KBC Group
Press presentation
3Q 2024

Johan Thijs, KBC Group CEO
Bartel Puelinckx, KBC Group CFO

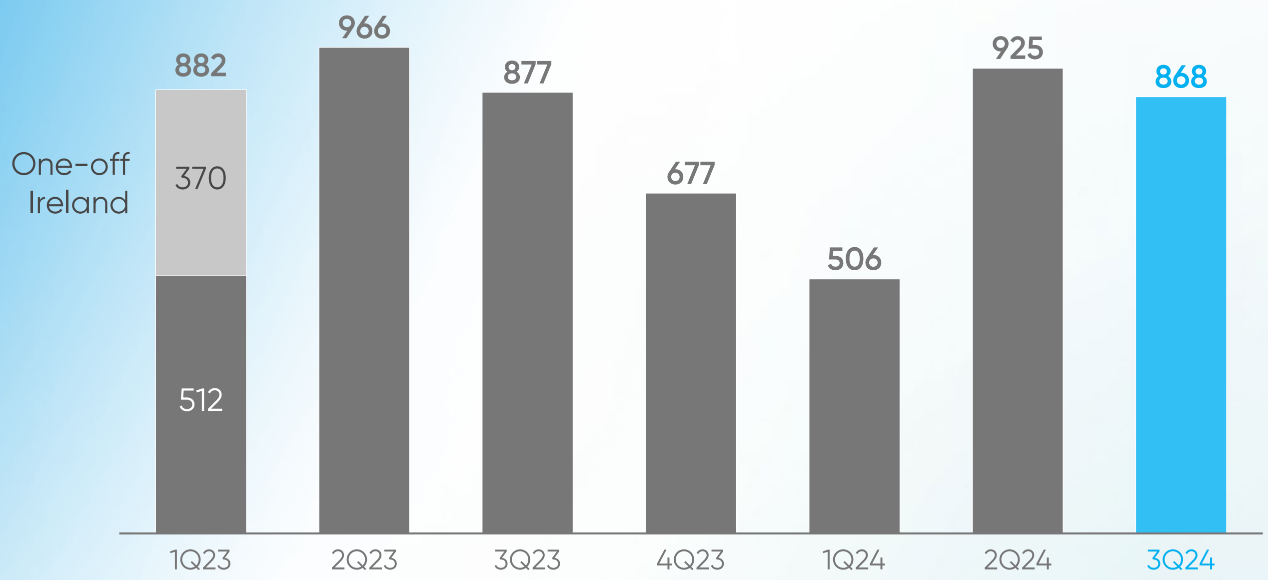
More information: www.kbc.com
KBC Group – Investor Relations Office: IR4U@kbc.be

Highlights

- Commercial bank-insurance franchises performed **excellently**
- Thanks to **KBCs proactive, multi-phased and multi-product customer offer,** we acquired **6.5bn EUR core customer money** from the maturing State Note in Belgium **(or 0.8bn EUR of surplus** beyond the 5.7bn EUR outflows to the State Note in September 2023)
- As policy rates are on their way down, KBC Group is **well-positioned** being an integrated bank-insurer with tailored AM business
- **Customer loans** and **customer deposits** increased q-o-q in almost all our core countries (on a comparable basis)
- Higher **net interest income q-o-q**
- Higher **net fee and commission income** q-o-q
- Q-o-q lower **net result from financial instruments at fair value & IFIE** and **net other income** slightly below the normal run rate
- Higher sales of **non-life insurance** y-o-y, excellent sales of **life insurance** (both q-o-q and y-o-y)
- **Costs excl. bank & insurance taxes** up q-o-q, perfectly within guidance
- Lower **net loan loss impairment charges**
- Solid **solvency** and **liquidity position**
- **Interim dividend** of 1 EUR per share (as advance payment on the total 2024 dividend) will be paid on 14 November 2024

Net result of 868 EUR over 3Q24

Net result
in m EUR



YTD ratios

- Return on Equity 14%*
- Cost-income ratio 47%**
- Combined ratio 89%
- Credit cost ratio 0.10%
- CET1 ratio 15.2% (B3, DC, fully loaded)
- Leverage ratio 5.7% (fully loaded)
- NSFR 142% & LCR 159%

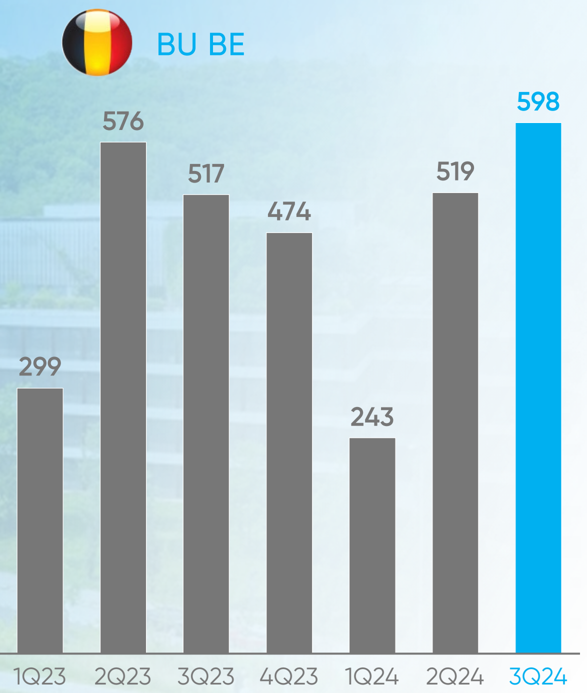
* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs

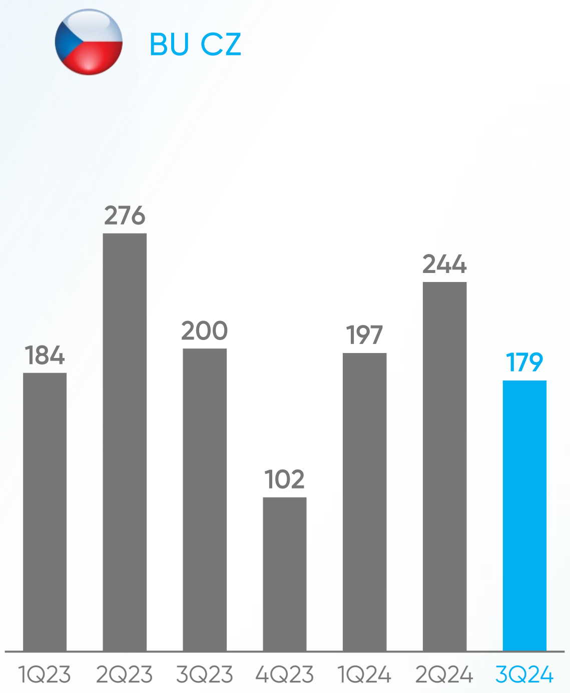
** When excluding certain non-operating items.

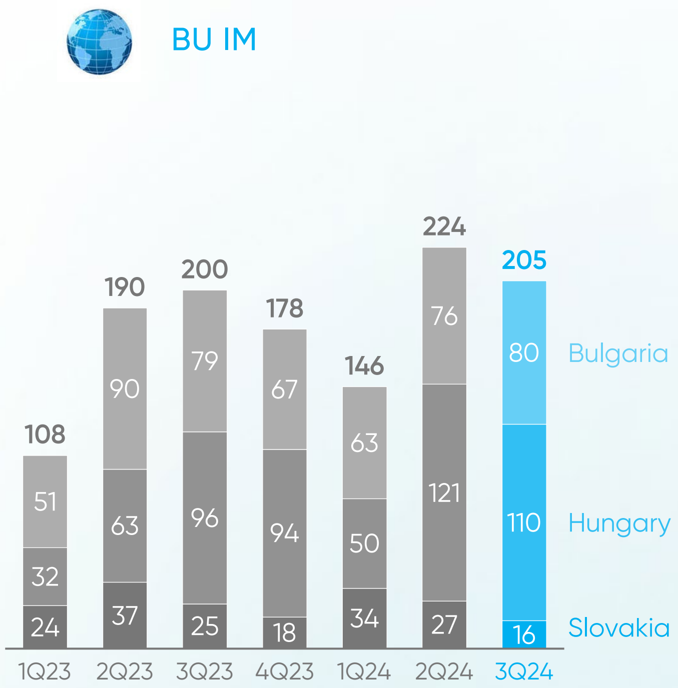
Excellent contribution from all business units

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**.

