KBC Group
Press presentation
2Q 2025

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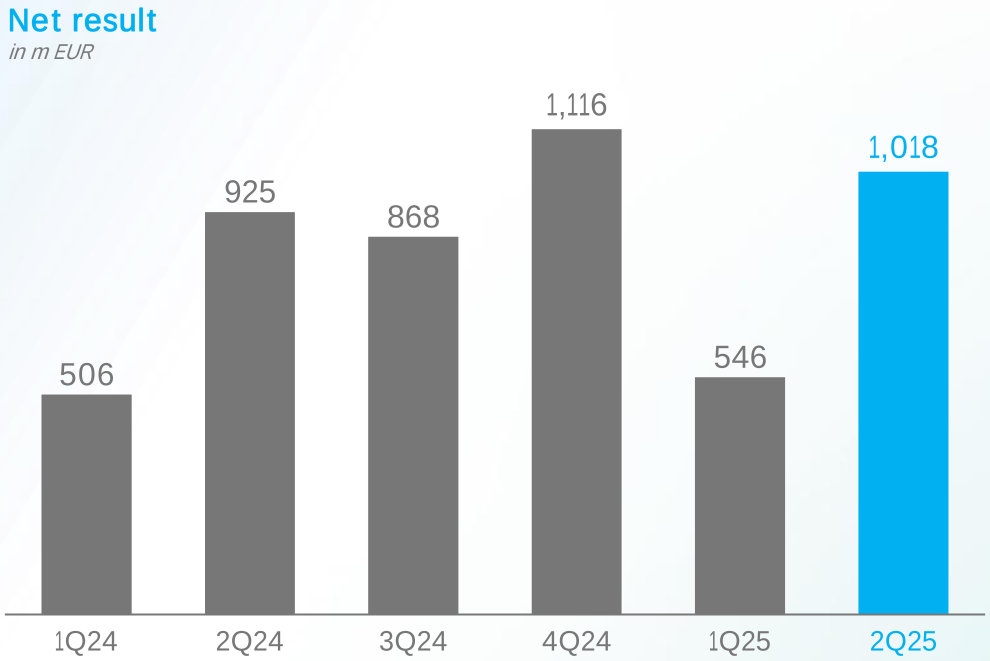
Highlights

Net result of 1,018m EUR over 2Q25

- Commercial bank-insurance franchises performed excellently
- Customer loans and customer deposits increased q-o-q in almost all our core countries (on a comparable basis). Core customer money inflow of 5.0bn EUR in 2Q25 with a shift from term deposits to savings accounts
- KBC Group is well-positioned being an integrated bank-insurer with tailored AM business that has a highly diversified income (49% NII and 51% non-NII of 1H25 total income)
- Excellent net interest income, leading to increased FY25 NII guidance (from initial 'at least 5.7bn EUR' to 'at least 5.85bn EUR')
- Good net fee and commission income; higher net inflows in direct client money y-o-y
- Q-o-q higher net result from financial instruments at fair value & IFIE and net other income above the normal run rate
- Higher sales of non-life insurance y-o-y, sales of life insurance down q-o-q and up y-o-y
- FY25 total income guidance increased to at least +7.0% y-o-y (from initial guidance of at least 5.5% y-o-y), leading to jaws of +4.5% (from initial guidance of at least 3.0%)
- Costs down q-o-q due entirely to lower bank & insurance taxes; Costs excl. bank & insurance taxes up q-o-q
- Higher net loan loss impairment charges, entirely driven by a 40m EUR increase of the ECL buffer (for geopolitical and macroeconomic uncertainties) in 2Q25 versus a 45m EUR decrease of the ECL buffer in 1Q25. Excellent credit cost ratio
- Solid solvency and liquidity position
- Interim dividend of 1 EUR per share in November 2025



YTD ratios

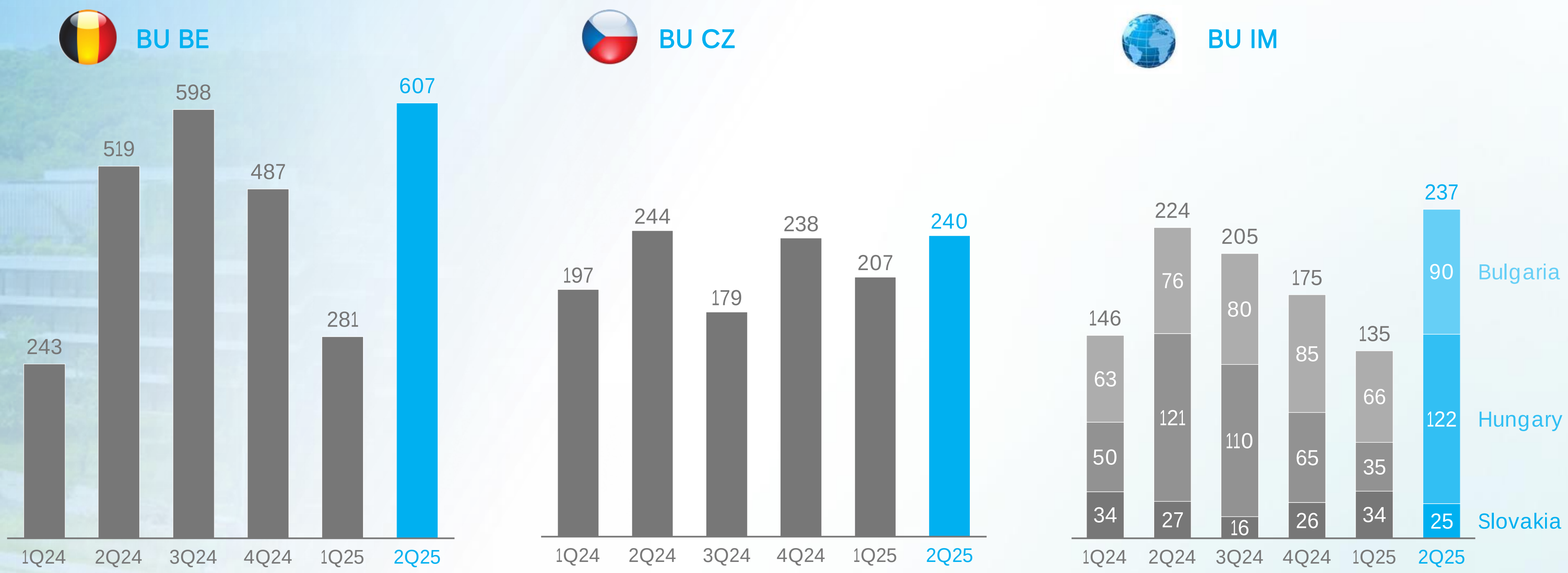
- Return on Equity 15%*
- Cost-income ratio 45%**
- Combined ratio 85% (versus below 91% guided)
- Credit cost ratio 0.15% (versus well below TTC of 25-30bps guided)
- CET1 ratio 14.6%*** (B4, DC, unfloored fully loaded)
- Leverage ratio 5.6% (fully loaded)
- NSFR 135% & LCR 157%

* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs
** When excluding certain non-operating items. See glossary for the exact definition
*** Unfloored fully loaded CET1 ratio = fully loaded Basel 4 CET1 ratio excluding output floor impact

Excellent contribution from all business units

Net result per business unit

in m EUR

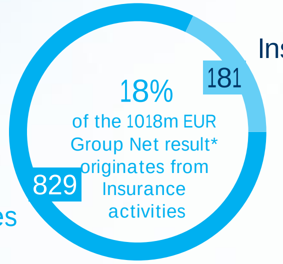


Strategic focus | Sia Partners ranked KBC Mobile the N°1 mobile banking app worldwide

Unique integrated bank-insurance+ model

- We offer an integrated response to our clients' banking and insurance needs. Our organisation is similarly integrated, operating as a single business and a digital-first, data-driven and AI-led bank-insurer.
- Our integrated model offers our clients the benefit of a comprehensive, one-stop, relevant and personalised financial service that allows them to choose from a wider, complementary and optimised range of products and services, which go beyond pure bank-insurance.
- For ourselves, it offers benefits in terms of income and risk diversification, additional sales potential through intensive co-operation between the bank and insurance distribution channels, significant cost-savings and synergies, and heightened interaction opportunities with and a more complete understanding of our clients.

