Securities changes on one or more occasions during any Accrual Period, the Calculation Agent shall separately calculate the amount of interest (in accordance with this Condition 3.1(e)) accrued on each Security for each period within such Accrual Period during which a different Prevailing Principal Amount subsists, and the aggregate of such amounts shall be the amount of interest payable (subject to Condition 7 and to cancellation in whole or in part pursuant to Condition 3.2) in respect of a Security for the relevant Accrual Period.

(f) No negative interest

In the event that the Rate of Interest is negative, the Securityholders shall not be required to make any payment to the Issuer in respect thereof and the amount payable by the Issuer to the Securityholders shall be zero.

(g) Benchmark replacement

References in this Condition 3.1(g) (and in the definitions of Adjustment Spread, Alternative Reference Rate, Benchmark Event, Relevant Nominating Body and Successor Rate) to the 5-year Mid-Swap Rate shall be the rate described in paragraph (a) of such definition.

If the Issuer determines that a Benchmark Event occurs in relation to the 5-year Mid-Swap Rate, then the following provisions shall apply to the Securities:

(i) the Issuer shall use reasonable endeavours, as soon as reasonably practicable, to appoint an Independent Adviser to advise the Issuer in determining (without any requirement for the consent or approval of the holders) (A) a Successor Rate or, failing which, an Alternative Reference Rate, for the purposes of determining the Rate of Interest (or the relevant component part thereof) applicable to the Securities and (B) in either case, an Adjustment Spread;

(ii) if the Issuer is unable to appoint an Independent Adviser prior to the IA Determination Cut-Off Date, the Issuer (acting in good faith and in a commercially reasonable manner) may still determine (A) a Successor Rate or, failing which, an Alternative Reference Rate and (B) in either case, an Adjustment Spread in accordance with this Condition 3.1(g);

(iii) if a Successor Rate or, failing which, an Alternative Reference Rate (as applicable) is determined in accordance with paragraphs (i) or (ii) above, such Successor Rate or, failing which, Alternative Reference Rate (as applicable) shall be the 5-year Mid-Swap Rate for each of the future Reset Periods (subject to the subsequent operation of, and to adjustment as provided in, this Condition 3.1(g));

(iv) the Adjustment Spread (or the formula or methodology for determining the Adjustment Spread) shall be applied to the Successor Rate or the Alternative Reference Rate (as the case may be). If the Issuer, following consultation with the Independent Adviser, is unable to determine the quantum of, or a formula or methodology for determining, such Adjustment Spread, then the Successor Rate or Alternative Reference Rate (as applicable) will apply without an Adjustment Spread;

(v) if the Issuer, following consultation with the Independent Adviser (if any) and acting in good faith, determines a Successor Rate or, failing which, an Alternative

Reference Rate (as applicable) in accordance with the above provisions, the Issuer may (without any requirement for the consent or approval of the holders) also specify changes to these Conditions and/or the Agency Agreement in order to ensure the proper operation of such Successor Rate or Alternative Reference Rate and/or (in either case) the applicable Adjustment Spread (such amendments, the "**Benchmark Amendments**"), including, but not limited to, (A) the day count fraction, Screen Page, Business Days, Mid-Swap Rate Determination Date and/or the definition of 5-year Mid-Swap Rate and (B) the method for determining the fall-back rate in relation to the Securities. For the avoidance of doubt, the Agent and any other agents party to the Agency Agreement shall, at the direction and expense of the Issuer, effect such consequential amendments to the Agency Agreement and these Conditions as may be required in order to give effect to the application of this Condition 3.1(g). No consent shall be required from the holders in connection with determining or giving effect to the Successor Rate or Alternative Reference Rate (as applicable), (in either case) the applicable Adjustment Spread or such other changes, including for the execution of any documents or other steps to be taken by the Agent (if required or useful); and

(vi) the Issuer shall promptly, following the determination of any Successor Rate or Alternative Reference Rate, (in either case) the applicable Adjustment Spread and any Benchmark Amendments, give notice thereof to the Agent, the Calculation Agent and, in accordance with Condition 11, the holders. Such notice shall specify the effective date(s) for such Successor Rate or Alternative Reference Rate (as applicable), (in either case) the applicable Adjustment Spread and any Benchmark Amendments,

provided that the determination of any Successor Rate or Alternative Reference Rate, (in either case) the applicable Adjustment Spread and any other related changes to the Securities shall be made in accordance with the relevant Applicable Banking Regulations (if applicable).

An Independent Adviser appointed pursuant to this Condition 3.1(g) shall act in good faith as an expert and (in the absence of bad faith or fraud) shall have no liability whatsoever to the Agent, the Calculation Agent or the holders for any advice given to the Issuer in connection with any determination made by the Issuer pursuant to this Condition 3.1(g).

Notwithstanding any other provision in this Condition 3.1(g), no Successor Rate or Alternative Reference Rate will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if, and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Securities giving rise to a Regulatory Event.

Without prejudice to the obligations of the Issuer under this Condition 3.1(g), the 5-year Mid-Swap Rate and the other provisions in this Condition 3 will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or Alternative Reference Rate (as applicable), (in either case) the applicable Adjustment Spread (if any) and any Benchmark Amendments.

3.2 Interest cancellation

(a) Optional cancellation of interest

The Issuer may, in its sole and absolute discretion (but subject at all times to the requirements for mandatory cancellation of interest payments in Condition 3.2(b)), at any time on or before the scheduled payment date elect to cancel any Interest Payment, in whole or in part, which is scheduled to be paid on any date.

(b) Mandatory cancellation of interest

The Issuer shall cancel (in whole or in part, as applicable) any Interest Payment otherwise due to be paid on any date if and to the extent that:

(i) the payment of such Interest Payment (together with any additional amounts payable in accordance with Condition 8, if applicable), when aggregated with any interest payments or other distributions which have been paid or made or which are scheduled to be paid or made on the Securities or any other own funds items in the then current financial year (excluding any such interest payments or other distributions which (A) are not required to be made out of Distributable Items or (B) have already been provided for, by way of deduction, in the calculation of Distributable Items) and any other amounts which the Competent Authority may require to be taken into account, would cause the amount of Distributable Items (if any) then available to the Issuer to be exceeded;

(ii) the payment of such Interest Payment (together with any additional amounts payable in accordance with Condition 8, if applicable) would cause, when aggregated together with other distributions of the kind referred to in Article 101, §1 of the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or any other relevant provisions of the Belgian Banking Law, the Maximum Distributable Amount (if any) then applicable to the Issuer to be exceeded;

(iii) the payment of such Interest Payment (together with any additional amounts payable in accordance with Condition 8, if applicable) has been limited or suspended by the Relevant Resolution Authority in accordance with Article 10a of the SRM Regulation and/or Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD) or any other relevant provisions of the Belgian Banking Law due to such payment exceeding the MREL-Maximum Distributable Amount Provision (if any) then applicable to the Issuer; or

(iv) the Competent Authority orders the Issuer to cancel the payment of interest.

Interest payments may also be cancelled in accordance with Condition 7.

As used in these Conditions:

"**Distributable Items**" means, subject as otherwise defined in the Applicable Banking Regulations from time to time:

(i) the amount of the Issuer's profits at the end of the financial year immediately preceding the financial year in which the relevant Interest Payment Date falls plus any profits brought forward and reserves available for that purpose before distributions to holders of own funds instruments of the Issuer; less

(ii) any losses brought forward, profits which are non-distributable pursuant to applicable Belgian law and sums placed to non-distributable reserves in accordance with applicable Belgian law,

those profits, losses and reserves being determined on the basis of the Issuer's non-consolidated accounts; and

"**Maximum Distributable Amount**" means any maximum distributable amount relating to the Issuer required to be calculated in accordance with (a) Articles 100 and 101, §1 of the Belgian Banking Law, read together with Article 1 of Schedule V (*Restrictions on distributions*) to the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or (b) any other applicable provisions of the Applicable Banking Regulations.

"**MREL-Maximum Distributable Amount Provision**" means any maximum distributable amount relating to the Issuer required to be calculated in accordance with (a) Article 230/1 of the Belgian Banking Law and any other provision of Belgian law transposing or implementing Article 16a of the BRRD, (b) Article 10a of the SRM Regulation or (c) any other applicable provisions of the Applicable Banking Regulations.

(c) Notice of cancellation of interest

Upon the Issuer electing (pursuant to Condition 3.2(a)) or determining that it shall be required (pursuant to Condition 3.2(b)) to cancel (in whole or in part) any Interest Payment, the Issuer shall as soon as reasonably practicable give notice to the holders in accordance with Condition 11, specifying the amount of the relevant cancellation and, accordingly, the amount (if any) of the relevant Interest Payment that will be paid on the scheduled payment date; provided, however, that any failure to give such notice shall not affect the validity of the cancellation of any Interest Payment in whole or in part which shall be as effective as if such notice had been given and shall not constitute a default under the Securities for any purpose.

In the absence of such notice being given, the fact of non-payment (in whole or in part) of the relevant Interest Payment on the relevant date shall be evidence of the Issuer having elected or being required to cancel such Interest Payment in whole or in part, as applicable.

(d) Interest non-cumulative; no event of default or restrictions

Any Interest Payment (or part thereof) not paid on the scheduled payment date by reason of Condition 3.2(a), 3.2(b) or 7 shall be cancelled, shall not accumulate and will not become due or payable at any time thereafter, whether in bankruptcy (*faillissement*/*faillite*) or dissolution or as a result of the insolvency of the Issuer or otherwise. The Issuer may use such cancelled payment without restriction and the cancellation of such interest amounts will not impose any restrictions on the Issuer nor prevent or restrict the Issuer from declaring or making any distributions or interest payments on any of its shares or other instruments or obligations.

Non-payment of any Interest Payment (or part thereof) in accordance with any of Condition 3.2(a), 3.2(b) or 7 will not constitute an event of default by the Issuer for any purpose (whether under the Securities or otherwise) or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever and will not entitle holders to petition for the insolvency or dissolution of the Issuer.

4 Payments

4.1 Payments in respect of Securities

Payments of principal, interest and other sums due under the Securities will be made in accordance with the NBB-SSS Regulations. The payment obligations of the Issuer will be discharged by payment to the NBB-SSS in respect of each amount so paid.

4.2 Payments on Business Days

If the due date for payment of any amount in respect of any Security is not a Business Day, the holder shall not be entitled to payment of the amount due until the next succeeding such Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

4.3 Payments subject to applicable laws

Payments in respect of principal of and interest on the Securities are subject in all cases to any fiscal or other laws and regulations applicable thereto in any jurisdiction, but without prejudice to the provisions of Condition 8.

5 Redemption and Purchase

5.1 No fixed maturity

The Securities are perpetual and have no fixed maturity date. The Securities will become repayable only as provided in this Condition 5 and in Condition 10, subject to Condition 7.

5.2 Redemption at the Option of the Issuer

Subject to Condition 5.5, the Issuer may, at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.5, be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Securities:

(i) on the First Reset Date; or

(ii) on any Interest Payment Date thereafter,

at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

5.3 Redemption for Taxation Reasons

(a) Redemption upon a Tax Gross-up Event

Subject to Condition 5.5, if:

(i) as a result of any change in, or amendment to, the laws or regulations of Belgium, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the Reference Date (a "**Change in Law**"), on the next Interest Payment Date the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8; and

(ii) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

(together, a "**Tax Gross-up Event**"), the Issuer may, at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.5, be irrevocable), redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts, were a payment in respect of the Securities then due.

(b) Redemption upon a Tax Deductibility Event

Subject to Condition 5.5, if, as a result of a Change in Law, on the next Interest Payment Date any interest payable by the Issuer in respect of the Securities ceases (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is reduced (a "**Tax Deductibility Event**"), the Issuer may, at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.5, be irrevocable), redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8, provided that no such notice of redemption shall be given earlier than 90 days prior to the first scheduled Interest Payment Date in respect of which a deduction would not be available or would be reduced.

(c) Directors' Certificate

Prior to the publication of any notice of redemption pursuant to this Condition 5.3, the Issuer shall deliver to the Agent (i) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that, as a result of the Change in Law, either (A) in the case of a redemption upon the occurrence of a Tax Gross-up Event, the Issuer has or will become obliged to pay the relevant additional amounts or (B) in the case of a redemption upon the occurrence of a Tax Deductibility Event, any interest payable by the Issuer in respect of the Securities has ceased (or will cease) to be deductible by the Issuer for Belgian corporate income tax purposes or such deductibility is, or would be, reduced.

5.4 Redemption upon a Regulatory Event

(a) Redemption

Subject to Condition 5.5, upon the occurrence of a Regulatory Event, the Issuer may at its option, having given not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 5.5 be irrevocable), redeem the Securities in whole (but not in part) at any time at their Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to, but excluding, the date of redemption and any additional amounts payable in accordance with Condition 8.

A "**Regulatory Event**" means an event that shall be deemed to have occurred if the Issuer determines, in good faith, and after consultation with the Competent Authority, that by reason of a change (or a prospective change which the Competent Authority considers to be sufficiently certain) to the regulatory classification of the Securities, at any time after the Reference Date, the Securities cease (or would cease), in whole or in part, to be included in or count towards the Additional Tier 1 Capital of the Issuer on a consolidated basis (having so counted prior to the Regulatory Event occurring). For the avoidance of doubt, a Regulatory Event shall not be deemed to have occurred in case of a partial exclusion of the Securities as a result of (i) a Principal Write-down or (ii) a change in the regulatory assessment of the tax effects of a Principal Write-down.

(b) Directors' Certificate

Prior to the publication of any notice of redemption pursuant to this Condition 5.4, the Issuer shall deliver to the Agent a certificate signed by two directors of the Issuer stating that a Regulatory Event has occurred.

5.5 Conditions to Redemption and Purchase

(a) General conditions to redemption and purchase

Any optional redemption of Securities pursuant to Condition 5.2, 5.3 or 5.4 and any purchase of Securities pursuant to Condition 5.6 are subject, as applicable, to the following, in each case only if and to the extent then required by Applicable Banking Regulations:

(i) compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required);

(ii) in the case of redemption of the Securities upon the occurrence of a Tax Gross-up Event or a Tax Deductibility Event prior to the fifth anniversary of the Issue Date only, the Issuer having demonstrated to the satisfaction of the Competent Authority that (A) the Change in Law was not reasonably foreseeable as at the Reference Date and (B) the relevant change in tax treatment is material;

(iii) in the case of redemption of the Securities upon the occurrence of a Regulatory Event prior to the fifth anniversary of the Issue Date only, the Issuer having demonstrated to the satisfaction of the Competent Authority that the change (or prospective change) in the regulatory classification (or reclassification) of the Securities was not reasonably foreseeable as at the Reference Date; and

(iv) in the case of any purchase of the Securities prior to the fifth anniversary of the Issue Date pursuant to Condition 5.6, either (A) the Issuer has (or will, on or before the relevant purchase date, have) replaced the Securities with own funds instruments of equal or higher quality at terms that are sustainable for the income capacity of the Issuer, and the Competent Authority having permitted such action on the basis of the determination that it would be beneficial from a prudential point of view and justified by exceptional circumstances or (B) the relevant Securities are being purchased for market-making purposes in accordance with the Applicable Banking Regulations.

Any refusal by the Competent Authority and/or the Relevant Resolution Authority to give its approval as contemplated above shall not constitute a default for any purpose.

(b) No redemption pursuant to Condition 5.2 whilst the Securities are written down

The Issuer shall not be entitled to redeem the Securities pursuant to Condition 5.2 (but this restriction shall not, for the avoidance of doubt, apply to a redemption pursuant to Conditions 5.3 or 5.4) if, on the relevant redemption date, the Prevailing Principal Amount of the Securities is lower than their Original Principal Amount (and any notice of redemption which has been given in such circumstances shall be automatically rescinded and shall be of no force and effect).

(c) Determination of Trigger Event supersedes notice of redemption or purchase

If the Issuer has given a notice of redemption of the Securities pursuant to Condition 5.2, 5.3 or 5.4 or if the Issuer (or any other person for the Issuer's account) has entered into an agreement to purchase any Securities and, after giving such notice or entering into such agreement but prior to the relevant redemption date or purchase of the Securities, a Trigger Event occurs, the relevant redemption notice or, as the case may be, the relevant purchase agreement shall be automatically rescinded and shall be of no force and effect, the Securities will not be redeemed on the scheduled redemption date or purchased and, instead, a Principal Write-down shall occur in respect of the Securities as described under Condition 7.

Without prejudice to Condition 5.5(b) above, following the occurrence of a Trigger Event, the Issuer shall not be entitled to give a notice of redemption of the Securities pursuant to Condition 5.2, 5.3 or 5.4 before the Trigger Event Write-Down Date (and any purported such notice shall be ineffective).

5.6 Purchases

Subject to Condition 5.5, the Issuer or any of its subsidiaries may, at any time, purchase Securities in any manner and at any price.

5.7 Cancellations

All Securities which are redeemed will (subject to Condition 5.5) forthwith be cancelled. Any Securities purchased by the Issuer or any of its subsidiaries may be held, reissued or, at the option of the Issuer or the relevant subsidiary, cancelled.

5.8 Notices Final

Subject to Condition 5.5, upon the expiry of any notice as is referred to in Conditions 5.2, 5.3 or 5.4 the Issuer shall be bound to redeem the Securities to which the notice refers in accordance with the terms of such Condition.

6 Substitution and Variation

6.1 Substitution and variation

Subject to Condition 6.2 and 6.3, if a Regulatory Event, a Tax Gross-up Event or a Tax Deductibility Event (each a "**Special Event**") has occurred and is continuing, the Issuer may at its option, without any requirement for the consent or approval of the holders, upon not less than 10 nor more than 60 days' notice to the holders in accordance with Condition 11 (which notice shall, subject as provided in Condition 6.3, be irrevocable), substitute all (but not some only) of

the Securities or vary the terms of all (but not some only) of the Securities so that they become or remain (as the case may be) Qualifying Securities.

Any such notice shall specify the relevant details of the manner in which such substitution or variation shall take effect and where the holders can inspect or obtain copies of the new terms and conditions of the Securities.

In these Conditions, "**Qualifying Securities**" means, at any time, any securities issued by the Issuer:

(i) that:

(A) contain terms which at such time comply with the then current requirements of the Competent Authority in relation to Additional Tier 1 Capital (which, for the avoidance of doubt, may result in such securities not including, or restricting for a period of time the application of, one or more of the Special Event redemption events which are included in the Securities);

(B) carry the same rights to redeem as set out in Condition 5.2 and the same rate of interest from time to time applying to the Securities prior to the relevant substitution or variation;

(C) rank *pari passu* with the Securities prior to the substitution or variation;

(D) preserve any existing rights under these Conditions to any accrued interest or other amounts which have not been either paid or cancelled (but subject always to the right of the Issuer subsequently to cancel such accrued and unpaid interest in accordance with these Conditions);

(E) shall not at the time of the relevant variation or substitution be subject to a Special Event; and

(F) have terms not materially less favourable to the holders than the terms of the Securities, as reasonably determined by the Issuer, and provided that the Issuer shall have delivered to the Agent a certificate to that effect signed by two of its Directors; and

(ii) that if (A) the Securities were listed or admitted to trading on a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on a Regulated Market or (B) if the Securities were listed or admitted to trading on a recognised stock exchange other than a Regulated Market immediately prior to the relevant substitution or variation, are listed or admitted to trading on any recognised stock exchange (including, without limitation, a Regulated Market), in either case as selected by the Issuer; and

(iii) where the Securities which have been substituted or varied had a published rating from a Rating Agency immediately prior to their substitution or variation and such rating was solicited by or on behalf of the Issuer, each such Rating Agency has ascribed, or announced its intention to ascribe, an equal or higher published rating to the relevant Securities.

6.2 Conditions to substitution and variation

Any substitution or variation of the Securities pursuant to Condition 6.1 is subject to compliance with any conditions prescribed under Applicable Banking Regulations, including the prior approval of the Competent Authority and/or the Relevant Resolution Authority (if required).

6.3 Determination of Trigger Event following notice of substitution or variation

If the Issuer has given a notice of substitution or variation of the Securities pursuant to Condition 6.1 and, after giving such notice but prior to the date of such substitution or variation (as the case may be), a Trigger Event occurs, the relevant notice of substitution or variation shall be automatically rescinded and shall be of no force and effect, the Securities will not be substituted or varied on the scheduled substitution or variation date and, instead, a Principal Write-down shall occur in respect of the Securities as described under Condition 7.

Following the occurrence of a Trigger Event, the Issuer shall not be entitled to give a notice of substitution or variation of the Securities pursuant to Condition 6.1 before the Trigger Event Write-Down Date.

7 Principal Write-down and Principal Write-up

7.1 Principal Write-down

(a) Trigger Event

Upon the occurrence of a Trigger Event, a Principal Write-down will occur without delay but no later than within one month or such shorter period as may be required by the Competent Authority (such date being a "**Trigger Event Write-down Date**"), all in accordance with this Condition 7.1.

(b) Trigger Event Write-down Notice

Upon the occurrence of a Trigger Event, the Issuer shall:

(i) (unless the determination was made by the Competent Authority) immediately notify the Competent Authority that a Trigger Event has occurred;

(ii) determine the Write-down Amount as soon as possible and no later than on the relevant Trigger Event Write-down Date;

(iii) give notice to holders (a "**Trigger Event Write-down Notice**") in accordance with Condition 11, which notice shall specify (A) that a Trigger Event has occurred, (B) the Trigger Event Write-down Date and (C) if it has then been determined, the Write-down Amount; and

(iv) no later than the giving of the Trigger Event Write-down Notice, deliver to the Agent a certificate signed by two directors of the Issuer stating that a Trigger Event has occurred.

The determination that a Trigger Event has occurred, including the underlying calculations, and any determination of the relevant Write-down Amount shall be irrevocable and be binding on the holders.

If the Write-down Amount has not been determined at the time the Issuer gives the Trigger Event Write-down Notice, the Issuer shall, as soon as reasonably practicable following such determination having been made, give a further notice to holders in accordance with Condition 11, confirming the Write-down Amount. Failure to provide any notice referred to in this Condition will not have any impact on the effectiveness of, or otherwise invalidate, any such Principal Write-down or give holders any rights as a result of such failure.

(c) Cancellation of interest and Principal Write-down

On a Trigger Event Write-down Date:

(i) all interest accrued on each Security up to (and including) the Trigger Event Write-down Date shall be automatically and irrevocably cancelled (whether or not the same has become due at such time); and

(ii) without prejudice to any Principal Write-up pursuant to Condition 7.2, the then Prevailing Principal Amount of each Security shall be automatically and irrevocably reduced by the relevant Write-down Amount (such reduction being referred to as a "**Principal Write-down**" and "**Written Down**" being construed accordingly) with effect from the Trigger Event Write-down Date, such Principal Write-down to be effected, save as may be otherwise required by Applicable Banking Regulations and/or the Competent Authority and subject to Condition 7.1(e), pro rata and concurrently with the Principal Write-down of the other Securities and the write-down or conversion into equity (as the case may be) of the then prevailing principal amount of any other Loss Absorbing Instruments.

Condition 3.2 shall apply accordingly in respect of interest payments cancelled on a Trigger Event Write-down Date in accordance with Condition 7. For the avoidance of doubt, interest will continue to accrue on the Prevailing Principal Amount following the Principal Write-down, as from the Trigger Event Write-down Date (without prejudice to any Principal Write-up pursuant to Condition 7.2).

In addition, the Competent Authority shall be entitled to write down the Securities in accordance with its statutory powers, as more fully described in Condition 17.

(d) Write-down Amount

In these Conditions, "**Write-down Amount**" means, on any Trigger Event Write-down Date, the amount by which the then Prevailing Principal Amount of each outstanding Security is to be Written Down and which is calculated per Security, being the lower of:

(i) the amount per Security (together with, subject to Condition 7.1(e), the concurrent pro rata Principal Write-down of the other Securities and the write-down or conversion into equity of the prevailing principal amount of any other Loss Absorbing Instruments) that would be sufficient to immediately restore the Consolidated CET1 Ratio to at least 5.125 per cent.; or

(ii) the amount necessary to reduce the Prevailing Principal Amount of the Security to one cent.

In calculating any amount in accordance with Condition 7.1(d)(i), the CET1 Capital (if any) generated as a result of the cancellation of interest pursuant to Condition 7.1(c)(i) shall not be taken into account.

(e) Other Loss Absorbing Instruments

To the extent the write-down or conversion into equity of any Loss Absorbing Instruments is not effective for any reason (i) the ineffectiveness of any such write-down or conversion into equity shall not prejudice the requirement to effect a Principal Write-down of the Securities pursuant to Condition 7.1 and (ii) the write-down or conversion into equity of any Loss Absorbing Instrument which is not, or by the Trigger Event Write-down Date

will not be, effective shall not be taken into account in determining the Write-down Amount of the Securities.

Any Loss Absorbing Instruments that may be written down or converted to equity in full (save for any one cent floor) but not in part only shall be treated for the purposes only of determining the relevant pro rata amounts in Conditions 7.1(c)(ii) and 7.1(d) as if their terms permitted partial write-down or conversion into equity, such that the write down and/or conversion of such Loss Absorbing Instruments shall be deemed to occur in two concurrent stages: (i) first, the principal amount of such Loss Absorbing Instruments shall be written down and/or converted pro rata with the Securities and all other Loss Absorbing Instruments to the extent necessary to restore the Consolidated CET1 Ratio to 5.125 per cent. and (ii) secondly, the balance (if any) of the principal amount of such Loss Absorbing Instruments remaining following (i) shall be written off and/or converted, as the case may be, with the effect of increasing the Consolidated CET1 Ratio above 5.125 per cent.

(f) No default

Any Principal Write-down of the Securities shall not:

(i) constitute an event of default of the Issuer or a breach of the Issuer's other obligations or duties or a failure to perform by the Issuer in any manner whatsoever;

(ii) constitute the occurrence of any event related to the insolvency of the Issuer or entitle the holders to any compensation or to take any action to cause the liquidation, dissolution or winding-up of the Issuer.

The holders shall have no further rights or claims against the Issuer (whether in the case of the liquidation, dissolution or winding-up of the Issuer by reason of bankruptcy (*faillissement/faillite*) or otherwise) with respect to any interest cancelled and any principal Written Down in accordance with this Condition 7.1 (including, but not limited to, any right to receive accrued but unpaid and future interest or any right of repayment of principal, but without prejudice to their rights in respect of any reinstated principal following a Principal Write-up pursuant to Condition 7.2).

(g) Principal Write-down may occur on one or more occasions

A Principal Write-down may occur on one or more occasions and accordingly the Securities may be Written Down on one or more occasions (provided, however, that the principal amount of a Security shall never be reduced to below one cent).

7.2 Principal Write-up

(a) Principal Write-up

Subject to compliance with the Applicable Banking Regulations, if a positive Consolidated Net Profit is recorded (a "**Return to Financial Health**") at any time while the Prevailing Principal Amount is less than the Original Principal Amount, the Issuer may, at its full discretion but subject to Conditions 7.2(b), 7.2(c) and 7.2(d), increase the Prevailing Principal Amount of each Security (a "**Principal Write-up**") up to a maximum of its Original Principal Amount on a pro rata basis with the other Securities and with any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the Principal Write-up (based on the then

prevailing principal amounts thereof), provided that the Maximum Write-up Amount is not exceeded as determined in accordance with Condition 7.2(c) below.

Any Principal Write-up Amount will be subject to the same terms and conditions as set out in these Conditions.

For the avoidance of doubt, the principal amount of a Security shall never be increased to above its Original Principal Amount.

(b) Maximum Distributable Amount and MREL-Maximum Distributable Amount Provision

A Principal Write-up of the Securities shall not be effected in circumstances which (when aggregated together with other distributions of the kind referred to in (i) Article 101, §1 of the Belgian Banking Law (transposing Article 141(2) of the Capital Requirements Directive) or (ii) Article 230/1 of the Belgian Banking Law (transposing Article 16a of the BRRD) or, in each case, any other relevant provisions of the Belgian Banking Law) would cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount Provision, if any, applicable to the Issuer to be exceeded, if required to be calculated at such time.

(c) Maximum Write-up Amount

A Principal Write-up of the Securities will not be effected at any time to the extent the sum of:

(i) the aggregate amount of the relevant Principal Write-up on all the Securities;

(ii) the aggregate amount of any interest on the Securities that was paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a Prevailing Principal Amount that is lower than the Original Principal Amount at any time after the end of the then previous financial year;

(iii) the aggregate amount of the increase in principal amount of each Discretionary Temporary Write-down Instrument to be written-up at the time of the relevant Principal Write-up and the increase in principal amount of the Securities and any Discretionary Temporary Write-down Instruments resulting from any previous write-up since the end of the then previous financial year; and

(iv) the aggregate amount of any interest payments on each Loss Absorbing Instrument that were paid or calculated (but disregarding any such calculated interest which has been cancelled) on the basis of a prevailing principal amount that is lower than the original principal amount at which such Loss Absorbing Instrument was issued at any time after the end of the then previous financial year,

would exceed the Maximum Write-up Amount.

In these Conditions, the **"Maximum Write-up Amount"** means the Consolidated Net Profit (i) multiplied by the aggregate issued original principal amount of all outstanding Written Down Additional Tier 1 Instruments which qualify as Additional Tier 1 Capital of the Issuer on a consolidated basis and (ii) divided by the Tier 1 Capital of the Issuer calculated on a consolidated basis as at the date when the Principal Write-up is operated.