Banking activities

Insurance Activities

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

Successful digital-first approach through KATE

- Our **digital interaction with clients** forms the basis of our business model in our strategy, not only in terms of sales and advice, but also in E2E digital process and product development.
- **Artificial intelligence** and data analysis will 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.

5.0 million users in contact with Kate

KATE autonomy

67% BE
69% 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 **14%** in 9M24 **KBC** is one of the most profitable EU financial institutions

Solvency

With a **fully loaded CET1 ratio** of **15.2%** at end 9M24 KBC is amongst the better capitalised EU banks

Sustainability

SUSTAINALYTICS

Sustainalytics ranks KBC **1st percentile of 287** diversified global banks assessed
(Full annual review pending)

Digitalisation

SIAPARTNERS

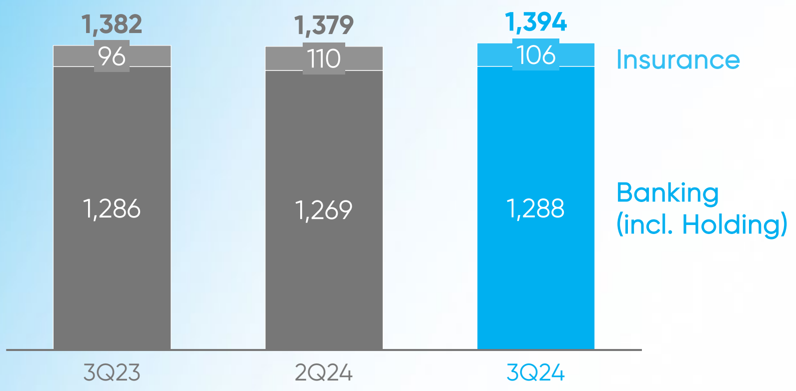
Sia Partners ranks KBC Mobile as **N°1 banking app worldwide**

"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**."

Higher net interest income, despite significant lower NII on inflation-linked bonds

Net interest income

in m EUR

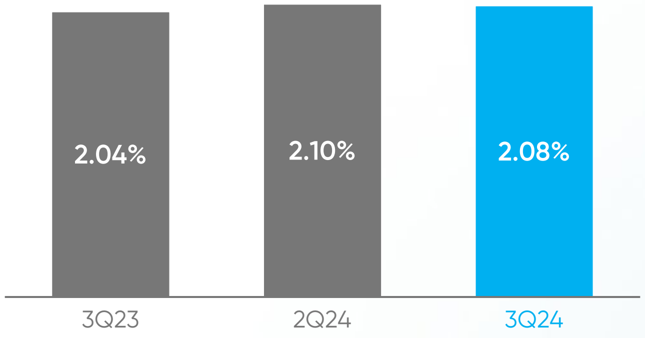


- **NII increased by 1% both q-o-q and y-o-y (+1% q-o-q and +2% y-o-y excluding FX effect)**
- Q-o-q increase was driven primarily by:
  - Higher commercial transformation result (thanks mainly to continued increasing reinvestment yields)
  - Higher lending income (loan volume growth more than offset lower loan margins in some core markets)
  - Lower costs on the minimum required reserves held with the central banks
  - Slightly lower subordinated and wholesale funding costs

  partly offset by:
  - Lower NII on inflation-linked bonds (-23m EUR q-o-q, from +27m EUR in 2Q24 to +4m EUR in 3Q24)
  - Lower NII on term deposits
  - Lower short-term cash management
- Y-o-y increase was driven primarily by increasing commercial transformation result, slightly higher lending income, higher ALM result and lower funding cost of participations, partly offset by negative FX effect, lower NII in Ireland, higher costs on the minimum required reserves held with central banks, lower NII on term deposits, higher wholesale funding costs, lower short-term cash management and dealing room NII

Net interest margin*

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



- Fell by 1 bp q-o-q and rose by 4 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

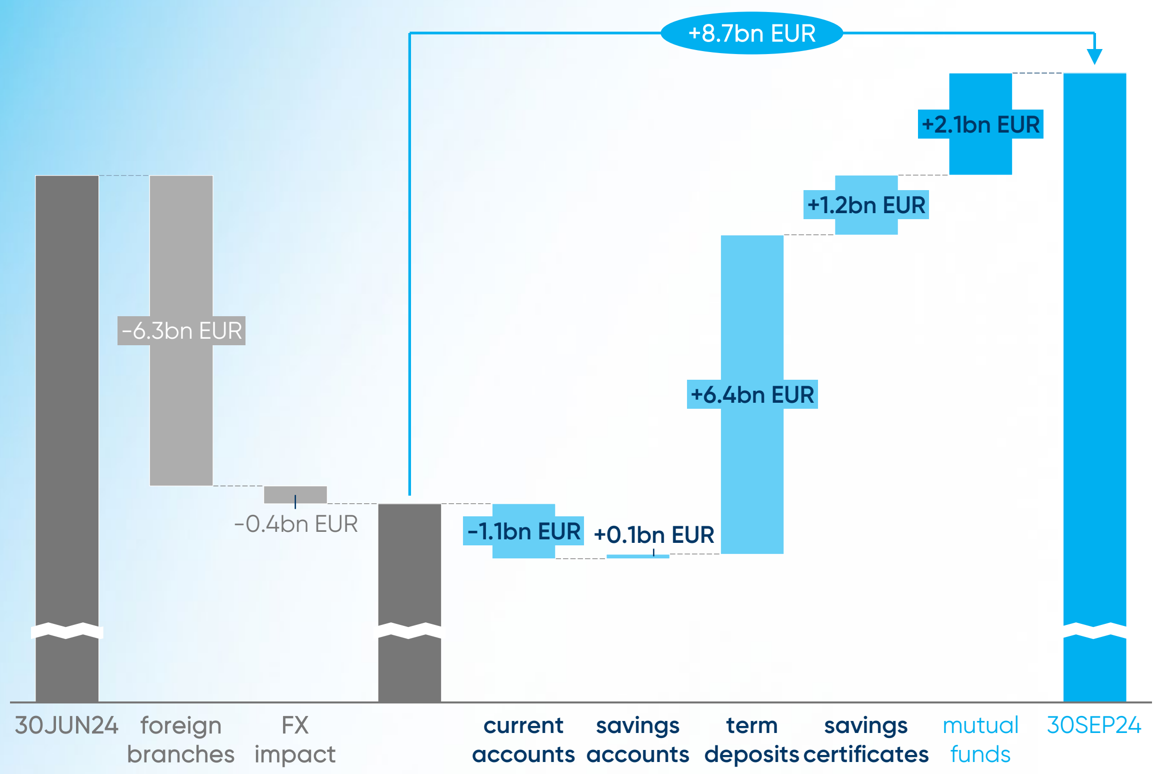
	Total loans**	o/w retail mortgages	Customer deposits***
Volume	189bn	77bn	222bn
Growth q-o-q*	+1%	+1%	0%
Growth y-o-y	+5%	+3%	+4%

* 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 3% q-o-q and by 5% y-o-y
Growth figures are excluding FX, consolidation adjustments and reclassifications.