Insurance Activities



Banking activities

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

Successful digital-first approach through KATE

- Our digital interaction with clients forms the basis of our business model in our strategy, not only in terms of sales and advice, but also in E2E digital process and product development.
- Artificial intelligence and data analysis play an important part in digital sales and advice. Kate, our personal digital assistant, is featured prominently in this regard.
- The independent international consulting firm Sia Partners ranked KBC Mobile the N°1 mobile banking app worldwide in 2024: a clear recognition of a decade of innovation, development and listening closely to our clients.

5.7 million users in contact with Kate

KATE autonomy

71% BE
71% CZ

Firmly embedded sustainability strategy

- As a company that aims to support the transition to a more sustainable and climate-proof society, we have made sustainability integral to our overall business strategy and integrated it into our day-to-day business operations and the products and services we provide.
- Our sustainability strategy consists of three cornerstones: encouraging responsible behaviour on the part of all our employees, increasing our positive impact on society and limiting any adverse impact we might have

Strategic focus | The reference

At KBC it is our ambition to be the reference for bank-insurance in all our core markets

Profitability

With a Return on Equity of 15% in 1H25 **KBC** is one of the most profitable EU financial institutions

Solvency

With an unfloored fully loaded CET1 ratio of 14.6% at end 1H25 KBC is amongst the better capitalised EU banks

Sustainability

Sustainalytics ranks KBC in the 3rd percentile of 254 diversified banks assessed
(last full update November 29, 2024)

Digitalisation

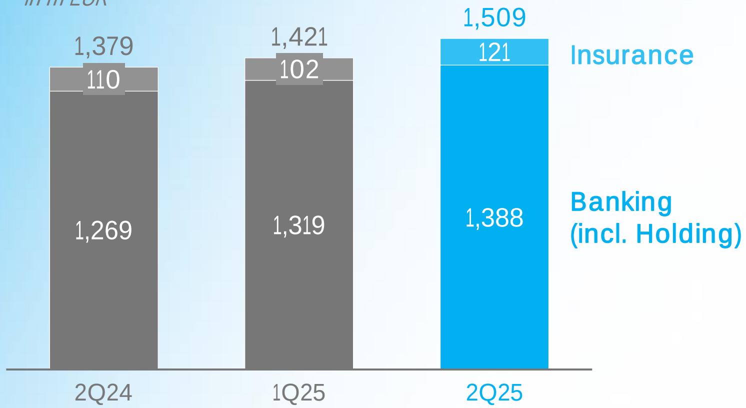
Sia Partners ranks KBC Mobile as N°1 banking app worldwide

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

Excellent net interest income, leading to increased FY25 guidance

Net interest income

in m EUR

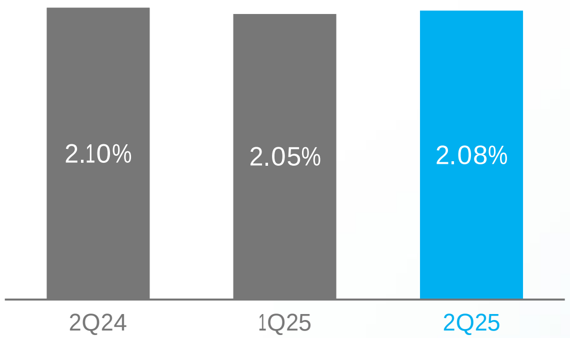


- NII increased by 6% q-o-q and by 9% y-o-y
- Q-o-q change was driven primarily by:
  - Higher commercial transformation result (due to continued increasing reinvestment yields, higher benchmarked deposit volumes and lower external rates)
  - Higher lending income (strong loan volume growth partly offset by lower loan margins in some core markets)
  - higher NII on inflation-linked bonds (+29m EUR q-o-q, from -5m EUR in 1Q25 to +24m EUR in 2Q25)
  - Higher dealing room NII
  - Higher number of days (+7m EUR q-o-q)
  - Lower subordination costs

  partly offset by:
  - Lower NII on term deposits (shift from term deposits to savings accounts)
  - Lower short-term cash management
- Y-o-y increase was driven primarily by significantly higher commercial transformation result, higher lending income, lower costs on the minimum required reserves held with central banks, lower subordination costs and higher dealing room NII, partly offset by much lower NII on term deposits, lower NII on inflation-linked bonds (-4m EUR y-o-y, from 27m EUR in 2Q24 to 24m in 2Q25) and lower short-term cash management

Net interest margin*

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



- Rose by 2 bps q-o-q and fell by 2 bps y-o-y for the reasons mentioned on net interest income and an increase in the interest-bearing assets (denominator), both q-o-q and y-o-y

Organic volume trend

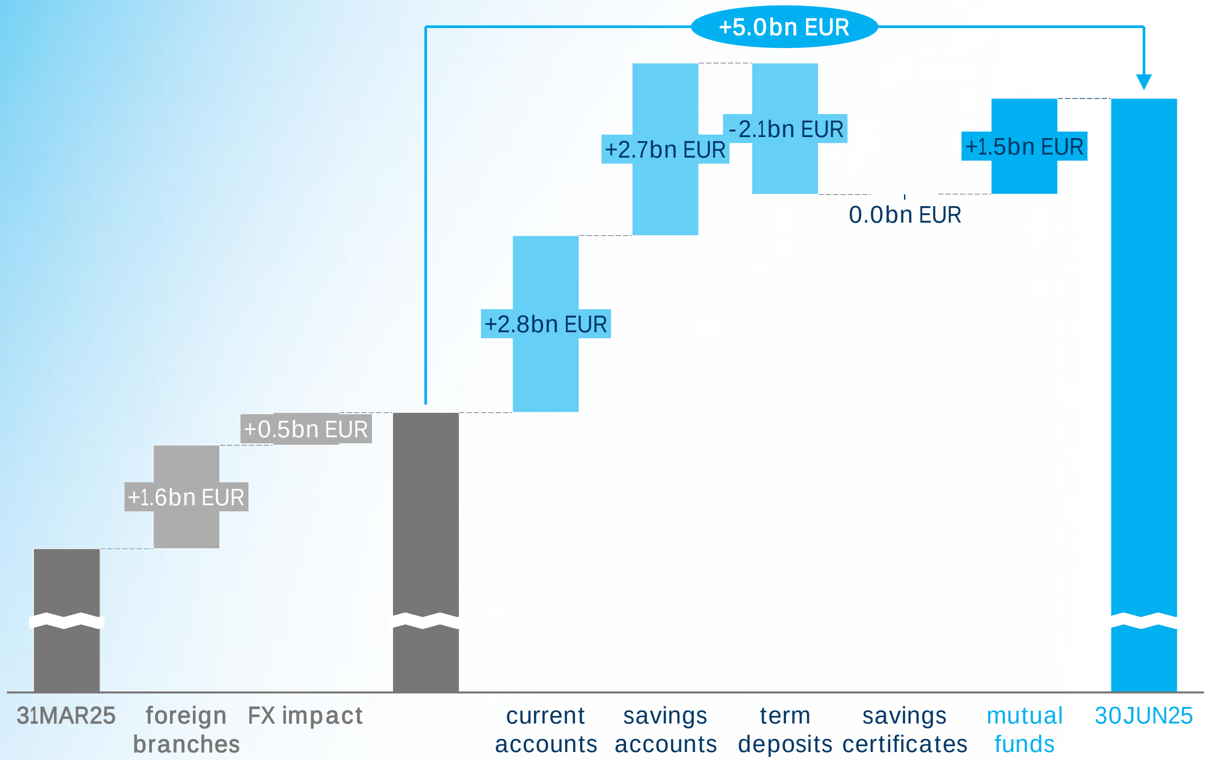
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	202bn	81bn	237bn
Growth q-o-q*	+2%	+2%	+2%
Growth y-o-y	+7%	+6%	+6%