(d) Principal Write-up and Trigger Event

A Principal Write-up will not be effected whilst a Trigger Event has occurred and is continuing. Further, a Principal Write-up will not be effected in circumstances where such Principal Write-up (together with the simultaneous write-up of all other Discretionary Temporary Write-down Instruments) would cause a Trigger Event to occur.

(e) Principal Write-up pro rata with other Discretionary Temporary Write-down Instruments

The Issuer undertakes that it will not write-up the principal amount of any Discretionary Temporary Write-down Instruments capable of being written-up in accordance with their terms at the time of the relevant write-up unless it does so on a pro rata basis with a Principal Write-up on the Securities.

(f) Principal Write-up may occur on one or more occasions

Principal Write-up may be made on one or more occasions until the Prevailing Principal Amount of the Securities has been reinstated to the Original Principal Amount.

Any decision by the Issuer to effect or not to effect any Principal Write-up on any occasion shall not preclude it from effecting (in the circumstances permitted by this Condition 7.2) or not effecting any Principal Write-up on any other occasion.

(g) Notice of Principal Write-up

The Issuer shall, as soon as reasonably practicable following its formal decision to effect a Principal Write-up in respect of the Securities and in any event not later than five Business Days prior to the date on which the Principal Write-up shall take effect, give notice of such Principal Write-up to the Holders in accordance with Condition 11. Such notice shall confirm the amount of such Principal Write-up and the date on which such Principal Write-up is to take effect.

7.3 Foreign Currency Instruments

If, in connection with any Principal Write-down or Principal Write-up of the Securities, any instruments are not denominated in the Accounting Currency at the relevant time ("**Foreign Currency Instruments**", which may include the Securities, any Discretionary Temporary Write-down Instruments and/or any relevant Loss Absorbing Instruments) the determination of the relevant Write-down Amount or Write up Amount (as the case may be) in respect of the Securities, the relevant write up amount of Discretionary Temporary Write-down Instruments and the relevant write down (or conversion into equity) amount or write up amount (as the case may be) of Loss Absorbing Instruments shall be determined by the Issuer based on the relevant foreign currency exchange rate used by the Issuer in the preparation of its regulatory capital returns under the Applicable Banking Regulations.

8 Taxation

All payments of principal and/or interest by or on behalf of the Issuer in respect of the Securities will be made free and clear of, and without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature ("**Taxes**") imposed, levied, collected, withheld or assessed by the Kingdom of Belgium or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Issuer shall pay such additional amounts ("**Additional Amounts**") in respect of Interest Payments (but not, for the avoidance of doubt, in respect of payments of principal) as shall result in

receipt by the holders of such amounts as would have been received by them had no such withholding or deduction been required, except that no such Additional Amounts shall be payable with respect to any Security:

(i) *Other connection*: to, or to a third party on behalf of, a holder who is liable for such Taxes in respect of such Security by reason of its having some connection with the Kingdom of Belgium other than the mere holding of such Security; or

(ii) *Lawful avoidance of withholding*: to, or to a third party on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Security is presented for payment; or

(iii) *Non-Eligible Investor*: to, or to a third party on behalf of, a holder who, at the time of its acquisition of the Securities, was not an Eligible Investor or to a holder who was such an Eligible Investor at the time of its acquisition of the Securities but, for reason within the holder's control, either ceased to be an Eligible Investor or, at any relevant time on or after its acquisition of the Securities, otherwise failed to meet any other condition for the exemption of Belgian withholding tax pursuant to the Belgian law of 6 August 1993 relating to transactions in certain securities; or

(iv) *Conversion into registered securities*: to, or to a third party on behalf of, a holder who is liable to such Taxes because the Securities were upon its request converted into registered Securities and could no longer be cleared through the NBB-SSS; or

(v) *Available Distributable Items and compliance with the Maximum Distributable Amount and the MREL-Maximum Distributable Amount Provision*: if and to the extent that (i) the Issuer does not have sufficient Distributable Items to make such payment and/or (ii) such payment would cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount Provision (if any) then applicable to the Issuer to be exceeded, if required to be calculated at such time.

Notwithstanding any other provision in these Conditions, any amounts paid by or on behalf of the Issuer in respect of the Securities will be paid net of any deduction or withholding imposed or required by Sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (or any regulations thereunder or official interpretations thereof), or otherwise imposed pursuant to any intergovernmental agreement, or implementing legislation adopted by another jurisdiction, in connection with these provisions, or pursuant to any agreement with the US Internal Revenue Service ("**FATCA withholding**"). Neither the Issuer nor any other person will have an obligation to pay Additional Amounts or otherwise indemnify a holder for any FATCA withholding.

Any reference in these Conditions to any amounts in respect of the Securities shall be deemed also to refer to any Additional Amounts which may be payable under this Condition 8.

For the avoidance of doubt, Additional Amounts shall only be payable if and to the extent the Issuer has sufficient Distributable Items and such payment would not cause the Maximum Distributable Amount or the MREL-Maximum Distributable Amount Provision (if any) then applicable to the Issuer to be exceeded, if required to be calculated at such time.

9 Prescription

Claims for principal or interest shall become void ten years (in the case of principal) or five years (in the case of interest) after their due date, unless application to a court of law for such payment has been initiated on or before such respective time.

10 Enforcement

If, without prejudice to Condition 3.2 or Condition 7.1(c)(i) or 7.1(c)(ii), default is made in the payment of any principal or interest due in respect of the Securities or any of them and such default continues for a period of 30 days or more after the due date, any holder may institute proceedings for the dissolution or liquidation of the Issuer in Belgium. Any Interest Payment not paid by reason of Condition 3 or Condition 7 and any payment not paid by reason of Condition 5.5 shall not constitute a default under this Condition.

In the event of a dissolution or liquidation of the Issuer (including, without limitation, the following events creating a competition between creditors (*samenloop van schuldeisers*/*concours de créanciers*): bankruptcy (*faillissement/faillite*), judicial liquidation (*gerechtelijke vereffening/liquidation forcée*), voluntary liquidation (*vrijwillige vereffening/liquidation volontaire*) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), dissolution (*ontbinding*/*liquidation*) and any other measures agreed between the Issuer and its creditors relating to the Issuer's payment difficulties, or an official decree of such measure), each holder may give notice to the Issuer that the Security is, and it shall accordingly forthwith become, immediately due and repayable at its Prevailing Principal Amount together with accrued and unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) to the date of repayment and any additional amounts payable in accordance with Condition 8.

No remedy against the Issuer other than as referred to in this Condition 10 shall be available to the holders, whether for recovery of amounts owing in respect of the Securities or in respect of any breach by the Issuer of any of its obligations under or in respect of the Securities.

For the avoidance of doubt, (i) the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority shall not entitle the holders to accelerate the Issuer's payment obligations under the Securities and (ii) the holders of the Securities waive, to the fullest extent permitted by law (a) all their rights whatsoever pursuant to Articles 5.90 to 5.93 (inclusive) of the Belgian Civil Code to rescind (*ontbinden/résoudre*), or to demand legal proceedings for the rescission (*ontbinding/résolution*) of, the Securities and (b), to the extent applicable, all their rights whatsoever in respect of the Securities pursuant to Article 7:64 of the Belgian Companies and Associations Code.

11 Notices

Notices to the holders shall be valid if delivered by or on behalf of the Issuer to the NBB for communication by it to the participants of the NBB-SSS. Any such notice shall be deemed given on the date and at the time it is delivered to the NBB-SSS. For so long as the Securities are admitted to listing and trading on a regulated market, any notices to holders must also be published in accordance with the rules and regulations of such market which are applicable at the relevant time and, in addition to the foregoing, will be deemed validly given on the date of such publication.

In addition to the above communications and publications, with respect to notices for meetings of holders, convening notices for such meetings shall be made in accordance with Schedule 1 (*Provisions on meetings of Securityholders*) to these Conditions.

12 Meeting of holders and Modification

12.1 Meeting of holders

All meetings of holders of Securities will be held in accordance with the provisions on meetings of Securityholders set out in Schedule 1 (*Provisions on meetings of Securityholders*) to these Conditions. For the avoidance of doubt, any modification or waiver of these Conditions shall be subject to the consent of the Issuer. The provisions of this Condition 12.1 are subject to, and should be read together with, the more detailed provisions contained in Schedule 1 (*Provisions on meetings of Securityholders*) (which shall prevail in the event of any inconsistency).

Meetings of holders of Securities may be convened to consider matters relating to Securities, including the modification or waiver of any provision of these Conditions. Any such modification or waiver proposed by the Issuer may be made if sanctioned by an Extraordinary Resolution, provided, however, that any such proposal (i) to amend the dates of redemption of the Securities or date for payment of interest or interest amounts, (ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest, (iii) to amend Condition 2 (*Status of the Securities*) or any provision relating to a Principal Write-down or a Principal Write-up, in each case without prejudice to Condition 6 (*Substitution and Variation*) and the Applicable Banking Regulations (iv) to assent to a reduction of the nominal amount of the Securities or a modification of the conditions under which any redemption, substitution or variation may be made, (v) to alter the method of calculating the amount of any payment in respect of the Securities or the date for any such payment in circumstances not provided for in these Conditions, (vi) to change the currency of payment of the Securities, (vii) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution or (viii) to amend the requirement for an Extraordinary Resolution for the sanctioning of any modification or waiver of these Conditions or the Securities, may, in each case, only be sanctioned by an Extraordinary Resolution passed at a meeting of Securityholders at which one or more persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Securities form a quorum.

Resolutions duly passed in accordance with these provisions shall be binding on all holders, whether or not they are present at the meeting and whether or not they vote in favour of such a resolution.

Convening notices for meetings of holders of Securities shall be made in accordance with Schedule 1 (*Provisions on meetings of Securityholders*).

Schedule 1 (*Provisions on meetings of Securityholders*) provides that the Issuer shall be entitled, where the terms of the resolution proposed by the Issuer have been notified to the holders through the relevant securities settlement system(s) as provided in Schedule 1 (*Provisions on meetings of Securityholders*), to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant securities settlement system(s) by or on behalf of the holders of not less than 75 per cent. in principal amount of the Securities outstanding. To the extent such electronic consent is not being sought, Schedule 1 (*Provisions on meetings of Securityholders*) provides that, if authorised by the Issuer

and to the extent permitted by Belgian law, a written resolution signed by the holders of 75 per cent. in nominal amount of the Securities outstanding shall take effect as if it were an Extraordinary Resolution provided that the terms of the proposed resolution shall have been notified in advance to the Securityholders through the relevant securities settlement system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more holders of Securities.

Resolutions of holders of Securities will only be effective if such resolutions have been approved by the Issuer and, if so required, by the Competent Authority.

12.2 Modification

Subject to obtaining the approval therefor from the Competent Authority if so required, the Agent and the Issuer may agree, without the consent of the holders, to:

(i) any modification of the Agency Agreement or the Clearing Services Agreement which is not prejudicial to the interests of the holders; or

(ii) any modification of these Conditions, the Agency Agreement or the Clearing Services Agreement which is of a formal, minor or technical nature or is made to correct a manifest or proven error or to comply with mandatory provisions of law.

Any such modification shall be binding on the holders and any such modification shall be notified to the holders in accordance with Condition 11 as soon as practicable thereafter.

The agreement or approval of the holders shall not be required in the case of any Benchmark Amendments made pursuant to Condition 3.1(g).

13 Further Issues

The Issuer may from time to time without the consent of the holders create and issue further Securities, having terms and conditions the same as those of the Securities, or the same except for the amount and date of the first payment of interest on them and the date from which interest starts to accrue, which may be consolidated and form a single series with the outstanding Securities.

14 No Hardship

The Issuer acknowledges that the provisions of Article 5.74 of the Belgian Civil Code shall not apply to it with respect to its obligations under these Conditions and that it shall not be entitled to make any claim under Article 5.74 of the Belgian Civil Code.

15 Non-contractual Liability

Each Securityholder hereby agrees that, with respect to a breach of a contractual obligation under these Conditions where such breach of obligation also constitutes a non-contractual liability, the provisions of the new Article 6.3 of the Belgian Civil Code shall, to the maximum extent permitted by law, not apply and that it shall, to the maximum extent permitted by law, not be entitled to make any non-contractual liability claim against the Issuer or any auxiliary (*hulppersoon/auxiliaire*) within the meaning of Article 6.3 of the Belgian Civil Code of (any affiliate of) the Issuer.

16 Governing Law and Submission to Jurisdiction

16.1 Governing Law

The Agency Agreement and the Securities (and, in each case, any non-contractual obligations arising therefrom or in connection therewith) shall be governed by, and construed in accordance with, Belgian law.

16.2 Jurisdiction of the Courts of Brussels, Belgium

The Issuer agrees, for the exclusive benefit of the holders, that the courts of Brussels, Belgium are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement or the Securities (including, in each case, any dispute relating to any non-contractual obligations arising therefrom or in connection therewith) and that accordingly any suit, action or proceedings (together referred to as "**Proceedings**") arising out of or in connection with the Agency Agreement or the Securities (including, in each case, any Proceedings relating to any non-contractual obligation arising therefrom or in connection therewith) may be brought in such courts.

The Issuer hereby irrevocably waives any objection which it may have now or hereafter to the laying of the venue of any such Proceedings in any such court and any claim that any such Proceedings have been brought in an inconvenient forum and hereby further irrevocably agrees that a judgment in any such Proceedings brought in the courts of Brussels, Belgium shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction.

Nothing contained in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

17 Contractual recognition of powers under the Bank Recovery and Resolution Directive

Notwithstanding and to the exclusion of any other term of the Securities or any other agreements, arrangements, or understanding between the Issuer and any holder, by its acquisition of the Securities (or any interest therein), each holder (which, for the purposes of this Condition 17, includes each holder of a beneficial interest in the Securities) acknowledges and accepts that the Amounts Due arising under the Securities may be subject to the exercise of Statutory Loss Absorption Powers by the Relevant Resolution Authority, and acknowledges, accepts, consents to and agrees to be bound by:

(a) the effect of the exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority, which exercise may include and result in any of the following, or some combination thereof:

(i) the reduction or cancellation of all, or a portion, of the Amounts Due;

(ii) the conversion of all, or a portion, of the Amounts Due on the Securities into shares, other securities or other obligations of the Issuer or another person (and the issue to or conferral on the holder of such shares, securities or obligations), including by means of an amendment, modification or variation of the terms of the Securities;

(iii) the cancellation of the Securities; and

(iv) the amendment or alteration of the provisions of the Securities by which the Securities have no maturity or the amendment of the amount of interest payable on the Securities, or

the date on which the interest becomes payable, including by suspending payment for a temporary period; and

(b) the variation of the terms of the Securities, as deemed necessary by the Relevant Resolution Authority, to give effect to the exercise of any Statutory Loss Absorption Power by the Relevant Resolution Authority.

No repayment or payment of Amounts Due in respect of the Securities will become due and payable or be paid after the exercise of any Statutory Loss Absorption Powers by the Relevant Resolution Authority if and to the extent such amounts have been reduced, converted, cancelled, amended or altered as a result of such exercise.

Neither a reduction or cancellation, in part or in full, of the Amounts Due, the conversion thereof into another security or obligation of the Issuer or another person, as a result of the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Issuer, nor the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Securities, will constitute a default for any purpose.

Upon the exercise of the Statutory Loss Absorption Powers by the Relevant Resolution Authority with respect to the Securities, the Issuer will provide a written notice to the holders in accordance with Condition 11 as soon as practicable regarding such exercise of the Statutory Loss Absorption Powers. Any delay or failure by the Issuer in delivering any notice referred to in this Condition 17 shall not affect the validity and enforceability of the Statutory Loss Absorption Powers nor constitute a default by the Issuer for any purpose.

18 Definitions

In these Conditions:

"**5-year Mid-Swap Rate**" means, in relation to a Reset Period and the Mid-Swap Rate Determination Date in respect of such Reset Period:

(a) the mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page as of 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date; or

(b) subject to the application of Condition 3.1(g), if such rate does not appear on the Screen Page at such time on such Mid-Swap Rate Determination Date, the Reset Reference Bank Rate on such Mid-Swap Rate Determination Date.

"**5-year Mid-Swap Rate Quotations**" means the arithmetic mean of the bid and ask rates for the annual fixed leg (calculated on a 30/360 day count basis) of a fixed-for-floating euro interest rate swap transaction which:

(a) has a term of 5 years commencing on the relevant Reset Date;

(b) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and

(c) has a floating leg (calculated on an Actual/360 day count basis) based on six-month EURIBOR.

"**Accounting Currency**" means euro or such other primary currency used in the presentation of the Issuer's accounts from time to time.

"**Accrual Period**" has the meaning given in Condition 3.1(e).

"**Additional Tier 1 Capital**" has the meaning given in the Applicable Banking Regulations from time to time.

"**Additional Tier 1 Capital Instruments**" means all obligations which constitute Additional Tier 1 Capital of the Issuer from time to time.

"**Adjustment Spread**" means either (a) a spread (which may be positive, negative or zero) or (b) a formula or methodology for calculating a spread, in each case to be applied to the Successor Rate or the Alternative Reference Rate (as applicable) and is the spread, formula or methodology which:

(a) in the case of a Successor Rate, is formally recommended in relation to the replacement of the 5-year Mid-Swap Rate with the Successor Rate by any Relevant Nominating Body; or

(b) in the case of a Successor Rate for which no such recommendation has been made or in the case of an Alternative Reference Rate, the Issuer, following consultation with the Independent Adviser (if any), determines is customarily applied to the relevant Successor Rate or the Alternative Reference Rate (as applicable) in international debt capital markets transactions to produce an industry-accepted replacement rate for the 5-year Mid-Swap Rate; or

(c) if the Issuer determines that no such spread is customarily applied, the Issuer, following consultation with the Independent Adviser (if any), determines is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions which reference the 5-year Mid-Swap Rate, where such rate has been replaced by the Successor Rate or the Alternative Reference Rate (as applicable).

"**Alternative Reference Rate**" means the rate that the Issuer, determines has replaced the 5-year Mid-Swap Rate in customary market usage in the international debt capital markets for the purposes of determining rates of interest (or the relevant component part thereof) in respect of bonds denominated in euro and of a five year duration, or, if the Issuer determines that there is no such rate, such other rate as the Issuer determines in its discretion is most comparable to the 5-year Mid-Swap Rate.

"**Amounts Due**" means the Prevailing Principal Amount together with any accrued but unpaid interest (excluding interest which has been cancelled in accordance with these Conditions) and any additional amounts payable in accordance with Condition 8. References to such amounts will include amounts that have become due and payable, but which have not been paid, prior to the exercise of the Statutory Loss Absorption Power by the Relevant Resolution Authority.

"**Applicable Banking Regulations**" means, at any time, the laws, regulations, rules, guidelines and policies of the Competent Authority (whether or not having the force of law), of the European Banking Authority, or of the European Parliament and Council then in effect in Belgium, relating to capital adequacy (whether on a risk-weighted, leverage or other basis), prudential supervision (including the requisite features of own funds instruments) and/or resolution, and applicable to the Issuer at such time (and, for the avoidance of doubt, including as at the Issue Date the rules contained in, or implementing, CRD IV, BRRD and the rules contained in the Belgian Banking Law).

"**Belgian Banking Law**" means the law of 25 April 2014 on the status and supervision of credit institutions, as amended or replaced from time to time.

"**Belgian Civil Code**" has the meaning given in the introduction.

"**Belgian Companies and Associations Code**" has the meaning given in Condition 1.

"**Benchmark Amendments**" has the meaning given in Condition 3.1(g).

"**Benchmark Event**" means:

(a) the relevant 5-year Mid-Swap Rate ceasing to exist or be published on a permanent or indefinite basis as a result of the 5-year Mid-Swap Rate ceasing to be calculated or administered; or

(b) a public statement by the administrator of the 5-year Mid-Swap Rate stating that it has ceased or that it will cease to publish the 5-year Mid-Swap Rate, permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of the 5-year Mid-Swap Rate); or

(c) a public statement made by the supervisor of the administrator of the 5-year Mid-Swap Rate stating that the 5-year Mid-Swap Rate has been or will be permanently or indefinitely discontinued; or

(d) a public statement made by the supervisor or the administrator of the 5-year Mid-Swap Rate that means that the 5-year Mid-Swap Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, in circumstances where the same shall be applicable to the Securities; or

(e) a public statement made by the supervisor of the administrator of the 5-year Mid-Swap Rate that the 5-year Mid-Swap Rate is or will be (or is or will be deemed by such supervisor to be) no longer representative of its relevant underlying market, in circumstances where the same shall be applicable to the Securities; or

(f) it has or will, prior to the next Mid-Swap Rate Determination Date, become unlawful for the Issuer, the Agent, the Calculation Agent or any other agents party to the Agency Agreement to calculate any payments due to be made to any holders using the 5-year Mid-Swap Rate,

provided that the Benchmark Event shall be deemed to occur (i) in the case of sub-paragraphs (b) and (c) above, on the date of the cessation of publication of the 5-year Mid-Swap Rate or the discontinuation of the 5-year Mid-Swap Rate, (ii) in the case of sub-paragraph (d) above, on the date of the prohibition of the use of the 5-year Mid-Swap Rate and (iii) in the case of sub-paragraph (e) above, on the date with effect from which the 5-year Mid-Swap Rate will no longer be (or will be deemed by the relevant supervisor to no longer be) representative of its relevant underlying market and which is specified in the relevant public statement, and, in each case, not the date of the relevant public statement (unless the date of the relevant public statement coincides with the relevant date referred to in limbs (i), (ii) or (iii) above, as applicable).

"**BRRD**" means Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended or replaced from time to time (including, without limitation, by Directive (EU) 2017/2399 and by Directive (EU) 2019/879).

"**Business Day**" means a day other than a Saturday or Sunday (i) on which the NBB-SSS is operating, (ii) on which banks and forex markets are open for general business in Belgium and (iii) (if a payment in euro is to be made on that day) which is a business day for T2.

"**Calculation Agent**" means KBC Bank NV.

"**Capital Requirements Directive**" means Directive (2013/36/EU) of the European Parliament and of the Council on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms dated 26 June 2013, as amended or replaced from time to time (including, without limitation, by Directive (EU) 2019/878), and, as the context permits, any provision of Belgian law transposing or implementing such Directive (as it is amended or replaced from time to time).

"**Capital Requirements Regulation**" means Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended or replaced from time to time (including, without limitation, by Regulation (EU) 2019/876).

"**CET1 Capital**" means the sum, expressed in the Accounting Currency, of all amounts that constitute Common Equity Tier 1 capital of the Issuer on a consolidated basis as at a given date, less any deductions from Common Equity Tier 1 capital required to be made as of such date, all as calculated by the Issuer on a consolidated basis in accordance with the Applicable Banking Regulations (which calculation shall be binding on the holders). The term "Common Equity Tier 1 capital" as used in this definition shall have the meaning assigned to such term in the Applicable Banking Regulations from time to time, and subject always to the transitional and grandfathering arrangements thereunder as interpreted by the Competent Authority.

"**Competent Authority**" means the European Central Bank, the National Bank of Belgium, any successor or replacement to or of either of them, or any other authority having primary responsibility for the prudential and/or resolution oversight and supervision of the Issuer, as determined by the Issuer.

"**Consolidated CET1 Ratio**" means, at any time, the ratio of CET1 Capital of the Issuer to the total risk exposure amount (as referred to in Article 92(2)(a) of the Capital Requirements Regulation) of the Issuer, expressed as a percentage, all as calculated on a consolidated basis within the meaning of the Capital Requirements Regulation.

"**Consolidated Net Profit**" means the net profit of the Issuer as calculated on a consolidated basis and as set out in the last audited annual consolidated accounts of the Issuer adopted by the Issuer's shareholders' meeting (or such other means of communication as determined by the Issuer). In respect of the financial year ended 31 December 2023, the Issuer expressed its consolidated net profit as Consolidated Result after Tax in its audited annual consolidated financial statements.

"**CRD IV**" means, taken together, the (i) Capital Requirements Directive and (ii) Capital Requirements Regulation.

"**Discretionary Temporary Write-down Instrument**" means, at any time, any instrument (other than the Securities) issued directly or indirectly by the Issuer which at such time (a) qualifies as Additional Tier 1 Capital of the Issuer on a consolidated basis, (b) has had all or some of its principal amount written down and (c) has terms providing for a write-up or reinstatement of its principal amount, at the relevant issuer's discretion, upon reporting a net profit.

"**Distributable Items**" has the meaning given in Condition 3.2(b).

"**Eligible Investor**" means a person who is entitled to hold securities through a so-called "X-Account" (being an account exempted from withholding tax) in the NBB-SSS in accordance with Article 4 of the Belgian Royal Decree of 26 May 1994 on the collection and refund of withholding tax (as amended or replaced from time to time).

"**euro**" or "**€**" means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

"**Extraordinary Resolution**" has the meaning given in Schedule 1 (*Provisions on meetings of Securityholders*).

"**FATCA withholding**" has the meaning given in Condition 8.

"**First Reset Date**" means 17 September 2031.

"**Foreign Currency Instruments**" has the meaning given in Condition 7.3.

"**Holder**" or "**holder**" means the holder from time to time of a Security as determined by reference to the records of the relevant clearing systems or financial intermediaries and the affidavits referred to in Condition 1.

"**IA Determination Cut-Off Date**" means no later than five Business Days prior to the relevant Reset Determination Date relating to the next succeeding Reset Period.

"**Independent Adviser**" means an independent financial institution of international repute or other independent financial adviser experienced in the international debt capital markets, in each case selected and appointed by the Issuer at its own expense.

"**Initial Period**" means the period from (and including) the Issue Date to (but excluding) the First Reset Date.

"**Initial Rate of Interest**" means 6.250 per cent. *per annum*.

"**Interest Payment**" means, in respect of an Interest Payment Date, the amount of interest which, subject to Conditions 3.2 and 7, is payable for the relevant Interest Period in accordance with Condition 3.

"**Interest Payment Date**" means 17 March and 17 September in each year from (and including) 17 March 2025.

"**Interest Period**" means each period from (and including) the Issue Date or any Interest Payment Date to (but excluding) the next Interest Payment Date.

"**Issue Date**" means 17 September 2024.

"**Junior Obligations**" means all unsecured, subordinated obligations of the Issuer that rank, or are expressed to rank, junior to the Issuer's obligations under the Securities and all classes of share capital of the Issuer.

"**Loss Absorbing Instruments**" means, at any time, any instrument (other than the Securities) issued directly or indirectly by the Issuer which qualifies as Additional Tier 1 Capital of the Issuer on a consolidated basis and has terms pursuant to which all or some of its principal amount may be written down (whether on a permanent or temporary basis) or converted into equity (in each case in accordance with its conditions) on the occurrence, or as a result, of the Consolidated CET1 Ratio falling below a certain trigger level.

"**Margin**" means 3.989 per cent.

"**Maximum Distributable Amount**" has the meaning given in Condition 3.2(b).

"**Maximum Write-up Amount**" has the meaning given in Condition 7.2.

"**Mid-Swap Rate**" means, in respect of any Reset Period, the 5-year Mid-Swap Rate determined on the Mid-Swap Rate Determination Date applicable to such Reset Period, as determined by the Calculation Agent.

"**Mid-Swap Rate Determination Date**" means, in respect of the determination of the Mid-Swap Rate applicable during any Reset Period, the day falling two Business Days prior to the Reset Date on which such Reset Period commences.

"**MREL-Maximum Distributable Amount Provision**" has the meaning given in Condition 3.2(b).

"**NBB-SSS**" has the meaning given in Condition 1.

"**Original Principal Amount**" means, in respect of a Security at any time the principal amount of such Security at the Issue Date without having regard to any subsequent Principal Write-down or Principal Write-up pursuant to Condition 7.

"**Parity Securities**" means any Additional Tier 1 Capital Instruments issued or guaranteed by the Issuer and any other obligations or instruments of the Issuer that rank, or are expressed to rank, equally with the Securities.

"**Prevailing Principal Amount**" means, in respect of a Security at any time, the Original Principal Amount of such Security as reduced by any Principal Write-down of such Security (on one or more occasions) at or prior to such time pursuant to Condition 7 and, if applicable following any Principal Write-down, as subsequently increased by any Principal Write-up of such Security (on one or more occasions) at or prior to such time pursuant to Condition 7.

"**Principal Write-down**" has the meaning given in Condition 7.1.

"**Principal Write-up**" has the meaning given in Condition 7.2.

"**Principal Write-up Amount**" means, on any Principal Write-up, the amount by which the then Prevailing Principal Amount is to be written-up and which is calculated per Security.

"**Qualifying Securities**" has the meaning given in Condition 6.1.

"**Rate of Interest**" means:

(a) in the case of each Interest Period falling in the Initial Period, the Initial Rate of Interest; or

(b) in the case of each Interest Period which commences on or after the First Reset Date, the sum, converted from an annual basis to a semi-annual basis, of (A) the Mid-Swap Rate applicable to the Reset Period in which that Interest Period falls and (B) the Margin,

all as determined by the Calculation Agent in accordance with Condition 3.

"**Rating Agency**" means S&P Global Ratings Europe Limited and/or Fitch Ratings Ireland Limited and/or Moody's France SAS and/or their respective successors and affiliates.