Inflow of core customer money

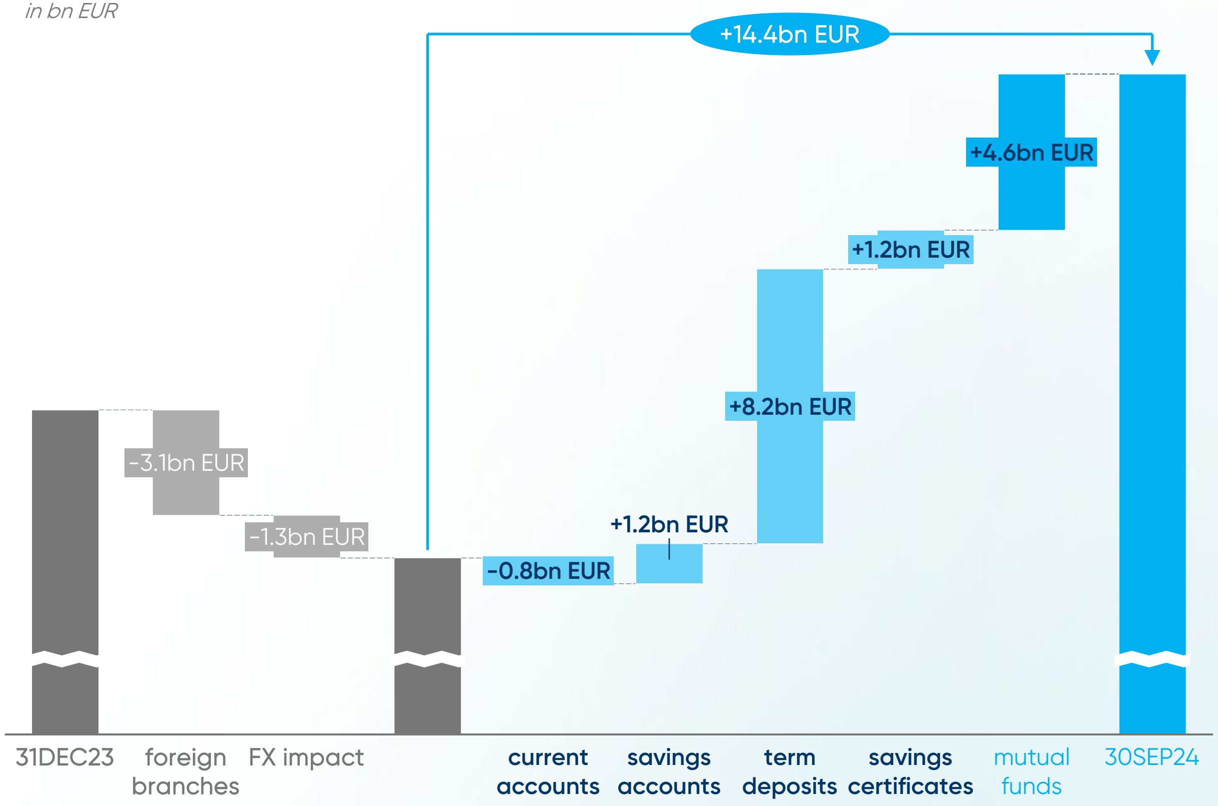
Customer money dynamic over 3Q24

in bn EUR



Customer money dynamic over 9M24

in bn EUR

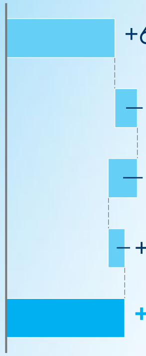


- **3Q24** saw an inflow of core customer money of **+8.7bn EUR** (+8.3bn EUR incl. FX impact)
- Disregarding volatile items, **9M24** saw an inflow of core customer money of **+14.4bn EUR** (+13.1bn EUR incl. FX impact)

Impacts from the fierce competition for the recuperation of the maturing 22bn EUR State Note in September in Belgium

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

This net inflow breaks down as follows:



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

…benefitting from unique bank-insurance+ model…

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

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

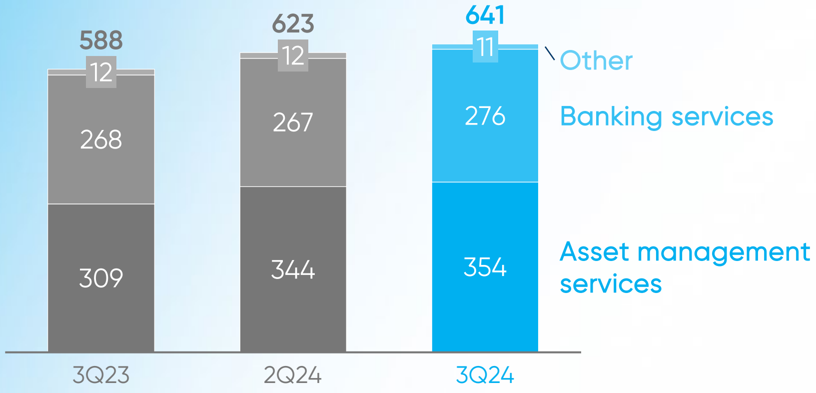
…with a direct negative income impact of roughly -87m EUR

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

Higher net fee and commission income

Net fee & commission income

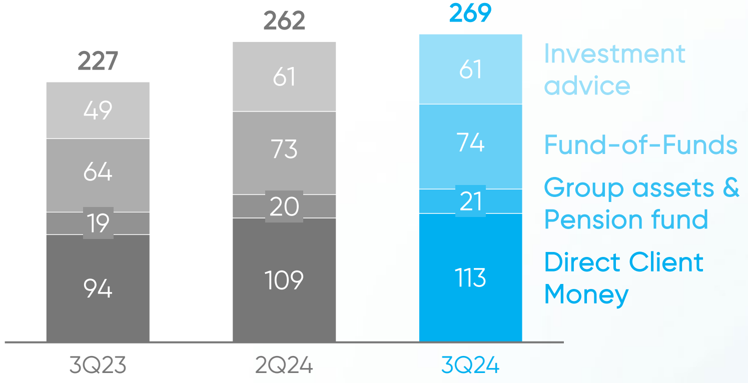
in m EUR



- **Up by 3% q-o-q and by 9% y-o-y (+3% q-o-q and +10% y-o-y excluding FX)**
- Q-o-q increase was mainly the result of:
  - Net F&C income from Asset Management Services increased by 3% q-o-q due mainly to higher management fees
  - Net F&C income from banking services rose by 4% q-o-q. Higher fees from payment services (partly seasonal), seasonally higher network income, higher securities-related fees and lower distribution commissions paid for banking products were partly offset by lower fees from credit files & bank guarantees
  - Lower distribution fees linked to insurance
- Y-o-y increase was mainly the result of:
  - Net F&C income from Asset Management Services rose by 15% y-o-y due mainly to higher management & entry fees
  - Net F&C income from banking services increased by 3% y-o-y due mainly to higher fees from payment services, higher network income and higher fees from credit files & bank guarantees, partly offset by lower securities-related fees

Assets under management

in bn EUR

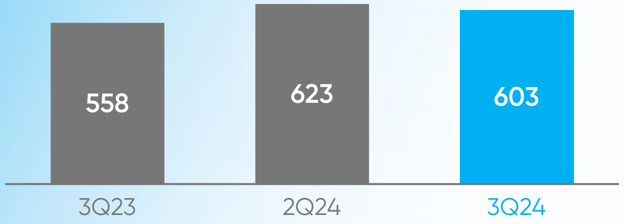


- **Increased by 3% q-o-q** due to **net inflows (+1%)** and positive market performance (+2%)
- **Increased by 18% y-o-y** due to net inflows (+5%) and positive market performance (+14%)
- The mutual fund business has seen good net inflows this quarter in higher-margin direct client money (2.1bn EUR in 3Q24 versus 0.7bn EUR in 2Q24 and 1.1bn EUR in 3Q23)

Non-life sales up y-o-y, excellent life sales (up q-o-q and y-o-y)

Non-life sales

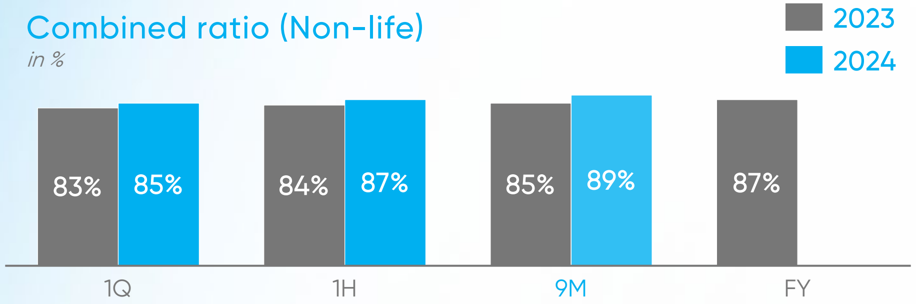
in m EUR



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

Combined ratio (Non-life)