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

Inflow of core customer money

Customer money dynamic over 2Q25

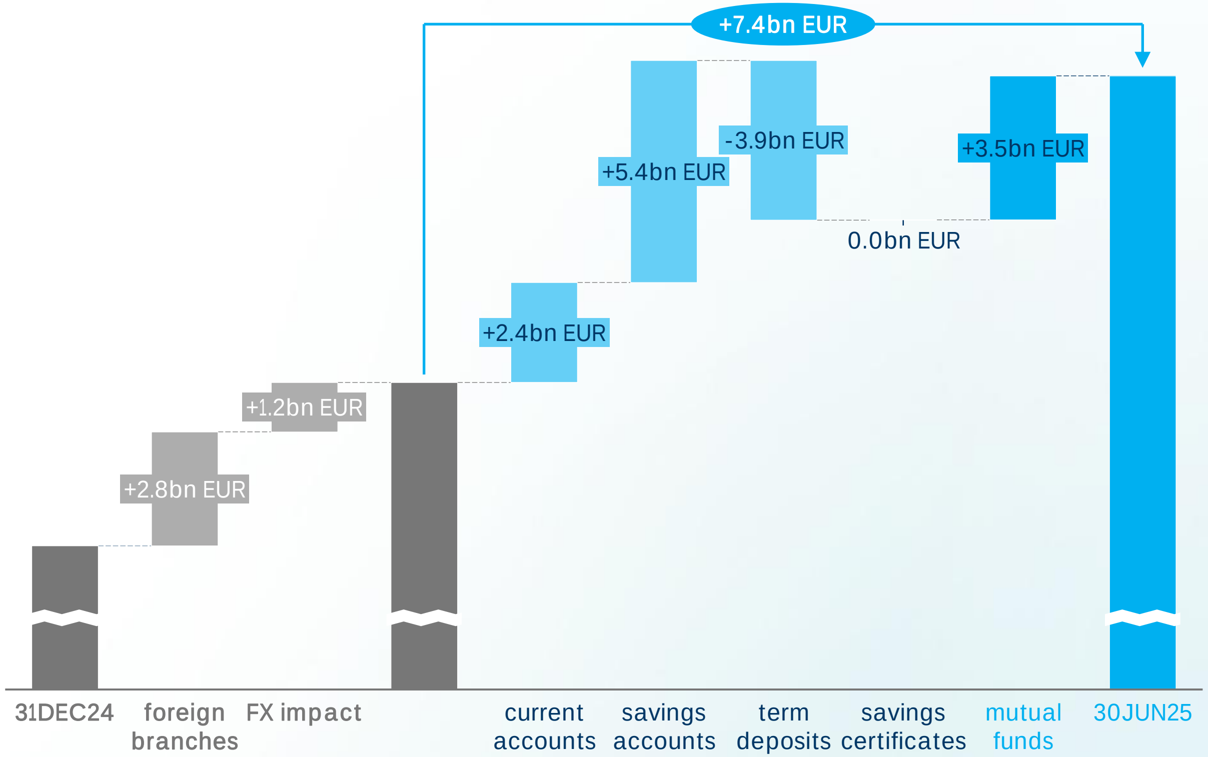
in bn EUR



- 2Q25 saw an inflow of core customer money of +5.0bn EUR (+5.5bn EUR incl. FX impact)

Customer money dynamic over 1H25

in bn EUR

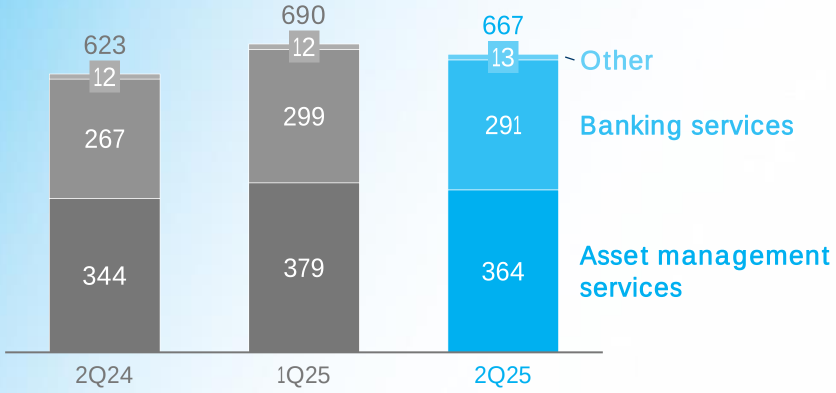


- 1H25 saw an inflow of core customer money of +7.4bn EUR (+8.6bn EUR incl. FX impact)

Good net fee and commission income, Higher net inflows in direct client money y-o-y

Net fee & commission income

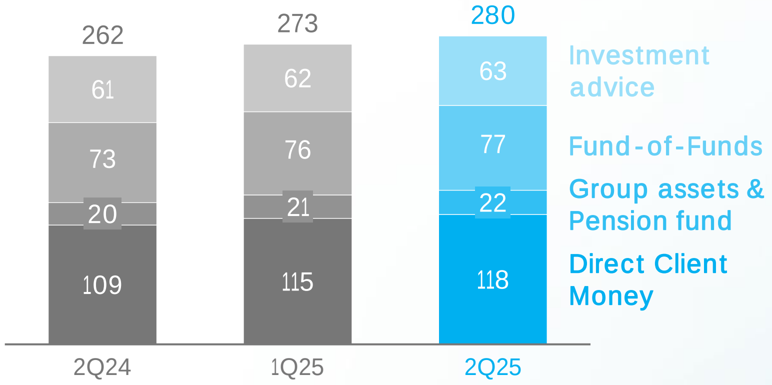
in m EUR



- Down by 3% q-o-q and up by 7% y-o-y
- Q-o-q decrease was driven primarily by:
  - Net F&C income from Asset Management Services decreased by 4% q-o-q due mainly to lower management fees (good net inflows more than offset by the impact of a lower average asset base during the quarter) and seasonally lower entry fees
  - Net F&C income from banking services fell by 2% q-o-q due chiefly to higher distribution commissions paid for banking products, lower network income and lower securities-related fees
- Y-o-y increase was mainly the result of:
  - Net F&C income from Asset Management Services rose by 6% y-o-y due mainly to higher management & entry fees
  - Net F&C income from banking services increased by 9% y-o-y due mainly to higher fees from payment services, higher network income and higher securities-related fees, partly offset by higher distribution commissions paid for banking products

Assets under management

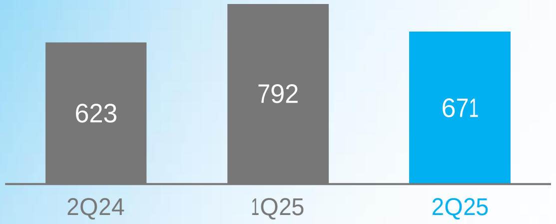
in bn EUR



- Increased by 3% q-o-q due to net inflows (+1%) and positive market performance (+2%)
- Increased by 7% y-o-y due to net inflows (+4%) and positive market performance (+3%)
- The mutual fund business has seen good net inflows this quarter, both in higher-margin direct client money (1.5bn EUR in 2Q25 versus 2.0bn in 1Q25 and 0.7bn EUR in 2Q24) as well as in lower-margin assets

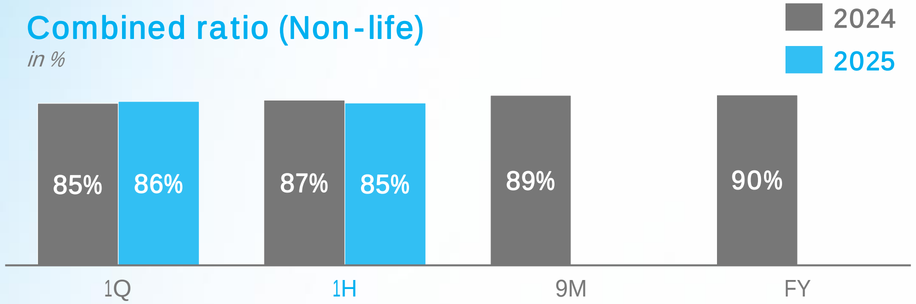
Non-life sales up y-o-y, life sales down q-o-q and up y-o-y

Non-life sales
in m EUR



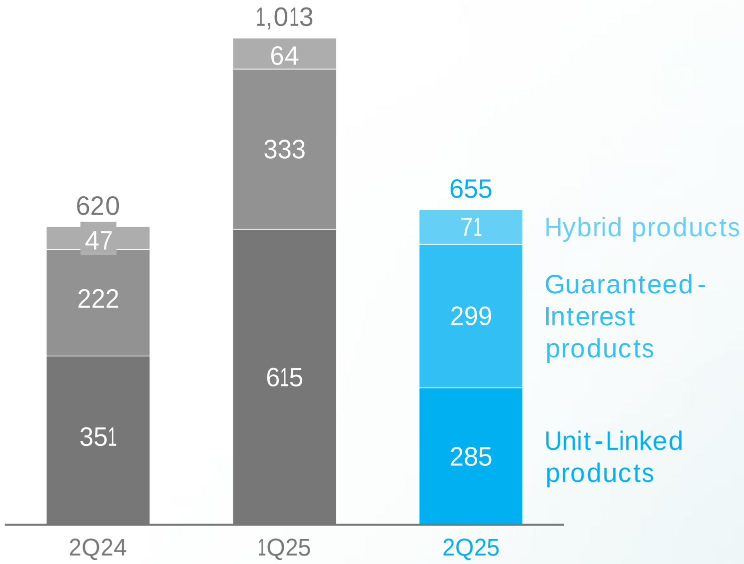
- Up by 8% y-o-y, with growth in all countries and all main classes, due to a combination of volume and tariff increases