"**Reference Date**" means the later of (i) the Issue Date and (ii) the latest date (if any) on which any further Securities have been issued pursuant to Condition 13.

A reference to a "**regulated entity**" is to any entity referred to in Article 267/15 or Article 453 of the Belgian Banking Law or Article 2 of the SRM Regulation, as the case may be, in each case as amended from time to time, which includes certain credit institutions, investment firms, and certain of their parent or holding companies.

"**Regulated Market**" means a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU) as amended or replaced from time to time.

"**Regulatory Event**" has the meaning given in Condition 5.4(a).

"**Relevant Nominating Body**" means, in respect of the 5-year Mid-Swap Rate:

(a) the central bank for euro, or any central bank or other supervisory authority which is responsible for supervising the administrator of the 5-year Mid-Swap Rate; or

(b) any working group or committee established, approved or sponsored by, chaired or co-chaired by or constituted at the request of (A) the central bank for euro, (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the 5-year Mid-

Swap Rate, (C) a group of the aforementioned central banks or other supervisory authorities or (D) the Financial Stability Board or any part thereof.

"**Relevant Resolution Authority**" means the Single Resolution Board established pursuant to the SRM Regulation and defined therein, the *Afwikkelingscollege*/*Collège de résolution* of the National Bank of Belgium, and/or any other authority entitled to exercise or to participate in the exercise of any bail-in power from time to time.

"**Reset Date**" means the First Reset Date and each date which falls five, or an integral multiple of five, years after the First Reset Date.

"**Reset Period**" means each period from (and including) a Reset Date to (but excluding) the next Reset Date.

"**Reset Reference Bank Rate**" means, with respect to a Mid-Swap Rate Determination Date, the percentage rate determined on the basis of the 5-year Mid-Swap Rate Quotations provided by the Reset Reference Banks to the Calculation Agent at approximately 11:00 a.m. (Central European time) on such Mid-Swap Rate Determination Date. If at least three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided. If only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided. If no quotations are provided, the Reset Reference Bank Rate will be the last observable mid-swap rate for euro swaps with a term of 5 years which appears on the Screen Page, as determined by the Calculation Agent.

"**Reset Reference Banks**" means six leading swap dealers in the interbank market selected by the Calculation Agent in its discretion after consultation with the Issuer.

"**Return to Financial Health**" has the meaning given in Condition 7.2.

"**Screen Page**" means Reuters screen "ICESWAP2" or such other page as may replace it on Reuters or, as the case may be, on such other information service that may replace Reuters, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying rates comparable to the relevant 5-year Mid-Swap Rate.

"**Special Event**" has the meaning given in Condition 6.1.

"**SRM Regulation**" means Regulation 806/2014 establishing uniform rules and uniform procedures for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and Single Resolution Fund, and the instruments, rules and standards created thereunder.

"**Statutory Loss Absorption Power**" means any write-down, conversion, transfer, modification, suspension or similar or related power existing from time to time under, and exercised in compliance with, any laws, regulations, rules or requirements in effect in Belgium, relating to the transposition of the BRRD, including but not limited to the Belgian Banking Law, or pursuant to, and in accordance with, the SRM Regulation, pursuant to which (i) any obligation of a regulated entity (or other affiliate of such regulated entity) can be reduced, cancelled, modified, or converted into shares, other securities, or other obligations of such regulated entity or any other person (or suspended for a temporary period) and (ii) any right in a contract governing an obligation of a regulated entity may be deemed to have been exercised.

"**Successor Rate**" means the rate that the Issuer determines is a successor to, or replacement of, the 5-year Mid-Swap Rate which is formally recommended by any Relevant Nominating Body.

"**T2**" means the real time gross settlement system operated by the Eurosystem, or any successor system.

"**Tax Deductibility Event**" has the meaning given in Condition 5.3(b).

"**Tax Gross-up Event**" has the meaning given in Condition 5.3(a).

"**Tier 1 Capital**" and "**Tier 2 Capital**" have the respective meanings given to such terms (or any successor terms) in the Applicable Banking Regulations from time to time.

"**Tier 2 Capital Instruments**" means all obligations which constitute Tier 2 Capital of the Issuer from time to time.

A "**Trigger Event**" will occur if, at any time, the Consolidated CET1 Ratio is less than 5.125 per cent. as determined by the Issuer, the Competent Authority or any entity appointed by or acting on behalf of the Competent Authority.

"**Trigger Event Write-down Date**" has the meaning given in Condition 7.1.

"**Trigger Event Write-down Notice**" has the meaning given in Condition 7.1.

"**Write-down Amount**" has the meaning given in Condition 7.1.

"**Written Down Additional Tier 1 Instrument**" means, at any time, any instrument (including the Securities) issued directly or indirectly by the Issuer and which, immediately prior to the relevant Principal Write-up of the Securities at that time, has a prevailing principal amount that, due to it having been written down, is lower than the original principal amount it was issued with.

SCHEDULE 1
PROVISIONS ON MEETINGS OF SECURITYHOLDERS

Interpretation

1 In this Schedule:

1.1 references to a "**meeting**" are to a physical meeting, a virtual meeting or a hybrid meeting of Securityholders and include, unless the context otherwise requires, any adjournment;

1.2 "**agent**" means a holder of a Voting Certificate or a proxy for, or representative of, a Securityholder;

1.3 "**Alternative Clearing System**" means any clearing system other than the NBB-SSS;

1.4 "**Block Voting Instruction**" means a document issued by a Recognised Accountholder or the NBB-SSS in accordance with paragraph 9;

1.5 "**Electronic Consent**" has the meaning set out in paragraph 34;

1.6 "**electronic platform**" means any form of telephony or electronic platform or facility and includes, without limitation, telephone and video conference call and application technology systems;

1.7 "**Extraordinary Resolution**" means a resolution passed (a) at a meeting of Securityholders duly convened and held in accordance with this Schedule by a majority of at least 75 per cent. of the votes cast, (b) by a Written Resolution or (c) by an Electronic Consent;

1.8 "**hybrid meeting**" means a combined physical meeting and virtual meeting convened pursuant to this Schedule at which persons may attend either at the physical location specified in the notice of such meeting or via an electronic platform;

1.9 "**meeting**" means a meeting convened pursuant to this Schedule and whether held as a physical meeting or as a virtual meeting or as a hybrid meeting;

1.10 "**NBB-SSS**" means the securities settlement system operated by the NBB or any successor thereto;

1.11 "**Ordinary Resolution**" means a resolution with regard to any of the matters listed in paragraph 4 and passed or proposed to be passed by a majority of at least 50 per cent. of the votes cast;

1.12 "**physical meeting**" means any meeting attended by persons present in person at the physical location specified in the notice of such meeting;

1.13 "**present**" means physically present in person at a physical meeting or a hybrid meeting or able to participate in or join a virtual meeting or a hybrid meeting held via an electronic platform;

1.14 "**Recognised Accountholder**" means an entity recognised as accountholder in accordance with the Belgian Companies and Associations Code with whom a holder holds Securities on a securities account;

1.15 "**virtual meeting**" means any meeting held via an electronic platform;

1.16 "**Voting Certificate**" means a certificate issued by a Recognised Accountholder or the NBB-SSS in accordance with paragraph 8;

1.17 "**Written Resolution**" means a resolution in writing signed by the holders of not less than 75 per cent. in principal amount of the Securities outstanding;

1.18 where Securities are held in an Alternative Clearing System, references herein to the deposit, release or surrender of Securities shall be construed in accordance with the usual practices (including in relation to the blocking of the relevant account) of such Alternative Clearing System; and

1.19 references to persons representing a proportion of the Securities are to Securityholders, proxies or representatives of such Securityholders holding or representing in the aggregate at least that proportion in nominal amount of the Securities for the time being outstanding.

General

2 All meetings of Securityholders will be held in accordance with the provisions set out in this Schedule. Where any of the provisions of this Schedule would be illegal, invalid or unenforceable, that will not affect the legality, validity and enforceability of the other provisions of this Schedule.

Extraordinary Resolution

3 A meeting shall, subject to the Conditions and (except in the case of sub-paragraph 3.5) only with the consent of the Issuer and, where applicable, the Competent Authority, and without prejudice to any powers conferred on other persons by this Schedule, have power by Extraordinary Resolution:

3.1 to sanction any proposal by the Issuer for any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Securityholders against the Issuer (other than in accordance with the Conditions or pursuant to applicable law);

3.2 to assent to any modification of this Schedule or the Securities proposed by the Issuer or the Agent;

3.3 to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution;

3.4 to give any authority, direction or sanction required to be given by Extraordinary Resolution;

3.5 to appoint any person or persons (whether Securityholders or not) as an individual or a committee or committees to represent the Securityholders' interests and to confer on them any powers or discretions which the Securityholders could themselves exercise by Extraordinary Resolution;

3.6 to approve the substitution of any entity for the Issuer (or any previous substitute) as principal debtor under the Securities in circumstances not provided for in the Conditions or under applicable law; and

3.7 to accept any security interests established in favour of the Securityholders or a modification to the nature or scope of any existing security interest or a modification to the release mechanics of any existing security interests,

3.8 provided that the special quorum provisions in paragraph 21 shall apply to any Extraordinary Resolution (a "**special quorum resolution**") for the purpose of sub-paragraph 3.6 or for the purpose of making a modification to this Schedule, the Conditions or the Securities which would have the effect (other than in accordance with the Conditions or pursuant to applicable law):

(i) to amend the dates of redemption of the Securities or date for payment of interest or interest amounts;

(ii) to assent to an extension of an interest period, a reduction of the applicable interest rate or a modification of the conditions applicable to the payment of interest;

(iii) to amend Condition 2 (*Status of the Securities*) or any provision relating to a Principal Write-down or a Principal Write-up, in each case without prejudice to Condition 6 (*Substitution and Variation*) and the Applicable Banking Regulations;

(iv) to assent to a reduction of the nominal amount of the Securities or a modification of the conditions under which any redemption, substitution or variation may be made;

(v) to alter the method of calculating the amount of any payment in respect of the Securities or the date for any such payment;

(vi) to change the currency of payment of the Securities;

(vii) to modify the provisions concerning the quorum required at any meeting of Securityholders or the majority required to pass an Extraordinary Resolution; or

(viii) to amend this proviso.

Ordinary Resolution

4 Notwithstanding any of the foregoing and without prejudice to any powers otherwise conferred on other persons by this Schedule, a meeting of Securityholders shall, upon a proposal of or with the assent of the Issuer, have power by Ordinary Resolution:

4.1 to assent to any decision to take any conservatory measures in the general interest of the Securityholders;

4.2 to assent to the appointment of any representative to implement any Ordinary Resolution; or

4.3 to assent to any other decisions which do not require an Extraordinary Resolution to be passed.

For the avoidance of doubt, any modification or waiver of the Conditions shall always be subject to the consent of the Issuer and, where applicable, the Competent Authority and/or the Relevant Resolution Authority.

Convening a meeting

5 The Issuer may at any time convene a meeting. A meeting shall be convened by the Issuer upon the request in writing of Securityholders holding at least 20 per cent. in principal amount of the Securities for the time being outstanding. Every physical meeting shall be held at a time and place approved by the Agent. Every virtual meeting shall be held via an electronic platform and at a time approved by the Agent. Every hybrid meeting shall be held at a time and place and via an electronic platform approved by the Agent.

Notice of meeting

6 Convening notices for meetings of Securityholders shall be given to the Securityholders in accordance with Condition 11 (*Notices*) not less than fifteen calendar days prior to the relevant meeting (exclusive of the day on which the notice is given and the day of the meeting). The notice shall specify the day and

time of the meeting and manner in which it is held, and if a physical meeting or a hybrid meeting is to be held, the place of the meeting and the nature of the resolutions to be proposed and shall explain how Securityholders may appoint proxies or representatives, obtain Voting Certificates and use Block Voting Instructions and the details of the time limits applicable. With respect to a virtual meeting or a hybrid meeting, each such notice shall set out such other and further details as are required under paragraph 36.

Cancellation of meeting

7 A meeting that has been validly convened in accordance with paragraph 5 above may be cancelled by the person who convened such meeting or, where the meeting has been convened by the Issuer at the request of Securityholders in accordance with paragraph 5, by the relevant Securityholders who requested such meeting to be convened by giving notice to the Securityholders prior to such meeting. Any meeting cancelled in accordance with this paragraph 7 shall be deemed not to have been convened.

Arrangements for voting

8 A Voting Certificate shall:

8.1 be issued by a Recognised Accountholder or the NBB-SSS;

8.2 state that on the date thereof (i) Securities (not being Securities in respect of which a Block Voting Instruction has been issued which is outstanding in respect of the meeting specified in such Voting Certificate and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB-SSS) held to its order or under its control and blocked by it and (ii) that no such Securities will cease to be so held and blocked until the first to occur of:

(i) the conclusion (or cancellation) of the meeting specified in such certificate or, if applicable, any such adjourned meeting; and

(ii) the surrender of the Voting Certificate to the Recognised Accountholder or the NBB-SSS who issued the same; and

8.3 further state that until the release of the Securities represented thereby the bearer of such certificate is entitled to attend and vote at such meeting and any such adjourned meeting in respect of the Securities represented by such certificate.

9 A Block Voting Instruction shall:

9.1 be issued by a Recognised Accountholder or the NBB-SSS;

9.2 certify that (i) Securities (not being Securities in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in such Block Voting Instruction and any such adjourned meeting) of a specified principal amount outstanding were (to the satisfaction of such Recognised Accountholder or the NBB-SSS) held to its order or under its control and blocked by it and that no such Securities will cease to be so held and blocked until the first to occur of:

(i) the conclusion (or cancellation) of the meeting specified in such document or, if applicable, any such adjourned meeting; and

(ii) the giving of notice by the Recognised Accountholder or the NBB-SSS to the Issuer, stating that certain of such Securities cease to be held with it or under its control and blocked and setting out the necessary amendment to the Block Voting Instruction;

9.3 certify that each holder of such Securities has instructed such Recognised Accountholder, the NBB-SSS or other proxy mentioned therein that the vote(s) attributable to the Security or Securities so held and blocked should be cast in a particular way in relation to the resolution or resolutions which will be put to such meeting or any such adjourned meeting and that all such instructions cannot be revoked or amended during the period commencing 48 hours prior to the time for which such meeting or any such adjourned meeting is convened and ending at the conclusion, cancellation or adjournment thereof;

9.4 state the principal amount of the Securities so held and blocked, distinguishing with regard to each resolution between (i) those in respect of which instructions have been given as aforesaid that the votes attributable thereto should be cast in favour of the resolution, (ii) those in respect of which instructions have been so given that the votes attributable thereto should be cast against the resolution and (iii) those in respect of which instructions have been so given to abstain from voting; and

9.5 naming one or more persons (each hereinafter called a "**proxy**") as being authorised and instructed to cast the votes attributable to the Securities so listed in accordance with the instructions referred to in paragraph 9.4 above as set out in such document.

10 If a holder of Securities wishes the votes attributable to it to be included in a Block Voting Instruction for a meeting, he must block such Securities for that purpose at least 48 hours before the time fixed for the meeting to the order of the Agent with a bank or other depositary nominated by the Agent for the purpose. The Agent or such bank or other depositary shall then issue a Block Voting Instruction in respect of the votes attributable to all Securities so blocked.

11 If the Issuer requires, a certified copy of each Block Voting Instruction shall be produced by the proxy at the meeting or delivered to the Issuer prior to the meeting but the Issuer need not investigate or be concerned with the validity of the proxy's appointment.

12 No votes shall be validly cast at a meeting unless in accordance with a Voting Certificate or Block Voting Instruction.

13 The proxy appointed for purposes of the Block Voting Instruction or Voting Certificate does not need to be a Securityholder.

14 Votes can only be validly cast in accordance with Voting Certificates and Block Voting Instructions in respect of Securities held to the order or under the control and blocked by a Recognised Accountholder or the NBB-SSS and which have been deposited with the Issuer (or any person acting on behalf of the Issuer) not less than 24 hours before the time for which the meeting to which the relevant voting instructions and Block Voting Instructions relate, has been convened or called. The Voting Certificate and Block Voting Instructions shall be valid for as long as the relevant Securities continue to be so held and blocked. During the validity thereof, the holder of any such Voting Certificate or (as the case may be) the proxies named in any such Block Voting Instruction shall, for all purposes in connection with the relevant meeting, be deemed to be the holder of the Securities to which such Voting Certificate or Block Voting Instruction relates. A vote cast in accordance with a Block Voting Instruction shall be valid even if it or any of the Securityholders' instructions pursuant to which it was executed has previously been revoked or amended, unless written intimation of such revocation or amendment is received from the Agent by the Issuer or the Agent at its specified office (or such other place or delivered by another

method as may have been specified by the Issuer for the purpose) or by the chairperson of the meeting in each case at least 24 hours before the time fixed for the meeting.

15 No Security may be deposited with or to the order of the Agent at the same time for the purposes of both paragraph 8 and paragraph 9 for the same meeting.

16 In default of a deposit, the Block Voting Instruction or the Voting Certificate shall not be treated as valid, unless the chairperson of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business.

17 A corporation which holds a Security may, by delivering at least 48 hours before the time fixed for a meeting to a bank or other depositary appointed by the Agent for such purposes a certified copy of a resolution of its directors or other governing body or another certificate evidencing due authorisation (with, in each case, if it is not in English, a translation into English), authorise any person to act as its representative (a "**representative**") in connection with that meeting.

Chairperson

18 The chairperson of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Securityholders or agents present shall choose one of their number to be chairperson, failing which the Issuer may appoint a chairperson. The chairperson need not be a Securityholder or agent. The chairperson of an adjourned meeting need not be the same person as the chairperson of the original meeting. The chairperson may, in its sole discretion, decide to appoint a secretary (but is not obliged to do so).

Attendance

19 The following may attend, participate in and speak at a meeting of Securityholders:

19.1 Securityholders and their respective agents, financial and legal advisers;

19.2 the chairperson and the secretary of the meeting;

19.3 the Issuer and the Agent (through their respective representatives) and their respective financial and legal advisers; and

19.4 any other person approved by the meeting.

No one else may attend, participate or speak.

Quorum and Adjournment

20 No business (except choosing a chairperson) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Securityholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 calendar days later, and time and place or manner in which it is to be held as the chairperson may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

21 One or more Securityholders or agents present in person shall be a quorum:

21.1 in the cases marked "**No minimum proportion**" in the table below, whatever the proportion of the Securities which they represent

21.2 in any other case, only if they represent the proportion of the Securities shown by the table below.

Purpose of meeting	Any meeting except for a meeting previously adjourned through want of a quorum	Meeting previously adjourned through want of a quorum
	Required proportion	Required proportion
To pass a special quorum resolution	75 per cent.	25 per cent.
To pass any other Extraordinary Resolution	50 per cent.	No minimum proportion
To pass an Ordinary Resolution	10 per cent.	No minimum proportion

22 The chairperson may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place and alternate manner. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 20.

23 At least 10 calendar days' notice (exclusive of the day on which the notice is given and of the day of the adjourned meeting) of a meeting adjourned due to the quorum not being present shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. Subject as aforesaid, it shall not be necessary to give any other notice of an adjourned general meeting.

Voting

24 At a meeting which is held only as a physical meeting, each question submitted to a meeting shall be decided by a show of hands, unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairperson, the Issuer or one or more persons representing not less than 2 per cent. of the Securities.

25 Unless a poll is demanded, a declaration by the chairperson that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

26 If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairperson directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

27 A poll demanded on the election of a chairperson or on a question of adjournment shall be taken at once.

28 On a show of hands every person who is present in person and who produces a Security or a Voting Certificate or is a proxy or representative has one vote. On a poll every person has one vote in respect of each Security so produced or represented by the Voting Certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

29 In case of equality of votes the chairperson shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

30 At a virtual meeting or a hybrid meeting, a resolution put to the vote of the meeting shall be decided on a poll in accordance with paragraph 38 and any such poll will be deemed to have been validly demanded at the time fixed for holding the meeting to which it relates.

Effect and Publication of an Extraordinary Resolution and an Ordinary Resolution

31 An Extraordinary Resolution and an Ordinary Resolution shall be binding on all the Securityholders, whether or not present at the meeting, and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Ordinary Resolution or an Extraordinary Resolution to Securityholders within fifteen calendar days but failure to do so shall not invalidate the resolution.

Minutes

32 Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairperson of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted. Copies of the minutes will be available for inspection by the Securityholders during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) at the registered office of the Issuer.

Written Resolutions and Electronic Consent

33 If authorised by the Issuer and to the extent Electronic Consent is not being sought in accordance with paragraph 34, a resolution in writing signed by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Securities outstanding shall for all purposes be as valid and effective as an Extraordinary Resolution or an Ordinary Resolution passed at a meeting of Securityholders duly convened and held, provided that the terms of the proposed resolution have been notified in advance to the Securityholders through the relevant clearing system(s). Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Securityholders. For the purpose of determining whether a resolution in writing has been validly passed, the Issuer shall be entitled to rely on consent or instructions given in writing directly to the Issuer (a) by accountholders in the securities settlement system(s) with entitlements to the Securities or (b) where the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, the NBB-SSS, Euroclear, Clearstream or any other relevant alternative securities settlement system (the "**relevant securities settlement system**") and, in the case of (b) above, the relevant securities settlement system and the accountholder identified by the relevant securities settlement system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Securityholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant securities settlement system (including Euroclear's EUCLID or Clearstream's

CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of Securities is clearly identified together with the amount of such holding. The Issuer shall not be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

34 Where the terms of the resolution proposed by the Issuer have been notified to the Securityholders through the relevant clearing system(s) as provided in sub-paragraphs 34.1 and/or 34.2 below, the Issuer shall be entitled to rely upon approval of such resolution given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) to the Agent or another specified agent in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Securities outstanding (the "**Required Proportion**") by close of business on the Relevant Date ("**Electronic Consent**"). Any resolution passed in such manner shall be binding on all Securityholders, even if the relevant consent or instruction proves to be defective. The Issuer shall not be liable or responsible to anyone for such reliance.

34.1 When a proposal for a resolution to be passed as an Electronic Consent has been made, at least 15 calendar days' notice (exclusive of the day on which the notice is given and of the day on which affirmative consents will be counted) shall be given to the Securityholders through the relevant clearing system(s). The notice shall specify, in sufficient detail to enable Securityholders to give their consents in relation to the proposed resolution, the method by which their consents may be given (including, where applicable, blocking of their accounts in the relevant clearing system(s)) and the time and date (the "**Relevant Date**") by which they must be received in order for such consents to be validly given, in each case subject to and in accordance with the operating rules and procedures of the relevant clearing system(s).

34.2 If, on the Relevant Date on which the consents in respect of an Electronic Consent are first counted, such consents do not represent the Required Proportion, the resolution shall, if the party proposing such resolution so determines, be deemed to be defeated. Such determination shall be notified in writing to the Agent. Alternatively, the Issuer may give a further notice to Securityholders that the resolution will be proposed again on such date and for such period as determined by the Issuer. Such notice must inform Securityholders that insufficient consents were received in relation to the original resolution and the information specified in sub-paragraph 34.1 above. For the purpose of such further notice, references to "Relevant Date" shall be construed accordingly.

For the avoidance of doubt, an Electronic Consent may only be used in relation to a resolution proposed by the Issuer which is not then the subject of a meeting that has been validly convened in accordance with paragraph 5 above, unless that meeting is or shall be cancelled or dissolved.

35 A Written Resolution or Electronic Consent shall take effect as an Extraordinary Resolution or an Ordinary Resolution. A Written Resolution and/or Electronic Consent will be binding on all Securityholders whether or not they participated in such Written Resolution and/or Electronic Consent.

Additional provisions applicable to virtual and/or hybrid meetings

36 The Issuer (with the Agent's prior approval) may decide to hold a virtual meeting or a hybrid meeting and, in such case, shall provide details of the means for Securityholders or their proxies or representatives to attend, participate in and/or speak at the meeting, including the electronic platform to be used.

37 The Issuer or the chairperson (in each case, with the Agent's prior approval) may make any arrangement and impose any requirement or restriction as is necessary to ensure the identification of those entitled to take part in the virtual meeting or hybrid meeting and the suitability of the electronic platform. All documentation that is required to be passed between persons at or for the purposes of the virtual meeting or persons attending the hybrid meeting via the electronic platform (in each case, in whatever capacity) shall be communicated by email (or such other medium of electronic communication as the Agent may approve).

38 All resolutions put to a virtual meeting or a hybrid meeting shall be voted on by a poll in accordance with paragraphs 26-29 above (inclusive).

39 Persons seeking to attend, participate in, speak at or join a virtual meeting or a hybrid meeting via the electronic platform shall be responsible for ensuring that they have access to the facilities (including, without limitation, IT systems, equipment and connectivity) which are necessary to enable them to do so.

40 In determining whether persons are attending, participating in or joining a virtual meeting or a hybrid meeting via the electronic platform, it is immaterial whether any two or more members attending it are in the same physical location as each other or how they are able to communicate with each other.

41 Two or more persons who are not in the same physical location as each other attend a virtual meeting or a hybrid meeting if their circumstances are such that if they have (or were to have) rights to speak or vote at that meeting they are (or would be) able to exercise them.

42 The chairperson of the meeting reserves the right to take such steps as the chairperson shall determine in its absolute discretion to avoid or minimise disruption at the meeting, which steps may include (without limitation), in the case of a virtual meeting or a hybrid meeting, muting the electronic connection to the meeting of the person causing such disruption for such period of time as the chairperson may determine.

43 The Issuer (with the Agent's prior approval) may make whatever arrangements it considers appropriate to enable those attending a virtual meeting or a hybrid meeting to exercise their rights to speak or vote at it.

44 A person is able to exercise the right to speak at a virtual meeting or a hybrid meeting when that person is in a position to communicate to all those attending the meeting, during the meeting, as contemplated by the relevant provisions of this Schedule.

45 A person is able to exercise the right to vote at a virtual meeting or a hybrid meeting when:

45.1 that person is able to vote, during the meeting, on resolutions put to the vote at the meeting; and

45.2 that person's vote can be taken into account in determining whether or not such resolutions are passed at the same time as the votes of all the other persons attending the meeting who are entitled to vote at such meeting.

46 The Agent shall not be responsible or liable to the Issuer or any other person for the security of the electronic platform used for any virtual meeting or hybrid meeting or for accessibility or connectivity or the lack of accessibility or connectivity to any virtual meeting or hybrid meeting.

USE OF PROCEEDS

The net proceeds of the issue of the Securities will be used for the general corporate purposes of the Group, which may include the refinancing of existing financial indebtedness (including the EUR 1,000,000,000 Undated Deeply Subordinated Additional Tier 1 Fixed Rate Resettable Callable Securities issued in 2018 (ISIN: BE0002592708) in respect of which the Issuer has launched a cash tender offer concurrently with the issue of the Securities). The net proceeds of the issue of the Securities will furthermore enable the Issuer to optimise its capital structure and continue to support the Issuer's leverage ratio.

The Issuer will on-lend an amount equivalent to the proceeds of the Securities to KBC Bank NV under a subordinated loan agreement which will also qualify at the level of KBC Bank NV as Additional Tier 1 capital for regulatory capital purposes.

DESCRIPTION OF THE ISSUER

This section provides a description of the Issuer's and the Group's business activities as well as certain financial information in respect of the Issuer and the Group.

1 Corporate structure, share capital and credit ratings

1.1 General information

KBC Group NV (the "**Issuer**") is incorporated as a limited liability company (*naamloze vennootschap/société anonyme*) under the laws of Belgium. The Issuer is registered with the Crossroads Bank for Enterprises under number 0403.227.515. The Issuer's LEI code is 213800X3Q9LSAKRUWY91. Its registered office is at Havenlaan 2, B-1080 Brussels, Belgium, it can be contacted via +32 (0)2 429 11 11 and its website is www.kbc.com. Unless expressly incorporated by reference into this Prospectus, information contained on this website does not form part of, and is not incorporated by reference into, this Prospectus and has not been scrutinised or approved by the Belgian Financial Services and Markets Authority ("**Belgian FSMA**").

1.2 Corporate object (Article 2 of the articles of association of the Issuer)

The company has as its object the direct or indirect ownership and management of shareholdings in other companies, including but not restricted to credit institutions, insurance companies and other financial institutions.

The company also has as object to provide services to third parties, either for its own account or for the account of others, including to companies in which the company has an interest -either directly or indirectly- and to (potential) clients of those companies. The object of the company is also to acquire in the broadest sense of the word (including by means of purchase, hire and lease), to maintain and to operate resources, and to make these resources available in the broadest sense of the word (including through letting and granting rights of use) to the beneficiaries referred to in the second paragraph.

In addition, the company may function as an intellectual property company responsible for, among other things, the development, acquisition, management, protection and maintenance of intellectual property rights, as well as for making these rights available, granting rights of use in respect of these rights and/or transferring these rights. The company may also perform all commercial, financial and industrial transactions that may be useful or expedient for achieving the object of the company and that are directly or indirectly related to this object. The company may also by means of subscription, contribution, participation or in any other form whatsoever participate in all companies, businesses or institutions that have a similar, related or complementary activity.

In general, the company may, both in Belgium and abroad, perform all acts which may contribute to the achievement of its object.