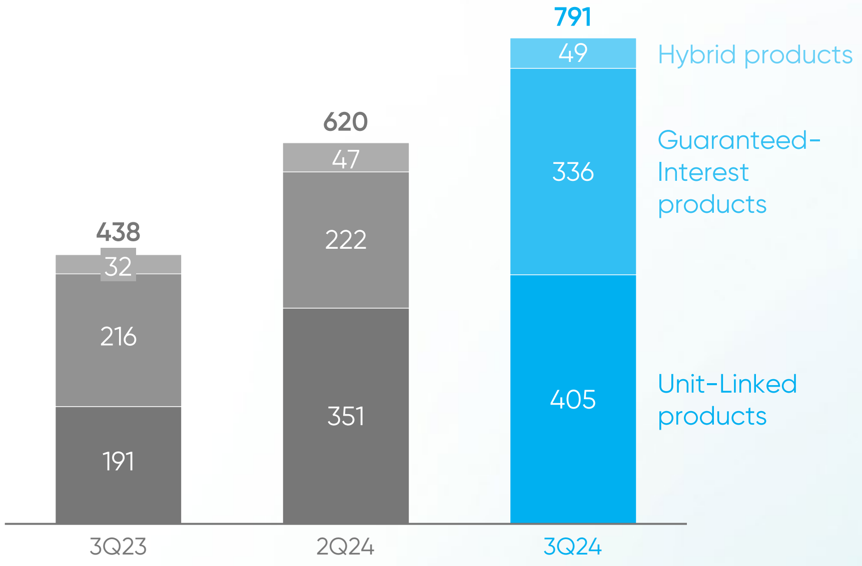
in %



- **Non-life combined ratio for 9M24 amounted to an excellent 89%** (85% in 9M23). This is mainly the result of:
  - 9% y-o-y higher insurance revenues before reinsurance
  - 19% y-o-y higher insurance service expenses before reinsurance due mainly to the very low level of claims in 9M23 and the impact of storm Boris in CEE (mainly in the Czech Republic) in 3Q24
  - Higher net result from reinsurance contracts held (up by 62m EUR y-o-y)
- **Note that the impact of floods caused by storm Boris (after reinsurance) amounted to -33m EUR pre-tax in 3Q24**

Life sales

in m EUR



- Increased by 28% q-o-q due to higher sales of guaranteed-interest products (inflows from maturing State Note in Belgium, supported by commercial actions), higher sales of unit-linked products (as the result of a successful launch of structured emissions in Belgium), and slightly higher sales of hybrid products
- Increased by 80% y-o-y due to sharply higher sales of unit-linked products, higher sales of guaranteed-interest products as well as higher sales of hybrid products
- Sales of guaranteed-interest products and unit-linked products accounted for 42% and 51% of total life insurance sales in 3Q24 respectively, with hybrid products (mainly in the Czech Republic) accounting for the remainder
- Life sales in 9M24 rose by 32% y-o-y

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

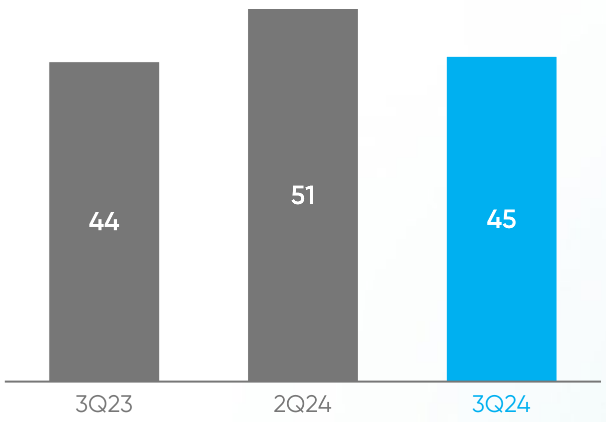
FIFV & IFIE

in m EUR

	3Q23	2Q24	3Q24
Dealing room	47	61	62
MVA/CVA/FVA	17	1	-24
IFIE – mainly interest accretion	-56	-60	-63
M2M ALM derivatives and other	-17	1	-18
FIFV & IFIE	**-8**	**3**	**-42**

Net other income

in m EUR



- **FIFV & IFIE result down q-o-q**, attributable mainly to:
  - Negative credit, funding and market value adjustments, mainly the result of a decrease in EUR and CZK yield curves, partly offset by the slightly increased KBC funding spreads
  - Negative change in 'ALM derivatives and other'
  - Slightly more negative IFIE

  partly offset by:

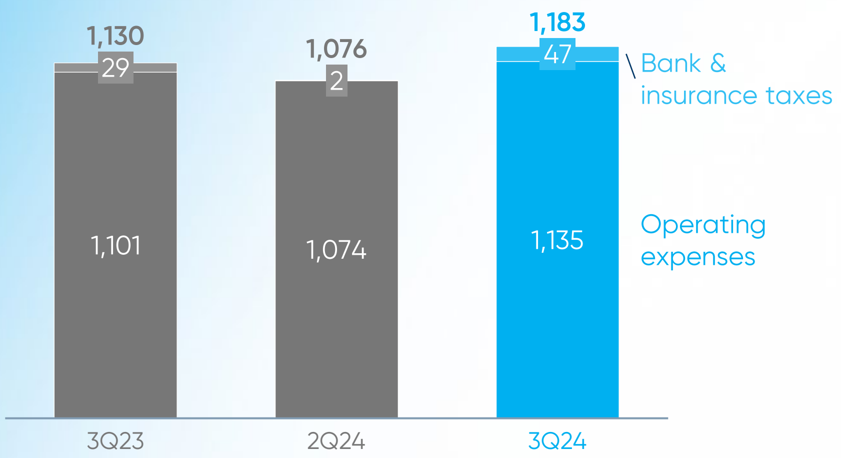
  - Slightly higher dealing room result

- **Slightly lower than the normal run rate of 50m EUR per quarter in 3Q24**

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

Operating expenses (including costs directly attributable to insurance)

in m EUR



Cost/income ratio

When excluding bank and insurance taxes

FY23	9M24
43%	**43%**

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

- **9M24 cost/income ratio**
  - 47% when excluding certain non-operating items* (49% in FY23)
  - 43% excluding all bank & insurance taxes (43% in FY23)

- **Regarding bank & insurance taxes in 3Q24**, note that:
  - 37m EUR additional bank taxes in Hungary (lower than expected due to increasing the Hungarian government bond portfolio as mitigating action)
  - 9m EUR additional national bank taxes in Slovakia
  - 1m EUR additional bank taxes in the Czech Republic

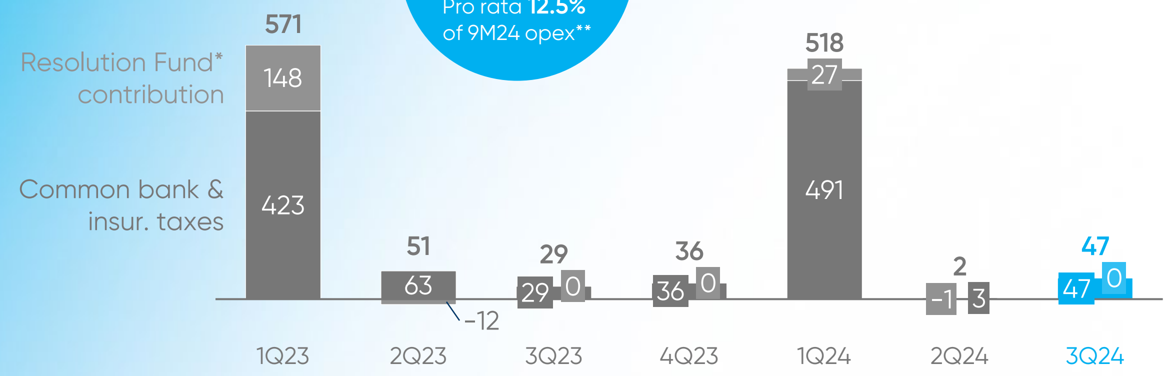
- Total bank & insurance taxes (including ESRF contribution) are expected to decrease by 9% y-o-y to roughly 625m EUR in 2024 (687m EUR in 2023)