Combined ratio (Non-life)
in %



- Non-life combined ratio for 1H25 amounted to an excellent 85% (87% in 1H24). This is mainly the result of:
  - 9% y-o-y higher insurance revenues before reinsurance
  - 8% y-o-y higher insurance service expenses before reinsurance
  - Higher net result from reinsurance contracts held (up by 16m EUR y-o-y)

Life sales
in m EUR



- Decreased by 35% q-o-q due to lower sales of unit-linked products (as the result of a successful launch of structured emissions in Belgium in 1Q25) and lower sales of guaranteed-interest products (due chiefly to traditionally higher volumes in tax-incentivised pension savings products in Belgium during 1Q and 4Q), partly offset by higher sales of hybrid products
- Increased by 6% y-o-y due to higher sales of guaranteed-interest products and hybrid products, partly offset by lower sales of unit-linked products
- Sales of guaranteed-interest products and unit-linked products accounted for 46% and 43% of total life insurance sales in 2Q25 respectively, with hybrid products (mainly in Belgium and the Czech Republic) accounting for the remainder

FIFV & IFIE result up q-o-q and net other income above the normal run rate

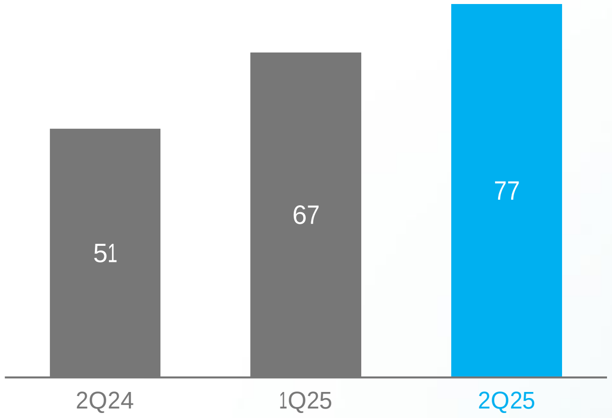
FIFV & IFIE

in m EUR

	2Q24	1Q25	2Q25
Dealing room	62	77	60
MVA/CVA/FVA	1	-1	0
IFIE – mainly interest accretion	-60	-67	-67
M2M ALM derivatives and other	0	-55	-27
FIFV & IFIE	3	-45	-34

Net other income

in m EUR



- FIFV & IFIE result up q-o-q, attributable mainly to:
  - Positive change in 'ALM derivatives and other'

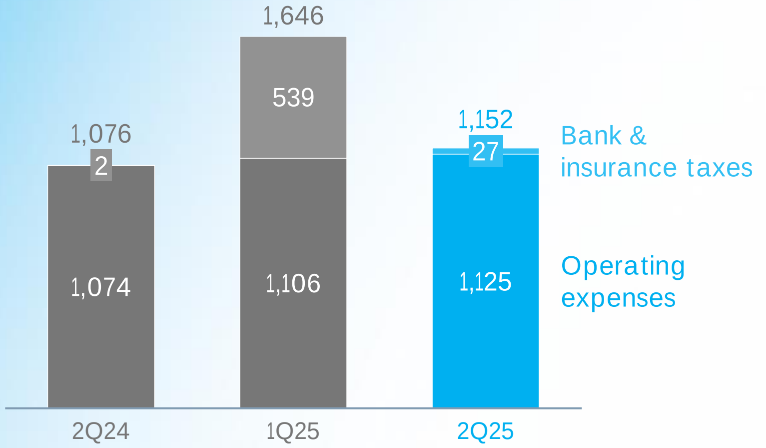
  partly offset by:
  - Lower dealing room result

- Higher than the normal run rate of 50m EUR per quarter in 2Q25
  - Due mainly to higher-than-average gains on the sale of real estate

Costs excluding bank & insurance taxes increased q-o-q

Operating expenses (including costs directly attributable to insurance)

in m EUR



Cost/income ratio

When excluding bank and insurance taxes

FY24	1H25
43%	41%

- Operating expenses excluding bank & insurance taxes rose by 2% q-o-q and by 5% y-o-y
  - The q-o-q increase was due mainly to higher staff costs, higher ICT costs, seasonally higher marketing costs and higher professional fee expenses
  - The y-o-y increase was due to, amongst others, higher staff costs, higher ICT costs, higher depreciations and slightly higher facility & professional fee expenses

- Note that opex excluding bank & insurance taxes was low in 1H24… therefore we feel comfortable with our FY25 guidance for opex excluding bank & insurance taxes of below +2.5% y-o-y

- 1H25 cost/income ratio
  - 45% when excluding certain non-operating items* (47% in FY24)
  - 41% excluding all bank & insurance taxes (43% in FY24)

- Regarding bank & insurance taxes in 2Q25, note that:
  - 38m additional national bank taxes in Hungary (lower than expected due to a 7m EUR reversal of windfall tax related to previous years)
  - 2m EUR additional national bank taxes in Slovakia
  - 4m EUR decrease in the Czech Republic, mainly due to lower than anticipated Resolution Fund contribution
  - 9m EUR decrease of the contribution to the Deposit Guarantee Scheme in Bulgaria

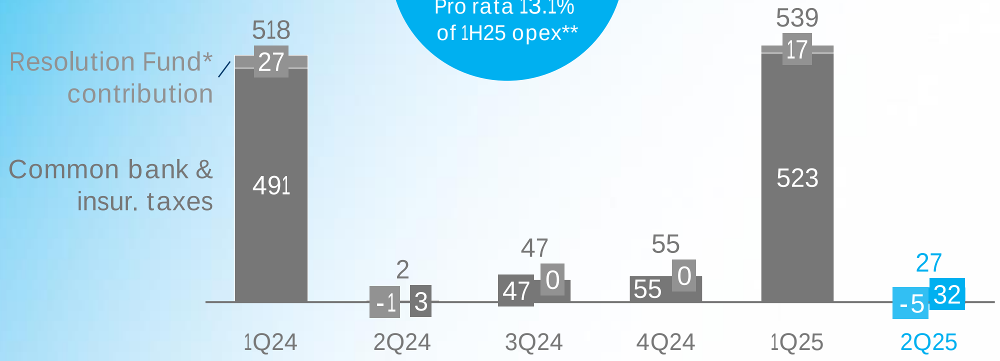
- Total bank & insurance taxes are expected to increase by 7% y-o-y to 669m EUR in 2025 (623m EUR in 2024)