1.3 Short history of the Issuer

KBC Group NV was incorporated in Belgium on 9 February 1935 for an indefinite duration in the form of a public limited liability company (under number BE 0403.227.515) as Kredietbank NV. In 1998 Kredietbank merged with CERA Bank and ABB (Insurance). A short history since then is provided below:

1998:	Two Belgian banks (Kredietbank and CERA Bank) and a Belgian insurance company (ABB) merge to create the KBC Bank and Insurance Holding Company. KBC's unique bancassurance model is launched in Belgium.
1999:	The group embarks upon its policy of expansion in Central and Eastern Europe with the acquisition of ČSOB (in the Czech Republic and the Slovak Republic).
2000–2005:	The group continues to expand its position in the banking and insurance markets of Central and Eastern Europe by acquiring banks and insurance companies in Poland, Hungary, the Czech Republic and the Slovak Republic. The bancassurance model is gradually introduced to the home markets in Central and Eastern Europe.
2005:	The KBC Bank and Insurance Holding Company merges with its parent company (Almanij) to create KBC Group NV. The benefits to the group include the addition of a network of European private banks.
2006-2008:	KBC's presence in Central and Eastern Europe is stepped up through acquisitions in Bulgaria, Romania and Serbia. KBC establishes a presence on the Russian banking market. Add-on acquisitions/greenfield operations in various countries. Capital transactions (state aid) and guarantee agreements with the government (in 2008 and 2009).
2009:	Renewed strategy focuses on home markets in Belgium and five countries in Central and Eastern Europe (the Czech Republic, the Slovak Republic, Hungary, Poland and Bulgaria).
2010:	Start of divestment programme (related to the state aid).
2011–2013:	Strategic plan is amended (including planned sale of activities in Poland). Further execution of divestment programme. First partial repayment of state aid (in 2012, remainder in 2013, 2014 and 2015).
2014:	Divestment programme finished. Updated strategy and targets announced on an Investor Day.
2015:	Repayment of all remaining outstanding state aid.
2016:	Update of corporate sustainability strategy.
2017:	Ireland also defined as home market. Acquisition of United Bulgarian Bank ("**UBB**") and Interlease in Bulgaria.

	Update of KBC Group strategy, capital deployment plan and financial guidance 2020.
2019:	Acquisition of remaining part in ČMSS in the Czech Republic.
2020:	KBC shifts digital transformation and customer experience up a gear with updated strategy 'Differently: the Next Level'.
	Acquisition of OTP Banka Slovensko in Slovakia.
2021:	Acquisition of NN's Bulgarian pension insurance and life insurance businesses.
	KBC reaches agreement on disposal of KBC Ireland's non-performing loan portfolio. Memorandum of Understanding that could lead to a transaction in which Bank of Ireland undertakes to acquire virtually all of KBC Bank Ireland's performing loan assets and liabilities. Successful completion of both transactions may ultimately result in withdrawal from the Irish market.
	KBC reaches agreement on the acquisition of the Bulgarian activities of Raiffeisen Bank International.
2022:	Finalisation of the acquisition of Raiffeisenbank Bulgaria.
	Further tightening and expanding of climate-related targets and publication of the Group's first Climate Report.
2023:	Finalisation of the sale agreement(s) for KBC Bank Ireland.
	Legal merger of Raiffeisenbank Bulgaria with KBC's subsidiary UBB in Bulgaria.

1.4 Organisation of the Group

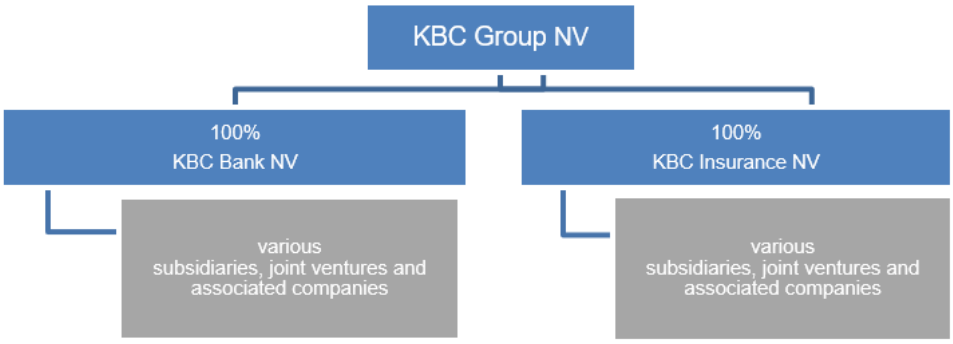
The Issuer has two main subsidiaries (besides some smaller subsidiaries such as KBC Global Services (see below) and DISCAI):

(i) KBC Bank NV ("**KBC Bank**"), incorporated as a limited liability company (*naamloze vennootschap/société anonyme*) under the laws of Belgium, having its registered office is at Havenlaan 2, B-1080 Brussels, Belgium and registered with the Crossroads Bank for Enterprises under number 0462.920.226 (RLP Brussels), Belgian FSMA 26 256; and

(ii) KBC Verzekeringen NV ("**KBC Insurance**"), incorporated as a limited liability company (*naamloze vennootschap/société anonyme*) under the laws of Belgium, having its registered office is at Professor Roger Van Overstraetenplein 2, 3000 Leuven, Belgium, registered with the Crossroads Bank for Enterprises under number 0403.552.563 (RLP Leuven) and authorised for all classes of insurance under code number 0014 (Royal Decree of 4 July 1979; Belgian Official Gazette, 14 July 1979),

as shown in the simplified schematic below.

"**KBC**", "**KBC Group**" or the "**Group**" means KBC Group NV including all group companies that are included in the scope of consolidation.



A list containing the main group companies as at the end of 2023 is set out further below in the section entitled "*Main companies belonging to the Group (as at 31 December 2023)*".

In compliance with MREL subordination requirements, KBC Group NV (the parent company) was recently converted to a mere holding company, whose main operations involve financing activities and group-wide control activities and functions. Other activities of KBC Group NV have been transferred to KBC Global Services. For more information, see the "Company annual accounts and additional information" in the Issuer's 2023 annual report.

1.5 Main companies belonging to the Group (as at 31 December 2023)

The Group's legal structure comprises KBC Group NV which controls two large companies, being KBC Bank NV and KBC Insurance NV. Each of these companies has several subsidiaries and sub-subsidiaries, the most important of which are listed in the table.

A full list of all companies belonging to the Group is available on www.kbc.com.

KBC Group: main companies included in the scope of consolidation at year-end 2023

Company	Registered office	Share of capital held at group level (in %)	Business unit*	Activity
KBC Bank (group)				
KBC Bank NV	Brussels – BE	100.00	BEL/GRP	credit institution
CBC BANQUE SA	Namur – BE	100.00	BEL	credit institution
Československá Obchodná Banka a.s.	Bratislava – SK	100.00	IMA	credit institution
Československá Obchodní Banka a.s.	Prague – CZ	100.00	CZR	credit institution
KBC Asset Management NV	Brussels – BE	100.00	BEL	asset management
KBC Autolease NV	Leuven – BE	100.00	BEL	leasing
KBC Commercial Finance NV	Brussels – BE	100.00	BEL	factoring
KBC IFIMA SA	Luxembourg – LU	100.00	GRP	financing

KBC Group: main companies included in the scope of consolidation at year-end 2023

Company	Registered office	Share of capital held at group level (in %)	Business unit*	Activity
KBC Securities NV	Brussels – BE	100.00	BEL	stockbroker
K&H Bank Zrt.	Budapest – HU	100.00	IMA	credit institution
Loan Invest NV	Brussels – BE	100.00	BEL	securitisation
United Bulgarian Bank AD	Sofia – BG	99.91	IMA	credit institution
KBC Insurance (group)				
KBC Insurance NV	Leuven – BE	100.00	BEL/GRP	insurance company
ADD NV	Heverlee – BE	100.00	BEL	insurance broker
KBC Group Re SA	Luxembourg – LU	100.00	GRP	reinsurance company
ČSOB Pojišťovna a.s.	Pardubice – CZ	100.00	CZR	insurance company
ČSOB Poist'ovna a.s.	Bratislava – SK	100.00	IMA	insurance company
DZI (group)	Sofia – BG	100.00	IMA	insurance company
Groep VAB NV	Zwijndrecht – BE	100.00	BEL	driving school/roadside assistance
K&H Biztosító Zrt.	Budapest – HU	100.00	IMA	insurance company
KBC Group				
DISCAI	Brussels - BE	100,00	GRP	software company
KBC Group NV	Brussels – BE	100.00	GRP	bank-insurance holding company
KBC Bank (group)	various locations	100.00	various	credit institution
KBC Global Services	Brussels - BE	100,00	GRP	cost-sharing structure
KBC Insurance (group)	various locations	100.00	various	insurance company

* BEL = Belgium Business Unit, CZR = Czech Republic Business Unit, IMA = International Markets Business Unit, GRP = Group Centre.

1.6 Share capital and major shareholders

Share capital

As at the date of this Prospectus, the share capital of the Issuer consists of 417,305,876 ordinary shares with no nominal value. All ordinary shares carry voting rights and each share represents one vote. The shares are listed on Euronext Brussels.

Recent capital increase: In December 2023, the Issuer increased its capital by issuing 136,462 new shares following the capital increase reserved for staff.

Authorisation to increase capital:

The General Meeting of Shareholders authorised the Board of Directors until 22 May 2028 to increase, in one or more steps, the share capital in cash or in kind, by issuing shares. The Board of Directors is also authorised until the same date to decide on one or several occasions to issue convertible bonds (whether subordinated or otherwise) or warrants that may or may not be linked to bonds (whether subordinated or otherwise) that could result in capital being increased. This authorisation has been granted for an amount of EUR 146,000,000, whereby the Board of Directors is entitled – in the Issuer's interest – to suspend or restrict the preferential subscription rights of existing shareholders and for an amount of EUR 554,000,000, without the Board of Directors having the power to suspend or restrict the preferential subscription rights. On 8 November 2023, the Board of Directors decided to use its authorisation to increase capital by issuing shares with cancellation of the employees' preferential subscription rights. For more information, see 'Notes to the company annual accounts' in the 'Additional information' section of the KBC Group annual report 2023.

The General Meeting of 5 May 2022 authorised the Board of Directors, for a period of four years calculated from the announcement of the resolution, to acquire a maximum of 10% of the Issuer's shares on Euronext Brussels or another regulated market at a price per share that may not exceed the last closing price on Euronext Brussels preceding the date of acquisition plus 10%, and that may not be lower than one euro. Under this authorisation, the Board of Directors decided to acquire 8,797,069 shares in 2023 (2.11% of the number of shares in circulation). This was in the context of the share buyback programme that was launched in August 2023 to divide excess capital and which was capped at EUR 1.3 billion. The share buyback programme was completed on 31 July 2024 for a total consideration of EUR 1,299,999,960. A total number of 20,980,823 shares were repurchased during the programme, representing 5.03% of the total number of shares issued as at 2 August 2024.

Additional Tier 1 capital instruments: as at 30 June 2024, the Issuer's total equity also included additional Tier-1 (AT1) instruments for a total consideration of EUR 1.75 billion.

Dividends

The Issuer's dividend policy comprises:

- a pay-out ratio (i.e., dividend + AT1 coupon) of at least 50% of consolidated profit for the financial year.
- an interim dividend of 1 euro per share (payable in November of the financial year) as an advance on the total dividend for the financial year.

In addition, on top of the pay-out ratio of 50% of the consolidated profit, the Board of Directors decides every year at its own discretion on the payment made to the shareholders of the capital

exceeding a 15.0% fully loaded common equity ratio (the 'surplus capital'). This may occur in the form of a cash dividend, a share buy-back, or a combination of both.

Dividend over 2023: the Issuer has proposed to the General Meeting of Shareholders in May 2024 a gross total dividend of 4.15 euros per share for 2023, comprising an interim dividend of 1 euro, paid in November 2023, and a final dividend of 3.15 euros, paid in May 2024.

In addition, the Board of Directors of the Issuer decided on 7 August 2024 to pay out an interim dividend of 1 euro, to be paid in November 2024, as an advance on the total dividend for financial year 2024.

Major shareholders

The shareholder structure shown in the table below is based on the notifications received under the transparency rules until the date of this Prospectus or, if they are more recent, disclosures made under the Law of 1 April 2007 on public takeover bids or other available information. The number of shares stated in the notifications and other disclosures (situation as at the date of this Prospectus and hence in the table below) may differ from the current number in possession, as a change in number of shares held does not always give rise to a new notification or disclosure.

Shareholder structure of KBC Group NV (based on notifications and other public information as at 08/08/2024)	**Number of shares and/or voting rights at the time of disclosure**	**% of the current number of shares and/or voting rights**
KBC Ancora	77,516,380	18.6%
Cera	16,555,143	4.0%
MRBB	48,205,219	11.6%
Other core shareholders	29,945,409	7.2%
Subtotal for core shareholders	172,222,151	41.3%
Free float	245,083,725	58.7%
Of which*:		
Shares repurchased under the share buyback programme launched in August 2023 and ended 31 July 2024	20,980,823	5.0%
BlackRock Inc	20,651,401	4.9%
Total	417,305,876	100.0%

* Including potential voting rights ("TOTAL A+B" in the original notification sheets which are available on www.kbc.com).

Core shareholders: According to the notifications received under the transparency rules until the date of this Prospectus, the core shareholders own approximately 41% of the Issuer's shares between them. The current core shareholders of the Issuer are MRBB, Cera, KBC Ancora and a group of legal entities and individuals referred to as 'Other core shareholders'. A shareholder agreement was concluded between these core shareholders in order to ensure shareholder stability and guarantee the continuity of the Group, as well as to support and co-ordinate the Group's

general policy. To this end, the core shareholders act in concert at the General Meeting of the Issuer and are represented on its Board of Directors. The current shareholder agreement entered into force on 1 December 2014, for a period of ten years.

Notifications received under the transparency rules and information on shares repurchased under the share buyback programme are available on www.kbc.com. These notifications and the share buyback information are not incorporated by reference into and do not form part of this Prospectus and have not been scrutinised or approved by the Belgian FSMA.

1.7 Credit ratings

As at the date of this Prospectus, the following long term credit ratings have been assigned to the Issuer with the cooperation of the Issuer in the rating process:

Fitch	A
According to Fitch's Rating Definitions, an A rating is described as high credit quality. 'A' ratings denote expectations of low default risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings. The modifiers "+" or "-" may be appended to a rating to denote relative status within major rating categories.	
Moody's	A3
According to Moody's Rating Symbols and Definitions, obligations rated A are considered upper-medium grade and are subject to low credit risk. The modifier 3 indicates that the obligation ranks in the lower end of its generic rating category.	
Standard and Poor's	A-
According to Standard and Poor's Global Ratings Definitions, an obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories. The addition of a plus (+) or minus (-) sign shows relative standing within the rating categories.	

More information regarding the Issuer's long term credit ratings can be found in the latest credit opinion from the relevant credit rating agencies, available on www.kbc.com/en/credit-ratings, and in the applicable rating methodologies published by the relevant credit rating agencies. None of that website, those credit opinions or those rating methodologies are incorporated by reference in or form part of this Prospectus and they have not been scrutinised or approved by the Belgian FSMA.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. The Issuer does not represent that it will maintain any level of credit rating, or any credit rating at all, with any credit rating agency.

These credit ratings relate to the Issuer's financial obligations generally, and not to the Securities specifically. Please refer to the section "*Overview*" for the ratings applicable to the Securities as at the date of this Prospectus.

Each credit rating agency referred to above is established in the EEA and is listed on the "*List of Registered and Certified CRA's*" as published by ESMA in accordance with Article 18(3) of Regulation (EC) No. 1060/2009 on credit rating agencies, as amended from time to time (the

"**CRA Regulation**"). If an issue-specific credit rating is specified in the applicable Final Terms, then those Final Terms will also specify whether that credit rating is (i) issued by a credit rating agency established in the EEA and registered under the CRA Regulation or (ii) issued by a credit rating agency which is not established in the EEA but will be endorsed by a credit rating agency which is established in the EEA and registered under the CRA Regulation or (iii) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation.

2 The Issuer's business

2.1 The strategy of the Group

A summary is given below of the strategy of the Group, where KBC Bank NV is essentially responsible for the banking business and KBC Insurance NV for the insurance business.

The Group's strategy rests on four principles:

- The Group places its clients at the centre of everything it does.
- The Group looks to offer its clients a unique bank-insurance experience.
- The Group focuses on the Group's long-term development and aims to achieve sustainable and profitable growth. Please refer to the Issuer's Sustainability Report 2023 for further information in this respect[2] as well as pages 42-62 of the Issuer's 2023 annual report.
- The Group assumes its role to society and local economies.

The Group implements its strategy within a strict risk, capital and liquidity management framework.

As part of its PEARL+ business culture (see the Issuer's 2023 annual report, which is incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*"), it focuses on jointly developing solutions, initiatives and ideas within the group.

A summary of the Group's strategy is set out on pages 29 to 66 of the Issuer's 2023 annual report, which is incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

2.2 General description of the activities of the Group

The Group is an integrated bank insurance group, catering mainly for retail, private banking, small and medium sized enterprises ("**SMEs**") and mid-cap clients. Its geographic focus is on Europe. In its "home" (or "core") markets Belgium, the Czech Republic, the Slovak Republic, Hungary and Bulgaria, the Group has important and (in some cases) even leading positions (based on internal data). The Group is also present in other countries where the primary focus is on supporting the corporate clients of the home markets.

The Group's core business is retail and private bank-insurance (including asset management), although it is also active in providing services to corporations and market activities. Across most of its home markets, the Group is active in a large number of products and activities, ranging from the plain vanilla deposit, credit, asset management and insurance businesses to specialised

[2] Available at: https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2023/csr-sr-2023.pdf. This document is not incorporated by reference into, and does not form part of, this Prospectus, and has not been scrutinised or approved by the FSMA.

activities such as, but not exclusively, payments services, dealing room activities (money and debt market activities), brokerage and corporate finance, foreign trade finance, international cash management, leasing, etc.

2.3 Network (as at 31 December 2023)

Distribution network in Belgium:	434 bank branches, 292 insurance agencies, various electronic channels
Distribution network in Central and Eastern Europe (Czech Republic, Slovak Republic, Hungary and Bulgaria):	720 bank branches, insurance via various channels (agents, brokers, multi-agents, etc.), various electronic channels
Distribution network in the rest of the world:	mainly 12 bank branches of KBC Bank

2.4 Activities in Belgium

Market position in the Belgian market of the Group's network in Belgium, as at 31 December 2023*

434 bank branches

292 insurance agencies

Estimated market share of 20% for traditional banking products, 27% for investment funds, 12% for life insurance and 9% for non-life insurance

Approx. 3.9 million customers

* *Market shares and customer numbers: based on own estimates and latest available data. Share for traditional bank products: average estimated market share for loans and deposits. Market share for life insurance: based on reserves.*

The Group has a network of 434 bank branches and 292 insurance agencies in Belgium: KBC Bank and KBC Insurance NV branches in Flanders, CBC Banque SA and CBC Assurances SA branches in Wallonia and KBC Brussels branches in the Brussels area. The branches focus on providing clients with a broad area of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products (in cooperation with the Issuer's subsidiary, KBC Insurance NV) and other specialised financial banking products and services. KBC Bank's bricks-and-mortar networks in Belgium are supplemented by electronic channels, such as ATMs, telephones and the Internet (including a mobile banking app). The Group serves, based on its own estimates, approximately 3.9 million clients in Belgium.

The Group considers itself to be an integrated bank-insurer. Certain shared and support services are organised at Group level, serving the entire Group, and not just the bank or insurance businesses separately. It is the Group's aim to continue to actively encourage the cross-selling of bank and insurance products. The success of the Group's integrated bank-insurance model is in part due to the cooperation that exists between the bank branches and the insurance agents of KBC Insurance NV and CBC Assurances, whereby the branches sell standard insurance products to retail customers and refer their customers to the insurance agents for non-standard products. Claims-handling is the responsibility of the insurance agents, the call centre and the head office departments at KBC Insurance NV.

At the end of 2023, the Group had, based on its own estimates (see table above), a 20% share of traditional banking activities in Belgium (the average of the share of the lending market and the deposit market). Over the past few years, KBC Group has built up a strong position in investment funds too, with an estimated market share of approximately 27%.

The Group's share of the insurance market came to an estimated 12% for life insurance and 9% for non-life insurance.

Client expectations have shifted enormously in recent years, with efficient and user-friendly products and services becoming the norm, powered by technology. For that reason, the Group has been engaged for several years now in the digitalisation of processes that allow simple, high-quality products to be brought to clients in a smooth and rapid manner. For a few years now, it has been designing products, services and processes from a 'digital-first' perspective. This implies that they were modified before being digitalised to make them simpler, more user-friendly and scalable and that they allow a fast and appropriate response to clients' questions and expectations. For clients who so desire, the Group will use the available data in an intelligent and appropriate manner, as the Group has seen that clients increasingly demand more proactive and personal products and services in addition to speed and simplicity. This is why the Group is transitioning from an omnichannel distribution model towards a digital-first distribution model. The human factor remains important in both models and KBC's staff and branches will be fully at the disposal of its clients. In a digital-first distribution model, digital interaction with clients will form the initial basis. The Group therefore aims over time to provide all relevant commercial solutions via mobile applications. In addition to a digital product range, The Group will offer clients digital advice and develop all processes and products as if they were sold digitally. For clients who so wish, Kate – the Group's personal digital assistant – plays an important role in digital sales and advisory, so that personalised and relevant solutions can be offered proactively. Clients can personally ask Kate questions regarding their basic financial transactions. They also receive regular discrete and proactive proposals at appropriate times on their mobile app to ensure maximum convenience. Clients are entirely free to choose whether or not to accept a proposal. If they do, the solution will be offered and processed completely digitally. In 2022, the group introduced the Kate Coin. Since the start of 2023, KBC clients have been able to acquire Kate Coins when purchasing certain products or services from it, such as a home loan, home insurance or saving spare change. They can then use the Kate Coins to save money by exchanging them for additional benefits and cashbacks. For instance, KBC clients can exchange Kate Coins when purchasing an investment plan, a prepaid card, personal accident insurance or family insurance and immediately enjoy a cashback. An entirely new feature is that Kate Coins can be acquired or spent when purchasing from one of KBC's commercial partners. Clients receive a cashback immediately or after their next purchase with the same partner. The partners themselves determine the conditions and timing of their offer. KBC will systematically keep expanding the range of options and the collaboration with partners. In KBC Mobile, clients will be able to check out new partners where they can earn money, and in their Kate Coin Wallet they can see how many Kate Coins they have earned and spent with KBC and the various partners.

Over the past few years, the group has thus launched a number of concepts and building blocks such as Digital First, Bank-insurance+, Kate and Kate Coins, which create added value when they interact. The group is now bringing these components together in 'ecosystems', in which it will offer its clients a new type of service, supporting them every step of the way in their search for solutions to housing, mobility, energy and other issues, using its own products and services as well as those of KBC's partners and suppliers. This enables its clients to save and earn money in and beyond the traditional banking and insurance environment.

Employees in the branch network and contact centres continue to function as a beacon of trust for the clients. The human touch is particularly important in more complex services and solutions and in matters requiring emotional intelligence. The Group's employees will also support, encourage and monitor use of digital processes, assisted by artificial intelligence, data and data analysis. To guarantee the clients maximum ease of use and to be able to offer a growing number of possibilities via Kate, the Group will also change its internal processes, the way it supplies its products and services, and how it organises itself internally. At the same time, this will require a further change in mentality and in-service training for staff. For instance, Kate automates certain administrative acts, helping clients as well as employees save time. The Group's employees use this extra time to connect with clients and speak with them about anything that might be on their minds. Kate also helps prepare for appointments, which again saves employees time.

In the Group's financial reporting, the Belgian activities are combined into a single Belgium Business Unit. The results of the Belgium Business Unit comprise the activities of KBC Bank NV and KBC Insurance NV, and their Belgian subsidiaries, the most important of which are CBC Banque, KBC Asset Management, KBC Lease Group (Belgium) and KBC Securities.

The Group's aim in Belgium is:

- To continue pursuing its strategy of putting the interests of the client at the heart of all the products and services it develops and at the centre of everything it does. The focus here is on a 'digital first' approach with a human touch, and on investing in the seamless integration of the various distribution channels. The Group is working on the further digitalisation of its banking, insurance and asset management services and exploiting new technologies and data to provide clients with more personalised and proactive solutions.
- Its digital assistant 'Kate' features prominently in this regard. It allows the Group to help its clients save time and earn money, in which Kate Coins play a vital role.
- To support these activities, the Group is also fully engaged in introducing end-to-end straight-through processing into all commercial processes, making full use of all technological capabilities such as artificial intelligence. In this way, the group increases efficiency, allowing it to invest in a strong network boating more expertise.
- The Group collaborates to this end with partners through 'eco-systems' that enable it to offer clients comprehensive solutions. It is also integrating a range of selected partners into own mobile app and making products and services available in the distribution channels of third parties.
- To grow bank-insurance further at CBC in specific market segments and to expand the accessibility in Wallonia, again with a strong focus on 'Digital first with a human touch'.
- To work tirelessly on the ongoing optimisation of its bank-insurance model in Belgium. As regards the insurance component, specific focus lies on further growth in the coming years.
- To express its commitment to Belgian society by leading the way in the sustainability revolution. The Group is making its banking, insurance and asset management products more sustainable to create financial leverage in achieving global climate targets. It aims to be more than a provider of pure bank-insurance services: as a partner in the climate transition, it is working with other partners on developing housing, mobility and energy solutions. The Group also continues to focus on financial literacy, entrepreneurship and

population ageing. Please refer to the Issuer's Sustainability Report 2023 for further information in this respect[3] as well as pages 42-62 of the Issuer's 2023 annual report.

2.5 Activities in Central and Eastern Europe

Market position in 2023*	Czech Republic	Slovak Republic	Hungary	Bulgaria
Bank branches	198	99	195	228
Insurance agencies	Various distribution channels	Various distribution channels	Various distribution channels	Various distribution channels
Customers (millions)	4.3	0.8	1.6	2.2
Market shares (estimates by the issuers)				
– Bank products	21%	12%	11%	19%
– Investment funds	25%	7%	11%	14%
– Life insurance	7%	2%	3%	32%
– Non-life insurance	10%	5%	7%	12%

* Market shares and customer numbers: based on own estimates and latest available data. For bank products: average estimated market share for loans and deposits. For life insurance: based on premiums.

In the Central and Eastern European region, the Group focuses on four home countries, being the Czech Republic, the Slovak Republic, Hungary and Bulgaria. The main Central and Eastern European entities of the Group in those home markets are United Bulgarian Bank (ex-Raiffeisenbank Bulgaria, acquired in 2022) and DZI Insurance in Bulgaria, ČSOB and ČSOB Poist'ovna in the Slovak Republic, ČSOB and ČSOB Pojist'ovna in the Czech Republic, and K&H Bank and K&H Insurance in Hungary. The Group reached agreement with NN in February 2021 to acquire its Bulgarian pension and life insurance businesses, a move that will enable it to further consolidate its position on its Bulgarian home market. That acquisition was completed in July 2021. In November 2021, KBC reached agreement on another acquisition in Bulgaria: Raiffeisenbank (Bulgaria), a universal bank in Bulgaria offering private individuals, SMEs and business clients a full range of banking, asset management, leasing and insurance services. The transaction was completed in July 2022. The acquisition will also create ample opportunity for insurance cross-selling with DZI. The legal merger between Raiffeisenbank (Bulgaria) and the Group's existing banking subsidiary United Bulgarian Bank was effected in April 2023.

In its four home countries, the Group now caters to roughly 9 million customers. This customer base makes KBC Group one of the larger financial groups in the Central and Eastern European region. The Group companies focus on providing clients with a broad area of credit (including mortgage loans), deposit, investment fund and other asset management products, insurance products and other specialised financial products and services. As is the case in Belgium, the bricks-and-mortar networks in Central and Eastern Europe are supplemented by electronic channels, such as ATMs, telephone and the internet. As regards the digital first strategy, including the digital assistant Kate, please refer to the previous section on Activities in Belgium.

[3] Available at: https://www.kbc.com/content/dam/kbccom/doc/investor-relations/Results/jvs-2023/csr-sr-2023.pdf. This document is not incorporated by reference into, and does not form part of, this Prospectus, and has not been scrutinised or approved by the FSMA.

The Group's bank-insurance concept has over the past few years been exported to its Central and Eastern European entities. In order to be able to do so, KBC Group has built up a second home market in Central and Eastern Europe in insurance. KBC Group has an insurance business in every Central and Eastern European home country. Contrary to the situation of KBC Group in Belgium, the Group's insurance companies in Central and Eastern Europe operate not only via tied agents (and bank branches) but also via other distribution channels, such as insurance brokers and multi-agents.

The Group's estimated market share as at 31 December 2023 (the average of the share of the lending market and the deposit market, see table above) amounted to 21% in the Czech Republic, 12% in the Slovak Republic, 11% in Hungary, and 19% in Bulgaria (rounded figures). The Group also has a strong position in the investment fund market in Central and Eastern Europe (estimated at 25% in the Czech Republic, 7% in the Slovak Republic, 11% in Hungary and 13% in Bulgaria) as at 31 December 2023. The estimated market shares in insurance are (figures for life and non-life insurance, respectively): Czech Republic: 7% and 9%; Slovak Republic: 2% and 5%; Hungary: 3% and 7%; and Bulgaria: 32% and 12% as at 31 December 2023.