* See glossary for the exact definition

Overview of bank & insurance taxes*

KBC Group
in m EUR

KBC Group
568m EUR
Pro rata **12.5%** of 9M24 opex**

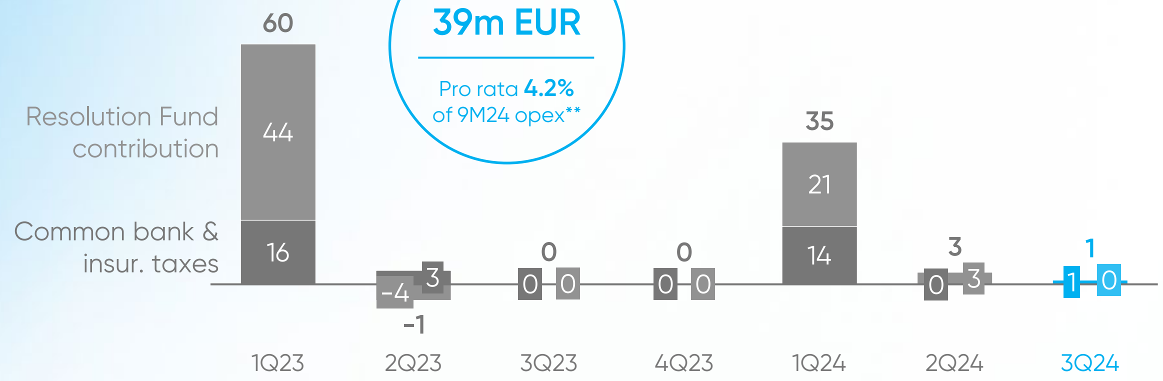


Belgium BU
in m EUR

BU BE
285m EUR
Pro rata **10.4%** of 9M24 opex**

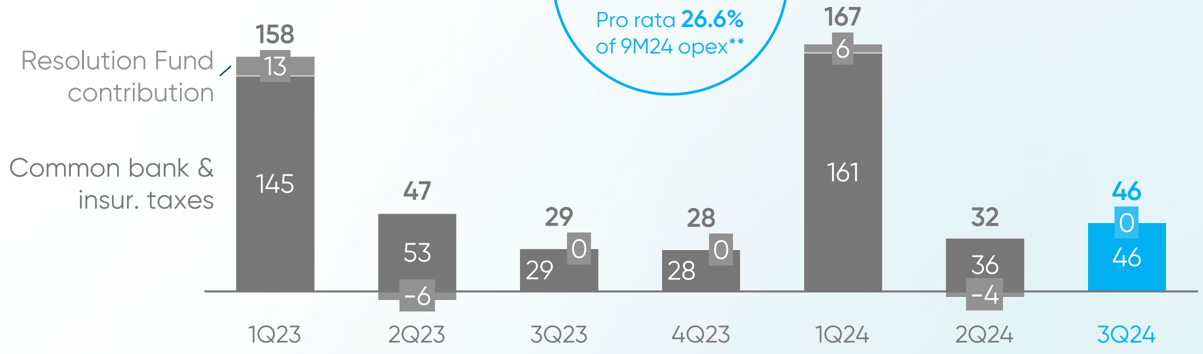
Czech Republic BU
in m EUR

BU CZ
39m EUR
Pro rata **4.2%** of 9M24 opex**



International Markets BU
in m EUR

BU IM
245m EUR
Pro rata **26.6%** of 9M24 opex**

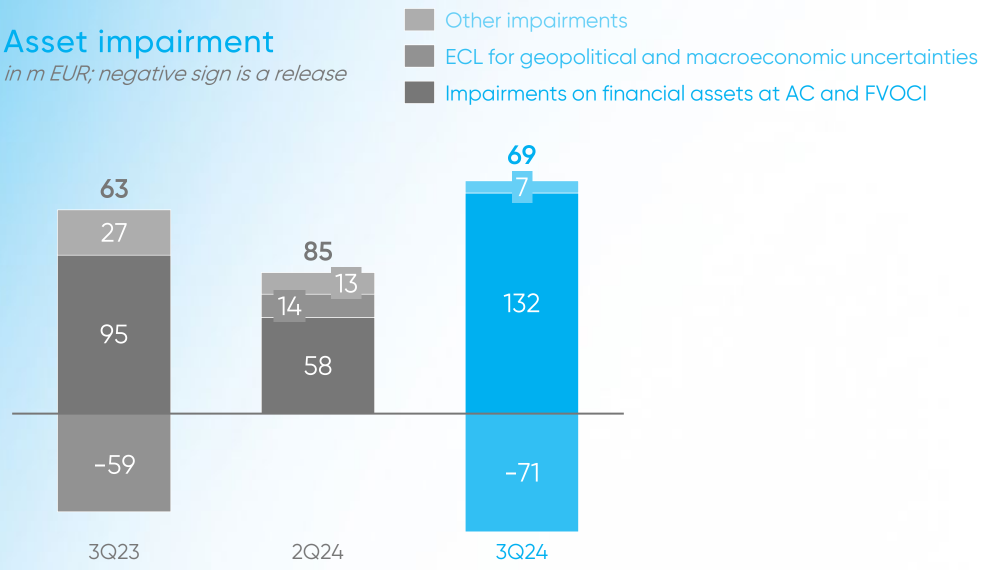


* This refers solely to the bank & insurance taxes recognised in opex, and as such it does not take account of income tax expenses, non-recoverable VAT, etc.
** Including directly attributable costs to insurance

Lower net loan loss impairment charges & excellent credit cost ratio

Asset impairment

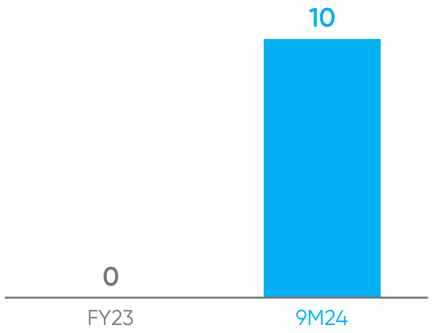
in m EUR; negative sign is a release



- **Net loan loss impairment charges of 61m EUR in 3Q24** (compared with net loan loss impairment charges of 72m EUR in 2Q24) due to:
  - 132m EUR net loan loss impairment charges on lending book (of which 54m EUR lowering the backstop shortfall for old NPLs in Belgium)
  - A decrease of 71m EUR of the ECL buffer, driven mainly by micro- and macroeconomic indicators
  - Total outstanding ECL for geopolitical & macroeconomic uncertainties now stands at 168m EUR
- **7m EUR impairment on 'other'** (mainly software)

Credit cost ratio

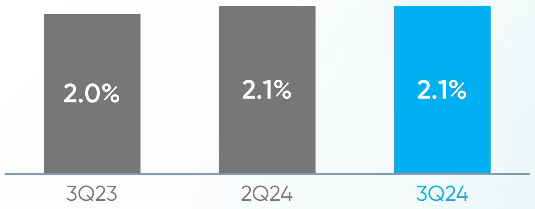
in bps



- The credit cost ratio in 9M24 amounted to:
  - 16 bps (7 bps in FY23) without ECL for geopolitical & macroeconomic uncertainties
  - 10 bps (0 bps in FY23) with ECL for geopolitical & macroeconomic uncertainties