* See glossary for the exact definition

Overview of bank & insurance taxes*

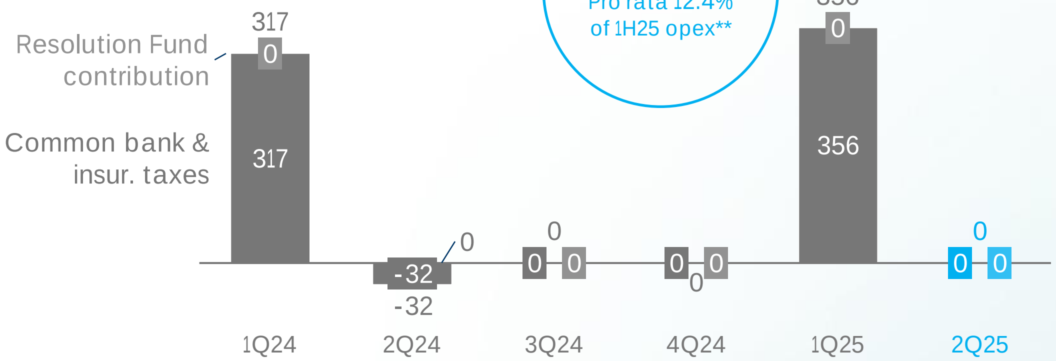
KBC Group
in m EUR

KBC Group
566m EUR
Pro rata 13.1% of 1H25 opex**



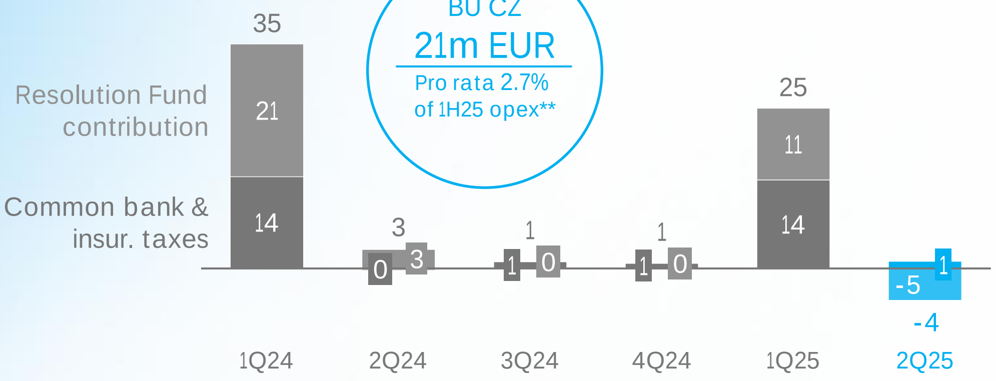
Belgium BU
in m EUR

BU BE
356m EUR
Pro rata 12.4% of 1H25 opex**



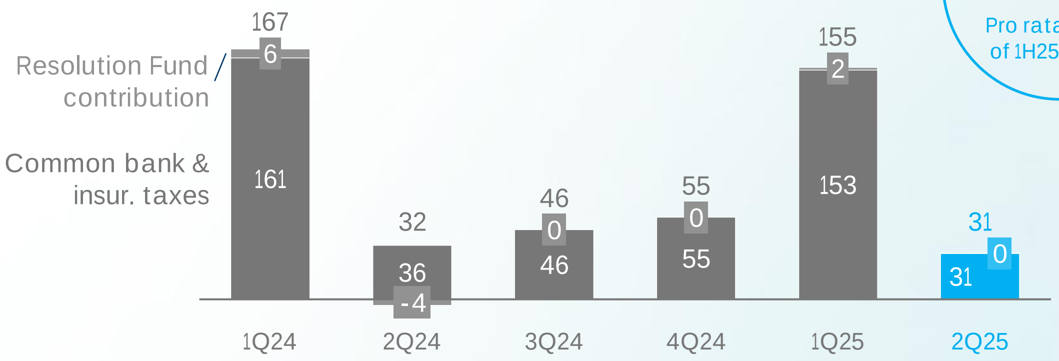
Czech Republic BU
in m EUR

BU CZ
21m EUR
Pro rata 2.7% of 1H25 opex**



International Markets BU
in m EUR

BU IM
185m EUR
Pro rata 25.0% of 1H25 opex**

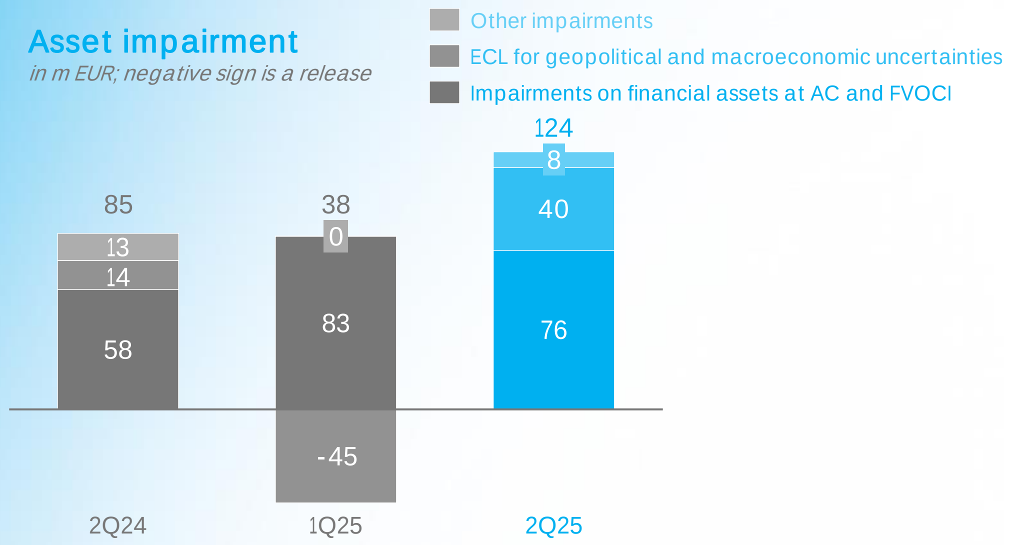


* This refers solely to the bank & insurance taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.
** Including directly attributable costs to insurance

Higher net loan loss impairment charges & excellent credit cost ratio

Asset impairment

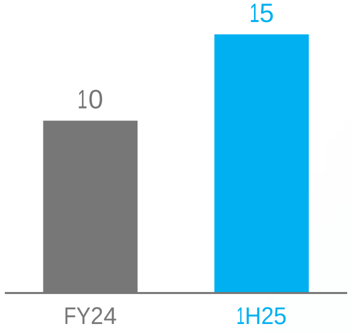
in m EUR; negative sign is a release



- Net loan loss impairment charges of 116m EUR in 2Q25 (compared with net loan loss impairment charges of 38m EUR in 1Q25) due to:
  - 76m EUR net loan loss impairment charges on lending book (compared with 83m EUR in 1Q25)
  - An increase of 40m EUR of the ECL buffer due to a management overlay (versus a decrease of 45m EUR of the ECL buffer in 1Q25)
  - Total outstanding ECL for geopolitical & macroeconomic uncertainties now stands at 112m EUR
- 8m EUR impairment on **'other'**, of which:
  - 4m EUR modification losses, related to the extension of the interest cap regulation in Hungary (until year-end 2025)
  - 2m EUR impairment on software

Credit cost ratio

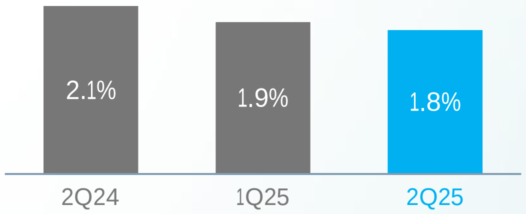
in bps



- The credit cost ratio in 1H25 amounted to:
  - 15 bps (16 bps in FY24) without ECL for geopolitical & macroeconomic uncertainties
  - 15 bps (10 bps in FY24) with ECL for geopolitical & macroeconomic uncertainties

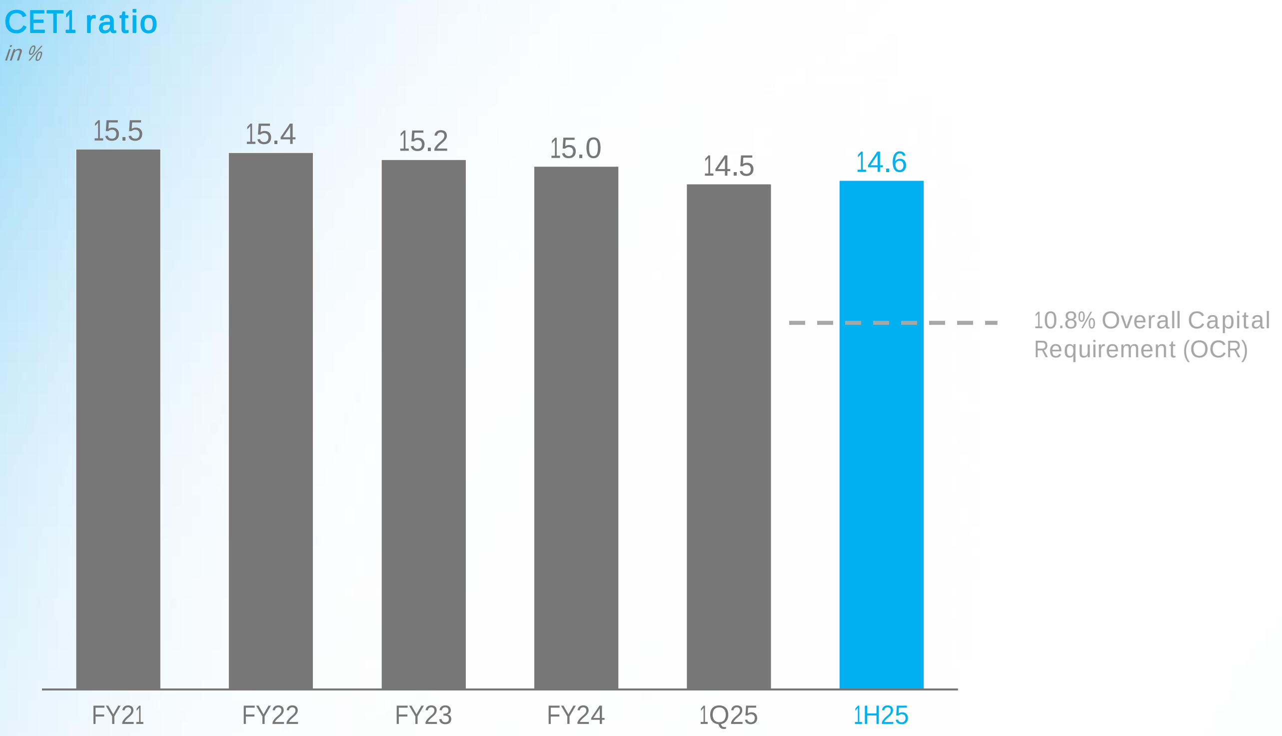
Impaired loans ratio

in %



- The impaired loans ratio improved to 1.8% (1.0% of which over 90 days past due)