In the Group's financial reporting, the Czech activities are separated in a single Czech Republic Business Unit, whereas the activities in the other Central and Eastern European countries, are combined into the International Markets Business Unit. The Czech Republic Business Unit hence comprises all KBC's activities in the Czech Republic, consisting primarily of the activities of the ČSOB group (under the ČSOB, Postal Savings Bank, Patria and ČSOB Stavební sporitelna brands) and the insurer ČSOB Pojišt'ovna. The International Markets Business Unit comprises the activities conducted by entities in the other (non-Czech) Central and Eastern European core countries, namely ČSOB and ČSOB Poist'ovna in the Slovak Republic, K&H Bank and K&H Insurance in Hungary and UBB and DZI Insurance in Bulgaria.

The focus of the Group in the future is the following:

- in relation to the Czech Republic Business Unit:
    - To retain its reference position in banking and insurance services by offering its retail, SME and mid-cap clients a hassle-free, no-frills client experience.
    - To use data and AI to offer personalised solutions proactively to its clients, including via Kate, its personalised digital assistant.
    - To continue the further digitalisation of its services and to introduce new and innovative products and services, including open bank-insurance solutions aimed at boosting the financial well-being of its clients.
    - To concentrate on rolling out straight through processing and further simplifying products, head office, distribution model, in order to enable it to operate even more cost-effectively.
    - To further increase the active client base and further strengthen its market position, especially in insurance and investment services and home loans.
    - To cultivate and nurture strong relationships with its clients by offering them 'beyond banking' activities, products and services.
    - To further strengthen its corporate culture, with a strong focus on results, clients, the ability to adapt and cooperation.

- To become the reference in advisory services in terms of climate change and sustainable lending and investments. To also express its social engagement To also express its social engagement by focusing on financial literacy, entrepreneurship, population ageing and cybersecurity;

- in relation to the International Markets Business Unit:
  - The updated group strategy presents a number of opportunities for all countries in the business unit, viz.:
    - To further develop new and unique 'bank-insurance+' propositions.
    - To continue digitally upgrading their distribution model.
    - To drive up the volume of straight-through and scalable processing.
    - To increase the capacity in relation to data and AI to enable them to proactively offer relevant and personalised solutions.
    - To selectively expand activities with a view to securing a top-three position in banking and insurance.
    - To implement a socially responsible approach in all countries, with a particular focus on environmental awareness, financial literacy, entrepreneurship and health, and be a pioneer for sustainability in all countries.
- Country-specific:
  - In Bulgaria the focus lies on the operational merger between UBB and the acquired Raiffeisenbank Bulgaria to create the leading bank in Bulgaria, including in the area of digitalisation and innovation, and the reference in bank-insurance in all segments. The groups' insurer, DZI, is likewise maintaining its goal of growing faster than the market in both life and non-life insurance.
  - In Hungary the focus lies on vigorous client acquisition in banking, to become the undisputed leader in the area of innovation. The aim is also to expand the insurance activities substantially, primarily through sales at bank branches for life insurance and both online and via agents, brokers and bank branches for non-life insurance.
  - In Slovakia the aim is to maintain KBC's robust growth in strategic products (i.e. home loans, consumer finance, SME funding, leasing and insurance), partly through cross-selling to group clients and via digital channels. Other priorities include the sale of funds and increased fee income.

An overview of the Group's recent acquisitions is set out in the chapter "*We focus on sustainable and profitable growth*" of the Issuer's 2023 annual report, which is incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

2.6 Activities in the rest of the world

A number of companies belonging to the Group are also active in, or have outlets in, countries outside the home markets, among which KBC Bank, which has a network of foreign branches and KBC Bank Ireland (until finalisation of the sale in February 2023). Please also refer to the

list of main companies under the section entitled "*Main companies belonging to the Group (as at 31 December 2023)*" above or the full list which is available on www.kbc.com.

KBC Bank Ireland

In February 2022, KBC Bank Ireland sold nearly all of its non-performing mortgage loan portfolio of roughly 1.1 billion euros in a transaction financed by funds managed by CarVal Investors. In October 2021, KBC Bank Ireland confirmed that it had entered into a legally binding agreement with Bank of Ireland relating to the sale of substantially all of KBC Bank Ireland's performing loan assets and its deposit book to Bank of Ireland Group. As part of the transaction, the latter also acquired a small non-performing mortgage loan portfolio. The Irish Competition and Consumer Protection Commission (CCPC) approved the transaction in May 2022, and the Irish Minister for Finance gave his approval in early December 2022. The transaction was ultimately finalised in early February 2023.

In the Group's financial reporting, KBC Bank Ireland was included in 'Group Centre' as of 2022.

Foreign branches of KBC Bank

The foreign branches of KBC Bank are located mainly in Western Europe, Southeast Asia and the U.S. and focus on serving customers that already do business with KBC Bank's Belgian or Central and Eastern European network.

In the Group's financial reporting, the foreign branches of KBC Bank are part of the Belgium Business Unit.

2.7 Group Centre

The three business units (Belgium, Czech Republic and International Markets) are supplemented by the group centre. The group centre includes, among other things, costs related to the holding of participations and the results of the remaining companies or activities earmarked for divestment or in run-down. As of 2022, KBC Bank Ireland was included in the Group Centre.

2.8 Competition

All of the Group's operations face competition in the sectors they serve.

Depending on the activity, competitor companies include other commercial banks, saving banks, loan institutions, consumer finance companies, investment banks, brokerage firms, insurance companies, specialised finance companies, asset managers, private bankers, investment companies, fintech and e-commerce companies etc.

In both Belgium and Central and Eastern Europe, the Group has an extensive bank-insurance network of branches, insurance agencies and other distribution channels. The Group believes most of its companies have strong name brand recognition in their respective markets.

In Belgium, the Group is perceived as belonging to the top three (3) financial institutions. For certain products or activities, the Group estimates it has a leading position (e.g. in the area of investment funds). The main competitors in Belgium are BNP Paribas Fortis, Belfius, ING, Ageas, Ethias and AXA, although for certain products, services or markets, other financial institutions may also be important competitors.

In its Central and Eastern European home markets, the Group is one of the important financial groups, occupying significant positions in banking and insurance (see market shares). In this respect, the Group competes, in each of these countries, against local financial institutions, as

well as subsidiaries of other large foreign financial groups (such as Erste Bank, Unicredit and others).

2.9 Staff

As at the end of 2023, the Group had on a consolidated basis, about 41,000 employees (this is around 39,000 in full time or equivalent-numbers), the majority of whom were located in Belgium (largely employed by KBC Bank) and Central and Eastern Europe. In addition to consultations at works council meetings and at meetings with union representatives and with other consultative bodies, the Group also works closely in other areas with employee associations. There are various collective labour agreements in force.

2.10 Risk management

Mainly active in banking, insurance and asset management, the Group is exposed to a number of typical risks such as – but certainly not exclusively – credit risk, market risks, movements in interest rates and exchange rates, currency risk, liquidity risk, insurance underwriting risk, operational risk, exposure to emerging markets, changes in regulations and customer litigation as well as the economy in general. Material risk factors affecting the Issuer are mentioned in the section entitled "*Risk Factors*".

Risk management in the Group is effected group-wide. An overview of KBC Group's risk management approach is set out in the section entitled "*How do we manage our risks?*" on pages 88 to 131 of the Issuer's 2023 annual report, which is incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

More detailed information can be found in the Issuer's 2023 risk report, which is available at www.kbc.com. The Issuer's 2023 Risk Report is not incorporated by reference into and does not form part of this Prospectus and has not been scrutinised or approved by the Belgian FSMA.

2.11 Banking supervision and regulation

Introduction: supervision by the European Central Bank

KBC Bank, a credit institution governed by the laws of Belgium, is subject to detailed and comprehensive regulation in Belgium, and is supervised by the European Central Bank ("**ECB**"), acting as the supervisory authority for prudential supervision of significant financial institutions. The ECB exercises its prudential supervisory powers by means of application of EU rules and national (Belgian) legislation. The supervisory powers conferred to the ECB include, amongst others, the granting and withdrawal of authorisations to and from credit institutions, the assessment of acquisitions and disposals of qualifying holdings in credit institutions, ensuring compliance with the rules on equity, liquidity, statutory ratios and the carrying out of supervisory reviews (including stress tests) for credit institutions.

Since November 2014, the ECB holds certain supervisory responsibilities which were previously handled by the NBB pursuant to Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions ("**Single Supervision Mechanism**" or "**SSM**"). Pursuant to Regulation (EU) n° 468/2014 of 16 April 2014 establishing a framework for cooperation within the Single Supervisory Mechanism between the ECB and national competent authorities, a joint supervisory team has been established for the prudential supervision of KBC Bank (and of the Issuer). This team is composed of staff members from the ECB and from the national supervisory authority (in casu the NBB) and working under the coordination of an ECB staff member.

The Belgian FSMA, an autonomous public agency, is in charge of the supervision of conduct of business rules for financial institutions and financial market supervision.

EU directives (as implemented through legislation adopted in each Member State, including Belgium) and regulations have had and will continue to have a significant impact on the regulation of the banking business in the EU. The general objective of these EU directives and regulations is to promote the realisation of a unified internal market for banking services and to improve standards of prudential supervision and market efficiency through harmonisation of core regulatory standards and mutual recognition among EU Member States of regulatory supervision and, in particular, licensing.

Supervision and regulation in Belgium

The banking regime in Belgium is governed by the Law of 25 April 2014 on the legal status and supervision of credit institutions (the "**Belgian Banking Law**"). The Belgian Banking Law implements various EU directives, including, without limitation:

(i) Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, as amended by Directive (EU) 2019/878 of 20 May 2019, and as may be further amended or replaced from time to time ("**CRD**") and, where applicable, Regulation (EU) n° 575/2013 of the European Parliament and of the Council of 26 June 2013, as amended by Regulation (EU) 2019/876 of 20 May 2019, and as may be further amended or replaced from time to time ("**CRR**", and together with CRD, "**CRD IV**"), implementing the revised regulatory framework of Basel III in the European Union.

(ii) Directive 2014/59 of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended by Directive (EU) 2019/879 of 20 May 2019 ("**BRRD**") by setting up a new recovery and resolution regime for credit institutions which introduced certain tools and powers with a view to addressing banking crises pre-emptively in order to safeguard financial stability and minimise taxpayers' exposure to losses.

(iii) CRD IV applies in Belgium since 1 January 2014, subject to certain requirements being phased in over a number of years, as set out therein. The BRRD has formally been transposed into Belgian law by amending the Belgian Banking Law with effect from 16 July 2016. Directive (EU) 2019/878 of 20 May 2019 and Directive (EU) 2019/879 of 20 May 2019 have been transposed into Belgian law by the law of 11 July 2021 to ensure the transposition of Directive 2019/878 of the European Parliament and of the Council of 20 May 2019, Directive 2019/879 of the European Parliament and of the Council of 20 May 2019, Directive 2019/2034 of the European Parliament and of the Council of 27 November 2019, Directive 2019/2177 of the European Parliament and of the Council of 19 December 2019, Directive 2021/338 of the European Parliament and of the Council of 16 February 2021, thereby amending the Belgian Banking Law.

(iv) Regulation (EU) 2022/2036 of 19 October 2022 amending Regulation (EU) No 575/2013 and Directive 2014/59/EU 2022 as regards the prudential treatment of global systemically important institutions with a multiple-point-of-entry resolution strategy and methods for the indirect subscription of instruments eligible for meeting the minimum requirement for own funds and eligible liabilities.

The Belgian Banking Law sets forth the conditions under which credit institutions may operate in Belgium and defines the regulatory and supervisory powers of the ECB and the NBB. The

main objective of the Belgian Banking Law is to protect public savings and the stability of the Belgian banking system in general.

On 28 April 2020, the European Commission adopted a banking package aimed at facilitating bank lending to support the economy and help mitigate the economic impact of COVID-19. The European Commission proposed a few targeted "quick fix" amendments to the EU's banking prudential rules in the CRR in order to maximise the ability of banks to lend and absorb losses related to COVID-19. Pursuant to Regulation (EU) 2020/873 of the European Parliament and of the Council of 24 June 2020 amending Regulations (EU) No 575/2013 and (EU) 2019/876 , the date of application of a number of requirements under the CRR, such as the leverage ratio buffer, was deferred to 1 January 2023. These requirements have since entered into force.

On 27 October 2021, the European Commission has adopted a review of the CRR and the CRD (the "**2021 Banking Package**") in order to ensure that European banks become more resilient to potential future economic shocks, while contributing to Europe's recovery from the COVID-19 pandemic and the transition to climate neutrality.

In December 2023, the preparatory bodies of the Council and the European Parliament have endorsed the 2021 Banking Package. The text is subject to a final vote by the European Parliament before publication in the Official Journal. The new CRR rules are expected to apply as from 1 January 2025 and the new CRD rules are expected to apply as from autumn 2026.

On 27 February 2024, the European Parliament adopted the legislative resolution on the proposal for a directive of the European Parliament and of the Council amending Directive 2014/59/EU and Regulation (EU) No 806/2014 as regards certain aspects of the minimum requirement for own funds and eligible liabilities.

Supervision of credit institutions

All Belgian credit institutions must obtain a license from the ECB before they may commence operations. In order to obtain a license and maintain it, each credit institution must fulfil numerous conditions, including certain minimum paid-up capital requirements.

In addition, any shareholder holding, directly or indirectly, individually or acting in concert with another person or persons, a 'qualifying holding' in the credit institution (i.e. a direct or indirect holding which represents 10% or more of the capital or the voting rights or which makes it possible to exercise a significant influence over the management of that institution) must be of "fit and proper" character to ensure proper and prudent management of the credit institution. Prior notification to the NBB and non-opposition by the ECB is required each time a person decides to acquire a qualifying holding in a credit institution or to further increase such qualifying holding as a result of which the proportion of the voting rights or of the capital held would reach or excess 20%, 30% or 50%, or so that the credit institution would become its subsidiary. If the ECB considers that the influence of such a shareholder in a credit institution jeopardises its sound and prudent management, it may suspend the voting rights attached to this participation and, if necessary, request that the shareholder transfers to a third party its participation in the credit institution.

Furthermore, a shareholder who decides to dispose, directly or indirectly, of a qualifying holding or to reduce it so that the proportion of the voting rights or of the capital held would fall below 10%, 20%, 30% or 50% or so that the credit institution would cease to be its subsidiary must notify the ECB and NBB thereof. The Belgian credit institution itself is obliged to notify the ECB of any such transfer when it becomes aware thereof.

Moreover, every shareholder acquiring a holding or increasing its holding (directly or indirectly, individually, or acting in concert with third parties) to 5% or more of the voting rights or of the capital without acquiring a qualifying holding, must notify the ECB and NBB thereof within 10 working days. The same shall apply to a shareholder who no longer holds, directly or indirectly, more than 5% of the voting rights or capital in a credit institution.

The above-mentioned obligations are also triggered when a threshold is crossed due to a situation other than an acquisition or transfer.

The same provisions apply to the acquisition and disposal of holdings in KBC Group NV.

The Belgian Banking Law requires credit institutions to provide detailed periodic financial information to the ECB and, under certain circumstances, the Belgian FSMA. The ECB also supervises the enforcement of laws and regulations with respect to the accounting principles applicable to credit institutions. The ECB sets the minimum capital adequacy ratios applicable to credit institutions. The ECB may also set other ratios, for example, with respect to the liquidity and gearing of credit institutions. It also sets the standards regarding solvency, liquidity, risk concentration and other limitations applicable to credit institutions, and the publication of this information. The NBB may in addition impose capital requirements for capital buffers (including countercyclical buffer rates and any other measures aimed at addressing systemic or macro-prudential risks). In order to exercise its prudential supervision, the ECB may require that all information with respect to the organisation, the functioning, the position and the transactions of a credit institution be provided to it. Further, the ECB supervises, among other things, the management structure, the administrative organisation, the accounting and the internal control mechanisms of a credit institution. In addition, the ECB may conduct on-site inspections (with or without the assistance of NBB staff). The comprehensive supervision of credit institutions is also exercised through statutory auditors who cooperate with the supervisor in its prudential supervision. A credit institution selects its statutory auditor from the list of auditors or audit firms accredited by the NBB. Within the context of the European System of Central Banks, the NBB issues certain recommendations regarding monetary controls. The Issuer needs to comply with many of these requirements on a consolidated basis.

The Belgian Banking Law has introduced a prohibition in principle on proprietary trading as from 1 January 2015. However, certain proprietary trading activities are excluded from this prohibition. Permitted proprietary trading activities (including certified market-making, hedging, treasury management, and long-term investments) are capped, and these types of activities must comply with strict requirements on reporting, internal governance and risk management.

Bank governance

The Belgian Banking Law also puts a lot of emphasis on the solid and efficient organisation of credit institutions and introduces to that effect a dual governance structure at management level, specialised advisory committees within the Board of Directors (Audit Committee, Risk Committee, Remuneration Committee and Nomination Committee), independent control functions, and strict remuneration policies (including limits on the amount of variable remuneration, the form and timing for vesting and payment of variable remuneration, as well as claw-back mechanics).

The Belgian Banking Law makes a fundamental distinction between the management of banking activities, which is within the competence of the Executive Committee, and the supervision of management and the definition of the credit institution’s strategy and general and risk policy,

which is entrusted to the Board of Directors. In accordance with the Banking Law, KBC Bank has an Executive Committee, each member of which is also a member of the Board of Directors.

Pursuant to the Belgian Banking Law, the members of the Executive Committee and the Board of Directors need to permanently have the required professional reliability and appropriate experience. The same goes for the responsible persons of the independent control functions.

The NBB Governance Manual for the Banking Sector (the "**Governance Manual**") contains recommendations to assure the suitability of shareholders, management and independent control functions and the appropriate organisation of the business.

As required by the Belgian Banking Law and the Governance Manual, the KBC Group Internal Governance Memorandum [4] (the "**Governance Memorandum**") sets out the corporate governance policy applying to KBC Group and its subsidiaries and of which the governance memorandum of KBC Bank forms part. The corporate governance policy of a credit institution must meet the principles set out in the law and the Governance Manual. The most recent version of the Governance Memorandum was approved on 21 December 2023 by the Board of Directors of the Issuer, KBC Bank and KBC Insurance.

KBC Bank also has a Corporate Governance Charter which is published on www.kbc.com. This Corporate Governance Charter is not incorporated by reference into and does not form part of this Prospectus and has not been scrutinised or approved by the Belgian FSMA.

Solvency supervision

Capital requirements and capital adequacy ratios are provided for in the CRR, transposing the Basel III regulation into European law. CRR requires that credit institutions must comply with several minimum solvency ratios. These ratios are defined as Common Equity Tier 1 capital, Tier 1 capital and or total capital divided by risk-weighted assets. Risk weighted assets for credit risk are the sum of all assets and off-balance sheet items weighted according to the degree of credit risk inherent in them. The solvency ratios also take into account market risk and counterparty risk with respect to the bank's trading book (including interest rate and foreign currency exposure), operational risk, credit valuation adjustment risk and settlement risk in the calculation of the risk weighted assets. On top of the capital requirements defined by the solvency ratios, the regulation imposes a combined buffer requirement (see below).

Solvency is also limited by the leverage ratio, which compares Tier 1 capital to the total exposure measure (non-risk weighted).

The Issuer needs to comply with capital requirements and capital adequacy ratios on a consolidated basis.

The minimum solvency ratios required under CRD IV are 4.5% for the common equity tier-1 ("**CET1**") ratio, 6.0% for the tier-1 capital ratio and 8.0% for the total capital ratio (i.e., the pillar 1 minimum ratios). As a result of its supervisory review and evaluation process ("**SREP**") or its examination of internal approaches, the competent supervisory authority (in the Issuer's case, the ECB):

(i) can require the Issuer to maintain higher minimum ratios (i.e., the pillar 2 requirements which in 2016 have been split by the ECB in a pillar 2 requirement ("**P2R**") and a pillar

[4] This document is not incorporated by reference and does not form part of this Prospectus, and has hence not been scrutinised or approved by the FSMA.

2 guidance ("**P2G**", as further discussed below)) because, for instance, not all risks are properly reflected in the regulatory pillar 1 calculations.

(ii) can take other measures such as imposing the reservation of distributable profits in whole or in part, requiring that variable remuneration be limited to a percentage of the profits and requiring the Issuer to limit the risk associated with certain activities or products or with its organisation, where appropriate by imposing the total or partial transfer of its business or network.

On top of this, a number of additional buffers have to be put in place, including a capital conservation buffer of 2.5%, a buffer for systemically important banks ("**O-SII buffer**", to be determined by the national competent authority), a systemic risk buffer to address systemic risks of a long-term, non-cyclical nature (determined by the national competent authority), and a countercyclical buffer (between 0% and 2.5%, likewise to be determined by the national competent authority). These buffers constitute the "combined buffer requirements" applicable to the Issuer.

In addition to the pillar 1 requirement, the P2R and the combined buffer requirements, the ECB can also set a "Pillar 2" capital guidance ("**P2G**"). The Issuer is expected to meet the P2G with CET1 capital on top of the level of binding capital requirements. P2G is not directly binding and a failure to meet it does not automatically trigger legal action, even though the ECB expects credit institutions or holding companies to meet the P2G. However, CRD provides that when an institution repeatedly fails to meet the P2G, the competent authority should be entitled to take supervisory measures and, where appropriate, to impose additional own funds requirements.

The following table provides an overview of the fully loaded CET1 ratio requirement at the level of the Issuer on a consolidated basis as at 30 June 2024:

KBC Group

Pillar 1 minimum requirement (P1 min)	4.50%
Pillar 2 requirement (P2R)	1.05%
Conservation buffer	2.50%
O-SII buffer	1.50%
Systemic risk buffer	0.14%
Countercyclical buffer*	1.16%
Overall capital requirement (OCR)	10.85%
CET1 requirement for MDA**	11.18%
CET1 used to satisfy shortfall in AT1 bucket***	0.34%
CET1 used to satisfy shortfall in T2 bucket***	0.00%

* The fully loaded countercyclical buffer of the Issuer takes into account all known buffer rates of the national authorities as at 30-06-2024.

** Maximum Distributable Amount under CRD. The 1.5% Pillar 1 minimum requirement and 0.35% Pillar 2 requirement for additional tier-1 capital is not completely filled-up with additional tier-1. The shortfall is satisfied with CET1 capital.

*** CET1 capital used to satisfy the shortfall in the AT1 and T2 buckets for both the pillar 1 minimum and the pillar 2 requirement. The fully loaded T2 capital excludes the T2 instruments grandfathered under CRR2; these T2 instruments are included in the actual (transitional) T2 capital for the period of grandfathering, in line with CRR2 and the COREP 3.0 reporting framework (introduced as from 2Q 2021 reporting).

As at 30 June 2024, P2G for the Issuer stood at 1.25%.

KBC Group clearly exceeds these targets: on 30 June 2024, the fully loaded CET1 ratio for the Issuer came to 15.1%, (15.3% at 31 December 2023) which represented a capital buffer of EUR 4,492 million relative to the fully loaded CET1 requirement for MDA of 11.18%. The leverage ratio (Basel III, fully loaded) stood at 5.5% (5.7% at 31 December 2023) relative to the minimum requirement of 3.1% (including 0.1% Pillar 2 requirement defined by the competent authority at the level of the leverage ratio).

The payment of dividends by Belgian credit institutions is not limited by Belgian banking regulations, except indirectly through capital adequacy and solvency requirements when capital ratios fall below certain thresholds. The pay-out is further limited by the general provisions of Belgian company law. Share buybacks may only be performed if the prior permission of the competent supervisory authority has been obtained.

As set out in more detail in the risk factor "*The Issuer may elect not to pay interest on the Securities or in certain circumstances be required not to pay such interest*", distributions related to Additional Tier-1 Capital Instruments (including the Securities) (i) cannot cause the Distributable Items of the Issuer to be exceeded; (ii) are limited in case of a breach of the combined buffer requirement; (iii) can be limited by the Relevant Resolution Authority in case of a breach of the combined buffer requirement when considered in addition to the minimum requirement for own funds and eligible liabilities ("**MREL**"). In addition, the Competent Authority has wide ranging powers given to it to order the Issuer to cancel interest payments on Additional Tier 1 Capital such as the Securities. Any accrued but unpaid interest will be cancelled up to the Trigger Event Write-down Date following the occurrence of a Trigger Event (each term as defined in the Conditions).

Large exposure supervision

European regulations ensure the solvency of credit institutions by imposing limits on the concentration of risk in order to limit the impact of failure on the part of a large debtor. For this purpose, credit institutions must limit the amount of risk exposure to any single counterparty to 25% of the Tier 1 capital. European regulations also require that the credit institutions establish procedures to contain concentrations on economic activity sectors and geographic areas. The Issuer needs to comply with these requirements on a consolidated basis.

Money laundering

Belgium has implemented Directive (EU) 2015/849 (amended amongst others by Directive EU 2018/843) of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, by the law of 18 September 2017 (amended amongst others by the law of 20 July 2020) of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, by the law of 18 September 2017 on the prevention of money laundering, terrorist financing and on the limitation of the use of cash (the "**Law of 18 September 2017**"). This legislation contains a preventive system imposing a

number of obligations in relation to money laundering and the financing of terrorism. These obligations are related, among other things, to the identification of the client, special attention for unusual transactions, internal reporting, processing and compliance mechanisms with the appointment of a compliance officer, and employee training requirements. A risk-based approach assumes that the risks of money laundering and terrorism financing may take various forms. Accordingly, businesses/individuals subject to the Law of 18 September 2017 do have to proceed to a global assessment of the risks they are facing and formulate efficient and adequate measures. The definition of politically exposed people has been broadened and encompasses not only national persons who are or who have been entrusted with prominent public functions residing abroad, but also those residing in the country. Member States also have to set up a central register which identifies the ultimate beneficial owner of companies and other legal entities. Payments/donations in cash are capped at EUR 3,000. Member States must also provide for enhanced customer due diligence measures for the obliged entities to apply when dealing with natural persons or legal entities established in high-risk third countries.

When, after investigation, a credit or financial institution suspects money laundering to be the purpose of a transaction, it must promptly notify an independent administrative authority, the Financial Intelligence Unit. This Unit is designated to receive reports on suspicious transactions, to investigate them and, if necessary, to report to the criminal prosecutors to initiate proceedings. The NBB has issued guidelines for credit and financial institutions and supervises their compliance with the legislation. Belgian criminal law specifically addresses criminal offences of money-laundering (Article 505, subsection 1, 2°-4° of the Criminal Code) and sanctions them with a jail term of a minimum of fifteen days and a maximum of five years and/or a fine of a minimum of EUR 26 and a maximum of EUR 100,000 (to be multiplied by 8) or, for legal entities, a fine of a minimum of EUR 500 and a maximum of EUR 200,000 (to be increased with the additional penalty or, in other words, to be multiplied by 8).

Following an inspection of the NBB on Governance and Transaction Monitoring, the Issuer has taken the necessary measures to adjust a.o. its AML policy so that most of the recommendations have been closed. The NBB is monitoring the implementation and the remaining action points and their implementation is on track in line with the action plan.

Consolidated supervision – supplementary supervision

KBC Group NV has been approved by the ECB as a mixed financial holding company. To the extent and in the manner provided for in Book 2, Title III, Chapter IV, Sections II and IV of the Belgian Banking Law and their implementing decrees and regulations, KBC Group is subject to supervision on the basis of its consolidated position.

KBC Bank is subject to consolidated supervision by the ECB on the basis of the consolidated financial situation of KBC Group NV, which covers among other things solvency as described above, pursuant to Articles 165 and following of the Belgian Banking Law. As a subsidiary of a Belgian mixed financial holding company (KBC Group NV) and part of a financial conglomerate, KBC Bank is also subject to the supplementary supervision by the ECB, according to Directive 2011/89/EU of 16 November 2011 amending Directives 98/78/EC, 2002/87/EC, 2006/48/EC and 2009/138/EC as regards the supplementary supervision of financial entities in a financial conglomerate (implemented in Articles 185 and following of the Belgian Banking Law). The supplementary supervision relates to, among other things, solvency, risk concentration and intra-group transactions and to enhanced reporting obligations.

The consolidated supervision and the supplementary supervision will be aligned as much as possible, as described in Article 170 of the Belgian Banking Law.

KBC Asset Management

As from June 2005, the status of KBC Asset Management has been changed from "investment firm" to a "management company of undertakings for collective investment in transferable securities (UCITS)" (a "**UCITS-management company**"). Its activities are, inter alia, the management of UCITS and the management of portfolios of investments in accordance with mandates given by investors on a discretionary, client-by-client basis. KBC Asset Management is subject to detailed, comprehensive regulation in Belgium, supervised by the Belgian FSMA.

The UCITS-management company regime in Belgium is governed by the Law of 3 August 2012 regarding collective investment undertakings that comply with the conditions of Directive 2009/65/EC and the undertakings for the investment in receivables (the "**Law of 3 August 2012**"). The Law of 3 August 2012 implements various European Directives. It regulates management companies and sets forth the conditions under which UCITS-management companies may operate in Belgium; furthermore, it defines the regulatory and supervisory powers of the Belgian FSMA.