Impaired loans ratio

in %

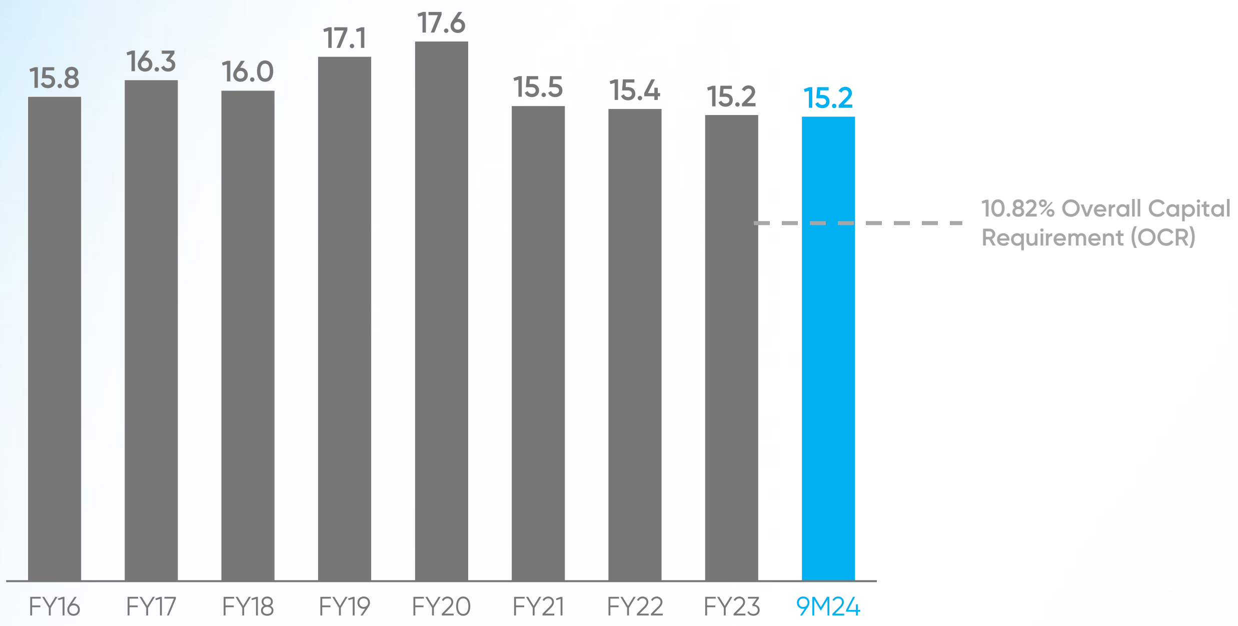


- **The impaired loans ratio amounted to 2.1%** (1.1% of which over 90 days past due)

Strong capital position with substantial buffer

CET1 ratio

in %



Fully loaded B3 common equity ratio amounted to 15.2% at the end of 9M24 based on the Danish Compromise

Leverage ratio, Solvency II ratio and liquidity ratios

Leverage ratio | KBC Group

fully loaded, Basel 3

Leverage ratio
5.7% 9M24

5.7% FY23

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

Note that as of 1Q22, interim profit is recognised (based on 50% profit accrual)

Liquidity ratios | KBC Group

in %

LCR
159% 9M24

159% FY23

NSFR
142% 9M24

136% FY23

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

Solvency II ratio | KBC Group

in %

Solvency II ratio
197% 9M24

206% FY23

Q-o-q lower Solvency II ratio due mainly to higher bond spreads, partly offset by a decrease in the EUR interest rate curve

* 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
868m
3Q24
3402m
FY23

return on equity
14%*
YTD

combined ratio
89%
YTD

Outstanding solvency and liquidity

CET1 ratio
15.2%
4.1% buffer vs MDA

NSFR
142%
LCR
159%

SII ratio
197%

Kate convinces customers

5.0 million users in contact with Kate

KATE autonomy
67% BE
69% CZ

Franchise is growing

loan volumes
+5%
y-o-y

customer deposits
+4%
y-o-y

AM net inflows of direct client money
+2.1bn
3Q24

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

life sales
+80%
y-o-y

* When bank & insurance taxes are evenly spread throughout the year and excluding one-offs

Looking forward | Economic outlook

- Euro area growth in the third quarter amounted to 0.4%, after 0.2% in the second quarter. The manufacturing sector exhibited persistent weakness, while the expected services sector recovery has not (yet) materialised

- Growth is expected to continue at about the current pace, picking up in the second half of 2025 on the back of recovering domestic consumption

Looking forward I FY24 financial guidance (as provided with 1H24 results)

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2023 figures

	2024 guidance
Net interest income	5.5bn EUR ballpark figure
Organic loan volume growth	*approx. +4%*
Insurance revenues (before reinsurance)	at least +6% y-o-y
Operating expenses and insurance commissions paid (excl. bank/insurance tax)	below +1.7% y-o-y *substantially below inflation*
Cost/income ratio (excl. bank/insurance tax)	below 45%
Combined ratio	below 91%
Credit cost ratio (excl. any changes in the ECL buffer for geopolitical risk that is still in place at year-end 2023)	well below TTC of 25-30bps

Looking forward I FY26 financial guidance (as provided with FY23 results)

Our bank-insurance+ model is firing on all cylinders

Note: all growth figures are based on reported 2023 figures

	2026
Net interest income*	CAGR23-26 at least +1.8%
Insurance revenues (before reinsurance)	CAGR23-26 at least +6%
Operating expenses and insurance commissions paid (excl. bank/insurance tax)	CAGR23-26 below +1.7% *substantially below inflation*
Cost/income ratio (excl. bank/insurance tax)	below 42%
Combined ratio	below 91%
Credit cost ratio (excl. any changes in the ECL buffer for geopolitical risk that is still in place at year-end 2023)	well below TTC of 25-30bps

*Still based on conservative assumptions, including (i) market forward rates of mid-January, (ii) increase of MRR to 2% as of 1 April 2024, (iii) no deposit inflows when State Note(s) matures, (iv) further shifts from CA/SA to TD and (v) conservative pass-through rates on savings accounts

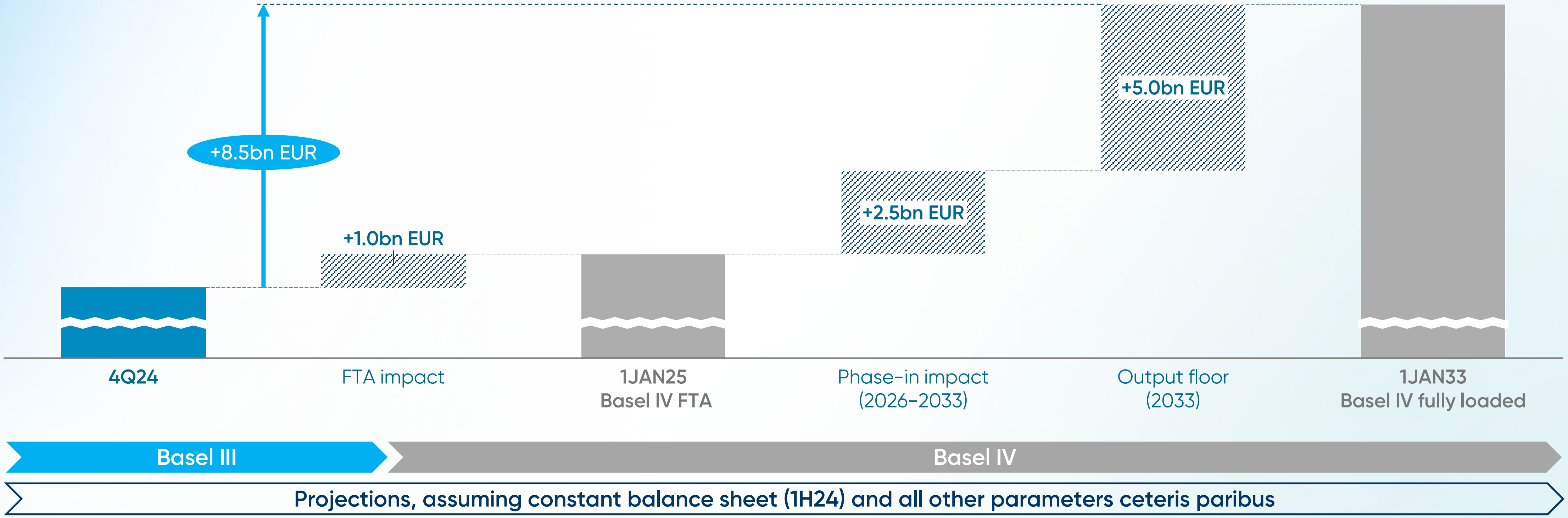
Indicative view on transitional RWA evolution under Basel IV

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

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

Indicative transitional RWA estimate

in bn EUR



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

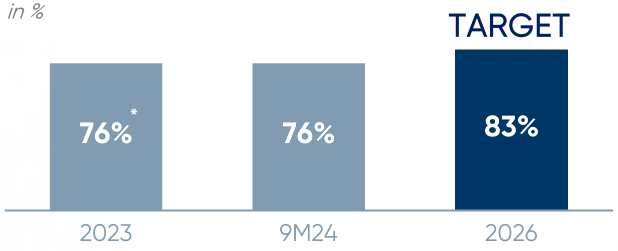
Customer ranking

- **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)

Bank-insurance (BI) clients

BI clients

in %



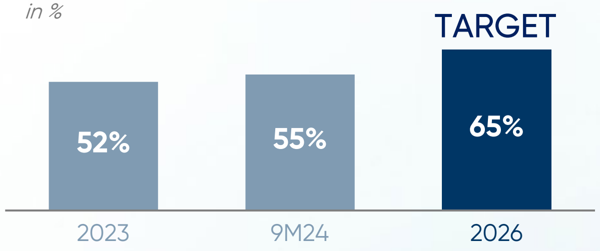
BI customers have at least 1 bank + 1 insurance product of our group.