Strong capital position with substantial buffer



Unfloored fully loaded B4 common equity ratio increased from 14.5% to 14.6% at the end of 2Q25 based on the Danish Compromise

Going forward,

- the quarterly upstreaming of BGAAP insurance profit to KBC Group, a positive impact from the DTA usage related to the liquidation of KBC Bank Ireland (expected in 3Q25) and active capital management (e.g. SRTs as of 4Q25 at the earliest) will be tailwinds for the unfloored fully loaded CET1 ratio
- the 365.bank acquisition (closing expected by the end of this year) and the risk-weighting of 500m T2 at KBC Insurance instead of deduction (intention to include it as of the moment it is effective in 2026) will be headwinds for the unfloored fully loaded CET1 ratio

Leverage ratio, Solvency II ratio and liquidity ratios

Leverage ratio | KBC Group

fully loaded

Leverage ratio
5.6% 1H25
5.5% FY24

Q-o-q higher leverage ratio (from 5.4% to 5.6%) due mainly to higher AT1 capital and higher profit recognition

Liquidity ratios | KBC Group

in %

LCR
157% 1H25
158% FY24

NSFR
135% 1H25
139% FY24

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

Solvency II ratio | KBC Group

in %

Solvency II ratio
213% 1H25
200% FY24

Q-o-q higher Solvency II ratio due mainly to a steepening of the EUR interest rate curve and the 2Q25 IFRS P&L result, partly offset by the estimated dividend

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

Wrap-up

Excellent financial performance

net result
1,018m
2Q25
3415m
FY24

return on equity
15%*
YTD

combined ratio
85%
YTD

Outstanding solvency and liquidity

CET1 ratio
14.6%
3.8% buffer vs MDA

NSFR
135%
LCR
157%

SII ratio
213%

Kate convinces customers

5.7 million users in contact with Kate

414k converted Kate leads (during last 12 months)

KATE autonomy
71% BE
71% CZ

Franchise is growing

loan volumes
+7%
y-o-y

customer deposits
+6%
y-o-y

AM net inflows of direct client money
+1.5bn
2Q25

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

life sales
+6%
y-o-y

* Excluding one-offs

Looking forward I Economic outlook

- Notwithstanding the US-EU tariff agreement of 27 July, uncertainty around economic policy and trade relations are likely to keep economic growth in the euro area subdued in the next few quarters. Meanwhile, the medium-term growth outlook has improved somewhat on the back of expected defence spending and infrastructure investments
- GDP growth in CEE is still substantially above Western-Europe. A crucial element in favor of CEE countries is the cost competitiveness within Europe. Therefore, **KBC's** geographical diversification remains supportive for **KBC's** growth
- Thanks to KBC's well-diversified loan book, focused on retail and SMEs, the potentially directly impacted sectors (including pharma & chemicals) by currently known US tariff increases is limited to roughly 7% of **KBC's** total granted loan portfolio
- KBC has very limited USD exposure

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2024 figures

	2025
Total income	at least +7.0% y-o-y
Net interest income*	at least 5.85bn EUR
Organic loan volume growth	*at least +6.5%*
Insurance revenues (before reinsurance)	at least +7% y-o-y
Operating expenses (excl. bank/insurance tax)	below +2.5% y-o-y *below FY24 growth excl. Ireland***
Combined ratio	below 91%
Credit cost ratio	well below TTC of 25-30bps

FY25 NII guidance increased from at least 5.7bn EUR to at least 5.85bn EUR, Organic loan volume growth increased from +4% to at least +6.5% y-o-y

FY25 Total income guidance increased from at least +5.5% to at least 7.0%, consequently Jaws guidance from at least +3% to +4.5%

Jaws of +4.5%

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

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

Looking forward I FY27 financial guidance (as provided with FY24 results)

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2024 figures

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

Jaws at least +3%

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

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

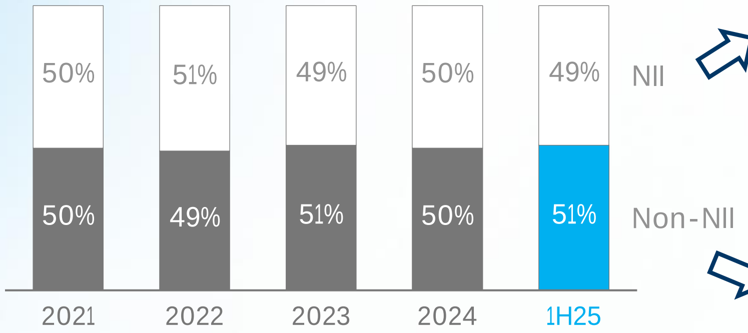
Well-diversified, both geographically and from a business point of view

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

Successful digital-first approach through KATE

KBC Group topline diversification: roughly 49% NII and 51% non-NII

in %



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

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

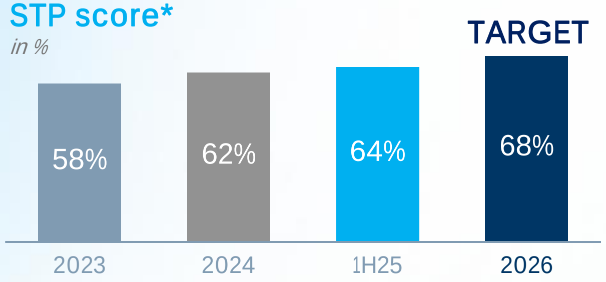
Customer ranking

- KBC is 3rd in customer NPS (Net Promoter Score) ranking based on weighted avg of ranking in five core countries
- Target is to remain the reference (i.e. Top-2 score on group level)

Straight-through processing

STP score*

in %



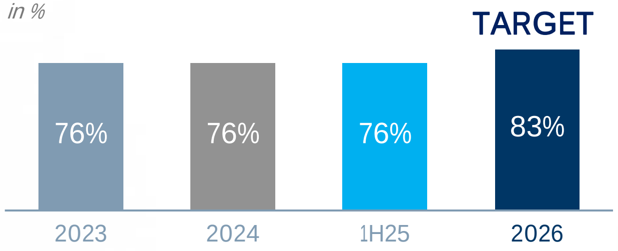
The STP ratio measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of all retail processes.

Bank-insurance (BI) clients

BI clients

in %

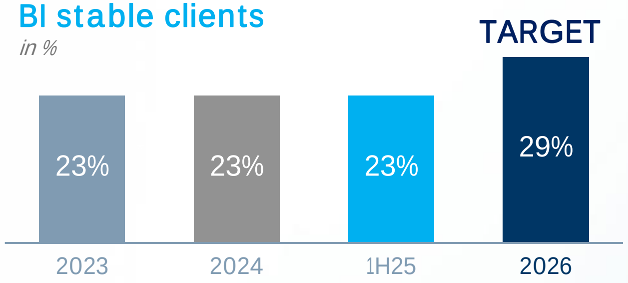


BI customers have at least 1 bank + 1 insurance product of our group.