The regulatory framework concerning supervision on UCITS-management companies is mostly similar to the regulation applicable to investment firms. The Law of 3 August 2012 contains, inter alia, the following principles:

- certain minimum paid-up capital requirements and rules relating to changes affecting capital structure;
- obligation for management companies to carry out their activities in the interests of their clients or of the UCITS they manage (e.g. creation of Chinese walls);
- obligation to provide, on a periodical basis, a detailed financial statement to the Belgian FSMA;
- supervision by the Belgian FSMA; and
- subjection to the control of the statutory auditor.

Bank recovery and resolution

The Belgian Banking Law establishes a range of instruments to tackle potential crises of credit institutions at three stages:

Preparation and prevention

KBC Group NV has to draw up a group recovery plan, setting out the measures that would be taken to stabilise the group as a whole or each credit institution in the group if it is in a difficult financial situation, and which seek to address or remove the causes of difficulties and to restore the financial position of the group or credit institution, having regard also to the financial situation of other group entities to restore their financial position in the event of a significant deterioration to their financial position. This group recovery plan must, in principle, be updated at least annually or after a change to the legal or organisational structure of the institution, its business or its financial situation, which could have a material effect on, or necessitates a change to, the group recovery plan. In its review of the recovery plan, the ECB pays particular attention to the appropriateness of the capital and financing structure of the credit institutions, of the group, and

of group entities in relation to the degree of complexity of their organisational structure and their risk profile.

The Single Resolution Board ("**SRB**") will have to prepare a resolution plan for each significant Belgian credit institution or group, laying out the actions it may take if the conditions for resolution are met. The resolution college of the NBB has the same powers with regard to certain non-significant Belgian credit institutions. If the SRB or the resolution college identifies material impediments to resolvability during the course of this planning process, it can require a credit institution or parent undertaking to take appropriate measures, including changes to corporate and legal structures.

The SRB also sets the level of MREL for credit institutions and groups for which it is competent. This is meant to ensure that measure of write-down or conversion of capital instruments and eligible liabilities and the bail-in tool can be effectively applied if necessary. The MREL is calculated as the amount of own funds and eligible liabilities and expressed as a percentage of the total risk exposure amount and of the total exposure measure of the institution, calculated in each case in accordance with CRR.

The MREL requirements applicable to the Issuer are determined by the SRB on a consolidated basis.

In June 2024, the SRB formally communicated to the Group the new MREL targets applicable as from the second quarter of 2024, expressed as a percentage of Risk-Weighted Assets ("**RWA**") and the amount of Leverage Ratio Exposure ("**LRE**"):

- 28.30% of RWA (including transitional Combined Buffer Requirement ("**CBR**")[5] of 5.07% in the second quarter of 2024); and
- 7.42% of LRE.

Besides a total MREL amount, BRRD also requires the Issuer to maintain a certain part of MREL in subordinated format (i.e., instruments subordinated to liabilities, excluded from bail-in). The binding subordinated MREL targets applicable as from the second quarter of 2024 are:

- 23.87% of RWA (including the CBR of 5.07% in the second quarter of 2024); and
- 7.42% of LRE.

As at 30 June 2024, the MREL ratio stood at 32.1% as a percentage of RWA (compared to 30.7% as at 31 December 2023) and at 10.6% as a percentage of LRE (compared to 10.4% as at 31 December 2023).

The following table shows the MREL requirements compared to the MREL position of the Group on a consolidated basis as of 30 June 2024:

Requirement as % of RWAs	**MREL position**	**Requirement as from 30 June 2024**
MREL	32.1%	28.30%

[5] Combined Buffer Requirement (transitional) = Conservation Buffer (2.50%) + O-SII Buffer (1.50%) + Countercyclical Buffer (0.93%) + Systemic Risk Buffer (0.14%). It comes on top of the MREL target as a percentage of RWA.

Requirement as % of LREs	MREL position	Requirement as from 30 June 2024
MREL	10.6%	7.42%

Early intervention

The ECB/NBB disposes of a set of powers to intervene if credit institutions or certain parent undertakings face financial distress (e.g. when a credit institution is not operating in accordance with the provisions of the Belgian Banking Law or CRD IV), but before its financial situation deteriorates irreparably. These powers include the ability to dismiss the management and appoint a special commissioner, to convene a meeting of shareholders to adopt urgent reforms, to suspend or prohibit all or part of the credit institution's activities (including a partial or complete suspension of the execution of current contracts), to order the disposal of all or part of the credit institution's shareholdings or the transfer of all or part of the network, and finally, to revoke the license of the credit institution.

Resolution

Pursuant to the SRM Regulation, the Single Resolution Mechanism entered into force on 19 August 2014 and applies amongst others to credit institutions and groups which fall under the supervision of the ECB (the "**Single Resolution Mechanism**" or "**SRM**"). It established the SRB, a resolution decision-making authority replacing national resolution authorities (such as the resolution college of the NBB) for resolution decisions with regard to significant credit institutions and groups. The SRB is responsible since 1 January 2016 of vetting resolution plans and carrying out any resolution in cooperation with the national resolution authorities (the SRB together with the resolution college of the NBB is hereinafter referred to as the "**Resolution Authority**").

The Issuer and KBC Bank NV are within the scope of the Single Supervisory Mechanism.

The Resolution Authority can decide to take resolution measures if it considers that all of the following circumstances are present: (i) the determination has been made by the Resolution Authority, after consulting the competent authority, that a credit institution is failing or is likely to fail, (ii) there is no reasonable prospect that any alternative private sector measures or supervisory action can be taken to prevent the failure of the institution, and (iii) resolving the credit institution is necessary from a public interest perspective. The resolution tools are: (i) the sale of (a part of) the assets/liabilities or the shares of the credit institution without the consent of shareholders, (ii) the transfer of business to a temporary structure ("bridge bank"), (iii) the separation of clean and toxic assets and the transfer of toxic assets to an asset management vehicle and (iv) bail-in. In addition, the Resolution Authority can exercise certain resolution powers, pursuant to Articles 63 to 71 of the BRRD.

Bail-in is a mechanism to write down the bail-inable liabilities (liabilities and capital instruments that do not qualify as CET1, Additional Tier 1 instruments or Tier 2 instruments of an institution and that are not excluded from the scope of the bail-in tool) or to convert debt into equity, as a means of restoring the institution's capital position. The Resolution Authority is also empowered (and in certain circumstances required) to write down or convert capital instruments (such as Common Equity Tier 1-, Additional Tier 1- and Tier 2-instruments) and eligible liabilities, before

the conditions (i) to (iii) mentioned in the above paragraph are fulfilled, or together with the use of any resolution tools.

The applicability of the resolution tools and measures to credit institutions and certain parent undertakings that are part of a cross-border group are regulated by the SRM and Royal Decree of 26 December 2015 amending the Belgian Banking Law, which entered into force on 1 January 2016.

2.12 Insurance supervision and regulation

Introduction

KBC Insurance NV, an insurance company governed by the laws of Belgium, is subject to detailed, comprehensive regulation in Belgium, supervised by the NBB.

Since the implementation on 1 April 2011 of the "Twin Peaks Act", the powers relating to prudential supervision have been transferred from the Commissie voor het Bank-, Financie- en Assurantiewezen/ Commission bancaire, financière et des assurances ("**CBFA**") (now the FSMA) to the NBB. The remaining supervisory powers previously exercised by the CBFA are now exercised by the Belgian FSMA. This autonomous public agency is in charge of supervision with regard to conduct of business rules and financial services providers (intermediaries).

EU directives have had and will continue to have a significant impact on the regulation of the insurance business in the EU, as such directives are implemented through legislation adopted within each Member State, including Belgium. The general objective of these EU directives is to promote the realisation of a unified internal market and to improve standards of prudential supervision and market efficiency through harmonisation of core regulatory standards and mutual recognition among EU Member States of regulatory supervision, and in particular, licensing.

Supervision and regulation in Belgium

The insurance regime in Belgium is governed by the Law of 13 March 2016 on the legal status and supervision of insurance and reinsurance undertakings (the "**Insurance Supervision Law**"), and the (general) Insurance Act of 4 April 2014.

The Insurance Supervision Law, among other things, implements the European legislation on EU Directive 2009/138/EC of 25 November 2009 (Solvency II). It sets forth the conditions under which insurance companies may operate in Belgium and defines the regulatory and supervisory powers of the NBB.

The Insurance Act of 4 April 2014, among other things, implements European legislation such as the consumer related aspects provided in Solvency II. It sets forth the conditions under which insurance companies may operate on the Belgian insurance market and defines the regulatory and supervisory powers of the Belgian FSMA.

The regulatory framework is applicable to insurance companies in some respects similar to the regulation applicable to banks in Belgium.

Supervision of insurance companies

All Belgian insurance companies must obtain a licence from the NBB before they commence operations. In order to obtain a licence and maintain it, each insurance company must fulfil numerous conditions, including certain minimum capital requirements. This requires the calculation of best estimate cash flows, raised with a risk margin, corresponding to what was previously known as "technical reserves". In addition, a Solvency Capital Requirement ("**SCR**")

and a Minimal Capital Requirement ("**MCR**") should be calculated and respected. The SCR is the capital an insurer needs to limit the default risk to less than 0.5% in the next twelve months.

In addition, any shareholder holding, directly or indirectly, individually or acting in concert with another person or persons, a 'qualifying holding' in the insurance company (i.e. a direct or indirect holding which represents 10% or more of the capital or the voting rights or which makes it possible to exercise a significant influence over the management of that institution) must be of "fit and proper" character to ensure proper and prudent management of the insurance company. Prior notification to the NBB and non-opposition by the NBB is required each time a person decides to acquire a qualifying holding in an insurance company or to further increase such qualifying holding as a result of which the proportion of the voting rights or of the capital held would reach or excess 20%, 30% or 50%, or so that the insurance company would become its subsidiary. If the NBB considers that the influence of such a shareholder in an insurance company jeopardises its sound and prudent management, it may suspend the voting rights attached to this participation and, if necessary, request that the shareholder transfers to a third party its participation in the insurance company. Furthermore, a shareholder who decides to dispose, directly or indirectly, of a qualifying holding or to reduce it so that the proportion of the voting rights or of the capital held would fall below 20%, 30% or 50% or so that the insurance company would cease to be its subsidiary, must notify the NBB thereof. The Belgian insurance company itself is obliged to notify the NBB of any such transfer when it becomes aware of it.

Moreover, every shareholder acquiring a holding or increasing its holding (directly or indirectly, individually, or acting in concert with third parties) to 5% or more of the voting rights or of the capital without acquiring a qualifying holding, must notify the NBB thereof within 10 working days. The same shall apply to a shareholder who no longer holds, directly or indirectly, more than 5% of the voting rights or capital in an insurance company.

The above-mentioned obligations are also triggered when a threshold is crossed due to a situation other than an acquisition or transfer.

The Insurance Supervision Law requires insurance companies to provide detailed periodic financial information to the NBB and the public (i.e. through the Solvency and Financial Conditions Reporting ("**SFCR**") and the Regular Supervisory Reporting ("**RSR**"). The NBB also supervises the enforcement of laws and regulations with respect to the accounting principles applicable to insurance companies.

Pursuant to the Insurance Supervision Law, the NBB may, in order to exercise its prudential supervision, require that all information with respect to the financial position and the transactions of an insurance company be provided to it, either by the insurance company itself or by its affiliated companies. The NBB may supplement these communications by on-site inspections. The NBB also exercises its comprehensive supervision of insurance companies through statutory auditors who collaborate with the NBB in its prudential supervision. An insurance company selects its statutory auditors from among the list of auditors or audit firms accredited by the NBB.

If an insurance company does not provide for the required capital requirements, the NBB may restrict or prohibit the company's free use of its assets. If an insurance company no longer meets the SCR, the NBB must require that a recovery plan be prepared. If an insurance company no longer meets the MCR, its authorisations should be withdrawn.

In general, if the NBB finds that an insurance company is not operating in accordance with the provisions of the Insurance Supervision Law, the decrees and regulations implementing the Insurance Supervision Law or the directly applicable European regulations, that its management

policy or its financial position is likely to prevent it from honouring its commitments or that its administrative and accounting procedures or internal control systems present deficiencies, it will set a deadline by which the situation must be rectified. If the situation has not been rectified by the deadline, the NBB has the power to appoint a special commissioner to replace management, to prohibit or limit certain activities, to dispose of all or part of its activities, and to order the replacement of the Board of Directors and management, failing which it will itself appoint a provisional manager.

Insurance governance

The Insurance Supervision Law puts a lot of emphasis on the solid and efficient organisation of insurance companies and introduces to that effect a dual governance structure at management level, specialised advisory committees within the Board of Directors (Audit Committee, Risk Committee and Remuneration Committee), independent control functions, and sound remuneration policies.

The Insurance Supervision Law makes a fundamental distinction between the management of insurance activities, which is the competence of the Executive Committee, and the supervision of management and the definition of the insurance company's general and risk policy, which is entrusted to the Board of Directors. KBC Insurance has an Executive Committee of which each member is also a member of the Board of Directors.

Pursuant to the Insurance Supervision Law, the members of the Executive Committee need to permanently have the required professional reliability and appropriate experience. The same goes for the responsible persons of the independent control functions. The fit and proper standards have been further elaborated by the NBB in the Circular of 18 September 2018 and the Manual on Assessment of Suitability, as amended most recently on 20 December 2022.

The Circular of 5 July 2016 regarding the prudential expectations of the NBB with respect to the governance system of the insurance and reinsurance sector, as amended in September 2018 and May 2020 (the "**Overarching circular on system of governance**") contains recommendations to assure the autonomy of the insurance function, the organisation of the independent control functions and the proper governance of the insurance company.

As required by the Insurance Supervision Law and the Overarching circular on system of governance, the Group has a Governance Memorandum, which sets out the corporate governance policy applying to KBC Group and its subsidiaries and of which the Governance Memorandum of KBC Insurance forms part. The corporate governance policy of an insurance company must meet the principles set out in the law and the Overarching circular on system of governance. The most recent version of the Governance Memorandum was approved on 21 December 2023 by the Board of directors of the Issuer, KBC Bank NV and KBC Insurance NV. The public part of the governance memorandum of KBC Insurance (SFCR) is updated annually and published on www.kbc.com. The governance memorandum of KBC Insurance is not incorporated by reference into and does not form part of this Prospectus and has not been scrutinised or approved by the Belgian FSMA.

Money laundering

Belgian insurance companies are also subject to the Law of 18 September 2017 referred to above.

2.13 Material contracts

As at the date of this Prospectus, the Issuer has not entered into any material contracts outside the ordinary course of its business which could result in any member of the Group being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to holders of the Securities.

2.14 Trend information

In 2023, the global economy experienced different regional growth rates. The euro area still suffered from the aftermath of the 2022 energy price shock, resulting in stagnant growth dynamics in 2023. The US economy, mainly driven by consumer and government incentives, was less affected, resulting in above-average growth. In China, after initial growth optimism, the weak global economy and unbalanced domestic demand caused disappointing growth in 2023.

The global economy also experienced different speeds in early 2024. In the first months of the year, economic growth in the euro zone remained stagnant. The German economy in particular suffered from the general weakness of the manufacturing industry and the lack of momentum in domestic demand. In contrast, the US economy continued to surprise positively with continued strong labour market performance that supported private consumption. Meanwhile, despite stronger-than-expected growth in industrial production, the Chinese economy continues to struggle with its structural problems.

In both Europe and the US, inflation reached its peak in 2023. The strong disinflation was largely due to the fact that the high energy prices of 2022 gradually disappeared from the year-on-year inflation comparison base. In addition, the dynamics of underlying core inflation (inflation excluding energy and food prices) toward the 2023 year-end also contributed to the decline in inflation. In the first months of 2024, the disinflationary trend of core inflation continued in the euro area and, to lesser extent, also in the US. For the time being, (core) inflation still remains above the central banks' inflation target.

Against the backdrop of peaking inflation, both the Fed and ECB reached the peak of their tightening cycles in 2023, in July and September, respectively. In terms of quantitative balance sheet policy, the ECB followed the Fed's path in 2023 and began the non-reinvestment of its APP portfolio in March. In December 2023, the ECB announced that it will also completely stop reinvestments of its PEPP portfolio from 2025 on, after a transition period in H2 2024. So far in 2024, both the Fed and the ECB kept their policy rates at the current peak level. The timing of the first rate cut will largely depend on how sustainable the central banks assess the further course of disinflationary process.

Spurred by rising policy rates and normalising risk premia, U.S. and German 10-year bond yields rates initially rose sharply in 2023 to about 5% and 3%, respectively, in the third quarter. However, as the end of the tightening cycle became clearer toward the 2023 year-end, both benchmark interest rates fell again to about 3.9% and 2%, respectively. After the undershooting of yields in late 2023, US and German bond yields rose again in early 2024. Markets became increasingly aware that the start and extent of short-term interest rate cuts in 2024 would occur later, and to a more limited extent than initially expected. After that upward correction of US and German bond yields, they remained hovering slightly above 4.3% and 2.3%, respectively, so far.

2.15 Recent events

Information about recent events in relation to the Issuer can be found in the following sections: *"General description of the activities of the Group", "Activities in Belgium", "Activities in*

Central and Eastern Europe", "Activities in the rest of the world", "Banking supervision and regulation", "Insurance supervision and regulation" and "Litigation".

2.16 Litigation

This section sets out material litigation to which the Issuer or any of its companies (or certain individuals in their capacity as current or former employees or officers of the Issuer or any of its companies) are party. It describes all claims, quantified or not, that could lead to the impairment of the company's reputation or to a sanction by an external regulator or governmental authority, or that could present a risk of criminal conviction for the company, the members of the board or the management.

Although the outcome of these matters is uncertain and some of the claims concern relatively substantial amounts in damages, the management does not believe that the liabilities arising from these claims will adversely affect KBC Group's consolidated financial position or results, given the provisions that, where necessary, have been set aside for these disputes.

Lazare Kaplan International Inc.

Lazare Kaplan International Inc. is a U.S. based diamond company ("**LKI**"). Lazare Kaplan Belgium NV is LKI's Belgian affiliate ("**LKB**"). LKI and LKB together are hereinafter referred to as "**LK**". The merger between KBC Bank and Antwerpse Diamantbank NV ("**ADB**") on 1 July 2015 entails that KBC Bank is now a party to the proceedings below, both in its own name and in its capacity as legal successor to ADB. However, for the sake of clarity, further reference is made to ADB on the one hand and KBC Bank on the other hand as they existed at the time of the facts described.

Fact summary

Since 2008, LKB has been involved in a serious dispute with its former business partners, DD Manufacturing NV and KT Collection BVBA ("**Daleyot**"), Antwerp based diamond companies belonging to Mr. Erez Daleyot. This dispute relates to a joint venture LK and Daleyot set up in Dubai (called "**Gulfdiam**").

LKB and Daleyot became entangled in a complex litigation in Belgium, each claiming that the other party is their debtor. Daleyot initiated proceedings before the Company Court of Antwerp for payment of commercial invoices for an amount of (initially) approximately USD 9 million. LKB launched separate proceedings for payment of commercial invoices for (initially) an amount of approximately USD 38 million.

At the end of 2009, ADB terminated LK's credit facilities. After LK failed to repay the amount outstanding of USD 45,000,000, ADB started proceedings before the Company Court of Antwerp, section Antwerp, for the recovery of said amount. In a bid to prevent having to pay back the amount owed, LK in turn initiated several legal proceedings against ADB and/or KBC Bank in Belgium and the USA. These proceedings, which are summarised below, relate to, *inter alia*, the dispute between ADB and LKI with regard to the termination of the credit facility and the recovery of all the monies LKI owes under the terminated credit facility as well as allegations that LK was deprived out of circa USD 140 million by DD Manufacturing and other Daleyot entities in cooperation with ADB.

Overview Legal Proceedings

(A) Belgian proceedings (overview per court entity)

A.1. *Company Court of Antwerp, section Antwerp*

On 16 March 2010, proceedings were initiated by ADB against LKI in order to recover the monies owed to it under the terminated credit facility (approximately USD 45 million in principal). LKB voluntarily intervened in this proceeding and claimed an amount of USD 350 million from ADB. LKI launched a counterclaim of USD 500 million against ADB (from which it claims any amount awarded to LKB must be deducted).

LKI and/or LKB started numerous satellite proceedings with the sole aim to delay the decision of the Company Court of Antwerp, section Antwerp regarding ADB's recovery claim (please also refer to the proceedings described below).

Numerous times LKI and/or LKB were convicted for reckless and vexatious legal actions and were ordered to pay KBC Bank in damages for a total amount of EUR 495,000 and legal expenses (including the legal representation costs) of EUR 204,015.51 (including the amounts granted by the decisions described below).

All decisions (45) regarding these proceedings rejected LKI and/or LKB's claims and legal actions. Only three decisions were rendered in favor of LKI. The first was a decision of the United States Court of Appeals for the Second Circuit in 2013 whereby the RICO case was reversed and remanded back to the District Court on legal technical grounds (please see further under point (B) below). The second decision was the ruling of Court of Cassation dated 19 December 2019 which only partially annulled the Antwerp Court of Appeal decision of 13 December 2018 regarding the lack of reasoning in relation to the order of LKI and LKB to pay damages for vexatious reckless proceedings. The case was only sent to the Brussel Court of Appeal on this aspect. The third decision was the ruling of the Court of Cassation dated 25 January 2021 annulling the decision of the Antwerp Court of Appeals dated 28 February 2019 but only on technical legal grounds (see point A.3. below).

As of the date of this Prospectus, after more than ten years of litigation, the Company Court of Antwerp, section Antwerp has still not been able to decide on the merits of the case. On 6 October 2020 the Company Court of Antwerp ordered a briefing schedule inviting parties to take a position on the procedural objections invoked by LK regarding the handling of KBC Bank's claim by the Court.

On 3 June 2021, the Company Court of Antwerp, section Antwerp declared that it has jurisdiction to rule on all claims and dismissed the procedural objections invoked by LK. A court hearing was set for 8 September 2022.

LKB and LKI lodged separate appeals against the decision of 3 June 2021. The Antwerp Court of Appeal merged the two appeals. Both these cases were set for hearing at 15 June 2023. However, the day before, LKB filed two petitions for withdrawal. Thereupon, the Court adjourned both these cases to the hearing of 30 November 2023.

By two judgments dated 19 October 2023, the Court of Cassation dismissed the aforementioned petitions for withdrawal and ordered LKB for the two applications each to pay 10,000 euros in damages for vexatious reckless litigation.

On 8 February 2024 the Antwerp Court of Appeal rendered an interlocutory judgment deciding to suspend the proceedings pending the outcome of the criminal inquiries.

A.2. *Company Court of Antwerp, section Antwerp*

On 28 July 2014, LK launched proceedings against ADB and certain Daleyot entities. This claim is aimed at having certain transactions of the Daleyot entities declared null and void or at least not opposable against LK.

LK also filed a damage claim against ADB for a provisional amount of USD 60 million based on the alleged third party complicity of ADB. This case is still pending. The court postponed the case sine die.

A.3. *Company Court of Antwerp, section Antwerp*

On 10 December 2014, LKB filed a proceeding against ADB and KBC Bank claiming an amount of approximately 77 million USD, based on the allegedly wrongful grant and maintenance of credit facilities by ADB and KBC Bank to the Daleyot entities. In its last court brief LK claims an additional amount of approximately 5 million USD.

By decision of 7 February 2017, the Company Court of Antwerp, section Antwerp dismissed LKB's claim. Moreover, the court decided that the proceedings initiated by LKB were reckless and vexatious and ordered LKB to pay EUR 250,000 in damages, as well as the maximum legal representation cost of EUR 72,000.

LKB appealed against the decision of 7 February 2017. On 28 February 2019, the Antwerp Court of Appeals dismissed LKB's appeal. LKB was ordered to pay the legal representation cost for the appeal proceedings of EUR 18,000. On 18 June 2019, LKB initiated proceedings before the Court of Cassation against the decision of the Antwerp Court of Appeals dated 28 February 2019. On 25 January 2021, the Court of Cassation annulled the decision of the Antwerp Court of Appeals, but only on technical legal grounds relating to the Court of Appeals' assessment of the limitation period for LKB's liability claims. The case is sent to the Ghent Court of Appeals.

LKI – which was not a party to the first instance proceedings – commenced third-party opposition proceedings against the decision of 7 February 2017 with the Company Court of Antwerp, section Antwerp. By decision of 7 May 2019, the Company Court dismissed the third-party opposition proceedings initiated by LKI. The court ordered LKI to pay the legal representation cost of EUR 1,440.

A.4. *Criminal complaint*

On 13 October 2016, LK filed a criminal complaint with the Investigating Magistrate at the Dutch speaking Court of First Instance of Brussels against KBC Bank. On 9 April 2019 LK filed an additional complaint with the same Investigation Magistrate against KBC Bank and certain of its (former) employees. The criminal complaints are based, *inter alia*, on: embezzlement, theft and money-laundering. On 29 September 2021, KBC Bank received notification that the chambers section of the Criminal Court of Brussels will decide on the closure of the criminal investigation and on the regulation of procedure (either dismissal of charges or referral to the criminal court). On 16 November 2021 the chambers section of the Criminal Court decided to postpone indefinitely the proceedings because of LKI and LKB's request for additional investigation. On 16 December 2021, the Investigating Magistrate denied the request, except for one investigative measure. LKI

and LKB appealed this decision. On 22 February 2024, the chamber for indictments rejected the LKI and LKB's appeal against the decision of the Investigation Magistrate of 16 December 2021. On 20 August 2024, pleadings were held before chambers section of the Criminal Court of Brussels on the closure of the criminal investigation and dismissal or referral to the Criminal Court of Brussels. A ruling from the chambers section is expected 17 September 2024.

A.5. *Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff*

On 6 October 2011, Irving H. Picard, trustee for the substantively consolidated SIPA (Securities Investor Protection Corporation Act) liquidation of Bernard L. Madoff Investments Securities LLC and Bernard L. Madoff, sued KBC Investments Ltd before the bankruptcy court in New York to recover approximately USD 110 million worth of transfers made to KBC entities. The basis for this claim were the subsequent transfers that KBC had received from Harley International, a Madoff feeder fund established under the laws of the Cayman Islands. This claim is one of a whole set made by the trustee against several banks, hedge funds, feeder funds and investors. In addition to the issues addressed by the district court, briefings were held on the applicability of the Bankruptcy Code's 'safe harbor' and 'good defenses' rules to subsequent transferees (as is the case for KBC). KBC, together with numerous other defendants, filed motions for dismissal. District court Judge Jed Rakoff has made several intermediate rulings in this matter, the most important of which are the rulings on extraterritoriality and good faith defences.

On 27 April 2014, Judge Rakoff issued an opinion and order regarding the 'good faith' standard and pleading burden to be applied in the Picard/SIPA proceeding based on sections 548(b) and 559(b) of the Bankruptcy Code. As such, the burden of proof that lies on Picard/SIPA is that KBC should have been aware of the fraud perpetrated by Madoff. On 7 July 2014, Judge Rakoff ruled that Picard/SIPA's reliance on section 550(a) does not allow for the recovery of subsequent transfers received abroad by a foreign transferee from a foreign transferor (as is the case for KBC Investments Ltd.). Therefore, the trustee's recovery claims have been dismissed to the extent that they seek to recover purely foreign transfers. In June 2015, the trustee filed a petition against KBC to overturn the ruling that the claim fails on extraterritoriality grounds. In this petition, the trustee also amended the original claim including the sum sought. The amount has been increased to USD 196 million.

On 21 November 2016, Judge Bernstein issued a memorandum decision regarding claims to recover foreign subsequent transfers, including the transfers which the trustee seeks to recover from KBC. In this memorandum decision, Judge Bernstein concluded that the trustee's claims based on foreign transfers should be dismissed out of concern for international comity and ordered a dismissal of the action against KBC. On 3 March 2017, the Bankruptcy Court issued an appealed order denying Madoff trustee's request for leave to amend his complaint and dismissing the complaint. On 16 March 2017, the trustee Picard filed an appeal of dismissal, on 27 September 2017 the Second Circuit granted trustee Picard's petition for a direct appeal, on 10 January 2018 trustee Picard filed his opening brief in appeal to Second Circuit. Briefing in the appeal was completed on 8 May 2018, and the Second Circuit held oral argument on 16 November 2018.

On 28 February 2019, the Second Circuit reversed the Bankruptcy Court's dismissal of the actions against KBC on extraterritoriality and international comity grounds. The action against KBC has therefore been remanded back to the Bankruptcy Court for further

proceedings. KBC believes it has substantial and credible defences to this action and will continue to defend itself vigorously.

In April 2019, a request for rehearing was denied.

On 30 August 2019, a petition for writ of Certiorari was filed with the U.S. Supreme Court to consider the appeal and reverse the Second Circuit decision by the joint defence group.

On 10 December 2019, the U.S. Supreme Court entered a brief order inviting the U.S. Solicitor General to file a brief expressing the views of the United States Government.

On 10 April 2020 the United States Solicitor General filed a brief recommending that the Supreme Court deny the Madoff defendants' petition for a writ of certiorari.

On 2 June 2020 the U.S. Supreme Court denied the petition. As a consequence the merits of the case will be handled by the Bankruptcy Court.