* Slightly changed due to allignment of definitions

Digital sales

Digital sales banking products*

in %



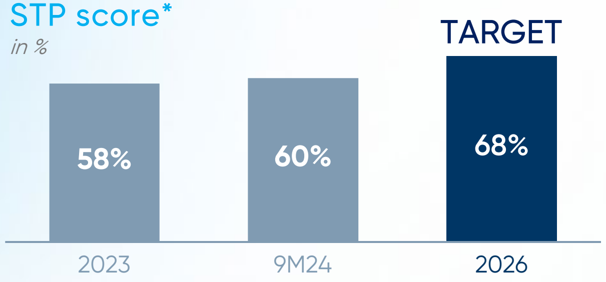
Target: Digital sales 65% of **banking sales**

* Based on weighted average of selected core products.

Straight-through processing

STP score*

in %

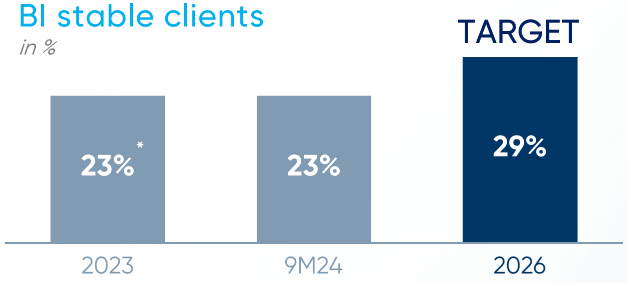


The **STP ratio** measures how many of the services that can be offered digitally are processed without any human intervention and this from the moment of interaction by a client until the final approval by KBC.

* Based on analysis of all retail processes.

BI stable clients

in %

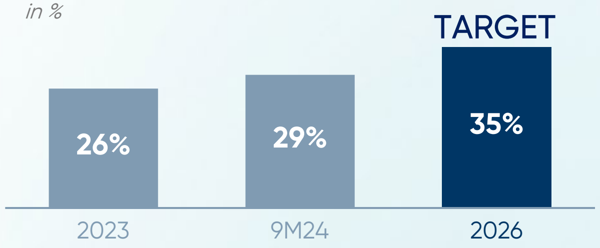


Stable BI customers: at least 2 bank + 2 insurance products (Belgium: 3+3)

* Slightly changed due to allignment of definitions

Digital sales insurance products

in %



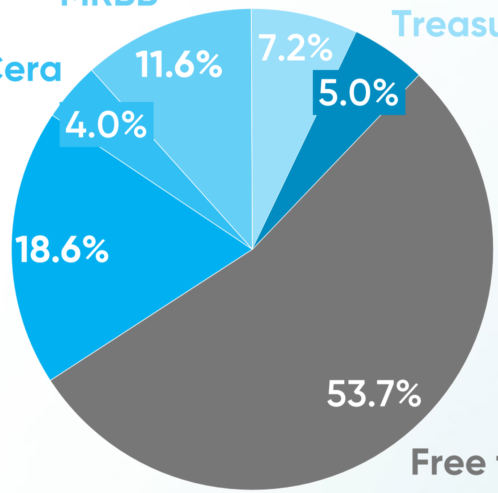
Target: Digital sales 35% of **insurance sales**

Company profile | KBC Group in a nutshell (3)

Dividend policy & capital distribution
(as of 2024)

- We aim to be **amongst the better capitalised** financial institutions in Europe. As a consequence, the Board of Directors decided:
  - The dividend policy for 2024 to remain unchanged:
    - Payout ratio policy (i.e. dividend + AT1 coupon) of at least 50% of consolidated profit of the accounting year
    - Interim dividend of 1 EUR per share in November of each accounting year as an advance on the total dividend
  - The capital deployment policy for 2024 to remain unchanged:
    - On top of the payout ratio of at least 50% of consolidated profit, each year (when announcing the full year results), the Board of Directors will take a decision, at its discretion, on the distribution of the capital above 15.0% fully loaded CET1 ratio, so-called surplus capital. The distribution of this surplus capital can be in the form of a cash dividend, a share buy-back or a combination of both
- Considering the **introduction of Basel 4 as of 1 Jan 2025 onwards**, the **dividend policy as well as the surplus capital threshold will be reviewed in 1H25**

Shareholder structure
(as at end 3Q24)



- Roughly **41% 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

Kate4MassRetail

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

Kate is available in all KBC's core countries!

KATE autonomy
67% BE
69% CZ

5.0 million users in contact with Kate

Kate4Business

Kate will also engage with our **self-employed, micro-SME, SME and corporate clients** with relevant and actionable insights that are personal and proactive.

Already **available in BE and CZ** in a mobile environment. Web environment to follow soon.

Kate Group Platform

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

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

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

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

'KATE IN A BOX'
delivered to all core countries

Kate4Employees

Kate will also have an impact on our employees: Kate will provide commercial steering towards our work force, she will augment our workforce to better serve our clients, Kate will serve as a back-up for our network and will automate certain administrative tasks.

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

This will also give tools to management to better coach employees and plan ahead.

232.1k converted Kate leads
In CZ & BE (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.

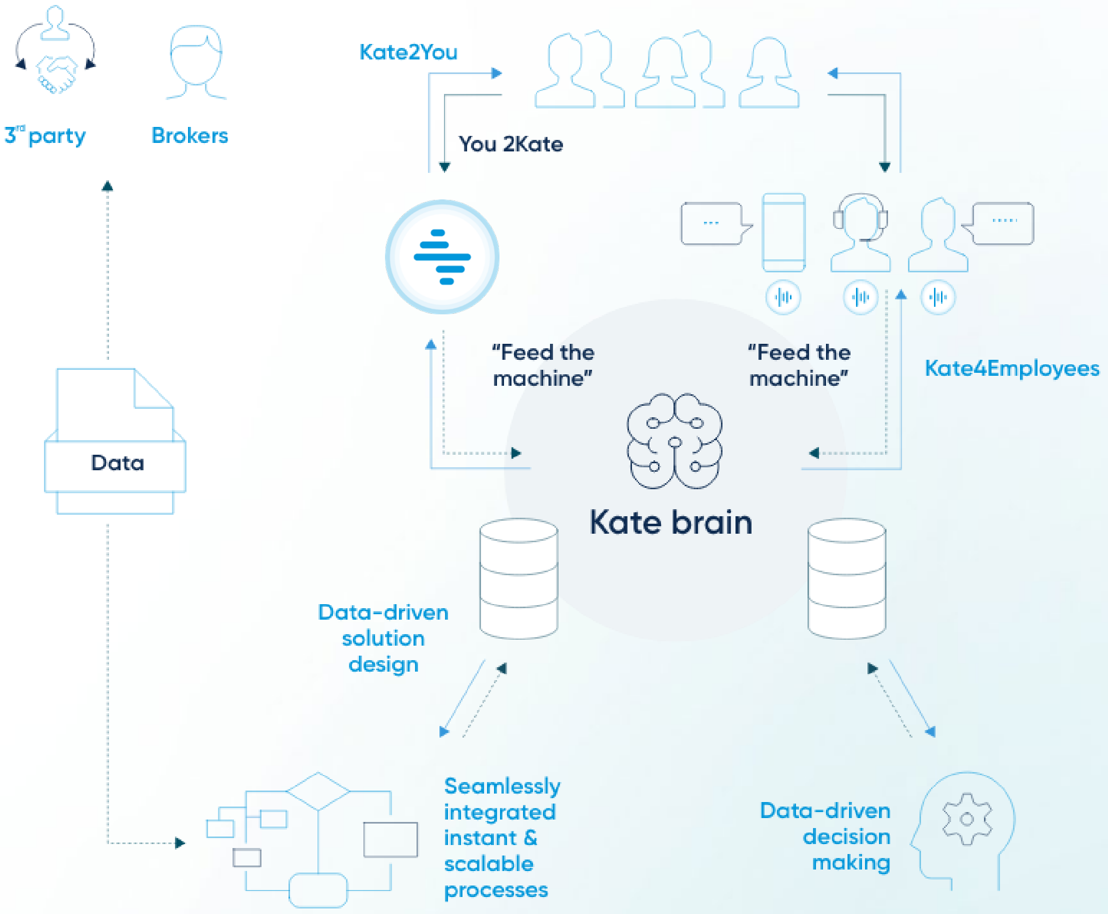
So, Kate is not only steering the interaction with customer-facing touchpoints (digital, physical, remote) but also the product factories and decision makers by **providing relevant insights**.