* Slightly changed due to allignment of definitions

BI stable clients

in %



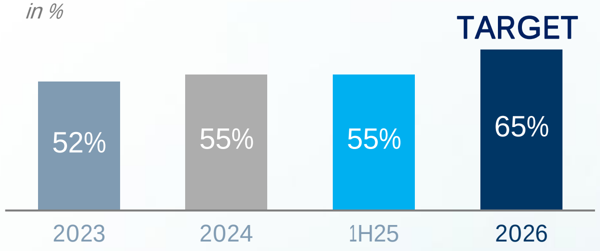
Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

* Slightly changed due to allignment of definitions

Digital sales

Digital sales banking products*

in %

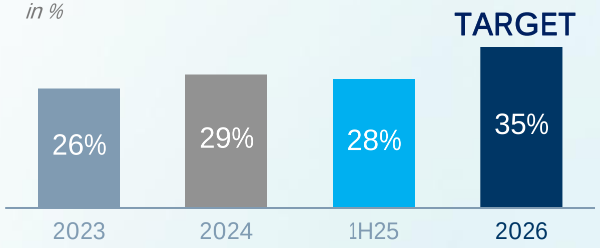


Target: Digital sales 65% of banking sales

* Based on weighted average of selected core products.

Digital sales insurance products

in %



Target: Digital sales 35% of insurance sales

Company profile | KBC Group in a nutshell

Dividend policy & capital distribution

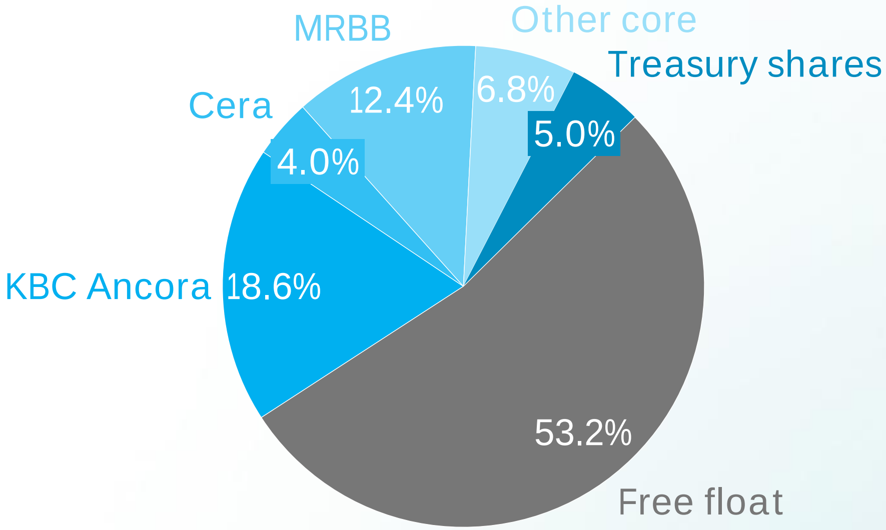
The Board of Directors decided:

- the **dividend policy as from 2025:**
  - A payout ratio (including AT1 coupon) between 50%-65% of consolidated profit of the accounting year.
  - An interim dividend of 1 EUR per share in November of each accounting year as an advance on the total dividend
- the **capital deployment policy as from 2025:**
  - KBC aims to be amongst the better capitalised financial institutions in Europe
  - Each year (when announcing the full year results), the Board of Directors will take a decision, at its discretion, on the capital deployment. The focus will predominantly be on further organic growth and M&A
  - KBC sees a 13% unfloored fully loaded CET1 ratio (*) as the minimum
  - KBC will fill up the AT1 and Tier 2 buckets within P2R and will start using SRTs (as part of RWA optimisation program)

(*) fully loaded Basel 4 CET1 ratio excluding output floor impact

Shareholder structure

(as at end 2Q25)



- Roughly 42% of KBC shares are owned by a syndicate of core shareholders, providing continuity to pursue long-term strategic goals. Committed shareholders include the Cera/KBC Ancora Group (co-operative investment company), the Belgian farmers' association (MRBB) and a group of Belgian industrialist families
- The free float is held mainly by a large variety of international institutional investors

Kate | Four flavours, one Kate

Kate4Retail & mSME

Kate is a personal virtual assistant that engages with our retail, self-employed and mSME customers to save them time and money. Kate engages both in a reactive way (You2Kate) and a proactive way (Kate2You).

Kate is available in all KBC's core countries!

KATE autonomy
71% BE
71% CZ

5.7 million users in contact with Kate

Kate4Business

Kate also engages with our SME and corporate clients and provides them relevant support and actionable insights.

Already available in BE, CZ and BG. Further roll-out planned in SK and HU.

Kate Group Platform

We do not build Kate for every country individually. Kate is built once at a group level and then deployed to all core countries (Kate in a box).

Technically, we have set up a shared infrastructure on the cloud that allows us to share use cases, code and IT components maximally.

Furthermore, KBC strives to have a common user interface and persona, so Kate looks and feels the same everywhere.

Finally, everything that can be developed at group level is governed by a specific steering committee that develops and maintains the group Kate infrastructure.

'KATE IN A BOX' delivered to all core countries

Kate4Commercial Employees

Kate also has an impact on our employees: Kate provides commercial steering towards our workforce, she augments them to better serve our clients and supports them in their administrative tasks.

In doing so, employees can focus on providing even more added value to our client.

Kate gives tools to management to better coach employees and plan ahead.

414k converted Kate leads (1y)

Kate | A data-driven organisation with Kate at the core

Kate is more than an interface towards customers. It also refers to the AI-enhanced software at our center: the Kate brain.

The Kate brain will be the driving force behind data-driven decision making, product design and development, marketing, commercial and sales steering and much more.

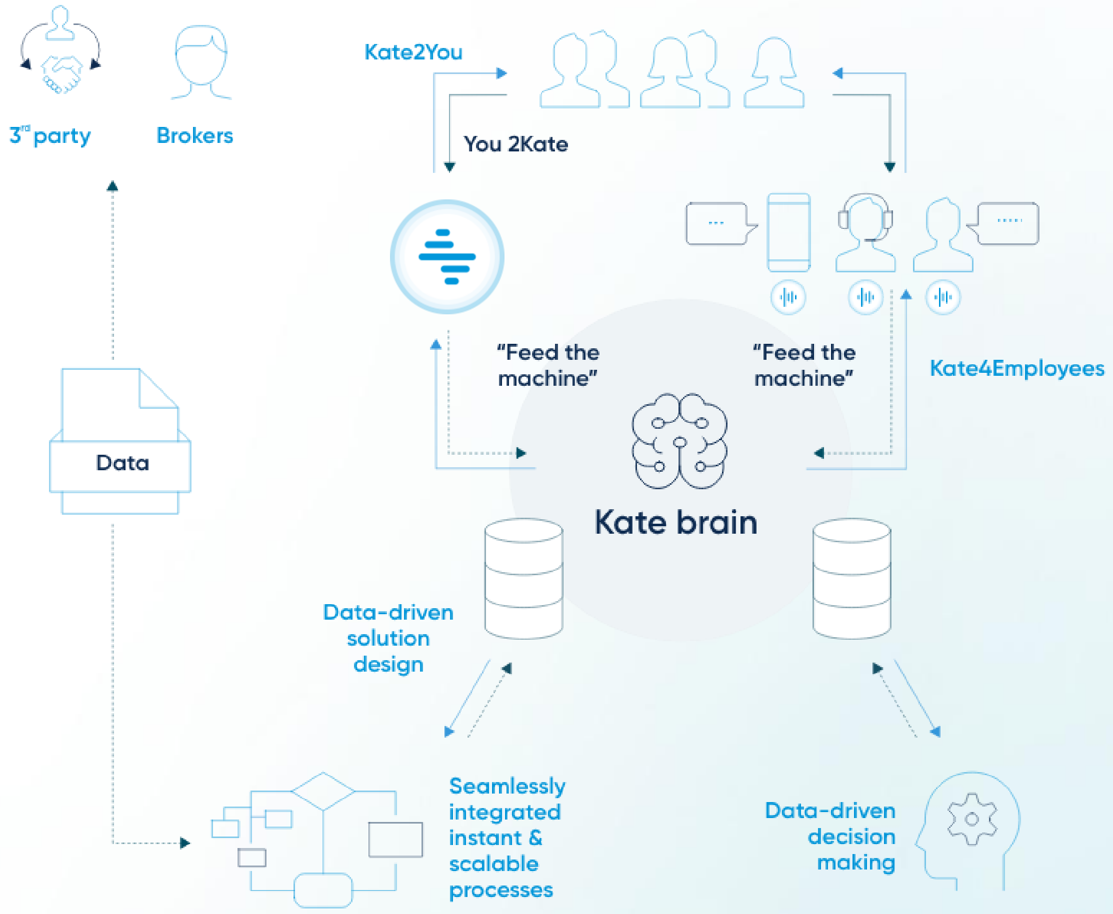
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by providing relevant insights.