On 1 August 2022, the Bankruptcy Court judge issued a stipulation and order regarding the filing of an amended complaint and subsequent scheduling of proceedings. As a result, the Trustee amended his complaint on 5 August 2022 by reducing his claim to USD 86,000,000, consisting of subsequent transfers received by KBC Investments Ltd from Harley (a feeder fund).

On 18 November 2022 KBC filed a motion to dismiss the amended complaint for lack of specific jurisdiction of the US court. On 26 April 2023, the Court dismissed this motion contesting jurisdiction and proceeded to establish a case management plan for the proceedings, which provides for a term for the investigation of the facts that ends on 22 September 2025. In the meantime, both parties have released the first factual documents. The next step is to select certain persons named in the disclosures already made and who are likely to be heard by one or both parties in the proceedings. KBC still believes, although the burden of proof has been increased, it has good and credible defenses, both procedurally as on the merits including demonstrating its good faith. The procedure may still take several years.

A.6. *Arbitration proceedings between ICEC-Holding and ČSOB*

On 6 March 2007, ICEC-HOLDING, a.s. ("ICEC") initiated an ad-hoc arbitration proceedings with ČSOB as the legal successor of Investicni a Postovni Banka ("**IPB**"). ICEC claimed that in 1999, IPB breached the pre-emption right of ICEC, related to the shares of Slovenian paper mill VIPAP, under the purchase agreement concluded between ICEC and IPB in 1998 (the "**Share Purchase Agreement**"). In this regard, ICEC claimed a payment of app. CZK 11.89 billion, together with the statutory default interests from 1 January 2007. In following years, the arbitral tribunal has been repeatedly reconstituted. In April 2021, the courts finally appointed Mr. Ivan Cestr as the chairman of the tribunal. In June 2022, the oral hearing took place and later in July 2022, the parties submitted its final written submissions.

On 16 February 2023, ČSOB received the final arbitral award (the "**Award**"), in which the arbitral tribunal ordered ČSOB pay to ICEC the amount of CZK 1,576,000,000 plus default interest in the amount of CZK 2,082,441,329.74 for the period from 1 January 2007 until 31 December 2022, and also the default interest accruing from 1 January 2023 until payment. The rest of the claim (to the end of the year 2022, the claim with interests reached app. CZK 27.6 billion) was dismissed. The costs of proceedings were distributed

between the parties based on the outcome of the Arbitration. ICEC was ordered to pay to the ČSOB the amount of CZK 17,380,536.23 in costs of proceedings and ČSOB was ordered to pay to ICEC the amount of CZK 4,985,014.22.

In short, the tribunal acknowledged the ICEC´s claim for damages (however, contractually limited to CZK 1.576 bn.) and refused the claim for the contractual penalty and for reimbursement of the inflation.

On 17 May 2023, ICEC submitted a petition with the Municipal Court in Prague seeking annulment of the Award. On 7 February 2024 the Court rejected the claim in its entirety. ICEC appealed this judgment in March 2024. At the hearing of 18 June 2024, the Court of Appeal dismissed ICEC's appeal and confirmed the judgement of the Municipal Court. An appeal to the Supreme Court may be filed within two months after the parties receive the written decision of the Court of Appeal. Whether ICEC will appeal this decision (in a timely manner) will become clear in September 2024.

3 Financial information of the Issuer

3.1 Financial statements

The Issuer's 2022 and 2023 annual reports contain:

- the Issuer's audited consolidated financial statements drawn up in accordance with International Financial Reporting Standards (IFRS) for the last two financial years (2022 and 2023); and
- the Issuer's audited non-consolidated financial statements drawn up in accordance with Belgian Generally Accepted Accounting Principles (GAAP) for the last two financial years (2022 and 2023).

Additionally, the Issuer has published unaudited condensed consolidated financial statements for the first and second quarters of 2023 and for the first and second quarters of 2024, drawn up in accordance with IFRS, in its extended quarterly reports for the first and second quarters of 2023 and its extended quarterly reports for the first and second quarters of 2024, respectively.

These annual reports and the extended quarterly reports of the Issuer are incorporated by reference into this Prospectus as set out in the section entitled "*Documents Incorporated by Reference*".

3.2 Audit and review by the Issuer's statutory auditors

PricewaterhouseCoopers Bedrijfsrevisoren BV (*erkende revisor/réviseur agréé*), represented by Damien Walgrave and Jeroen Bockaert, with offices at Culliganlaan 5, B-1831 Diegem ("**PwC**"), has been appointed as auditor of the Issuer for the financial years 2022-2025. The consolidated financial statements of the Issuer (as well as the annual accounts of the Issuer) for the years ended 31 December 2022 and 31 December 2023 have been audited in accordance with International Standards on Auditing by PwC and the audits resulted, in each case, in an unqualified opinion.

PwC is a member of the *Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Entreprises*.

The report of the Issuer's auditor on (i) the audited consolidated annual financial statements of the Issuer and its consolidated subsidiaries for the financial years ended 31 December 2022 and 31 December 2023 and (ii) the unaudited condensed consolidated interim financial statements of the Issuer and its consolidated subsidiaries for the first and second quarters of 2023 and for the

first and second quarters of 2024 are incorporated by reference in this Prospectus (as set out in the section entitled "*Documents Incorporated by Reference*"), with the consent of the auditor.

3.3 Changes since the most recent published financial statements

Other than as disclosed in this Prospectus, there has been no significant change in the financial position or the financial performance of the Group since 30 June 2024 and no material adverse change in the prospects of the Issuer since 31 December 2023.

4 Administrative, management and supervisory bodies

In accordance with the Belgian Companies and Associations Code, the Belgian Banking Law and the Insurance Supervision Law, the Issuer is managed by a Board of Directors and an Executive Committee.

4.1 Board of Directors

The Issuer's Board of Directors has the powers to determine the company's general policy and strategy and to perform all acts which, by law, are reserved specifically for it. The Board of Directors is responsible for supervising the Executive Committee.

The Issuer's corporate object is set out in the description on page 101 of this Prospectus.

To the extent these laws and regulations apply to the Issuer, the Issuer complies with the laws and regulations of Belgium regarding corporate governance.

Pursuant to Article 24 of the Belgian Banking Law, the Issuer's Board of Directors has set up an Executive Committee which has the powers to perform all acts that are necessary or useful in achieving the company's object, apart from those powers invested in the Board of Directors pursuant to article 20 of the Issuer's articles of association.

As at the date of this Prospectus, the members of the Board of Directors are the following:

Name and business address	Position	Expiry date mandate	External mandates
VLERICK Philippe Ronsevaalstraat 2 8510 Bellegem Belgium	Deputy Chairman	2025	Non-executive Director of Vlerick Business School Non-executive Director of B.M.T. NV Non-executive Director of KBC Verzekeringen NV Chairman of the Board of Directors of Midelco NV Chairman of the Board of Directors of BIC Carpets NV Chairman of the Board of Directors of Vobis Finance NV Executive Director of CECAN Invest NV Non-executive Director of De Robaertbeek NV

Name and business address	Position	Expiry date mandate	External mandates
			Chairman of BESIX Group NV Non-executive Director of Concordia Textiles NV Non-executive Director of Exmar NV Non-executive Director of LVD Company NV Chairman of the Board of Directors of Point NV Chairman of the Board of Directors of Smartphoto Group NV Chairman of the Board of Directors of Vlerick Investeringsmaatschappij CVBA Chairman of the Board of Directors of UCO NV Chairman of the Board of Directors of Raymond Uco Denim Private Ltd Non-executive Director of Mediahuis NV Chairman of the Board of Directors of Vlerick Vastgoed NV Chairman of the Board of Directors of Pentahold NV Executive Director of Cecan NV Non-executive Director of Bareldam SA Non-executive Director of Arteveld BV Non-executive Director of KBC Global Services NV
DEPICKERE Franky KBC Group NV Havenlaan 2 1080 Brussels Belgium	Non-executive Director	2027	Executive Director of Almancora Beheers-maatschappij NV Executive Director of Cera CV

Name and business address	Position	Expiry date mandate	External mandates
			Executive Director of Cera Beheersmaatschappij NV Non-executive Director of KBC Bank NV Non-executive Director of BRS Microfinance Coop cvba Non-executive Director of KBC Verzekeringen NV Member of the Supervisory Board of Ceskoslovenska Obchodni Banka a.s. (CR) Non-executive Director of Euro Pool System International BV Non-executive Director of United Bulgarian Bank AD Non-executive Director of CBC Banque SA Non-executive Director of KBC Global Services NV
DONCK Frank KBC Group NV Havenlaan 2 1080 Brussels Belgium	Non-executive Director	2027	Executive Director and CEO of 3D NV Executive Director of Ibervest NV Non-executive Director of Anchorage NV Non-executive Director of Winge Golf NV Non-executive Director of KBC Verzekeringen NV Non-executive Director of Elia Group NV Non-executive Director of Group Ter Wyndt BV Non-executive Director of Ter Wyndt cvba Executive Director of 3D Private Investeringen NV Chairman of the Board of Directors of BARCO NV

Name and business address	Position	Expiry date mandate	External mandates
			Non-executive Director of Academie Vastgoedontwikkeling NV Non-executive Director of Bowinvest NV Non-executive Director of 3D Real Estate NV Chairman of the Board of Directors of Atenor NV Non-executive Director of Tasco NV Non-executive Director of 3D Land NV Non-executive Director of ForAtenor NV Non-executive Director of Markizaat NV Non-executive Director of Luxempart SA Executive Director of 3D Skywalkers BV Executive Director of House of Odin BV Non-executive Director of Imdona BV Non-executive Director of Mado NV Non-executive Director of Immobiliën Donck NV Non-executive Director of KBC Global Services NV Non-executive Director of Golfzicht BV Member of Commissie Corporate Governance Non-executive Director of Anfra BV Non-executive Director of Iberis BV Non-executive Director of Iberint SA

Name and business address	Position	Expiry date mandate	External mandates
			Executive Director of Huon & Kauri NV
VAN RIJSSEGHEM Christine KBC Group NV Havenlaan 2 1080 Brussels Belgium	Executive Director (CRO)	2026	Executive Director of KBC Bank NV Executive Director of KBC Verzekeringen NV Non-executive Director of Ceskoslovenska Obchodni Banka a.s. (CR) Non-executive Director of K & H Bank Zrt. Non-executive Director of KBC Bank Ireland Plc. Non-executive Director of United Bulgarian Bank AD Member of the Management Board of KBC Global Services NV
DEBACKERE Koenraad Alfons Stesselstraat 8 3012 Leuven Belgium	Independent Director (Chairman)	2027	Non-executive Director of KBC Bank NV Non-executive Director of KBC Verzekeringen NV Non-executive Director of KBC Global Services NV Non-executive Director of Umicore NV Non-executive Director of Thor Park NV Non-executive Director of Mo-Thor NV
POPELIER Luc[6] KBC Group NV Havenlaan 2 1080 Brussels Belgium	Executive Director (CFO)	2025	Executive Director of KBC Verzekeringen NV Executive Director of KBC Bank NV Chairman of the Board of Directors of KBC Securities NV Chairman of the Board of Directors of KBC Focus Fund NV

[6] Subject to approval by the National Bank of Belgium and the European Central Bank, Bartel Puelinckx will replace Luc Popelier as CFO and member of the Executive Committee as of 1 September 2024.

Name and business address	Position	Expiry date mandate	External mandates
			Member of the Management Board of KBC Global Services NV
ROUSSIS Theodoros KBC Group NV Havenlaan 2 1080 Brussels Belgium	Non-executive Director	2025	Executive Director of Asphalia NV Non-executive Director of KBC Verzekeringen NV Non-executive Director of KBC Global Services NV Non-executive Director of Pentahold NV
THIJS Johan KBC Group NV Havenlaan 2 1080 Brussels Belgium	Executive Director (CEO)	2028	Executive Director and CEO of KBC Verzekeringen NV Executive Director and CEO of KBC Bank NV Non-executive Director of VOKA Non-executive Director of Discai NV Member of the Management Board of KBC Global Services NV
DE BECKER Sonja MRBB Diestsevest 32/5b 3000 Leuven Belgium	Non-executive Director	2028	Non-executive Director of KBC Bank NV Chair of the Board of Directors of M.R.B.B. BV Chair of the Board of Directors of Agri Investment Fund CVBA Non-executive Director of KBC Verzekeringen NV Chair of the Board of Directors of Aktiefinvest Chair of the Board of Directors of Arvesta BV Non-executive Director of Acerta BV Non-executive Director of Acerta Consult BV

Name and business address	Position	Expiry date mandate	External mandates
			Non-executive Director of Acerta Services BV Non-executive Director of Acerta Verzekeringen BV Non-executive Director of Shéhérazade Developpement BV Non-executive director of K&H Bank zrt
			Chair of the Board of Directors of SBB Gecertificeerde Accountants en Adviseurs BV Chair of the Board of Directors of SBB Bedrijfsdiensten BV Non-executive Director of KBC Global Services NV
RADL ROGEROVA Diana KBC Group NV Havenlaan 2 1080 Brussels Belgium	Independent Director	2028	Non-executive Director KBC Bank Non-executive Director of KBC Global Services NV
BOSTOEN Alain Coupure 126 9000 Gent Belgium	Non-executive Director	2027	Executive Director of Quatorze Juillet BVBA Executive Director of Christeyns Group NV Non-executive Director of Clover NV Non-executive Director of KBC Verzekeringen NV Non-executive Director of KBC Global Services NV
CLINCK Erik KBC Group NV Havenlaan 2 1080 Brussels Belgium	Non-executive Director	2028	Non-executive Director of Cera Beheersmaatschappij NV Executive Director of Prieel 18 Non-executive Director of KBC Verzekeringen NV

Name and business address	Position	Expiry date mandate	External mandates
			Non-executive Director of Van Breda Risk and Benefits NV Non-executive Director of KBC Global Services NV
OKKERSE Liesbet KBC Group NV Havenlaan 2 1080 Brussels Belgium	Non-executive Director	2028	Non-executive Director of KBC Bank NV Non-executive Director of KBC Verzekeringen NV Non-executive Director of Almancora Beheersmaatschappij NV Non-executive Director Cera Beheersmaatschappij NV Non-executive Director of KBC Global Services NV
REYES REVUELTA Alicia KBC Group NV Havenlaan 2 1080 Brussels Belgium	Independent Director	2026	Non-executive director of Banco Sabadell S.A. Non-executive director of Ferrovial S.A. Non-executive director of KBC Bank NV Non- executive director of KBC Global Services NV
DE CEUSTER Marc University of Antwerp Prinsstraat 13 2000 Antwerp Belgium	Non-executive Director	2027	Non-executive Director of KBC Bank NV Non-executive Director of KBC Verzekeringen NV Non- executive Director of KBC Global Services NV Executive Director of Cera Beheersmaatschappij NV Executive Director of Almancora Beheersmaatschappij NV Executive Director of KBC Ancora NV Executive Director of Cera CV Non-executive Director of CBC Banque SA
SELS Raf KBC Group NV	Non-executive Director	2027	Non-executive Director of KBC Verzekeringen NV

Name and business address	Position	Expiry date mandate	External mandates
Havenlaan 2 1080 Brussels Belgium			Non-executive Director of KBC Global Services NV Executive Director and CEO of MRBB BV Executive Director of SBB Gecertificeerde Accountants en Adviseurs BV Non-executive Director of Arvesta BV Non-executive Director of Acerta BV Non-executive Director of Agri Investment Fund CVBA Non-executive Director of Aktiefinvest Non-executive Director of Arda Immo NV Non-executive Director of Acerta Consult BV Non-executive Director of Acerta Services BV Non-executive Director of Acerta Verzekeringen BV Non-executive Director of Shéhérazade Developpement BV

The Board of Directors does not include any legal persons among its members and its Chairman may not be a member of the Executive Committee. A mandate is no longer than four years. Directors can be re-elected when their term expires. The mandate of non-executive directors comes to an end at the date of the annual meeting following the day on which they reach the age of 70, save for exceptional situations. The mandate of executive directors ends at the end of the month when they reach the Belgian statutory retirement age, save for exceptional situations.

The Board of Directors is responsible for determining the overall strategy and to perform all acts which, by law, are reserved specifically for it. The Board of Directors is also responsible for monitoring the Executive Committee. It meets at least ten times a year and decides by simple majority. The activities of the Board are governed by the Belgian Companies and Associations Code, the Belgian Banking Law, the Insurance Supervision Law and the articles of association of the Issuer.

4.2 Audit Committee

The Audit Committee has been set up by the Board of Directors in accordance with the Belgian Banking Law and has – with some limited legal exceptions – an advisory role. The Audit Committee, among other things, supervises the integrity and effectiveness of the internal control

measures and the risk management in place, paying special attention to correct financial reporting. The powers and composition of the Audit Committee, as well as its way of functioning, are extensively dealt with in the Corporate Governance Charter of the Issuer which is published on www.kbc.com. The Corporate Governance Charter is not incorporated by reference into and does not form part of this Prospectus and has not been scrutinised or approved by the Belgian FSMA.

The members of the Issuer's Audit Committee are:

- Marc De Ceuster (chair)
- Alicia Reyes Revuelta (independent director)
- Diana Rádl Rogerová (independent director)

4.3 Risk & Compliance Committee

The Risk & Compliance Committee has been set up by the Board of Directors in accordance with the Belgian Banking Law and has an advisory role. The Risk and Compliance Committee, among other things, provides advice to the Board of Directors about the current and future risk tolerance and risk strategy.

The powers and composition of the Risk and Compliance Committee, as well as its way of functioning, are extensively dealt with in the Issuer's Corporate Governance Charter, which is available on www.kbc.com. The Corporate Governance Charter is not incorporated by reference into and does not form part of this Prospectus and has not been scrutinised or approved by the Belgian FSMA.

The members of the Issuer's Risk and Compliance Committee are:

- Franky Depickere (chair)
- Frank Donck
- Sonja De Becker
- Diana Rádl Rogerová (independent director)

4.4 Nomination Committee

The Nomination Committee has been set up by the Board of Directors in accordance with the Belgian Banking Law and has an advisory role. The Nomination Committee, among other things, provides advice to the Board of Directors about the selection of suitable candidate members for the Board of Directors, its advisory committees, and the Executive Committee of the Issuer.

The powers and composition of the Nomination Committee, as well as its way of functioning, are extensively dealt with in the Issuer's Corporate Governance Charter, which is available on www.kbc.com. The Corporate Governance Charter is not incorporated by reference into and does not form part of this Prospectus and has not been scrutinised or approved by the Belgian FSMA.

The members of the Issuer's Nomination Committee are:

- Koenraad Debackere (chair) (independent director)
- Franky Depickere
- Philippe Vlerick

- Sonja De Becker
- Diana Rádl Rogerová (independent director)

4.5 Remuneration Committee

The Remuneration Committee has been set up by the Board of Directors in accordance with the Belgian Banking Law and has an advisory role. The Remuneration Committee, among other things, provides advice to the Board of Directors on the remuneration policy that the Board of Directors has to draw up and on any amendment to that policy.

The powers and composition of the Remuneration Committee, as well as its way of functioning, are extensively dealt with in the Issuer's Corporate Governance Charter, which is available on www.kbc.com. The Corporate Governance Charter is not incorporated by reference into and does not form part of this Prospectus and has not been scrutinised or approved by the Belgian FSMA.

The members of the Issuer's Remuneration Committee are:

- Koenraad Debackere (chair) (independent director)
- Alicia Reyes Revuelta (independent director)
- Philippe Vlerick

4.6 Executive Committee

The Executive Committee is empowered to perform all acts that are necessary or useful in achieving the Issuer's object, apart from those powers invested in the Board of Directors (Article 7:110 of the Belgian Companies and Associations Code, Article 212 *juncto* Article 24 of the Belgian Banking Law and Article 443 *juncto* Article 45 of the Insurance Supervision Law).

The Executive Committee exercises such powers autonomously, but always within the framework of the strategy adopted by the Board of Directors. The Executive Committee consists of seven members appointed by the Board of Directors.

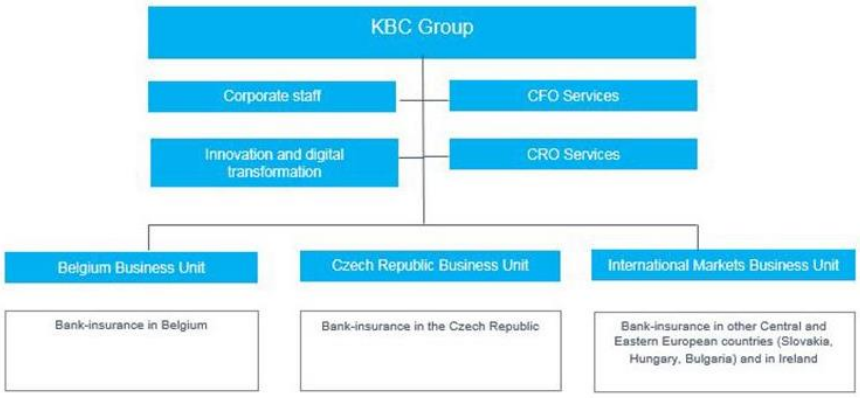
As at the date of this Prospectus, the members of the Executive Committee are as follows:

Name	Elected/ Appointed	Position
Johan Thijs	2009	CEO (Chief Executive Officer)
Luc Popelier[7]	2009	CFO (Chief Financial Officer)
Christine Van Rijsseghem	2014	CRO (Chief Risk Officer)
David Moucheron	2021	CEO Belgium Business Unit
Aleš Blažek	2022	CEO Czech Republic Business Unit
Peter Andronov	2021	CEO International Markets Business Unit
Erik Luts	2017	CIO (Chief Innovation Officer)

[7] Subject to approval by the National Bank of Belgium and the European Central Bank, Bartel Puelinckx will replace Luc Popelier as CFO and member of the Executive Committee as of 1 September 2024.

4.7 Management structure

KBC Group's strategic choices are fully reflected in the Group structure, which consists, as at the date of this Prospectus, of a number of business units and support services and which are presented in simplified form as follows:



The management structure of KBC Group essentially comprises:

- the three business units, which focus on local business and are expected to contribute to sustainable profit and growth:
  - Belgium Business Unit;
  - Czech Republic Business Unit; and
  - International Markets Business Unit: this encompasses the other core countries in Central and Eastern Europe (the Slovak Republic, Hungary and Bulgaria);
- the pillars 'CRO Services' and 'CFO Services' (which act as an internal regulator, and whose main role is to support the business units), 'Corporate Staff' (which is a competence centre for strategic know-how and best practices in corporate organisation and communication) and 'Innovation and digital transformation'.

Each business unit is headed by a Chief Executive Officer (CEO), and these CEOs, together with the Group CEO, the Chief Risk Officer (CRO), the Chief Innovation Officer (CIO) and the Chief Financial Officer (CFO) of KBC Group constitute the executive committee of KBC Group.

4.8 Corporate governance

The Belgian Banking Law and the Insurance Supervision Law, of which certain provisions also apply to (mixed) financial holding companies, make a fundamental distinction between the management of the activities of KBC Group, which is within the competence of the Executive Committee, and the supervision of management and the definition of the institution's general policy, which is entrusted to the Board of Directors. According to these laws, KBC Group has an Executive Committee of which at least three members are also a member of the Board of Directors.

The members of the Executive Committee and the Board of Directors need to permanently have the required professional reliability and appropriate experience. The same goes for the responsible persons of the independent control functions. The fit and proper standards have been

further elaborated by the NBB in a Circular of 18 September 2018 and the Manual on Assessment of Suitability, as amended.

KBC Group has a Governance Memorandum, which sets out the corporate governance policy applying to the Issuer and its subsidiaries.

Furthermore, in its capacity as listed company, KBC Group uses the Belgian Corporate Governance Code 2020 (the "**Code**") as reference code. The Code seeks to ensure transparency in the area of corporate governance through the publication of information in the Corporate Governance Charter and the Corporate Governance Statement.

The Governance Memorandum sets out the main aspects of the policy of KBC Group in the area of corporate governance, such as the governance structure, the internal regulations of the Board of Directors, its advisory committees and the Executive Committee, and other important topics.

The Corporate Governance Statement is published in the annual report and contains more factual information about the corporate governance of KBC Group, including a description of the composition and functioning of the Board, relevant events during the year, provisions of the Code which may be waived, the remuneration report and a description of the main features of the internal control and risk management systems.

4.9 Conflicts of interests policy

Conflicts of interest on the part of members of the Executive Committee or Board of Directors and Intragroup conflicts of interest

The policy related to these conflicts of interests can be found in the Corporate Governance Charter of the Issuer.

The information regarding conflicts of interest which took place in the course of the year is mentioned in the Corporate Governance Statement in the annual reports of the Issuer.

The Issuer is not aware of any potential conflicts of interests between the obligations which a director has with respect to the Issuer and the personal interests and / or other obligations of that director.

Other conflicts of interests

The information related to the policy of other conflicts of interest (e.g. intragroup conflicts of interest, conflicts of interest between shareholders/employees/clients and the Issuer) is set out in the Governance Memorandum.

TAXATION ON THE SECURITIES

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of, or disposing of, the Securities and is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of Securities. In some cases, different rules can be applicable.

This summary does not describe the tax consequences for a Securityholder of a write-down or a write-up. Furthermore, this description is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this document and remains subject to any future amendments, which may or may not have retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Each prospective Securityholder should consult a professional adviser with respect to the tax consequences of an investment in the Securities, taking into account their own particular circumstances and the influence of each regional, local or national law.

1 Belgian withholding tax

1.1 General

For Belgian income tax purposes, interest includes (i) periodic interest income, (ii) any amounts paid by, or on behalf of, the Issuer in excess of the issue price (upon full or partial redemption whether or not at maturity, or upon purchase by the Issuer) and (iii) in case of a sale of the Securities between interest payment dates to any third party, excluding the Issuer, the pro rata of accrued interest corresponding to the holding period.

For purposes of this summary, a Belgian tax resident is an individual subject to Belgian personal income tax (*personenbelasting*/*impôt des personnes physiques*) (that is, an individual who is domiciled in Belgium or has his seat of wealth in Belgium or a person assimilated to a resident for purposes of Belgian tax law), a company subject to Belgian corporate income tax (*vennootschapsbelasting*/*impôt des sociétés*) (that is, a corporate entity that has its main establishment or place of effective management in Belgium and which is not excluded by law of the Belgian corporate income tax. A company having its registered seat in Belgium shall be presumed, unless the contrary is proved, to have its principal establishment or place of effective management in Belgium), an Organisation for Financing Pensions (*organisme voor de financiering van pensioenen/organisme de financement de pensions*) subject to Belgian corporate income tax (i.e., a Belgian pension fund incorporated under the form of an Organisation for Financing Pensions), or a legal entity subject to Belgian income tax on legal entities (*rechtspersonenbelasting*/*impôt des personnes morales*) (that is, a legal entity other than a company subject to Belgian corporate income tax, that has its main establishment or place of effective management in Belgium). A Belgian non-resident is any person or entity that is not a Belgian resident.

Payments of interest on the Securities made by or on behalf of the Issuer are as a rule subject to Belgian withholding tax, currently at a rate of 30 per cent. on the gross amount. Both Belgian domestic tax law and applicable tax treaties may provide for lower or zero rates subject to certain conditions and formalities.

1.2 NBB-SSS

However, payments of interest and principal under the Securities by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Securities if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the

"**Eligible Investors**") in an exempt securities account (an "**X-Account**") that has been opened with a financial institution that is a direct or indirect participant (a "**Participant**") in the settlement system operated by the National Bank of Belgium (the "**NBB**" and the "**NBB-SSS**"). Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD are directly or indirectly Participants for this purpose.

Holding the Securities through the NBB-SSS enables Eligible Investors to receive the gross interest income on their Securities and to transfer the Securities on a gross basis.

Participants to the NBB-SSS must enter the Securities which they hold on behalf of Eligible Investors in an X-Account.

Eligible Investors are those entities referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax (*Koninklijk Besluit van 26 mei 1994 over de inhouding en de vergoeding van de roerende voorheffing/Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier*) (as amended from time to time) which include, *inter alia*:

(i) Belgian resident companies subject to Belgian corporate income tax referred to in Article 2, §1, 5°, b) of the Belgian Income Tax Code of 1992 (*Wetboek van de inkomenstenbelastingen 1992/Code des impôts sur les revenus 1992*, the "**Income Tax Code of 1992**");

(ii) without prejudice to Article 262, 1° and 5° of the Income Tax Code of 1992, the institutions, associations or companies referred to in Article 2, §3 of the Belgian law of 9 July 1975 with respect to the control of insurance companies other than those referred to in (i) and (iii);

(iii) state regulated institutions (*parastatalen/institutions parastatales*) for social security, or institutions equated therewith, referred to in Article 105, 2º of the Belgian Royal Decree implementing the Income Tax Code 1992 (*Koninklijk Besluit tot invoering van het wetboek inkomstenbelastingen 1992/Arrêté Royal d'exécution du code des impôts sur les revenus 1992*, (the "**Royal Decree implementing the Tax Code 1992**");

(iv) non-resident investors referred to in Article 105, 5° of the Royal Decree implementing the Tax Code 1992 whose holding of the Securities is not connected to a professional activity in Belgium;

(v) Belgian qualifying investment funds, recognised in the framework of pension savings, provided for in Article 115 of the Royal Decree implementing the Tax Code 1992;

(vi) taxpayers referred to in Article 227, 2° of the Income Tax Code of 1992 subject to non-resident income tax (*belasting van niet inwoners/impôt des non-résidents*) in accordance with Article 233 of the Income Tax Code of 1992, and which have used the income generating capital for the exercise of their professional activities in Belgium;

(vii) the Belgian State, in respect of investments which are exempt from withholding tax in accordance with Article 265 of the Income Tax Code of 1992;

(viii) collective investment funds governed by foreign law (such as *beleggingsfondsen/fonds de placement*) which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not publicly issued in Belgium or traded in Belgium; and

(ix) Belgian resident companies, not provided for under (i) above, when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia,* Belgian resident investors who are individuals or non-profit making organisations, other than those mentioned under (ii) and (iii) above.