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 September 30th 2024	Position versus industry average
CDP DISCLOSURE INSIGHT ACTION	Scale: D- … A KBC: A	• Leader in addressing climate change • CDP's A list • Financial average service B-
SUSTAINALYTICS	Scale: Severe Risk, High Risk, Medium Risk, Low Risk, Negligible Risk KBC: 8.8	• 1st percentile of 287 diversified banks assessed *[Full annual review pending]*
S&P Dow Jones Indices A Division of S&P Global	Scale: 0 … 100 KBC: 66	• Top 8% • 92nd percentile of 646 banks assessed *[313 according to the 2024 CSA methodology and 351 banks according to the 2023 CSA methodology, CSA score date: 14 October 2024]*
MSCI	Scale: C, B, BB, BBB, A, AA, AAA KBC: AAA	• Leader among 203 banks assessed
Corporate ESG Performance RATED BY ISS ESG Prime	Scale: D-, D, D+, C-, C, C+, ... KBC: C+ prime)	• 1st decile rank of 301 Commercial Banks & Capital Markets assessed
FTSE4Good	Scale: 0, 1, 2, 3, 4, 5 KBC: 5.0	• 100th percentile of banks assessed

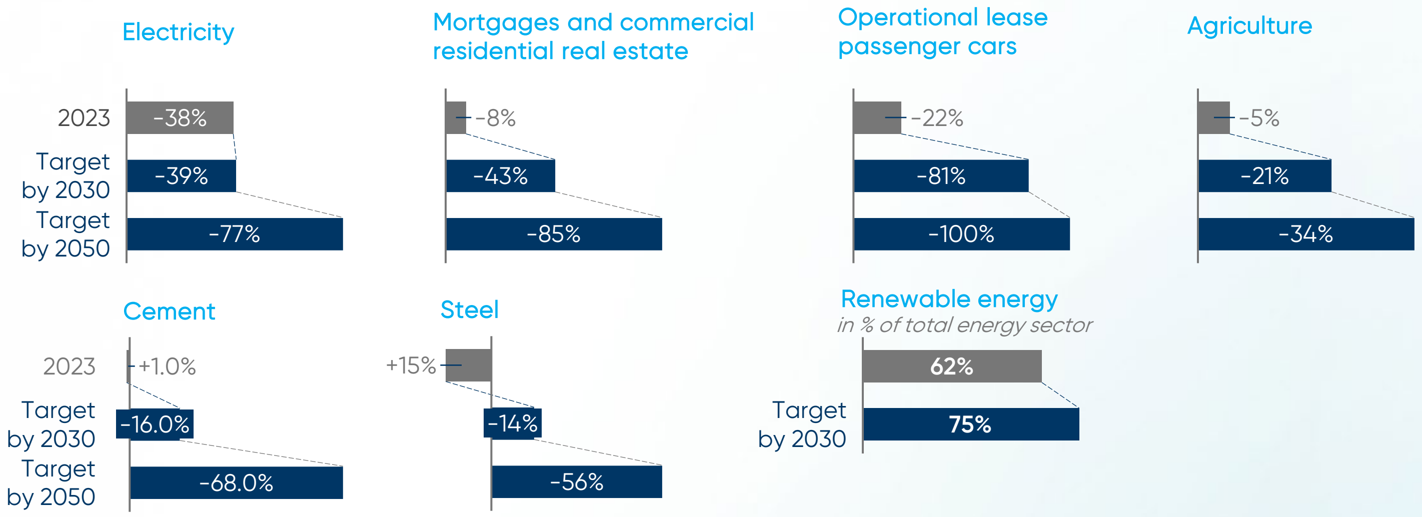
Indirect environmental impact: our progress in brief

INDIRECT environmental footprint (FY 2023)

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

Loan portfolio (selection of sectors)

reduction compared to 2021 baseline, otherwise indicated



Asset management funds

reduction compared to 2021 baseline, otherwise indicated

Sustainability highlights

Commitment to environmental action

Second progress report published on the 2030 and 2050 climate targets for the most material carbon-intensive industrial sectors and product lines in our lending business

Set of **Climate targets published for our own corporate investments of KBC Insurance** for the first time

Calculated for the first time the GHG emissions of part of **KBC's insurance underwriting portfolio**

Continued to expand our focus to include the themes of biodiversity, circularity, pollution and water, and report on them. **By extension, we also became an adapter of the TNFD recommendations**

Sustainable business

48bn EUR Responsible Investing funds in 9M24
or 43% of total assets under distribution (direct client money)

7.4bn EUR
Financing contributing to social objectives

19.3bn EUR
Financing contributing to environmental objectives

We are reporting our contribution to environmental objectives according to the **EU taxonomy for the first time, including but not limited to voluntary EU taxonomy reporting and our mandatory reporting** (more details see further in the presentation)

Social responsibility and governance

Social bond
Issued a second social bond for investments in healthcare and education in 2Q23

75% of employees took part in the **new webinar on responsible behaviour** during last quarter 2023

Focus on **improving the gender balance within our leadership**

Collective variable remuneration
At least 30% of the collective, variable results-related remuneration component that is awarded to the members of the Executive Committee is related to sustainability

Sustainability highlights in 2023, unless otherwise indicated

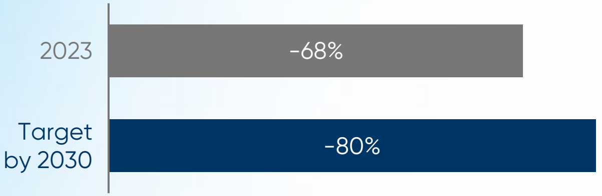
Direct environmental impact: our progress in brief

DIRECT environmental footprint (FY 2023)

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

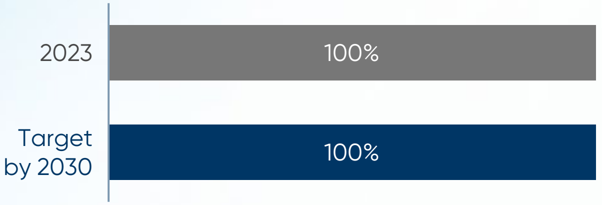
Reduction in our direct GHG emissions

reduction compared to 2015



Renewable electricity

in % of own electricity consumption



More details in our 2023 Sustainability Report

More details in our 2022 Climate Report

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

Disclaimer

- This presentation is provided for information purposes only. It does not constitute an offer to sell or the solicitation to buy any security issued by the KBC Group.
- KBC believes that this presentation is reliable, although some information is condensed and therefore incomplete. KBC cannot be held liable for any loss or damage resulting from the use of the information.
- This presentation contains non-IFRS information and forward-looking statements with respect to the strategy, earnings and capital trends of KBC, involving numerous assumptions and uncertainties. There is a risk that these statements may not be fulfilled and that future developments differ materially. Moreover, KBC does not undertake any obligation to update the presentation in line with new developments.
- By reading this presentation, each investor is deemed to represent that they possess sufficient expertise to understand the risks involved.