The Kate brain is fed by our own banking and insurance data-sources but also by data sources from third party services, resulting in seamlessly integrated, instant (STP) and scalable processes.

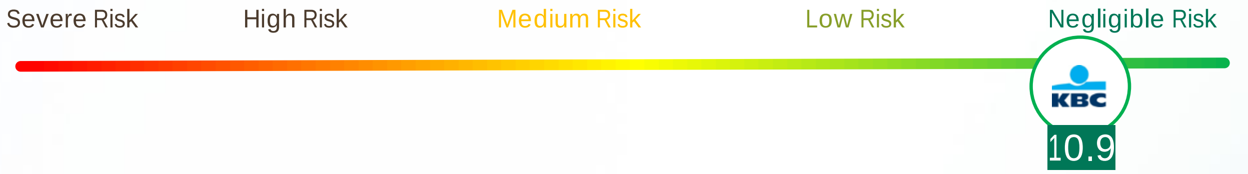
Very important in this are the feedback loops from all interactions to make sure Kate is learning and getting smarter, resulting in better decision making.

The main purpose remains the same: happy customers. As a data-driven company we remain guided by our client-centric vision.

Another upside of being AI-powered and solution-driven, is that we not only save time (cost reductions), not only for the customer, and we improve our sales efforts through better sales productivity.



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

Agency	ESG rating end of July 2025	Position versus industry
CDP DISCLOSURE INSIGHT ACTION		• Leader in addressing climate change • CDP's A list
SUSTAINALYTICS		• 3rd percentile of 254 diversified banks assessed *[Last Full Update Nov 29, 2024]*
S&P Dow Jones Indices A Division of S&P Global		• Top 8% • 92nd percentile of 601 banks assessed *[Note that S&P is currently still in the process of updating CSA scores for a significant part of the benchmarking group. Once finalized, these updates might still impact KBC's relative position as expressed by the above percentile.]*

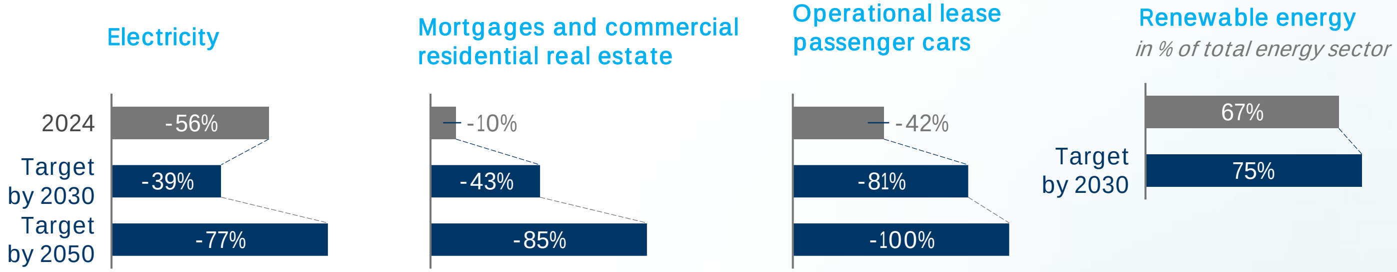
Indirect environmental impact: our progress in brief

INDIRECT environmental footprint (FY 2024)

- We refer to our Collective Commitment to Climate Action (CCCA) and the subsequent publication of our Climate Report at the end of September 2022
- Containing stringent decarbonisation targets for the white papers sectors which represent the majority of our lending portfolio emissions. Targets cover 55% of the lending portfolio related GHG emissions
- Clear targets for KBC Asset Management's Responsible Investing (RI) funds
- The baseline of the various targets and the actuals have been externally limited assured

Loan portfolio (selection of sectors)

Carbon-intensity reduction compared to 2021 baseline, otherwise indicated

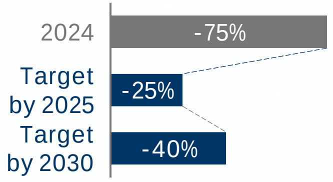


Asset management funds

Reduction compared to 2021 baseline, otherwise indicated

KBC Insurance: own investments in shares and corporate bonds

Carbon intensity reduction compared to 2019 baseline



Sustainability highlights (FY2024)

Commitment to the environment

Two new thematic White Papers
This year, we developed two new internal thematic White Papers: one on plastics and one on deforestation.

12 climate targets for our lending portfolio
KBC's Climate Progress Dashboard shows that, overall, we are on track to meet our climate targets, with nine out of twelve targets being in line with our climate alignment benchmarks.

25 billion euros to loans with environmental objectives
In 2024, KBC financed 3.2 billion euros in the renewable energy and biofuel sector, 21 billion euros in mortgages for energy-efficient housing and 1.3 billion euros for low carbon vehicles.

750-million-euro Green Bond issue
KBC Group successfully issued a new eight-year Green Bond under the recently updated Green Bond Framework, through which we support energy efficient buildings, renewable energy transactions and clean transportation.

Sustainable business

CSRD Reporting
We published our first Sustainability Statement in our 2024 Annual Report. These new disclosures align with CSRD requirements and detail how we integrate sustainability into our business.

50.8 billion euros in Responsible Investing funds
Responsible Investing funds account for 44% of total direct client money. These include Responsible funds, ECO-thematic funds and Impact Investing funds.

Thousands of conversations with our customers
We engage on a variety of sustainability topics with a wide range of clients with respect to their sustainability transition.

80% of start-ups integrate sustainability
We support start-ups and scale-ups through the Start it @KBC communities. In Belgium, 80% of them integrate sustainability into their mission and operations.

Social responsibility

7.4 billion euros in social sectors
In 2024, we financed 6.17 billion euros in the healthcare and senior living sectors and 1.23 billion euros in the education sector.

TEAM BLUE
YOUR DREAMS

Over 400 dreams realised
Launched in late 2024, the Team Blue Challenge supports our mission to safeguard the dreams of our community by inviting all colleagues to volunteer for non-profits.

Two social targets for housing in Belgium
This year, we are reporting for the first time on our progress towards two social targets on housing: the number of young adults reached with housing-related information, and the relative share of young adults in a situation of overindebtedness.

Up to 500 days spent by KBC staff for BRS
KBC colleagues, along with other volunteers, dedicated 500 days to voluntary coaching and training for BRS. In total, BRS vzw supported 15 projects in the Global South.

Sustainability highlights in 2024, unless otherwise indicated

Own environmental impact: our progress in brief

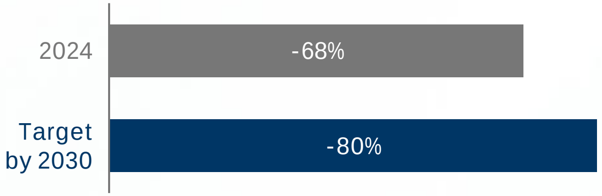
Own environmental footprint (FY 2024)

- Since 2015, we have been calculating the GHG emissions arising from our own operations at group level, in accordance with the GHG Protocol Corporate Accounting and Reporting Standard
- We set group-wide GHG reduction targets in 2016, and we have tightened them over the years
- In 2020 the most recent targets were set, with a long-term ambition of achieving an 80% reduction in our direct emissions by 2030 (as compared to 2015). For the fourth consecutive year, we reached net climate neutrality by offsetting our residual direct emissions
- Additionally, we committed to increasing our own green electricity consumption to 100% by 2030. The goal was already reached in 2021
- Since 2024, our environmental footprint calculations have been verified through the assurance of our Sustainability Statement in the Annual Report.

More details in our 2024 Sustainability Report

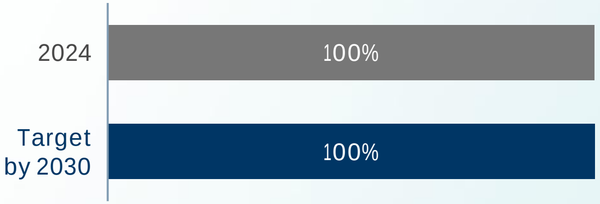
Reduction in our own GHG emissions

reduction compared to 2015



Renewable electricity

in % of purchased electricity



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

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

Johan Thijs, KBC Group CEO

Glossary

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

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