The above categories only summarise the detailed definitions contained in Article 4 of the Royal Decree of 26 May 1994, as amended, to which investors should refer for a precise description of the relevant eligibility rules.

Upon opening of an X-Account with the NBB-SSS for the holding of Securities, the Eligible Investor is required to provide the Participant where this X-Account is kept with a statement of its eligible status on a form approved by the Minister of Finance. This certification need not be periodically renewed (although Eligible Investors must update their certification should their eligible status change and provide that information to the Participant). Participants are however required to make annually declarations to the NBB as to the eligible status of each investor for whom they hold Securities in an X-Account during the preceding calendar year.

An X-Account may be opened with a Participant by an intermediary (an "**Intermediary**") in respect of Securities that the Intermediary holds for the account of its clients (the "**Beneficial Owners**"), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor and (ii) the Beneficial Owners holding their Securities through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the Intermediary.

These identification requirements do not apply to Securities held in central securities depositories as defined in Article 2, 1st paragraph, (1) of the Regulation (EU) N° 909/2014 of the European Parliament and of the Council of 23 July 2014 on improving securities settlement in the European Union and on central securities depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012 ("**CSD**") acting as Participants to the Securities Settlement System (each, a "**NBB-CSD**"), provided that the relevant NBB-CSD only holds X-Accounts and that they are able to identify the Securityholders for whom they hold Securities in such account. For the identification requirements not to apply, it is furthermore required that the contracts which were concluded by the relevant NBB-CSD as Participants include the commitment that all their clients, holder of an account, are Eligible Investors.

Hence, these identification requirements do not apply to Securities held in Euroclear, Euroclear France, Clearstream Banking Frankfurt, Clearstream Banking Luxembourg, SIX SIS, Euronext Securities Milan, Euronext Securities Porto, Iberclear, OeKB and LuxCSD or any sub-participants outside of Belgium, provided that (i) they only hold X-Accounts, (ii) they are able to identify the Securityholders for whom they hold Securities in such account and (iii) the contractual rules agreed upon by them include the contractual undertaking that their clients, holders of an account, are all Eligible Investors.

In accordance with the NBB-SSS, a Securityholder who is withdrawing Securities from an X-Account will, following the payment of interest on those Securities, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Securities from the last preceding Interest Payment Date until the date of withdrawal of the Securities from the NBB-SSS.

2 Belgian income tax and capital gains

2.1 Belgian resident individuals

The Securities may only be held by Eligible Investors. Consequently, the Securities may not be held by Belgian resident individuals as they do not qualify as Eligible Investors.

2.2 Belgian resident companies

Interest on the Securities derived by Belgian corporate investors who are Belgian residents for tax purposes, i.e., who are subject to the Belgian corporate income tax *(vennootschapsbelasting/impôt des sociétés*), as well as capital gains realised upon the sale of the Securities will be taxable at the ordinary corporate income tax rate of currently 25 per cent. (with a reduced rate of 20 per cent. applying to the first tranche of EUR 100,000 of taxable income of qualifying small companies (as defined in Article 1:24, §1 to §6 of the Belgian Companies and Associations Code).

The withholding tax retained by or on behalf of the Issuer will, subject to certain conditions, be creditable against any corporate income tax due and any excess amount will in principle be refundable, all in accordance with the applicable legal provisions. Capital losses realised upon the sale of the Securities are in principle tax deductible.

Other tax rules apply to companies subject to a special tax regime, such as investment companies within the meaning of Article 185bis of the Income Tax Code of 1992.

2.3 Belgian resident legal entities

The Securities may only be held by Eligible Investors. Consequently, the Securities may not be held by Belgian resident legal entities subject to Belgian legal entities tax (*rechtspersonenbelasting*/*impôts des personnes morales*) which do not qualify as Eligible Investors.

Belgian legal entities which qualify as Eligible Investors and which consequently have received gross interest income without deduction for or on account of Belgian withholding tax, due to the fact that they hold the Securities through an X-account with the NBB-SSS, are required to declare and pay the 30 per cent. withholding tax to the Belgian tax authorities themselves (which withholding tax then generally also constitutes the final taxation in the hands of the relevant investors).

Capital gains realised on the sale of the Securities are in principle tax exempt, unless the capital gains qualify as interest (as defined in section 1 entitled "*Belgian withholding Tax*"). Capital losses are in principle not tax deductible.

2.4 Organisation for Financing Pensions

Interest and capital gains derived by Organisations for Financing Pensions (*organismen voor de financiering van pensioenen*/*organismes de financement de pensions*) in the meaning of the Belgian law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision (*Wet van 27 oktober 2006 betreffende het toezicht op de instellingen voor bedrijfspensioenvoorzieningen*/*Loi du 27 octobre 2006 relative au contrôle des institutions de retraite professionnelle)*, are in principle exempt from Belgian corporate income tax. Capital losses are in principle not tax deductible.

Subject to certain conditions, the Belgian withholding tax, if levied, can be credited against any corporate income tax due and any excess amount is in principle refundable.

2.5 Non-residents

Securityholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Securities through a permanent establishment in Belgium, and do not invest in the Securities in the course of their Belgian professional activity will in principle not incur or become liable for any Belgian tax on interest income or capital gains by reason only of the acquisition, ownership, redemption or disposal of the Securities, provided that they qualify as Eligible Investors and that they hold their Securities in an X-Account.

Non-resident companies who have allocated the Securities to a permanent establishment in Belgium are subject to the same income tax treatment as Belgian resident companies.

Non-resident individuals who do not use the Securities for professional purposes and who have their tax residence in a country with which Belgium has not concluded a tax treaty or with which Belgium has concluded a tax treaty that confers the authority to tax capital gains on the Securities to Belgium, will be subject to tax in Belgium if the capital gains are obtained or received in Belgium and are deemed to be realised outside the scope of the normal management of the individual's private estate. Capital losses are generally not tax deductible.

3 Tax on stock exchange transactions

The purchase and sale and any other acquisition or transfer for consideration of the Securities on the secondary market that is (i) either entered into or carried out in Belgium through a professional intermediary or (ii) deemed to be entered into or carried out in Belgium, which is the case if the order is directly or indirectly made to a professional intermediary established outside of Belgium, either by a private individual with habitual residence (*gewone verblijfplaats/residence habituelle*) in Belgium or by a legal entity for the account of its seat or establishment in Belgium (both referred to as a "**Belgian Investor**"), will be subject to the tax on stock exchange transactions (*taks op beursverrichtingen*/*taxe sur les operations de bourse*) at a current rate of 0.12 per cent. of the purchase/sale price, capped at EUR 1,300 per transaction and per party. The tax is due separately from each party to any such transaction, i.e., the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary. No tax will be due on the issuance of the Securities (primary market transaction).

If the professional intermediary is established outside Belgium, the tax on stock exchange transactions will in principle be due by the Belgian Investor (who will be responsible for the filing of a stock exchange tax return and for the timely payment of the amount of stock exchange tax due), unless the Belgian Investor can demonstrate that the tax on stock exchange transactions due has already been paid by the professional intermediary established outside Belgium. In such a case, the foreign professional intermediary also has to provide each client (which gives such intermediary an order) with an qualifying order statement (*borderel*/*bordereau*), at the latest on the business day after the day on which the relevant transaction was realised. The qualifying order statements must be numbered in series and duplicates must be retained by the professional intermediary. A duplicate can be replaced by a qualifying day-to-day listing, numbered in series. Alternatively, professional intermediaries established outside Belgium can appoint a stock exchange tax representative in Belgium, subject to certain conditions and formalities (a "**Stock Exchange Tax Representative**"). Such Stock Exchange Tax Representative will then be jointly and severally liable toward the Belgian Treasury for the tax on stock exchange transactions and to comply with the reporting obligations and the obligations relating to the order statement (*bordereau/borderel*) in that respect. If such a Stock Exchange Tax Representative has paid the tax on stock exchange transactions due, the relevant Belgian Investor will, as per the above, no longer be the debtor of the tax on stock exchange transactions.

However, no tax on stock exchange transactions will be payable by exempt persons acting for their own account, including investors who are not Belgian residents, provided they deliver an affidavit to the professional intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126/1,2° of the Code of miscellaneous taxes and duties (*Wetboek diverse rechten en taksen/Code des droits et taxes divers*).

As stated below, the European Commission has published a proposal for a Directive for a common financial transactions tax (the "**FTT**"). The proposal currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax). For Belgium, the tax on stock exchange transactions should thus be abolished once the FTT enters into force. The proposal is still subject to negotiation between the participating Member States and therefore may be changed at any time.

4 Tax on securities accounts

Following the Belgian law of 11 February 2021, an annual tax on securities accounts was introduced (the "**Annual Tax on Securities Accounts**") (*jaarlijkse taks op de effectenrekeningen*/*taxe annuelle sur les comptes-titres*). The Annual Tax on Securities Accounts is levied on securities accounts of which the average value during the reference period (i.e a period of twelve consecutive months beginning on 1 October and ending, in principle, on 30 September of the next year), exceeds EUR 1,000,000.

The Annual Tax on Securities Accounts is applicable to securities accounts that are held by resident individuals, companies and legal entities, irrespective as to whether these accounts are held with a financial intermediary established or located in Belgium or abroad. The Annual Tax on Securities Accounts also applies to securities accounts held by non-residents individuals, companies and legal entities with a financial intermediary established or located in Belgium. Belgian establishments from Belgian non-residents are however treated as Belgian residents for purposes of the annual tax on securities accounts so that both Belgian and foreign securities accounts fall within the scope of this tax. Note that pursuant to certain double tax treaties, Belgium has no right to tax capital. Hence, to the extent the tax on securities accounts is viewed as a tax on capital within the meaning of these double tax treaties, treaty protection may, subject to certain conditions, be claimed. The Annual Tax on Securities Accounts is not levied on securities accounts held by specific types of regulated entities in the context of their own professional activity and for their own account.

The applicable tax rate is equal to the lowest amount of either 0.15% of the average value of the financial instruments and funds held on the account or 10% of the difference between the average value of the financial instruments and funds held on the account and EUR 1,000,000. The tax base is the sum of the values of the taxable financial instruments at the different reference points in time, (i.e. 31 December, 31 March, 30 June and 30 September), divided by the number of those points in time.

Each securities account is assessed separately. When multiple holders hold a securities account, each holder is jointly and severally liable for the payment of the tax and each holder may fulfil the declaration requirements for all holders.

A financial intermediary is defined as (i) the National Bank of Belgium, the European Central Bank and foreign central banks performing similar functions, (ii) a central securities depository included in Article 198/1, §6, 12° of the Belgian Income Tax Code, (iii) a credit institution or a stockbroking firm as previously defined by Article 1, §3 of the Belgian law of 25 April 2014 on the status and supervision of credit institutions and investment companies, (currently defined by, respectively, Article 1, §3 of the Belgian law of 25 April 2014 on the status and supervision of credit institution and Article 2 of the

Belgian law of 20 July 2022 on the status and supervision of stockbroking firms and containing various provisions), and (iv) the investment companies as defined by Article 3, §1 of the Belgian law of 25 October 2016 on access to the activity of investment services and on the legal status and supervision of portfolio management and investment advice companies, which are, pursuant to national law, admitted to hold financial instruments for the account of customers.

The annual tax on securities accounts is in principle due by the financial intermediary established or located in Belgium. Otherwise, the annual tax on securities accounts needs to be declared and is due by the holder of the securities accounts itself, unless the holder provides evidence that the annual tax on securities accounts has already been withheld, declared and paid by an intermediary which is not established or located in Belgium. In that respect, intermediaries located or established outside of Belgium could appoint an annual tax on securities accounts representative in Belgium. Such a representative is then liable towards the Belgian Treasury (*Thesaurie/Trésor*) for the annual tax on securities accounts due and for complying with certain reporting obligations in that respect. In cases where a Belgian financial intermediary is responsible for the tax – i.e., either incorporated under Belgian law, established in Belgium or having appointed a Belgian representative – that intermediary has to submit a return on the twentieth day of the third month following the end of the reference period at the latest. The tax must be paid on this day. If the holder of the securities accounts itself is liable for reporting obligations (e.g. when a Belgian resident holds a securities account abroad with an average value higher than EUR 1 million), the deadline for filing the tax return for the annual tax on securities accounts corresponds with the deadline for filing the annual tax return for personal income tax purposes electronically, irrespective whether the Belgian resident is an individual or a legal entity. In the latter case, the annual tax on securities accounts must be paid by the taxpayer on 31 August of the year following the year on which the tax was calculated, at the latest.

Anti-abuse provisions, retroactively applying from 30 October 2020, were initially also introduced: a rebuttable general anti-abuse provision and two irrebuttable specific anti-abuse provisions. However, on 27 October 2022, the Constitutional Court annulled (i) the two irrebuttable specific anti-abuse provisions and (ii) the retroactive effect of the rebuttable general anti-abuse provision, meaning that the latter provision can only apply as from 26 February 2021.

Prospective Securityholders are strongly advised to seek their own professional advice in relation to the Tax on Securities Accounts.

5 Common Reporting Standard

The exchange of information is governed by the Common Reporting Standard ("**CRS**"). As at 16 May 2024, 123 jurisdictions have signed the multilateral competent authority agreement ("**MCAA**"), which is a multilateral framework agreement to automatically exchange financial and personal information, with the subsequent bilateral exchanges coming into effect between those signatories that file the subsequent notifications. More than 50 jurisdictions, including Belgium, have committed to exchange information as from 2018.

Under CRS, financial institutions resident in a CRS country are required to report, according to a due diligence standard, financial information with respect to reportable accounts, which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in the account or payments made with respect to the account. Reportable accounts include accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in another CRS country. The standard includes a requirement to look through passive entities to report on the relevant controlling persons.

On 9 December 2014, EU Member States adopted Directive 2014/107/EU on administrative cooperation in direct taxation ("**DAC2**"), which provides for mandatory automatic exchange of financial information between EU Member States as foreseen in CRS. DAC2 amends the previous Directive on administrative cooperation in direct taxation, Directive 2011/16/EU.

The Belgian government implemented DAC2 and the CRS, pursuant to the Belgian law of 16 December 2015 regarding the exchange of information on financial accounts by Belgian financial institutions and by the Belgian tax administration, in the context of an automatic exchange of information on an international level and for tax purposes (the "**Law regarding Exchange of Information**").

The Securities are subject to DAC2 and to the Law regarding Exchange of Information. Under DAC2 and the Law regarding Exchange of Information, Belgian financial institutions holding the Securities for tax residents in another CRS contracting state shall report financial information regarding the Securities (e.g. in relation to income and gross proceeds) to the Belgian competent authority, who shall communicate the information to the competent authority of the state of the tax residence of the beneficial owner.

As a result of the Law regarding Exchange of Information, the mandatory automatic exchange of information applies in Belgium (i) as of financial year 2016 (first information exchange in 2017) towards the EU Member States, (ii) as of financial year 2014 (first information exchange in 2016) towards the US and (iii) with respect to any other non-EU States that have signed the MCAA, as of the respective date to be further determined by Royal Decree.

In a Belgian Royal Decree of 14 June 2017, as amended, it has been determined that the automatic provision of information has to be provided as from (i) 2017 (for the 2016 financial year) for a first list of eighteen foreign jurisdictions, (ii) as from 2018 (for the 2017 financial year) for a second list of 44 jurisdictions, (iii) as from 2019 (for the 2018 financial year) for another jurisdiction and (iv) as from 2020 (for the 2019 financial year) for a list of six jurisdictions and as from 2023 (for financial year 2022) for a fifth list of two jurisdictions.

Investors who are in any doubt as to their position should consult their professional advisers.

6 The proposed Financial Transaction Tax

On 14 February 2013, the European Commission published a proposal for a Directive (the "**Draft FTT Directive**") for a common financial transaction tax (the "**FTT**") in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and the Slovak Republic (the "**Participating Member States**"), within the framework of an enhanced cooperation procedure. In December 2015, Estonia withdrew from the Participating Member States.

The Draft FTT Directive currently stipulates that once the FTT enters into force, the participating Member States shall not maintain or introduce taxes on financial transactions other than the FTT (or VAT as provided in the Council Directive 2006/112/EC of 28 November 2006 on the common system of value added tax).

The Draft FTT Directive has a very broad scope and could, if introduced, apply to certain dealings in Securities (including secondary market transactions) in certain circumstances. The issuance and subscription of Securities (primary market transactions) should, however, be exempt.

Under the Draft FTT Directive, the FTT could apply in certain circumstances to persons both within and outside of the Participating Member States. According to the Draft FTT Directive, the FTT shall be payable on financial transactions provided that at least one party to the financial transaction is established

(or deemed established) in a Participating Member State and that there is a financial institution established (or deemed established) in a Participating Member State which is a party to the financial transaction or is acting in the name of a party to the transaction. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State. The FTT shall, however, not apply to among others primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall in principle be fixed by each Participating Member State, but for transactions involving financial instruments other than derivatives they shall amount to at least 0.1% of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer or the market price (whichever is higher). The FTT shall be payable by each financial institution which is established (or which is deemed to be established) in a Participating Member State (i) which is a party to the financial transaction, (ii) which is acting in the name of a party to the transaction or (iii) where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to the relevant financial transaction, including persons other than financial institutions, shall become jointly and severally liable for the payment of the FTT.

However, the proposed FTT remains subject to negotiation between the Participating Member States (excluding Estonia) and the scope of any such tax is uncertain. Therefore, it may be altered at any time prior to any implementation, the timing of which also remains unclear. Additional EU Member States may decide to participate and/or other Participating Member States may decide to withdraw. Moreover, once the FTT proposal has been adopted (the "**FTT Directive**"), it will need to be implemented into the respective domestic laws of the Participating Member States and the domestic provisions implementing the FTT Directive might deviate from the FTT Directive itself.

In any event, the European Commission declared that, if there is no agreement between the Participating Member States by the end of 2022, it would endeavour to propose a new own resource, based on a new FTT, by June 2024 in view of its introduction by 1 January 2026. No agreement was found between the Participating Member States at the end of 2022. The European Commission has, however, not published any proposals so far.

Prospective holders of the Securities are advised to seek their own professional advice in relation to the FTT.

7 Foreign Account Tax Compliance Act

Under the Foreign Account Tax Compliance ("**FATCA**") legislation, certain non-U.S. financial institutions ("**Foreign Financial Institutions**") are required to report to the Internal Revenue Service (the "**IRS**") or to their own government financial information with respect to U.S. reportable accounts (which includes interest, dividends, account balance or value, income from certain insurance products, sales proceeds from financial assets and other income generated with respect to assets held in such accounts or payments made with respect to such accounts). U.S. reportable accounts are accounts held by individuals and entities (which includes trusts and foundations) with fiscal residence in the United States. FATCA also requires to look through passive entities (so-called passive Non-Financial Foreign Entities ("**NFFEs**")) to report on the U.S. Controlling Persons of such passive NFFEs.

Belgium and the United States have entered into an intergovernmental agreement regarding the FATCA provisions (the "**Belgian IGA**"), which has been implemented into Belgian law by the Belgian law of 22 December 2016 relating to FATCA (the "**Belgian FATCA Law**").

To the extent the Issuer can be considered as a reporting Foreign Financial Institution under the Belgian IGA, it may be required to regularly obtain and verify information on all of its holders of U.S. reportable accounts and report such information on an automatic and annual basis to the Belgian tax authorities. Holders qualifying as passive NFFEs undertake to inform their controlling persons of the processing of their information by the Issuer, if applicable. Belgian reporting Financial Institutions must submit FATCA declarations to the Belgian tax authorities on an annual basis by 30 June of the year, following the reportable tax year.

Such information, which may include personal data (including, without limitation, the name, address, date and place of birth as well as tax identification number(s) of any reportable individual) and certain financial data about the relevant Securities (including, without limitation, their balance or value and gross payments made thereunder), will be transferred by the Belgian tax authorities to the IRS in accordance with, and subject to, the relevant Belgian legislation and international agreements.

However, the Belgian Data Protection Authority (the "**Belgian DPA**") has recently declared unlawful the transfer of personal data of so-called Belgian "Accidental Americans" by the Belgian tax authorities to the US tax authorities under the Belgian FATCA IGA. According to the Belgian DPA, the data processing carried out under the Belgian FATCA IGA does not comply with all the principles of the EU General Data Protection Regulation (GDPR), including the rules on data transfers outside the EU. The decision is subject to appeal.

Each Holder and prospective investor should consult their own tax advisors or otherwise seek professional advice regarding the above requirements under FATCA.

SUBSCRIPTION AND SALE

BNP Paribas, BofA Securities Europe SA, J.P. Morgan SE, KBC Bank NV, Morgan Stanley & Co. International plc and Natixis (together, the "**Joint Lead Managers**") have, pursuant to a Subscription Agreement dated 13 September 2024, jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe (or procure the subscription) for the Securities at 100.00 per cent. of their principal amount. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Securities. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer. In this situation, the issuance of the Securities may not be completed. Investors will have no right against the Issuer nor the Joint Lead Managers in respect of any expense incurred or loss suffered in these circumstances.

1 Eligible Investors only

The Securities may only be held by, and may only be transferred to, Eligible Investors referred to in Article 4 of the Belgian Royal Decree of 26 May 1994 holding their Securities in an exempt securities account that has been opened with a financial institution that is a direct or indirect participant in the NBB-SSS.

2 United States

The Securities have not been and will not be registered under the Securities Act or any securities laws of any State or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Each Joint Lead Manager has agreed that it will not offer or sell the Securities, (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the Issue Date (the "**Resale Restriction Termination Date**"), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Securities prior to the Resale Restriction Termination Date a confirmation or other notice setting forth the restrictions on offers and sales of the Securities within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of the Securities within the United States by a dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

The Securities are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

3 Prohibition of Sales to EEA Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or

(ii) a customer within the meaning of Directive (EU) 2016/97/EU, as amended (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

4 Prohibition of Sales to UK Retail Investors

Each Joint Lead Manager has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Securities to any retail investor in the United Kingdom. For the purposes of this provision, the expression **"retail investor"** means a person who is one (or more) of the following:

(i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law of the United Kingdom by virtue of the EUWA; or

(ii) a customer within the meaning of the provisions of the UK FSMA 2000 and any rules or regulations made under the UK FSMA 2000 to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law of the United Kingdom by virtue of the EUWA.

5 United Kingdom Securities Laws

Each Joint Lead Manager has represented and agreed that:

(a) ***Financial promotion***: it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the UK FSMA 2000) received by it in connection with the issue or sale of any Securities in circumstances in which section 21(1) of the UK FSMA 2000 does not apply to the Issuer; and

(b) ***General compliance***: it has complied and will comply with all applicable provisions of the UK FSMA 2000 with respect to anything done by it in relation to any Securities in, from or otherwise involving the United Kingdom.

6 Belgium

Each Joint Lead Manager has represented and agreed that it will not sell, offer or otherwise make the Securities available to "consumers" (*consumenten/ consommateurs*) within the meaning of the Belgian Code of Economic Law (*Wetboek van economisch recht/Code de droit économique*) dated 28 February 2013, as amended (the "**Belgian Code of Economic Law**") in Belgium.

7 Italy

The offering of the Securities has not been registered with the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian securities legislation and, accordingly, no Securities may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Securities be distributed in the Republic of Italy, except:

(a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and Italian CONSOB regulations; or

(b) in other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time, and the applicable Italian laws.

Any offer, sale or delivery of the Securities or distribution of copies of the Prospectus or any other document relating to the Securities in the Republic of Italy under (a) and (b) above must:

(a) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the "**Italian Consolidated Banking Act**"); and

(b) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, the reporting requirements, where applicable, pursuant to Article 129 of the Italian Consolidated Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

8 Hong Kong

Each Joint Lead Manager has represented and agreed that:

(i) it has not offered or sold, and will not offer or sell, in Hong Kong, by means of any document, any Securities other than (i) to "professional investors" as defined in the SFO and any rules made under the SFO, or (ii) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) of Hong Kong (the "**CWUMPO**") or which do not constitute an offer to the public within the meaning of the CWUMPO; and

(ii) it has not issued, or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Securities, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

9 Singapore

Each Joint Lead Manager has acknowledged that this Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Securities or caused the Securities to be made the subject of an invitation for subscription or purchase and will not offer or sell any or cause the Securities to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Securities, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise

pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to compliance with the conditions set forth in the SFA.

Where Securities are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Securities pursuant to an offer made under Section 275 of the SFA except:

(i) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(c)(ii) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

10 Switzerland

This Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Securities. The Securities may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made to admit the Securities to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this Prospectus nor any other offering or marketing material relating to the Securities constitutes a prospectus pursuant to the FinSA, and neither this Prospectus nor any other offering or marketing material relating to the Securities may be publicly distributed or otherwise made publicly available in Switzerland.

11 General

None of the Issuer or any of the Joint Lead Managers has made any representation that any action will be taken by the Joint Lead Managers or the Issuer that would, or would be intended to, permit a public offer of the Securities or possession or distribution of the Prospectus or any other offering or publicity material relating to the Securities in any country or jurisdiction where any such action for that purpose is required. Accordingly, each Joint Lead Manager has undertaken that it will not, directly or indirectly, offer or sell any Securities or have in its possession, distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief in all material respects, result in compliance with any applicable laws and regulations and all offers and sales of Securities by it will be made on the same terms.

No Joint Lead Manager has been authorised to make any representation or use any information in connection with the issue, subscription and sale of the Securities other than as contained in this Prospectus or any amendment or supplement to it.

GENERAL INFORMATION

1 Application has been made to Euronext Brussels for the Securities to be listed and to be admitted to trading, as of the Issue Date, on the regulated market of Euronext Brussels. Euronext Brussels is a regulated market for the purposes of MiFID II. The Issuer estimates the expenses in relation to admission to trading will be approximately EUR 12,640 (excl. VAT).

2 The Issuer has obtained all necessary consents, approvals and authorisations in Belgium in connection with the issue of, and the performance of its obligations under, the Securities. The issue of the Securities by the Issuer was authorised by resolutions of the Board of Directors of the Issuer passed on 7 August 2024 and the Executive Committee of the Issuer passed on 30 July 2024.

3 Other than as disclosed in this Prospectus, there has been no material adverse change in the prospects of the Issuer since 31 December 2023 and no significant change in the financial performance or the financial position of the Issuer or the Group since 30 June 2024.

4 Other than as disclosed under the section "*Description of the Issuer – Litigation*", the Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have or have had in the twelve months preceding the date of this Prospectus a significant effect on the financial position or profitability of the Issuer and the Group.

5 The Securities have been accepted for settlement through the NBB-SSS operated by the National Bank of Belgium. The Common Code is 288937117 and the International Securities Identification Number (ISIN) is BE0390152180.

6 As at the date of this Prospectus, the address of the National Bank of Belgium is Boulevard de Berlaimont 14, B-1000 Brussels, Belgium.

7 Where information in this Prospectus has been sourced from third parties, this information has been accurately reproduced and as far as the Issuer is aware and is able to ascertain from the information published by such third parties no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of third party information is identified where used.

8 No entity or organisation has been appointed to act as representative of the holders. The provisions on meetings of holders are set out in Condition 12 (*Meetings of holders and Modification*) and Schedule 1 (*Provisions on meetings of Securityholders*) to the Conditions.

9 For so long as the Securities are outstanding, the following documents will be available on the website of the Issuer (www.kbc.com):

(a) the constitutional documents of the Issuer;

(b) the audited consolidated financial statements of the Issuer for each of the two financial years ended 31 December 2022 and 31 December 2023, in each case together with the auditor's reports in connection therewith;

(c) the unaudited condensed consolidated financial statements of the Issuer for the first and second quarters of 2023 and for the first and second quarters of 2024, in each case together with the limited review report of the auditor in connection therewith;

(d) a copy of the Prospectus.

The Agency Agreement will, for so long as the Securities are outstanding, be available during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted) for inspection at the registered office of the Agent.

10 PricewaterhouseCoopers Bedrijfsrevisoren BV (*erkende revisor/réviseur agréé*), represented by Damien Walgrave and Jeroen Bockaert, with offices at Culliganlaan 5, B-1831 Diegem ("PwC"), has been appointed as auditor of the Issuer for the financial years 2022-2025. PwC is a member of the *Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Entreprises*. The consolidated financial statements of the Issuer (as well as the annual accounts of the Issuer) for the years ended 31 December 2022 and 31 December 2023 have been audited in accordance with ISA by PwC and the audits resulted, in each case, in an unqualified opinion. The reports of the auditor of the Issuer on the Issuer's consolidated financial statements are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors.

11 Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business. Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Securities, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer and routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Securities. Any such positions could adversely affect future trading prices of the Securities. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

ISSUER

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